

**EXHIBIT 3**

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**CONTRACT FOR SERVICES OF STATE AGENCY**  
A Contract Between the State of Nevada  
Acting by and Through its

Agency Name:	<b>Nevada Division of Forestry</b>
Address:	<b>2478 Fairview Dr.</b>
City, State, Zip Code:	<b>Carson City, NV 89701</b>
Contact:	<b>John Christopherson</b>
Phone:	<b>775-684-2522</b>
Fax:	<b>775-684-2570</b>
Email:	<b>jchrist@forestry.nv.gov</b>

Contractor Name:	<b>Nevada Power Company and Sierra Pacific Power Company dba NV Energy</b>
Address:	<b>6226 W. Sahara Ave.</b>
City, State, Zip Code:	<b>Las Vegas, NV 89149</b>
Contact:	<b>Mark Regan, Fire Mitigation Specialist</b>
Phone:	<b>775-430-0902</b>
Fax:	<b>N/A</b>
Email:	<b><a href="mailto:MRegan@nvenergy.com">MRegan@nvenergy.com</a></b>

WHEREAS, NRS 333.700 authorizes officers, departments, institutions, boards, commissions, and other agencies in the Executive Department of the State Government which derive their support from public money in whole or in part to engage, subject to the approval of the Board of Examiners (BOE), services of persons as independent contractors; and

WHEREAS, it is deemed that the service of Contractor is both necessary and in the best interests of the State of Nevada.

NOW, THEREFORE, in consideration of the aforesaid premises, the parties mutually agree as follows:

1. **REQUIRED APPROVAL.** This Contract shall not become effective until and unless approved by the Nevada State Board of Examiners.
2. **DEFINITIONS.**
  - A. "State" – means the State of Nevada and any State agency identified herein, its officers, employees and immune contractors as defined in NRS 41.0307.
  - B. "Contracting Agency" – means the Nevada Division of Forestry.
  - C. "Contractor" – Nevada Power Company and Sierra Pacific Power Company dba NV Energy.

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- D. "Fiscal Year" – means the period beginning July 1st and ending June 30th of the following year.
  - E. "Contract" – Unless the context otherwise requires, "Contract" means this document entitled Contract for Services of Independent Contractor and all Attachments or Incorporated Documents.
  - F. "Contract for Services of State Agency" – means this document entitled Contract for Services of State Agency exclusive of any Attachments or Incorporated Documents.
3. **CONTRACT TERM.** This Contract shall be effective as noted below, unless sooner terminated by either party as specified in *Section 10, Contract Termination*. Contract is subject to Board of Examiners' approval.

Effective from:	Date: BOE approval	To:	March 31, 2022
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4. **NOTICE.** All communications, including notices, required or permitted to be given under this Contract shall be in writing and directed to the parties at the addresses stated above. Notices may be given: (i) by delivery in person; (ii) by a nationally recognized next day courier service, return receipt requested; or (iii) by certified mail, return receipt requested. If specifically requested by the party to be notified, valid notice may be given by facsimile transmission or electronic mail to the address(es) such party has specified in writing.
5. **INCORPORATED DOCUMENTS.** The parties agree that this Contract, inclusive of the following attachments, specifically describes the scope of work. This Contract incorporates the following attachments in descending order of constructive precedence:

ATTACHMENT AA:	Scope of Work

Any provision, term or condition of an Attachment that contradicts the terms of this Contract for Independent Contractor, or that would change the obligations of the State under this Contract for Services of State Agency shall be void and unenforceable.

6. **CONSIDERATION.** The parties agree that Contracting Agency will provide the services specified in *Section 5, Incorporated Documents* at a cost as noted below:

Contracting Agency will provide Contractor a Rate sheet and a Not To Exceed Price for each Project	
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Total Contract Not to Exceed:	\$5,000,000
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Any intervening end to a biennial appropriation period shall be deemed an automatic renewal (not changing the overall Contract term) or a termination as the result of legislative appropriation may require.

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7. **ASSENT.** The parties agree that the terms and conditions listed on incorporated attachments of this Contract are also specifically a part of this Contract and are limited only by their respective order of precedence and any limitations specified.
8. **BILLING SUBMISSION: TIMELINESS.** The parties agree that timeliness of billing is of the essence to the Contract and recognize that the State is on a Fiscal Year.
9. **INSPECTION & AUDIT.**
  - A. **Books and Records.** Contracting Agency agrees to keep and maintain under generally accepted accounting principles (GAAP) full, true and complete records, contracts, books, and documents as are necessary to fully disclose to the State or United States Government, or their authorized representatives, upon audits or reviews, sufficient information to determine compliance with all State and federal regulations and statutes.
  - B. **Inspection & Audit.** Contracting Agency agrees that the relevant books, records (written, electronic, computer related or otherwise), including, without limitation, relevant accounting procedures and practices of Contracting Agency or its subcontractors financial statements and supporting documentation, and documentation related to the work product shall be subject, at any reasonable time, to inspection, examination, review, audit, and copying at any office or location of Contracting Agency where such records may be found, with or without notice by the State Auditor, the relevant State agency or its contracted examiners, the department of Administration, Budget Division, the Nevada State Attorney General's Office or its Fraud Control Units, the state Legislative Auditor, and with regard to any federal funding, the relevant federal agency, the Comptroller General, the General Accounting Office, the Office of the Inspector General, or any of their authorized representatives. All subcontracts shall reflect requirements of this Section.
  - C. **Period of Retention.** All books, records, reports, and statements relevant to this Contract must be retained a minimum three (3) years, and for five (5) years if any federal funds are used pursuant to the Contract. The retention period runs from the date of payment for the relevant goods or services by the state, or from the date of termination of the Contract, whichever is later. Retention time shall be extended when an audit is scheduled or in progress for a period reasonably necessary to complete an audit and/or to complete any administrative and judicial litigation which may ensue.
10. **CONTRACT TERMINATION.**
  - A. **Termination Without Cause.** Regardless of any terms to the contrary, this Contract may be terminated upon written notice by mutual consent of both parties. The State unilaterally may terminate this contract without cause by giving not less than thirty (30) days' notice in the manner specified in *Section 4, Notice*. If this Contract is unilaterally terminated by the State, Contractor shall use its best efforts to minimize cost to the State and Contractor will not be paid for any cost that Contractor could have avoided.
  - B. **State Termination for Non-Appropriation.** The continuation of this Contract beyond the current biennium is subject to and contingent upon sufficient funds being appropriated, budgeted, and otherwise made available by the State Legislature and/or federal sources. The State may terminate this Contract, and Contractor waives any and all claims(s) for damages, effective immediately upon receipt of written notice (or any date specified therein) if for any reason the contracting Agency's funding from State and/or federal sources is not appropriated or is withdrawn, limited, or impaired.
  - C. **Termination with Cause for Breach.** A breach may be declared with or without termination. A notice of breach and termination shall specify the date of termination of the Contract, which shall not be sooner than the expiration of the Time to Correct, if applicable, allowed under subsection 10D. This Contract may be terminated by either party upon written notice of breach to the other party on the following grounds:
    - 1) If Contractor fails to provide or satisfactorily perform any of the conditions, work, deliverables, goods, or services called for by this Contract within the time requirements specified in this Contract or within any granted extension of those time requirements; or

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- 2) If any state, county, city, or federal license, authorization, waiver, permit, qualification or certification required by statute, ordinance, law, or regulation to be held by Contractor to provide the goods or services required by this Contract is for any reason denied, revoked, debarred, excluded, terminated, suspended, lapsed, or not renewed; or
- 3) If Contractor becomes insolvent, subject to receivership, or becomes voluntarily or involuntarily subject to the jurisdiction of the Bankruptcy Court; or
- 4) If the State materially breaches any material duty under this Contract and any such breach impairs Contractor's ability to perform; or
- 5) If it is found by the State that any quid pro quo or gratuities in the form of money, services, entertainment, gifts, or otherwise were offered or given by Contractor, or any agent or representative of Contractor, to any officer or employee of the State of Nevada with a view toward securing a contract or securing favorable treatment with respect to awarding, extending, amending, or making any determination with respect to the performing of such contract; or
- 6) If it is found by the State that Contractor has failed to disclose any material conflict of interest relative to the performance of this Contract.

D. Time to Correct. Unless the breach is not curable, or unless circumstances do not permit an opportunity to cure, termination upon declared breach may be exercised only after service of formal written notice as specified in *Section 4, Notice*, and the subsequent failure of the breaching party within fifteen (15) calendar days of receipt of that notice to provide evidence, satisfactory to the aggrieved party, showing that the declared breach has been corrected. Upon a notice of breach, the time to correct and the time for termination of the contract upon breach under subsection 10C, above, shall run concurrently, unless the notice expressly states otherwise.

E. Winding Up Affairs Upon Termination. In the event of termination of this Contract for any reason, the parties agree that the provisions of this Section survive termination:

- 1) The parties shall account for and properly present to each other all claims for fees and expenses and pay those which are undisputed and otherwise not subject to set off under this Contract. Neither party may withhold performance of winding up provisions solely based on nonpayment of fees or expenses accrued up to the time of termination;
- 2) Contracting Agency shall satisfactorily complete work in progress at the agreed rate (or a pro rata basis if necessary) if so requested by the Contractor;
- 3) Contractor shall execute any documents and take any actions necessary to effectuate an assignment of this Contract if so requested by the Contracting Agency;
- 4) Contractor shall preserve, protect and promptly deliver into State possession all proprietary information in accordance with *Section 21, State Ownership of Proprietary Information*.

11. **REMEDIES.** Except as otherwise provided for by law or this Contract, the rights and remedies of the parties shall not be exclusive and are in addition to any other rights and remedies provided by law or equity, including, without limitation, actual damages, and to a prevailing party reasonable attorneys' fees and costs. For purposes of an award of attorneys' fees to either party, the parties stipulate and agree that a reasonable hourly rate of attorneys' fees shall be one hundred and fifty dollars (\$150.00) per hour. The State may set off consideration against any unpaid obligation of Contractor to any State agency in accordance with NRS 353C.190. In the event that Contractor voluntarily or involuntarily becomes subject to the jurisdiction of the Bankruptcy Court, the State may set off consideration against any unpaid obligation of Contractor to the State or its agencies, to the extent allowed by bankruptcy law, without regard to whether the procedures of NRS 353C.190 have been utilized.

12. **LIMITED LIABILITY.** The State will not waive and intends to assert available NRS Chapter 41 liability limitations in all cases. Contract liability of both parties shall not be subject to punitive damages. Damages for any State breach shall

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never exceed the amount of funds appropriated for payment under this Contract, but not yet paid to Contractor, for the Fiscal Year budget in existence at the time of the breach.

13. **FORCE MAJEURE.** Neither party shall be deemed to be in violation of this Contract if it is prevented from performing any of its obligations hereunder due to strikes, failure of public transportation, civil or military authority, act of public enemy, accidents, fires, explosions, or acts of God, including without limitation, earthquakes, floods, winds, or storms. In such an event the intervening cause must not be through the fault of the party asserting such an excuse, and the excused party is obligated to promptly perform in accordance with the terms of the Contract after the intervening cause ceases.
14. **INDEMNIFICATION AND DEFENSE.** Neither party waives any right or defense to indemnification that may exist in law or equity.
15. **Intentionally Omitted.**
16. **INSURANCE.** Pursuant to the provisions of NRS Chapter 41, the State of Nevada and its political subdivisions are self-insured. Contracting Agency does not waive any requirements, rights or defenses provided in NRS Chapter 41. Contractor shall provide any of its own required insurance.
17. **COMPLIANCE WITH LEGAL OBLIGATIONS.** Each party shall procure and maintain for the duration of this Contract any state, county, city or federal license, authorization, waiver, permit qualification or certification required by statute, ordinance, law, or regulation for the performance of that Party's duties under this Contract. In the event that Contracting Agency is required to obtain any license, permit, certification or other legal authorization to perform the work, Contractor shall reimburse Contracting Agency for such costs.
18. **WAIVER OF BREACH.** Failure to declare a breach or the actual waiver of any particular breach of the Contract or its material or nonmaterial terms by either party shall not operate as a waiver by such party of any of its rights or remedies as to any other breach.
19. **SEVERABILITY.** If any provision contained in this Contract is held to be unenforceable by a court of law or equity, this Contract shall be construed as if such provision did not exist and the non-enforceability of such provision shall not be held to render any other provision or provisions of this Contract unenforceable.
20. **ASSIGNMENT/DELEGATION.** To the extent that any assignment of any right under this Contract changes the duty of either party, increases the burden or risk involved, impairs the chances of obtaining the performance of this Contract, attempts to operate as a novation, or includes a waiver or abrogation of any defense to payment by State, such offending portion of the assignment shall be void, and shall be a breach of this Contract. Neither party shall assign, transfer nor delegate any rights, obligations nor duties under this Contract without the prior written consent of the other party; provided, however, that the Contracting Agency may subcontract the work to appropriate government agencies, in accordance with the terms of the Scope of Work (Attachment AA).
21. **STATE OWNERSHIP OF PROPRIETARY INFORMATION.** Any data or information provided by the State to Contractor and any documents or materials provided by the State to Contractor in the course of this Contract ("State Materials") shall be and remain the exclusive property of the State and all such State Materials shall be delivered into State possession by Contractor upon completion, termination, or cancellation of this Contract.
22. **PUBLIC RECORDS.** Pursuant to NRS 239.010, information or documents received from Contractor may be open to public inspection and copying. The State has a legal obligation to disclose such information unless a particular record is made confidential by law or a common law balancing of interests. Contractor may label specific parts of an individual document as a "trade secret" or "confidential" in accordance with NRS 333.333, provided that Contractor thereby agrees to indemnify and defend the State for honoring such a designation. The failure to so label any document that is released by the State shall constitute a complete waiver of any and all claims for damages caused by any release of the records.
23. **CONFIDENTIALITY.** Contractor shall keep confidential all information, in whatever form, produced, prepared, observed or received by Contractor to the extent that such information is confidential by law or otherwise required by this Contract.

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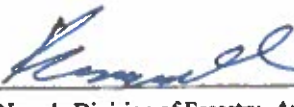
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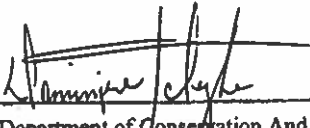
24. **FEDERAL FUNDING.** [RESERVED]
25. **LOBBYING.** [RESERVED]
26. **GENERAL WARRANTY.** Contracting Agency warrants that all services, deliverables, and/or work products under this Contract shall be completed in a workmanlike manner consistent with standards in the trade, profession, or industry; shall conform to or exceed the specifications set forth in the incorporated attachments; and shall be fit for ordinary use, of good quality, with no material defects.
27. **PROPER AUTHORITY.** The parties hereto represent and warrant that the person executing this Contract on behalf of each party has full power and authority to enter into this Contract. Contractor acknowledges that as required by statute or regulation this Contract is effective only after approval by the State Board of Examiners and only for the period of time specified in the Contract. Any services performed by Contractor before this Contract is effective or after it ceases to be effective are performed at the sole risk of Contractor.
28. **DISCLOSURES REGARDING CURRENT OR FORMER STATE EMPLOYEES.** [RESERVED]
29. **ASSIGNMENT OF ANTITRUST CLAIMS.** [RESERVED]
30. **GOVERNING LAW: JURISDICTION.** This Contract and the rights and obligations of the parties hereto shall be governed by, and construed according to, the laws of the State of Nevada, without giving effect to any principle of conflict-of-law that would require the application of the law of any other jurisdiction. The parties consent to the exclusive jurisdiction of and venue in the First Judicial District Court, Carson City, Nevada for enforcement of this Contract, and consent to personal jurisdiction in such court for any action or proceeding arising out of this Contract. To the fullest extent permitted by law, each of the parties hereto waives any right it may have to a trial by jury in respect of litigation directly or indirectly arising out of, under or in connection with the agreement. Each party further waives any right to consolidate any action in which a jury trial has been waived with any other action in which a jury trial cannot be or has not been waived.
31. **ENTIRE CONTRACT AND MODIFICATION.** This Contract and its integrated attachment(s) constitute the entire agreement of the parties, and, as such are intended to be the complete and exclusive statement of the promises, representations, negotiations, discussions, and other agreements that may have been made in connection with the subject matter hereof. Unless an integrated attachment to this Contract specifically displays a mutual intent to amend a particular part of this Contract, general conflicts in language between any such attachment and this Contract shall be construed consistent with the terms of this Contract. Unless otherwise expressly authorized by the terms of this Contract, no modification or amendment to this Contract shall be binding upon the parties, unless the same is in writing and signed by the respective parties hereto and approved by the Office of the Attorney General and the State Board of Examiners. This Contract, and any amendments, may be executed in counterparts.

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IN WITNESS WHEREOF, the parties hereto have caused this Contract to be signed and intend to be legally bound thereby.

 5/8/20 SVP, Operations  
Contractor's Signature Kevin C. Geraghty Date Contractor's Title

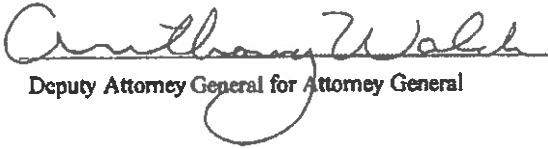
 5/11/20  
Nevada Division of Forestry- Authorized Signature Date State Forester Firewarden

 05/06/2020  
Department of Conservation And Natural Resources- Authorized Signature Date Deputy Director

  
Signature - Board of Examiners APPROVED BY BOARD OF EXAMINERS

On: 6-9-2020  
Date

Approved as to form by:

 5/16/2020  
Deputy Attorney General for Attorney General Date



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## **Attachment AA: Scope of Work**

### **A. Master Contract**

Contracting Agency to provide ground-clearing services, each a separate “Project,” through sub-contracts with various governmental agencies. All persons performing the work shall be employees or contractors of a governmental agency. Contractor will not provide its own employees or contractors to perform the work. Work will be physically performed on government land or within Contractor’s easements or right of ways. Contractor will perform tree-trimming services separate and apart from this Contract, but will coordinate with Contracting Agency to perform tree-trimming services prior to ground clearing services.

Nevada Division of Forestry (NDF) and NV Energy (hereafter referred to as the company) agree to work together to coordinate, plan, implement and track accomplishments to reduce the risk of catastrophic loss to communities and infrastructure in moderate to high wildfire risk priority areas across Nevada. NDF will perform wildfire hazard mitigation through management of the surface vegetation utilizing appropriate techniques within the company’s electric service territory and electrical assets including, without limitation, powerline Rights-of-Way (ROWs), Transmission and Distribution (T&D) lines, and around company’s infrastructures in accordance with local Community Wildfire Protection Plans (CWPPs), Authority Having Jurisdiction (AHJ) fuel treatment requirements and 2018 International Wildland-Urban Interface Code (IWUIC) Appendix A requirements. Work will include “pole grubbing” to create a combustible-free space around poles, in accordance with 2018 IWUIC Appendix A, and maintenance as required throughout the duration of an executed agreement.

NDF will use the most effective maintenance treatment to prevent the growth of cheatgrass and noxious weeds in the ROWs. These treatments may include the use of pre-emergent herbicides, seeding with fire resilient grasses, soil bacteria application which works like a pre-emergent herbicides, yearly mowing or livestock grazing. Work may be conducted on state, federal, county or private lands and extend beyond NV Energy’s areas of protection, as allowed by NRS and inclusive of all agreements for such work. NDF staff and/or NDF contracted staff work will include vegetation management project development, implementation, oversight and reporting in conjunction with state, federal, local and tribal partners on a project by project basis. NDF Foresters will be used during multiple phases of each project to include: create, maintain and implement Community Wildfire Protection Plans; write implementation plans; track and ensure progress; oversee project implementation; report accomplishments and efficacies of treatments; and empowering community engagement in the Nevada Network of Fire Adapted Community Program.

All projects will consider the protection of communities, landscapes, habitat, threatened/endangered/sensitive plant and animal species, and cultural resources, as well as NV Energy’s infrastructure. Appropriate Geographic Information System(GIS) analyses will be conducted before, during and following projects. NDF and NV Energy also agree to coordinate on long term planning efforts as they relate to wildfire mitigation and prevention. Funds may be used for NDF staff, operating supplies, equipment usage, and contractors to complete the work above. NDF also has capacity when available to provide incident command team support during emergency response or Public Safety Outage Management (PSOM) events to NV Energy. All rates billed to NV Energy will be based on actual expenditure costs and will be billed with backup documentation to prove expenditures. For the purposes of budgeting and planning, NDF will provide a rate sheet for project and incident response (see attached), and will update the rate sheet annually. All projects for implementation under this agreement will have an agreed upon scope of work and budget approved by both parties prior to implementation. Matching funds will be sought and provided as available and approved in each project implementation plan.

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#### B. Projects/SOWs

Prior to engaging in a Project, Contracting Agency will send Contractor a Statement of Work (SOW) for such Project, along with a rate sheet and a not to exceed price. Contractor may approve or reject a Project in its sole discretion. If Contractor approves a Project, Contracting Agency will coordinate directly with the governmental agency subcontractor to perform the Project. Once the parties agree to a Project, they will execute a SOW pursuant to the terms of this Contract. The SOW will describe the following and will also be signed by the subcontracting agency.

- The particular Project (date, location, etc.)
- The government agency performing the work
- Any forester fees and any mapping fees
- The not to exceed price for the Project
- The rate sheet for the government agency performing the work

#### C. Warranty

In addition, to the warranty set forth in Section 26 of this Contract, each Project will be performed to meet Community Wildfire Protection Plans, wildland code standards, and Nevada Senate Bill 329 requirements. Contractor will inspect all ongoing Projects on a quarterly basis to ensure the warranty is being met. Should Contracting Agency not perform to the warranty standard, Contracting Agency will cause the work to be re-performed at no additional cost to Contractor

#### D. Invoicing

Each month, Contracting Agency will provide an invoice for work performed under any open Projects, including sufficient documentation for Contractor to verify hours worked and other Project costs. Contractor will pay Contracting Agency on a net 30 basis from receipt of invoice and sufficient documentation of Project costs.

Contractor acknowledges that Contracting Agency may seek matching funds from the State under Nevada Senate Bill 508. Contractor agrees to reasonably cooperate with Contracting Agency to provide any necessary documentation to Contracting Agency so that it can obtain matching funds.