



RFP ADDENDUM #3
 Date of Addendum: April 17, 2026

NOTICE TO FIRMS

The Request for Proposals for White River-Lake Tapps Reservoir Project Operations and Maintenance Agreement is modified as set forth in this Addendum. The original Request for Proposals and any previously issued addenda remain in full force and effect, except as modified by this Addendum, which is hereby made part of the Request for Proposals. Consultant shall take this Addendum into consideration when preparing and submitting its Proposal, and shall acknowledge receipt of this Addendum in its cover letter.

PROPOSAL SUBMITTAL DEADLINE

The submittal deadline for Proposals remains the same and is not changed by this Addendum.

1.0 – REQUEST FOR PROPOSALS

Item	Section No.	Description of Change
1.1	6.6	<p>Insert these three missing words “<u>that is not</u>” in paragraph 4 as follows,</p> <p>Cascade reserves the right to raise and negotiate any issue, term or condition of the Draft O&M Agreement and the selected Proposer’s Proposal, including its proposed pricing, at any time. Subject to such reserved right and except as specified above, it is Cascade’s intent to limit discussion and negotiation of the terms of the Draft O&M Agreement to those items submitted in the Proposer’s Proposal. Cascade will have the discretion to accept, reject, or negotiate any proposed change to the Draft O&M Agreement. Unless there is an Uncontrollable Circumstance occurring between the Proposal Due Date and the Effective Date, Cascade does not intend to discuss or negotiate any issue, term, or condition <u>that is not</u> anticipated by this Section or specifically identified in the selected Proposer’s Proposal. If any Proposer</p>

		selected for negotiations raises any such unidentified issue, term, or condition, Cascade reserves the right to terminate negotiations with such Proposer.
--	--	--

2.0 – INFORMATION AND CLARIFICATIONS

The following is provided as a matter of information and clarification only. To the extent that changes to the Request for Proposals are required based on the following, the Request for Proposals have been modified as noted above in this Addendum

Item	Section No.	Questions (Q) and Answers (A)
2.1		<p>Q: Section 5.4(G) of the Draft O&M Agreement requires the payment of prevailing wages for maintenance-related Contract Services. If statutory prevailing wage increases outpace the ECI-W component of the Blended Adjustment Factor detailed in Section 7.3(D), would Cascade agree to an equitable adjustment of the Base O&M Charge to prevent the operator from absorbing mandated labor cost deficits?</p> <p>A: Per Section 5.4.8.2 of the RFP, Proposers may propose to the Draft O&M Agreement that the Proposer wishes to discuss with Cascade if selected for negotiations with Cascade.</p>
2.2		<p>Q: Draft O&M Agreement Section 9.1(A) and Footnote 8 indicate that Transaction Form B (Form of Performance and Payment Bonds) will be provided via Addendum. Since Addendum #2 did not include this form, when will Cascade issue Transaction Form B so we can confirm the specific bond language and requirements?</p> <p>A: The Form of Performance and Payment Bond is included as Attachment 1 to this Addendum #3.</p>
2.3		<p>Q: Draft O&M Agreement Section 7.4(D) states that markups on Cost Substantiated items shall not exceed the "applicable markup set forth in Appendix 9". Since Appendix 9 is to be negotiated, does Cascade intend to issue a baseline or capped markup percentage prior to the Proposal Due Date, or are Proposers expected to establish these caps entirely within Proposal Form C?</p> <p>A: Cascade does not intend to issue a baseline or capped markup percentage prior to the Proposal Due Date. Per Section 5.4.7 of the RFP, Proposers must include their proposed mark-up on outside direct costs and Subcontractors, which will be negotiable. Per Footnote 6 of the Draft O&M Agreement, Appendix 9 will be negotiated with the successful Proposer.</p>

2.4		<p>Q: Draft O&M Agreement Appendix 4 establishes strict formulaic deductions for KPI noncompliance but does not provide a similar framework for incentive payments. Please provide specific metrics and define "superior performance," or confirm if Proposers are expected to independently establish these targets within their pricing narrative.</p> <p>A: Cascade intends to negotiate incentive compensation, including the framework for incentive payments, with the successful Proposer as part of the negotiation of the First Annual Budget and each subsequent Annual Budget, subject to the terms specified in subsection 7.2(D) of the Draft O&M Agreement. Proposers are encouraged to provide their suggestions for incentive compensation, as indicated in Section 5.4.7 of the RFP.</p>
2.5		<p>Q: Would Cascade consider modifying the proposed Appendix 4 KPI framework to establish a verified asset condition baseline, cap monthly and annual liquidated damages, include explicit dispute resolution and relief provisions, and adding additional exemptions for root causes outside of the contract operator's control (ex. emergency response or capital projects)?</p> <p>A: Per Section 5.4.8.2 of the RFP, Proposers may propose any changes to the Draft O&M Agreement, including the appendices, that the Proposer wishes to discuss with Cascade if selected for negotiations with Cascade.</p>
2.6		<p>Q: What model is used to track river flows, water quality, weather events, etc. and how current is it? Who is responsible for maintaining this model – Cascade, O&M contractor, or another consultant?</p> <p>A: The river flows and water quality are tracked by a series of USGS gages data that is published on its website and refreshed between every 15 minutes to every hour depending on the gage. The weather events are not tracked based on a single data source but based on numerous local weathers forecast and publicly available data. The responsibility for maintaining this model is the owner, USGS, and weather data collection station owners but not the O&M contractor. However, the responsibility for how to interpret and apply the data to operate the system is the responsibility of the O&M contractor.</p>
2.7		<p>Q: Can Cascade please provide a list of assets across the system and a spare parts inventory?</p> <p>A: Proposers may directly contact the Designated Contact Person (Henry Chen) via email (hchen@cascadewater.org) to obtain a copy of</p>

		<p>these lists upon execution of a nondisclosure agreement on behalf of the Proposer. Proposers should be advised that Cascade staff has not vetted the accuracy and completeness of these lists for purposes of the RFP, thus Proposers should use caution in relying on these lists for purposes of the Proposal.</p>
2.8		<p>Q. The RFP and Draft O&M Agreement (Schedule C) make several references to the Transition Period and Transition Plan:</p> <ul style="list-style-type: none"> • RFP Section 5.4.6.2 Transition Plan: “The Proposal shall include a Transition Plan with a clear description of how the Proposer plans to execute a smooth and orderly transition of operations and maintenance services from the Transition Period Operator to the Company.” • RFP Section 2.3 Transition Period: “...the continuation of operations and maintenance services by the Transition Period Operator through the Transition Period is expected to end by no later than June 30, 2027”. • Draft O&M Agreement Section 4.1 (B) Cooperation: “The Parties shall work cooperatively together in fulfilling their respective Transition Period responsibilities and shall use all reasonable efforts to satisfy such responsibilities as soon as is reasonably practicable following the Effective Date and in no event later than by June 30, 2027.” <p>Does the Transition Period Operator have a Transition Period plan that you can share? Is there a firm timeframe for the Transition Period?</p> <p>A. Cascade and its current Operator (Transition Period Operator) are presently in discussion on their Transition Period plan, including the timeframe and scope of services. An agreed-upon plan is expected to be developed by June. If the Transition Period Operator is not the highest scoring Proposer, their plan will be shared with the highest scoring Proposer and Cascade will work with the selected Proposer to make necessary adjustments to their proposed Transition Plan.</p>

ATTACHMENT 1: Form of Payment and Performance Bond

END OF RFP ADDENDUM # 3

PERFORMANCE, PAYMENT AND GUARANTY BOND

_____, as Principal, and _____, as Surety, a corporation authorized and duly licensed to do business in the State of Washington and registered with the Washington State Insurance Commissioner, are held and firmly bound unto CASCADE WATER ALLIANCE, hereinafter called "Owner," in the full sum of _____ Dollars (\$_____), for the payment of which sum well and truly to be made, we bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

WHEREAS, Principal has been awarded and has entered into that certain White River-Lake Tapps Reservoir Project Operations and Maintenance Agreement, dated _____ and attached hereto (hereinafter, the "Contract"), with Owner to perform the Contract Services (as defined in the Contract) according to the terms, conditions and covenants specified in the Contract, including all of the Contract documents therein referred to which are hereby referred to and made a part hereof as fully and completely as though set forth in detail herein.

NOW, THEREFORE, if Principal shall perform all of the requirements of the Contract required to be performed on its part, at the times and in the manner specified therein; and

If Principal shall pay for all materials, equipment, or other supplies, or for rental of same, used in connection with the performance of the Contract Services, and for all amounts due under applicable State law for any work or labor in connection therewith; and

If Principal shall pay the sales, use and any other applicable taxes of the State of Washington or any political subdivision of said State relating to the Contract or to the Contract Services, and pay amounts due the State pursuant to Titles 50, 51, and 82 of the Revised Code of Washington; and

If Principal shall indemnify, defend and hold the Owner harmless in accordance with and to the extent provided in the Contract;

THEN the obligation of Principal and Surety under this Bond shall be void, but otherwise it shall remain in full force and effect, subject, however, to the following conditions:

(a) The liability of the Principal and the Surety under this Bond is limited to the performance of the Contract during the period _____ to _____. The dates covered by this Bond may be extended for annual periods, all such extensions to be evidenced by a continuation certificate or by a new bond, duly executed by an authorized representative of the Surety and the Principal. However, in no event will the Surety be held liable under this Bond for its failure to provide extension certificates and/or additional bonds for any subsequent period.

(b) No claim, action, suit or proceeding shall be had or maintained against the Surety on this Bond unless the same be brought or instituted upon the Surety within one year from expiration of the Bond term.

(c) The liability of the Surety shall not exceed the penal sum above stated and shall not be cumulative from year to year, regardless of the original term of the Contract or the number of extensions hereto.

