Ebix Insurance No. S200003802

AMENDMENT NO. 2 CITY OF SANTA CLARA CONTRACT NO. 2004D ELECTRIC UTILITY SUBSTRUCTURE AND AERIAL FIBER OPTIC CABLE MASTER CONSTRUCTION AGREEMENT DOCUMENT 00520 BETWEEN THE CITY OF SANTA CLARA, CALIFORNIA AND DALEO, INC.,

PREAMBLE

This agreement ("Amendment No. 2") is entered into between the City of Santa Clara, California, a chartered California municipal corporation ("City" or "Owner") and Daleo, Inc., a California corporation, with its primary business address located at 550 E Luchessa Avenue, Gilroy, CA ("Contractor"). City and Contractor may be referred to individually as a "Party" or collectively as the "Parties" or the "Parties to this Agreement."

RECITALS

- A. The Parties previously entered into an agreement entitled "City of Santa Clara Contract No. 2004D Electric Utility Substructure and Aerial Fiber Optic Cable Master Construction Agreement Document 00520 dated on or about August 11, 2017 (Agreement);
- B. The Parties executed Amendment No 1 to this Agreement on October 8, 2020;
- C. The Agreement and its amendments are collectively referred to herein as the "Agreement as Amended"; and
- D. The Parties entered into the Agreement as Amended for the purpose of having Contractor provide the installation and testing of underground power utility substructures and the Parties now wish to amend the Agreement as Amended to extend the Contract Time, incorporate additional documents, and update rate tables.

NOW, THEREFORE, the Parties agree as follows:

AMENDMENT TERMS AND CONDITIONS

1. Document 00520 Article 3. "Contract Time and Liquidated Damages" Section 3.1 is hereby amended to read as follows:

Contractor shall commence Work at the Site on the date established in each Call Order (Document 00520), as executed. The City reserves the right to modify or alter the Commencement Date of the Work due to the need to complete other City provided work at the Site. Contractor shall complete the Work following the schedule provided in each Call Order.

City shall not issue Call Orders after July 31, 2022.

2. Document 00311 – Schedule of Unit Bid Prices is amended and replaced with Document 00311 – Schedule of Unit Bid Prices Effective August 1, 2021

Amendment No. 2 to Agreement Daleo, Inc. Rev. 07/2021

- 3. Document 00312 Daily Hourly Bid Schedule is amended and replaced with Document 00312 Daily Hourly Bid Schedule Effective August 1, 2021.
- 4. Document 00 54 33 Digital Data Protocol is incorporated into the Agreement.
- 5. Document 00 73 43 Labor and Wage Rate Requirements is incorporated into the Agreement.
- 6. Document 00 43 36 Subcontractors List is incorporated into the Agreement.
- 7. Except as set forth herein, all other terms and conditions of the Agreement as Amended shall remain in full force and effect. In case of a conflict in the terms of the Agreement and this Amendment No. 1, the provisions of this Amendment No. 1 shall control.

The Parties acknowledge and accept the terms and conditions of this Amendment No. 1 as evidenced by the following signatures of their duly authorized representatives.

CITY OF SANTA CLARA, CALIFORNIA

a chartered California municipal corporation

Approved as to Form:

Dated: _____

BRIAN DOYLE City Attorney DEANNA J. SANTANA City Manager 1500 Warburton Avenue Santa Clara, CA 95050 Telephone: (408) 615-2210 Fax: (408) 241-6771

"CITY"

	DALEO, INC. a California corporation	
Dated:		
By (Signature):	(ff)	
Name:	DAVID LEVISAY	
Title:	President	
Principal Place of	7190 Forest Street	
Business Address:	Gilroy, CA 95020	
Telephone:	(408) 846-9261	
Fax:	(408) 846-9611	
	"CONTRACTOR"	

Amendment No. 2 to Agreement Daleo, Inc. Rev. 07/2021

Number	Trench Dirt (Dorth)	Unit	Unit S	chedule A	Unit Sc	hedule B
Number	Trench Dirt (Depth)	Unit	QTY	PRICE	QTY	PRICE
100	Trench Dirt (Up to 40" Depth)	LFT	1-100	\$68.44	101+	\$46.66
101			1 400	607.05	404	
101	Trench Dirt (Up to 60" Depth)	LFT	1-100	\$97.05	101+	\$59.10
110	Trench Manual (30"Depth)	LFT	1-20	\$84.61	21+	\$84.61
111	Trench Manual (40"Depth)	LFT	1-20	\$96.43	21+	\$96.43
112	Trench Manual (48"Depth)	LFT	1-20	\$108.87	21+	\$108.87
122	Place Conduits in Trench	FT	1-100	\$14.93	21+	\$12.44
123	Place Conduits w/Spacers , Each New Level	FT	1-100	\$7.47	21+	\$7.47

Number	Conventional Direrctional Core Bore	Unit	Unit So	hedule A	Unit Schedule B	
Number	Conventional Directional Core Bore	Unit	QTY	PRICE	QTY	PRICE
200	Conventional Bore 1- 2"	FT	1-20	\$42.30	21+	\$42.30
201	Conventional Bore 1 - 4"	FT	1-20	\$58.49	21+	\$58.49
220	Directional Bore 1 - 2" HDPE*	FT	1-200	\$87.10	201+	\$45.03
221	Directional Bore 2 - 2" HDPE*	FT	1-200	\$88.28	201+	\$46.22
222	Directional Bore 3 - 2" HDPE*	FT	1-200	\$89.47	201+	\$47.40
223	Directional Bore 4 - 2" HDPE*	FT	1-200	\$90.65	201+	\$48.59
224	Directional Bore 1- 4" PVC*	FT	1-200	\$91.84	201+	\$49.77
225	Directional Bore 1-5" PVC*	FT	1-200	\$94.80	201+	\$53.33
240	Core Bore up to 5" diameter	EA	1-5	\$497.70	6+	\$497.70

*For Item Numbers 220 221, 222, 223, 224, 225; Contractor shall purchase conduits (PVC - HDPE) and all associated parts and invoce City for costs plus 15%. Contractor shall provide supporting documentation such as invoices or receipts for such materials..

Number	Dines Facility	Unit	Unit Se	chedule A	Unit Sc	hedule B
Number	Place Facility	Unit	QTY	PRICE	QTY	PRICE
300	Place in conduit or casing - 1 locate wire	FT	1-200	\$1.25	200-500	\$1.06
301	Place in conduit or casing - maxcell	FT	1-200	\$4.98	200-500	\$3.11
302	Place in conduit or casing - Up to 4 innerducts	FT	1-200	\$6.23	200-500	\$4.98
303	Place in Interior conduit raceway or rack innerduct	FT	1-200	\$9.95	200-500	\$8.74
310	Place Up to 1" Fiber into Building	FT	1-200	\$6.23	200-500	\$4.98
311	Place in Conduit , Casing or Maxcell Fiber Optic Cable	FT	1-200	\$4.98	200-500	\$1.68
312	Place In Occupied Conduit or Casing / 1 Pull Maxcell	FT	1-200	\$3.74	200-500	\$3.11
320	Remove Up to 1" Non-Working Cable from Plant	FT	1-200	\$4.98	200-500	\$3.74
350	Install 2-Post 19-Inch Rack in Building	FT	1-2	\$621.60	3+	\$621.60
351	Install and Splice 24 Port Patch panel in Rack	FT	1-2	\$1,493.10	3+	\$1,493.10
352	Install and Splice 48 Port Patch panel in Rack	FT	1-2	\$1,866.38	3+	\$1,866.38
353	Install and Splice 72 Port Patch panel in Rack	Each	1-2	\$2,115.23	3+	\$2,115.23
354	Install and Splice 96 Port Patch panel in Rack	Each	1-2	\$2,488.50	3+	\$2,488.50

Number	Place Feelike	11	Unit S	chedule A	Unit So	chedule B
Number	Place Facility	Unit	QTY	PRICE	QTY	PRICE
400	Install Precast 8'x10' Primary Manhole per UG 1000	FT	1-5	\$9,406.53	6+	\$9,406.53
400A	Install Owner-Furnished 48"x48"x48" Manhole Trafficed Rated per UG 301	FT	1-5	\$6,718.95	6+	\$6,718.95
401	Install Precast 5'x10' Primary Manhole per UG 1000	FT	1-5	\$9,404.43	6+	\$9,404.43
402	Install Precast 4'x6' Full Traffic Manhole per UG 1000	FT	1-5	\$5,225.85	6+	\$5,225.85
403	Install Precast 4'x6' Light Traffic Manhole per UG 1000	EA	1-5	\$5,225.85	6+	\$5,225.85
404	Install 48"x48" Splice Box Non-Traffic per UG 1000	EA	1-5	\$2,623.95	6+	\$2,623.95
405	Install 30"x60" Splice Box Non-Traffic per UG 1000	EA	1-5	\$1,493.10	6+	\$1,493.10
406	Install 24"x36" Splice Box Non-Traffic per UG 1000	EA	1-5	\$746.55	6+	\$746.55
407	Install 17"x30" Splice Box Non-Traffic per UG 1000	EA	1-5	\$311.06	6+	\$311.06
408	Install Single Phase Transformer Pad Per UG 1000	EA	1-5	\$4,665.94	6+	\$3,732.75
409	Install Single Phase Transformer Pad Per UG 1000	EA	1-5	\$5,225.85	6+	\$4,665.94
410	Furnish and Install Permanent Barrier Pipe per UG 1000	EA	1-5	\$372.75	6+	\$372.75
411	Furnish and Install Removable Barrier Pipe per UG 1000	Cu.FT	1-5	\$485.26	6+	\$485.26
412	Install Street Light Foundation Per UG 1000	Cu.FT	1-5	\$3,421.69	6+	\$1,679.74

Number	Encounter and DeckEll	11-24	Unit S	chedule A	Unit Sc	hedule B
Number	Encasement and Backfill	Unit	QTY	PRICE	QTY	PRICE
500	Concrete Encasement	YD	1-9	\$435.49	10+	\$286.18
501	Slurry Backfill Up to 12" Depth	YD	1-9	\$348.39	10+	\$286.18
301			1-5	4040.05	10+	\$200,10
502	Slurry backfill - each additional 6"	YD	1-9	\$348.39	10+	\$286.18
503	Sand backfill up to 12" depth	YD	1-5	\$149.31	101+	\$149.31
504	Sand backfill - each additional 6"	YD	1-5	\$149.31	101+	\$149.31
505	Import backfill up to 12" depth	YD	1-5	\$130.65	6+	\$130.65
506	Import backfill up - each additional 6"	YD	1-5	\$130.65	6+	\$130.65
510	Concrete Removal & Restoral up to 4" in depth	SQFT	1-100	\$35.77	101+	\$32.04
511	Concrete Removal & Restoral over 4" in depth, and each additional 2"	SQFT	1-100	\$3.74	101+	\$3.74
512	Asphait Removal & Restoral up to 4" depth	SQFT	1-200	\$52.88	201+	\$21.78
513	Asphalt Removal & Restoral over 4", Each additional 2"	SQFT	1-200	\$4.99	201+	\$5.00
514	Asphalt removal & restoral over concrete subsurface-up to 4" concrete	SQFT	1-200	\$59.10	201+	\$31.11
515	Asphalt Removal & Restoral over Concrete Subsurface-over 4", Concrete each addtitional 2"	SQFT	1-200	\$9.95	201+	\$9.95
520	Surface Restoration - sod	SQFT	1-200	\$9.95	201+	\$9.95
521	Surface Restoration - brick	SQFT	1-200	\$37.33	201+	\$31.11
522	Surface Restoration - decorative rock	YD	1-100	\$14.93	101+	\$12.44
523	Surface Restoration - decorative bark	YD	1-100	\$9.95	101+	\$7.47

Number	Aerial	Unit	Unit S	chedule A	Unit Sc	hedule B
Number	Aeria	Onit	QTY	PRICE	QTY	PRICE
710	Install Anchor - 8' Manta Rey	EA	1-5	\$746.55	6+	\$684.34
711	Install Anchor 10' Bust Plate	EA	1-5	\$1,014.07	6+	\$933.19
		.0.				1
712	Down guy - 10M	EA	1-5	\$83.37	6+	\$58.49
713	Sidewalk guy 10M	EA	1-5	\$354.62	6+	\$286.19
715	Install 1.25" self supporting Inner duct e/w mule	FT	1-200	\$21.78	201+	\$18.64
	tape		-			
716	Install 2" self supporting Inner duct e/w mule tape	FT	1-200	\$24.89	201+	\$22.40
	and a conception of a new order of a new tape					
717	Place Aerial Squirrel Guard 1' to 2" Street Side	FT	1-200	\$3.11	201+	\$2.80
				40.11	2011	ψ2.00
	Place Aerial Squirrel Guard 1' to 2" Utility	200	_			
718	Easement	FT	1-200	\$5.00	201+	\$4.04
719	Remove Squirrel Guard	FT	1-200	\$3.74	201+	\$3.74
720	Fiber Optic Riser	EA	1-5	\$373.28	1000+	\$373.28
723	Fiber optic slack storage-strand or cable mounted	EA	1-5	\$435.49	1000+	\$435.49
736	Extra high strength steel strand 1/4"	FT	1-500	\$5.60	501+	\$3.11
730		FL	1-500	\$5.00	501+	. 00.11
<u> </u>	ADSS fiber optic cable up to 1.0" dia (owner					
740	furnished)	FT	1-1000	\$4.36	1000+	\$2.49
741	ADSS fiber optic cable over 1.0" dia (owner	FT	1-1000	\$4.36	1000+	\$2.49
	furnished)	8 5				
720	Look fiber entire eable as dust to stars d		1 4000	64.00	4000	60.44
750	Lash fiber optic cable or duct to strand	FT	1-1000	\$4.36	1000+	\$3.11
	Durstert floor of the last		1 1000		4000	
751	Overlash fiber optic cable or duct	FT	1-1000	\$5.00	1000+	\$3.42
-			-			000.07
752	Multiple strand bond	EA	1-5	\$29.34	6+	\$29.24
753	Vertical ground	EA	1-5	\$186.64	6+	\$186.38

Number	Aerial	Unit	Unit So	chedule A	Unit Schedule B	
Number	Aeriai	Unit	QTY	PRICE	QTY	PRICE
760	Cross Arm	EA	1-5	\$59.10	6+	\$59.10
761	Guard Arm Placement or Relocate	EA	1-5	\$186.64	6+	\$186.64
762	Double Guard Arm Placement or Relocate	EA	1-5	\$342.17	6+	\$342.17
763	Guard Arm Removal	EA	1-5	\$124.43	6+	\$124.43
764	Double Guard Arm Removal	EA	1-5	\$186.64	6+	\$177.75
765	Aerial Cable Wreckout Easement	FT	1-1000	\$4.36	1000+	\$2.80
766	Aerial Cable Wreckout Street	EA	1-1000	\$2.80	1000+	\$2.06
800	Move/transfer down guy or false dead end	EA	1-5	\$105.77	6+	\$80.88
801	Move/transfer Side Walk Guy	EA	1-5	\$261.29	6+	\$230.19
802	Move/transfer OHG or Vacant Strand	EA	1-5	\$261.29	6+	\$230.19
803	Move Transfer Cross Arm	EA	1-5	\$311.06	6+	\$311.06
804	Move/transfer Cable Attachment or Suspension Strand	EA	1-5	\$217.75	6+	\$186.64
805	Move/transfer one drop wire	EA	1-5	\$56.00	6+	\$43.55
806	Move/transfer one insulator bracket on a pole	EA	1-5	\$124.43	6+	\$124.43

In the event of unusual job conditions such as but not limited to unanticipated field conditions or restricted work hours on a site, Contractor may substitute the unit price cost with a call order using the hourly rates plus materials cost. Markup for materials shall not exceed 15%. Approval for this call order is subject to justification by contractor and approval of City which shall not be unreasonably withheld. The call order shall include the calculation used to support the cost of the project detailed in the Call Order and justification for substitution of the unit price cost.

		н	ourly Rates				
Number	On side a Marsa	HOU	RLY	DAILY		OVERTIME (See N	lote 1)
Number	Position Name	UNIT	PRICE	UNIT	PRICE	UNIT	PRICE
900	Foreman Aerial	PER HOUR	\$148.52	PER 8 HOUR DAY	\$1,188.16	PER HOUR OVER 8 HOURS IN A DAY	\$208.90
901	Foreman Underground	PER HOUR	\$142.29	PER 8 HOUR DAY	\$1,139.92	PER HOUR OVER 8 HOURS IN A DAY	\$201.65
902	Equipment Operator	PER HOUR	\$135.85	PER 8 HOUR DAY	\$1,086.80	PER HOUR OVER 8 HOURS IN A DAY	\$192.60
903	Line Person Journeyman	PER HOUR	\$142.49	PER 8 HOUR DAY	\$1,139.92	PER HOUR OVER 8 HOURS IN A DAY	\$201.65
904	Line Person Apprentice	PER HOUR	\$119.54	PER 8 HOUR DAY	\$956.32	PER HOUR OVER 8 HOURS IN A DAY	\$166.04
905	Truck Driver	PER HOUR	\$127.40	PER 8 HOUR DAY	\$1,019.20	PER HOUR OVER 8	\$178.71
			-			HOURS IN A DAY	
906	Mechanic	PER HOUR	\$135.85	PER 8 HOUR DAY	\$1,086.80	PER HOUR OVER 8 HOURS IN A DAY	\$192.60
907	Laborer	PER HOUR	\$103.85	PER 8 HOUR DAY	\$830.80	PER HOUR OVER 8 HOURS IN A DAY	\$128.00
908	Flagger	PER HOUR	\$103.85	PER 8 HOUR DAY	\$830.80	PER HOUR OVER 8 HOURS IN A DAY	\$128.00
909	Journeyman Fiber Splicer	PER HOUR	\$142.49	PER 8 HOUR DAY	\$1,139.92	PER HOUR OVER 8 HOURS IN A DAY	\$201.65
910	Apprentice Fiber Splicer	PER HOUR	\$99.02	PER 8 HOUR DAY	\$792.12	PER HOUR OVER 8	\$123.17
0.10			400.02			HOURS IN A DAY	
911	Two Man Crew - SubStructure	PER HOUR	\$373.42	PER 8 HOUR DAY	\$2,987.36	PER HOUR OVER 8 HOURS IN A DAY	\$414.00
912	Four Man Crew - SubStructure	PER HOUR	\$746.84	PER 8 HOUR DAY	\$5,974.72	PER HOUR OVER 8 HOURS IN A DAY	\$893.55

Note 1: Except in the case of emergency, Overtime shall be approved by the City in advance. Contractor shall notify the City as so as practicable in the event that overtime is anticipated. While use of overtime shall be limited, contractor shall additional costs associated with remobilization if those costs can be avoided using overtime.

		HOURI	Y	DAILY	
Number	Vehicle Name	UNIT	PRICE	UNIT	PRICE
930	Trencher - Ditchwitch 3700	UP TO 4 HOURS	\$108.00	PER 8 HOUR DAY	\$216.00
931	Backhoe - JD 310	UP TO 4 HOURS	\$184.00	PER 8 HOUR DAY	\$368.00
932	Trackhoe - John Deere 85	UP TO 4 HOURS	\$340.00	PER 8 HOUR DAY	\$680.00
933	Utility Truck E/W Tools	UP TO 4 HOURS	\$108.00	PER 8 HOUR DAY	\$215.00
934	6 Wheel Dump	UP TO 4 HOURS	\$128.00	PER 8 HOUR DAY	\$256.00
935	10 Wheel Dump	UP TO 4 HOURS	\$160.00	PER 8 HOUR DAY	\$320.0
936	1 Ton Pick Up	UP TO 4 HOURS	\$88.00	PER 8 HOUR DAY	\$176.00
937	Forklift - 8,000 lb.	UP TO 4 HOURS	\$108.00	PER 8 HOUR DAY	\$216.0
938	Aerial T-40C e/w tools or equivalent - 28 ft.	UP TO 4 HOURS	\$172.00	PER 8 HOUR DAY	\$344.0
939	Bucket Truck Splicing - 28 ft.	UP TO 4 HOURS	\$128.00	PER 8 HOUR DAY	\$256.0
940	Aerial Man Lift- 40 ft Straight 2 Wheel Dr	UP TO 4 HOURS	\$160.00	PER 8 HOUR DAY	\$320.0
941	Water Truck - 1800 GAL	UP TO 4 HOURS	\$128.00	PER 8 HOUR DAY	\$256.0
942	Truck, Digger Derrick E/W Tools	UP TO 4 HOURS	\$188.00	PER 8 HOUR DAY	\$376.0

		HOURI	V	DAILY	
Number	Equipment Name				PRICE
950	Pole/Pipe Trailer			PER 8 HOUR DAY	\$40.00
951	Reel Trailer (all sizes)			PER 8 HOUR DAY	\$40.00
952	Loader - 420 Kubota/204 John Deere	UP TO 4 HOURS	\$224.00	PER 8 HOUR DAY	\$448.0
953	Tractor & Low Boy	UP TO 4 HOURS	\$188.00	PER 8 HOUR DAY	\$376.0
954	Concrete/Asphalt Cutting Tools			PER 8 HOUR DAY	\$120.0
955	Auger, Jacking Impaction	UP TO 4 HOURS	\$480.00	PER 8 HOUR DAY	\$960.0
956	Auger, Jacking Pushing	UP TO 4 HOURS	\$480.00	PER 8 HOUR DAY	\$960.0
957	Vibrating Tamper - 100 lb.			PER 8 HOUR DAY	\$96.00
958	Drums, Vibrating, Roller - 48" Smooth	UP TO 4 HOURS	\$92.00	PER 8 HOUR DAY	\$184.0
959	Hammer, Hydro	UP TO 4 HOURS	\$72.00	PER 8 HOUR DAY	\$144.0
960	Air Compressor: CFM 185	UP TO 4 HOURS	\$84.00	PER 8 HOUR DAY	\$168.0
961	Hydro Vac	UP TO 4 HOURS	\$540.00	PER 8 HOUR DAY	\$1,080.
961 A	Vacuum Excavator - 12 Yard Cap	UP TO 4 HOURS	\$540.00	PER 8 HOUR DAY	\$1,080.
961B	Vacuum Excavator: 500 -800 Gal Cap	UP TO 4 HOURS	\$340.00	PER 8 HOUR DAY	\$680.
962	Truck Mounted Rodder	UP TO 4 HOURS	\$140.00	PER 8 HOUR DAY	\$280.0

	Hourly Rates - I	Equipment (See No	ote 2)		
	England Mana	HOURI	Y	DAILY	
Number	Equipment Name	UNIT	PRICE	UNIT	PRICE
963	Compactor - 18" Diesel Plate	UP TO 4 HOURS	\$48.00	PER 8 HOUR DAY	\$96.00
964	Directional Drill Rig - Ditch Witch JT 1720	UP TO 4 HOURS	\$560.00	PER 8 HOUR DAY	\$1,120.00
964A	Directional Drill 7 X 11	UP TO 4 HOURS	\$560.00	PER 8 HOUR DAY	\$1,120.00
964B	Directional Drill 24 X 40	UP TO 4 HOURS	\$1,040.00	PER 8 HOUR DAY	\$2,080.00
965	Mud Tank/Trailer	UP TO 4 HOURS	\$240.00	PER 8 HOUR DAY	\$480.00
966	Vacuum Trailer	UP TO 4 HOURS	\$108.00	PER 8 HOUR DAY	\$216.00
967	Street Sweepers - Laymore	UP TO 4 HOURS	\$120.00	PER 8 HOUR DAY	\$240.00
968	Arrow Board			PER 8 HOUR DAY	\$120.00
969	Mini Excavator - John Deere 27 or smaller	UP TO 4 HOURS	\$108.00	PER 8 HOUR DAY	\$216.00
981	Warning Signs (each)			PER 8 HOUR DAY	\$24.00
982	Manhole Package (MH guard,Blower w/hose,pump,gas tester)			PER 8 HOUR DAY	\$16.00
983	Arrow Board (each)			PER 8 HOUR DAY	\$80.00
984	Tree Trimming	UP TO 4 HOURS	\$1,499.60	PER 8 HOUR DAY	\$3,001.50
985	Rod & Rope	UP TO 4 HOURS	\$1,499.60	PER 8 HOUR DAY	\$3,001.50
986	Grinder 20"x60"	UP TO 4 HOURS	\$520.00	PER 8 HOUR DAY	\$1,040.00

Note 2: Where equipment model numbers are listed, Contractor may substitute for similar equipment provided that the substituted equipment can perform similar functions without additional time or other costs to the City.

In some cases, Contractor may pass-through cost such as, but not limited to: traffic control costs and other subcontracted activities to complete activities required by the City. When these Pass-Through Costs occur, Contractor will invoice SVP for these costs with a markup not to exceed 15%. Contractor shall provide supporting documentation such as invoices or receipts for all Pass-Through costs. Exce in the case of emergency, Contractor will notify the City in advance when these costs are anticipated.