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**CALIFORNIA ALTERNATIVE ENERGY
AND ADVANCED TRANSPORTATION
FINANCING AUTHORITY (CAEATFA)**

**REQUEST FOR PROPOSAL-Secondary
CONTRACT NO. CAEATFA08-16
Contractor Management for the
Residential Energy Efficiency Loan (REEL) Assistance Program**

Notice to Prospective Proposers

April 17, 2017

You are invited to review and respond to this Request for Proposal (RFP) Number CAEATFA08-16. The California Alternative Energy and Advanced Transportation Financing Authority (CAEATFA or the "Authority"), a public instrumentality of the State of California, seeks to retain a qualified entity ("firm") to provide assistance to the Authority with contractor management as it pertains to the Energy Efficiency Financing Pilot Programs authorized by the California Public Utilities Commission (CPUC), currently in development and described below ("Pilot Programs"); specifically, under the Residential Energy Efficiency Loan (REEL) Assistance Program. Interested firms are invited to submit proposals in response to this RFP. In submitting your proposal, you must comply with these instructions.

Note that all contracts entered into with the State of California must include, by reference, General Terms and Conditions (GTC) and Contractor Certification Clauses (CCC) that may be viewed and downloaded at <http://www.dgs.ca.gov/ols/Resources/StandardContractLanguage.aspx>. If you do not have Internet access, a hard copy can be provided by contacting the person listed below.

In the opinion of CAEATFA, this RFP is complete and without need of explanation. However, if you have questions, or should you need any clarifying information, the contact person for this RFP is:

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Questions regarding this RFP must be submitted in writing no later than April 28, 2017 at 12:00 p.m. (noon). Responses to the questions will subsequently be posted on the Department of General Services' (DGS) website and CAEATFA's website.

Please note that no verbal information provided will be binding upon the State unless such information is issued in writing as an official addendum.

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A. PURPOSE AND DESCRIPTION OF SERVICES

1. Introduction

The California Alternative Energy and Advanced Transportation Financing Authority (CAEATFA or the “Authority”) seeks proposals from which to select a qualified firm (“Contractor”) to enter into an agreement (“Agreement” or “Contract”) to provide assistance to the Authority with development and ongoing support for residential contractor recruitment and management, project desk-top review, on-site field verifications, and reporting for CAEATFA’s Residential Energy Efficiency Loan (REEL) Assistance Program.

The selection of the qualified firm will be based not only on the reasonableness of the proposed fees, but also on assurances that the selected firm will provide competent and responsive service to CAEATFA in all subject areas described in the Scope of Services (Section B), and will meet the Minimum Qualifications for Proposers (Section C). The ideal proposer will demonstrate experience with most or all of the following aspects of contractor recruitment and management:

- a. Experience with building and maintaining contractor networks.
- b. Experience with the development of outreach materials and efforts for recruiting contractors to participate in energy efficiency and finance programs.
- c. Experience with contractor education and training contractors to comply with program guidelines.
- d. Experience with training contractors to use financing programs as a tool to successfully complete a high volume of projects.
- e. Experience with investor-owned utility energy efficiency rebate and incentive programs.
- f. Experience with contractor screening and practices, including an understanding of Contractors’ State License Board requirements for licensure; local government permitting requirements, and Combustion Appliance Safety or Combustion Appliance Zone testing.
- g. Experience with the development of desk-top review processes and documentation to assure compliance with energy efficiency and finance program requirements and coordination with contractors to correct deficiencies.
- h. Experience with ongoing support for contractors engaged in energy efficiency and finance programs, including continual communication of guidance, notices, clarifications and changes to program requirements.
- i. Experience with the implementation of quality assurance processes, in connection with energy efficiency and finance programs, such as post-installation field verifications and complaint resolution processes.

2. CAEATFA Background and Overview

CAEATFA, a public instrumentality, was created in 1980 to assist specified entities by providing credit enhancements, access to low-cost financing through private activity, tax-exempt bonds and loans, and other forms of financial assistance.

CAEATFA staff takes direction from its Board, which consists of five members: the State Treasurer, who serves as chairperson of the Authority; the State Controller; the Director of the Department of Finance; the Chairperson of the California Energy Commission (CEC); and the President of the California Public Utilities Commission (CPUC).

3. Energy Efficiency Financing Pilot Programs Background and Overview

On September 19, 2013, the CPUC approved the Decision Implementing 2013-14 Energy Efficiency Pilot Programs (Decision 13-09-044, the "Decision"). In the Decision, the CPUC directs the Investor Owned Utilities (IOUs) it regulates to allocate ratepayer funds for use in the Pilot Programs.

Through the Pilot Programs, the CPUC seeks the development of "new, scalable, and leveraged financing products to offer consumers to help them produce deeper energy efficiency projects than previously achieved through traditional program approaches."¹ The Pilot Programs will include various forms of credit enhancements for residential and commercial sectors. The Credit Enhancements (CEs) are expected to provide additional security to third-party capital providers, thereby resulting in increased consumer access to more favorable loan or lease rates and terms. The credit-enhanced loans, leases, retail installment contracts and Energy Savings Agreements (ESAs) made under the Pilot Programs will be used to fund approved measures as described in the relevant CAEATFA regulations, and are expected to be offered by multiple Participating Financial Institutions (PFIs, e.g., banks and credit unions) and Participating Financial Lenders (PFLs, e.g., CA licensed specialty lenders) enrolled in the Pilot Programs.

The Pilot Programs have been authorized for activity for at least a two (2)-year period. The single family residential program launched in Q2 2016. Current program activity specific to project and loan enrollment is at a minimum anticipated through Q2 2018, with project site visits being potentially required through Q1 2019. The pilots may ultimately be extended at the discretion of the CPUC. While the CPUC has approved funding for the program, CAEATFA's legislative budget authority is currently approved through FY 16-17 (June 30, 2017). Subject to CAEATFA's receipt of the anticipated legislative and CPUC budget approvals for future fiscal years, the term of the Agreement will be for a two-year period with the option for CAEATFA to extend for one additional year.

The Contract amount for this RFP may not exceed \$900,000.00 (Nine Hundred Thousand Dollars) for the entire service term, including all optional extensions.

Attached, in Section G hereof, is a proposed sample contract for the services to be provided pursuant to this RFP. It includes the STD 213 Standard Agreement and other standard contract provisions to which the selected Contractor will be bound.

CAEATFA's Role

CAEATFA assumed the role of the administrator of the California Hub for Energy Efficiency Financing (CHEEF). As the CHEEF, CAEATFA serves as a facilitator among a multitude of stakeholders, including the CPUC, the IOUs, PFLs, PFIs, and energy efficiency retrofit contractors. This includes, but is not limited to, management of the flow of funds and data for the Pilot Programs, and provision of an over-arching structure through which those stakeholders can participate in a standardized "open market" that facilitates financing of energy efficiency projects in California. CAEATFA promulgates regulations for the Pilot Programs through a public rulemaking process, and develops pro forma program documentation for use by PFIs, PFLs, contractors and borrowers. The CPUC further directed the IOUs to contract with CAEATFA to establish procedures, terms and conditions for the primary CHEEF functions of fund management, financial product data and borrower data management, and on-bill repayment (OBR) mechanisms and collections oversight.

CAEATFA is also currently coordinating with the Center for Sustainable Energy (CSE), the current implementer of the \$8 million statewide marketing plan for the Pilots. This initial plan is

¹ CPUC Decision 13-09-044, p. 3.

available for review at <http://treasurer.ca.gov/caeatfa/cheef/marketing.pdf>. As the current implementer, CSE is performing certain designated roles related to marketing, education and outreach to support the Pilot Programs. The Contractor will be expected to coordinate with CSE or its successor on CAEATFA's behalf.

The Energy Efficiency Financing Pilot Programs (Pilot Programs)

The Pilot Programs encompass multiple market sectors with different approaches to each sector. Broadly, however, the pilots use one or more tools to incentivize financial institutions (FIs) to participate in the Pilot Programs by providing capital and/or origination and servicing assistance. Pilot Programs may offer one or more of the following: (1) credit enhancements that cover some portion of the risk of default and/or delinquency on customer payments; (2) on-bill repayment through which customers repay principal and financing charges via the utility bill; and (3) on-bill repayment through which PFI's additionally may benefit from the IOU's customer service disconnection process that is tied to a customer's failure to make financing repayments.

The Pilot Programs will include eligibility criteria for contractors and projects and will allow projects to be included in the relevant IOU/Regional Energy Network (REN) rebate or incentive programs. However, participation in an IOU/REN rebate or incentive program is not a requirement of participation in the Pilot Programs.

The respondent will be required to perform tasks related to contractor training and/or contractor management for the Residential Energy Efficiency Loan (REEL) Assistance Program pilot, described below.

Residential Energy Efficiency Loan (REEL) Assistance Program

The initial regulations, pro-forma documentation, and training documents have been established for the REEL Program and can be found at:

<http://www.treasurer.ca.gov/caeatfa/cheef/reel/regulations/2016/20160413/regulations.pdf>, and

<http://www.treasurer.ca.gov/caeatfa/cheef/reel/lender/index.asp>.

Open to multiple PFI's and PFL's, this Pilot Program establishes a loss reserve for REEL Program loans. The REEL Program also incorporates a sub-pilot available in PG&E service territories, the Energy Financing Line-Item Charge (EFLIC). The EFLIC is designed to evaluate the attractiveness to customers in the residential sector of repaying energy efficiency financing obligations through a line item charge on the utility bill and to identify the impact of OBR on residential loan performance. The EFLIC sub-pilot has not launched at the time of issuing this RFP.

The REEL Program launched with enrollment of its first loan in July 2016. Close to 100 contractors are enrolled, and 4 lenders are active as of early 2017. The pilot period is anticipated to run for two years from the first loan enrollment. Throughout the pilot period, the CPUC will evaluate the effectiveness and impact of the program and potentially authorize a program extension or conversion to full program status. Multiple resources describing the current CAEATFA interactions with contractors are available at:

<http://www.treasurer.ca.gov/caeatfa/cheef/reel/contractor/index.asp>.

B. SCOPE OF SERVICES

Under the general direction of the Executive Director of CAEATFA or his or her designee, the Contractor will provide the services outlined below. At the time the selected firm comes under contract, many of the tasks, set forth below, will already be implemented in the REEL Program and

the firm will be expected to assume responsibility for such tasks, review and improve their effectiveness, and implement the remaining scope of services set forth below for the REEL Program. The Scope of Services broadly falls into seven categories:

- Contractor ME&O and Recruitment
- Conduct Contractor Training
- Process Contractor Applications and Certify Contractors
- Support for Participating Contractors
- Compliance Verification
- Reporting
- Program Design Assistance Task Orders

1. Contractor ME&O and Recruitment

CAEATFA and the Center for Sustainable Energy (CSE) are coordinating contractor marketing, education, and outreach (ME&O), as well as recruitment efforts, for all Pilot Programs and have developed contractor marketing strategies and tasks, which set forth each party's roles. Certain strategies for the REEL Program have been developed and launched by CSE and CAEATFA staff. The Contractor will conduct (or coordinate with CSE to conduct) the following REEL-related tasks. Note that these tasks may change as the pilot is refined.

- a. Coordinate outreach activities with IOUs. As part of this, attend and present at events sponsored by IOUs and IOU implementers including providing program updates on the REEL Program approximately monthly.
- b. Conduct weekly webinars that provide Q&A for contractors considering participation in the REEL Program. Recruit participants for those webinars. Record these or similar webinars for placement on Pilot website(s).
- c. Coordinate with CSE to attend outreach events with BPI, Efficiency First and PACE contractors, other trade associations and contractor groups, and manufacturers and distributors of equipment eligible for REEL financing and networking events. If and as relationships are developed through these efforts, the Contractor will continue to manage these relationships to support contractor participation in the REEL Program (up to 3-4 events per month).
- d. Perform comprehensive outreach to recruit contractors to the program through meetings, conferences, workshops, calls, individual meetings, e-mails, social media and the use of manufacturers and association contacts. Coordinate with CSE on this task.
- e. Develop and provide marketing collateral to describe the program requirements and benefits to use during the recruiting effort. Coordinate with CSE on this task.
- f. Contact contractors who have taken training, but have not completed an application, to determine if they need support with the application process
- g. Continually review the recruitment strategy and prioritize efforts to grow contractor enrollment and participation across IOU territories (urban and rural) and adequate coverage in high population areas.

2. Conduct Contractor Training

The selected Contractor will review the current material, develop and expand training curricula and presentations covering specific processes and documentation requirements for REEL, and

conduct training events via webinar and in person. Additionally, CSE is currently responsible for conducting contractor training related to the integration of financing with contractor sales and IOUs may host other training events which surface opportunities for tandem training, which may be employed for the convenience of Eligible Contractors (those interested contractors who intend to participate in the Pilot Program and meet eligibility requirements).

- a. Coordinate with CSE, IOUs and other parties for tandem training events and attend in-person training with a frequency of 1-2 per quarter.
- b. Conduct stand-alone training events, including training events scheduled with larger contractors employing multiple salespeople with a frequency of 1-2 per quarter in the initial stages of contractor enrollment for the Pilot Programs.
- c. Host weekly webinar training events.
- d. Coordinate with CSE to further develop and conduct contractor training on incorporating financing options into their sales tools.
- e. Update and make improvements to CHEEF internet "on-demand" access contractor training (currently in development by CAEATFA and CSE).
- f. Contractor may be requested to coordinate with the IOUs or their agents and CSE to train the appropriate staff on contractor requirements so that they can potentially administer contractor trainings independently leveraging their existing activities.

3. Process Contractor Applications and Certify Contractors

The selected Contractor will process all eligibility, screening and training requirements and ensure compliance with the REEL Program regulations. Contractors who respond to ME&O efforts, and intend to participate in the Pilot Program, must meet eligibility requirements ("Eligible Contractors") and undergo an enrollment process comprising application ("Contractor Application"), screening and training, to become "Qualified Contractors." The selected Contractor will perform the following tasks associated with Contractor Enrollment:

- a. Review Contractor Applications and conduct screening to ensure all eligibility requirements have been met in compliance with CAEATFA Program Regulations:
 - i. Verification of business name and address of the Eligible Contractor.
 - ii. Verification of name, business address, business telephone number, e-mail address and title of contact person.
 - iii. Verification of Contractor's State License Board (CSLB) license number.
 - iv. Verification that the business name submitted to CAEATFA matches the business name provided to the CSLB.
 - v. Verification of type(s) of CSLB licenses relevant to the work performed under the Program.
 - vi. Verification of a commercial general liability insurance policy or policies of not less than \$1,000,000 per occurrence or policy aggregate of not less than twice the occurrence limit.
 - vii. Verification that the Eligible Contractor has no outstanding judgements or liens.
 - viii. Verification that the date, location, and provider of the mandatory training attended by the Eligible Contractor, or an attachment from the provider of the mandatory training containing this information is included with the signed Contractor Application.
 - ix. If application is not complete or additional information is required notify applicant within five (5) business days.

- x. Upon receipt of a complete Contractor Application, review and notify applicant within ten (10) business days whether the Application is accepted or denied.
- xi. Verify Contractor Applications have authorized signatures.
- b. Verify other similar contractor requirements that may change from time to time as determined by CAEATFA's regulations and operational processes.
- c. If an application is accepted:
 - i. Send a "welcome letter" (template will be provided by CAEATFA) to each new Qualified Contractor.
 - ii. Maintain a current list of Qualified Contractors' contact information for inclusion on CAEATFA's website.
 - iii. Provide CHEEF partners, including participating lenders, master servicer and CSE, with regular lists of Qualified Contractors.
 - iv. Maintain an electronic file of Eligible Contractors for outreach purposes.
 - v. Maintain a map of Qualified Contractors and coordinate with CSE to update the map on the public facing website.
- d. If an application is denied, notify the Authority within one (1) business day.
- e. Regularly engage contractors to receive feedback on the program. In addition, at least two times each year, conduct a survey of Qualified Contractors, to gain contractor perspectives on the impact of the REEL Program and feedback on program processes and potential areas of improvement.

4. Support for Participating Contractors

Note that CAEATFA views this task as critical to the overall success of the Contractor services and will place a high priority on applications that show particular strength in this area. The selected Contractor will be responsible for the day-to-day interaction with and support of Qualified Contractors in the REEL Program, and is expected to:

- a. Work with Qualified Contractors who have not yet completed a project, to encourage and assist them in using the program.
- b. Support e-mail and telephone inquiries from contractors seeking answers to questions about program requirements and eligibility criteria. This will include supporting contractors with identification of eligible energy efficiency measures (EEEMs), the proper completion of program forms, and general compliance with program eligibility requirements set forth in the Program Regulations. In order to accommodate contractor working and selling schedules, this support shall be provided weekdays from 8:00 a.m. to 8:00 p.m.
- c. Conduct monthly contractor roundtable calls (including contractor recruitment, setting the agenda, developing presentations) to gather program feedback and to provide answers to contractor inquiries.
- d. Coordinate with CSE and CAEATFA on the content and training material on the CHEEF website (www.thecheef.com) to ensure it is accurate and responsive to recurring questions received from interested parties.
- e. Review and develop forms, instructions, and the list of enrolled Qualified Contractors to ensure they are current on CAEATFA web site.
- f. Coordinate with CAEATFA to provide Qualified Contractors with regular program updates including, but not limited to: changes to the program, addition of new participating lenders, or best practices.

- g. Identify areas of program implementation that need improvement, make recommendations and improvements to existing program material to better the program and encourage contractor uptake.

5. Compliance Verification

The selected Contractor will conduct compliance verifications on Qualified Contractors and loans/retrofit projects to verify compliance with REEL Program regulations. Specific requirements described below are based on current regulations, and some elements may be refined as the program is further implemented. Compliance verification objectives are to:

- a. Identify compliance deficiencies, and follow up with remedial training and guidance to Qualified Contractors to avoid repeated occurrence of deficiencies.
- b. For each completed project, verify that the contractor complied with program regulations and that program documents submitted by the contractor are accurate and reflect their completed work. The following is a list and description of the documents that will be reviewed during the Desktop Review process for residential projects participating in the REEL Program:
 - i. Certificate of Completion (COC) – This document certifies compliance by the contractor with program regulations and provides additional information that is relevant to the Contractor’s review of documents.
 - ii. Itemized Invoice – This document lists which Eligible Energy Efficiency Measures (EEEMs) were installed at what cost and what additional non-energy efficiency measures, if any, were installed. It provides data for program evaluation.
 - iii. Customer Utility Bill – This is the bill that the customer at the service address receives from the IOU monthly.
 - iv. Authorization to Release Customer Information (CISR) – This form gives the IOUs permission to collect data on energy usage at the service address.
 - v. Energy Modeling Documentation (if applicable) – A copy of this documentation is required for Eligible Energy Efficiency Measures (EEEMs) in finance-only projects that require modeling.

These documents may change from time to time as the program is modified to incorporate lessons learned and changes in the utility and energy efficiency industry.

- c. Establish a process to record occurrences of contractor deficiencies and non-compliance, with remedial training recommendations.
- d. Establish a process for contractor evaluation and termination from REEL Program participation that considers severity, frequency, and contractor’s effort to remediate project deficiencies, as well as non-compliance with REEL Program requirements. This effort will be developed by the selected firm, to be approved by CAEATFA.

Two types of activity are required under the Compliance Verification element of the Scope of Services: desktop verification and field verification.

e. Desktop Verification

The selected Contractor will receive a list of projects and corresponding project documents (described above) from the Master Servicer electronically on a weekly basis or as needed. After these project documents are provided to the Contractor from the Master Servicer, the Contractor will review the documents for accuracy, completeness, and consistency with relevant CAEATFA program regulations. Note, however, that the Master Servicer will have already conducted a review of whether

documents are complete, so the completeness review will be done in order to identify areas of remedial training that may be required.

Specifically, if the documents are complete, accurate, and consistent with CAEATFA regulations, the Contractor will note its review on the documents and maintain them in files. If the documents are not complete, accurate, and consistent, the Contractor will conduct remedial training with the contractor and, as required, modify the contractor's tier accordingly. The Contractor will review the following data points on the documents for compliance:

- i. EEEMs match the correct fuel source for the service provided by the IOU.
 - ii. Other necessary alterations are generally consistent with the EEEM installation (if information is available on the invoice).
 - iii. Contractor had correct license for project and that the contractor's license was current and in effect at the time of installation.
 - iv. For finance-only projects, project complied with Title 24 and other building standard compliance to the extent this can be evaluated through a desktop review (including climate zone requirements).
 - v. The contractor obtained necessary permits (as reflected by a permit number identified on the Certificate of Completion). The selected Contractor shall not verify validity of permit at this point, but shall only do so if the project is selected for field verification/audit (described below).
 - vi. Based on a review of the Itemized Invoice, whether or not a CAS/CAZ test should have been conducted and was denoted on the Certificate of Completion.
- f. On-site Field Verification and Audit

Note that the REEL Program allows for Qualified Contractors to install projects, but under certain circumstances will also enable self-installers to install energy efficiency equipment. The selected Contractor shall perform on-site field verifications and an audit that confirm the installation of Eligible Energy Efficiency Measures and certain other elements of compliance with the REEL Program, for a sampling of projects that are not participating in an IOU rebate or incentive program (i.e. the finance only pathway), and projects that have been self-installed. Such verifications are intended to confirm compliance with REEL Program regulations, including among other items, that Eligible Measures, as listed by the Qualified Contractor on the Itemized Invoice, were installed on the Eligible Property. Note that these verifications are not intended to duplicate local government inspection and oversight related to health and safety or Title 24 code compliance. These field verifications shall be performed on a sampling basis, only for selected projects.

The sampling shall be conducted as follows:

- i. For projects completed by Self-Installers (Do-It-Yourself Home Installers), the Contractor shall conduct field verifications on five percent (5%) of all projects participating in the Program that contain Eligible Improvements installed by a Self-Installer.
- ii. For projects installed by a Qualified Contractor that do not receive or participate in an IOU rebate or incentive program (finance only):
 - (a) For projects that **DO NOT** require a Combustion Appliance Safety or Combustion Appliance Zone test, the Contractor shall conduct field verifications on five percent (5%) of projects performed by a Qualified Contractor. If at any point the Contractor finds substantive issues in the field verifications, the Contractor shall provide written notice to the Qualified Contractor of any issues that may need to be addressed.

- (b) For projects that **DO** require a Combustion Appliance Safety or Combustion Appliance Zone test, the Contractor shall conduct field verifications according to the following sampling methodology:

Contractor Tiers for Projects Requiring a Combustion Appliance Safety (CAS) or Combustion Applicant Zone (CAZ) Test	
Tier 1	The Contractor shall verify one hundred percent (100%) of projects performed by the Qualified Contractor and funded by Enrolled Loans. Upon completing five (5) consecutive inspections with no substantive issues, the Authority will begin verifying the Qualified Contractor's work according to Tier II.
Tier 2	The Contractor shall verify a randomly selected twenty percent (20%) of projects performed by the Qualified Contractor and funded by Enrolled Loans. Upon completing twenty (20) consecutive inspections with no substantive issues, the Authority will begin verifying the Qualified Contractor's work according to Tier III.
Tier 3	The Contractor shall verify a randomly selected five percent (5%) of projects performed by the Qualified Contractor and funded by Enrolled Loans.
*If at any point the Contractor finds substantive issues in the field verifications, the Contractor shall provide written notice to the Qualified Contractor of any issues that may need to be addressed. Upon the third such notice, the Contractor shall begin verifying the Qualified Contractor's work according to the previous Tier.	

- (c) The Contractor should propose to CAEATFA a random sampling methodology to carry out sections (a) and (b) directly above for CAEATFA's approval. The frequency of the verifications shall depend on the Qualified Contractor's participation in the Program and the type of Eligible Improvements installed.
- (d) The Contractor may conduct field verifications at the Eligible Property up to one (1) year of enrolling the Eligible Loan to verify that the Eligible Improvements were installed in accordance with regulations. While the regulations allow for these inspections to be conducted for up to one year, the Contractor will be expected to conduct them within 60-days of receiving the project information. The Contractor will prioritize those projects that require CAS/CAV tests.
- (e) The Contractor will coordinate the field verification directly with the Borrower. The Contractor shall notify the Borrower at least ten (10) business days prior to conducting field verification.
- (f) The Contractor will classify each contractor into the appropriate inspection tier in order to determine project inspection frequency, consistent with the relevant Pilot Program regulation. The Contractor will:
- (1) Update these classifications per Pilot Program regulations as needed.
 - (2) Report within one (1) business day to CAEATFA regarding potential contractor disciplinary actions, including any failure of a contractor to meet or maintain qualifications to participate in the REEL Pilot Program.

- (A) If the Contractor finds that the Eligible Improvements were not installed in accordance with these requirements or that the Qualified Contractor misrepresented information related to the work, the Authority/Contractor may suspend the Qualified Contractor from Program participation and/or may notify other government agencies and entities.
 - (B) If the Contractor finds that the Eligible Improvements were not installed in accordance with these requirements or that the Self-Installer misrepresented information related to the work, the Contractor may notify other government agencies and entities.
- (g) In addition to verifications that require a field visit to the property where measures have been installed, any selected project will require three additional document reviews:
- (1) A review of the actual CAZ/CAS test document where it was required (to be obtained directly from the contractor).
 - (2) A verification of a valid permit issued and inspected by local government matching the permit # and address information of the Certificate of Completion. The firm may perform this verification by:
 - (A) review of a local government "job card" or permit documents in possession of the homeowner at the time of field verification; **or**
 - (B) use of local government internet-based facilities for viewing permit documents; **or**
 - (C) telephone contact with local government to verify issuance and the information on the permit; **or**
 - (D) other recommendations or methodologies proposed by the firm.
 - (3) Itemized Invoice Review:
 - (A) Review REEL Itemized Invoice costs for reasonableness to evaluate consistency with local market conditions and industry standards, as well as ensuring that the efficiency levels of the installed EEEMs are appropriate to the local climate zone.
 - (B) Review REEL Itemized Invoice and compare it to invoice provided to the customer to note whether the Itemized Invoice is consistent with the customer invoice. The customer invoice/work order will be obtained directly from the customer or contractor.

Types of Deficiencies. Deficiencies identified during quality assurance reviews and compliance verifications will be categorized as "Programmatic" findings based on the guideline provided below. All deficiencies will require a corrective action.

- i. Any repeated deficiencies may be cause for evaluation of contractor program status or dismissal from the REEL Pilot Program.
- ii. If objective evidence is not supplied indicating that corrective actions have been addressed, including pictures or other such evidence, the Contractor may require an additional field inspection to verify the completion of the corrective action in the field.

- iii. Examples of programmatic deficiencies include:
 - (a) Installation of measure was different from that specified on Itemized Invoice. Note that this review is focused only on whether the measure identified on the Itemized Invoice was actually installed; the review is not seeking to evaluate the quality of that installation.
 - (b) Inaccurate information recorded on Certificate of Completion and Itemized Invoice, for instance:
 - (1) A permit review identifies that a contractor did not obtain a permit, but had indicated having done so on the Certificate of Completion form.
 - (2) A review of the CAS/CAZ test identifies that the project failed the test, but the contractor had indicated on the Certificate of Completion form that the project had passed the test.

6. Reporting

- a. Contractor Activity Update. The selected Contractor will maintain, and make improvements to existing reporting tools that have been developed by CHEEF including:
 - i. The public Qualified Contractor List and associated map on the CHEEF website.
 - ii. CHEEF's internal contractor listing.
 - iii. CHEEF's master contractor listing, which provides comprehensive information and will need further improvements to include:
 - (a) Contractors in the enrollment process.
 - (b) Contractors' status with enrollment (e.g., in screening, pending confirmation, in training, etc.) and any issues or reasons (e.g., inactive license, denial), which arise causing delay in their enrollment process.
 - (c) All information contained in the Contractor Application in order to identify geographic areas with high or low contractor enrollment and participation and to identify gaps in geographic participation, or gaps in the types of services that contractors offer.

The Contractor will supplement this reporting with information on each contractor's success or failure with the program, REEL loan applications, funded REEL loans, issues with lenders, any relevant information discovered through contact with the contractor affecting their performance on the program.

The Contractor will make recommendations to CAEATFA to increase contractor recruitment based on analysis of this Contractor reporting.

- b. Monthly QC Report. The purpose of this report is to summarize contractor quality control issues and resolutions for CAEATFA. The report will contain the following information:
 - i. Name of contractor(s) with QC issue(s).
 - ii. Did the issue require the Contractor to move the contractor to a lower tier requiring greater oversight?
 - iii. Did the contractor cure the issue(s)?
 - iv. Number of days to resolve.

- c. Contractor Recruitment, Training, and Enrollment Report. The report will contain the following information:
- i. A list of recruitment activities including number of webinars, trainings, or events held, number of contractors invited, number attending and number enrolling. Description of coordination efforts with CSE and the IOUs.
 - ii. Newly enrolled contractors in each pilot, including information on types of projects the contractors work on and the zip code for the contractor's business address.
 - iii. Desktop reviews; fail/pass rate, identification of issues.
 - iv. Number of field verifications performed.
 - v. Fail/pass rate of field verifications and reason for failure.
 - vi. Fail/pass rate as it relates to individual contractors.
 - vii. Summary information describing number of contractors either downgraded or upgraded among Tiers 1, 2 or 3.
 - viii. Any potential contractor removals from the pilots.
 - ix. Any significant events or upcoming activities of which CAEATFA should be aware.
- d. Annual Report. The purpose of this report is to provide following information:
- i. Check that contractor CSLB license is still valid.
 - ii. Check to see if contractor insurance is still valid.

7. Program Design Assistance Task Orders

If requested by CAEATFA and agreed upon in advance by CAEATFA and the Contractor in written Task Orders, the Contractor will make recommendations to CAEATFA on program design based on Contractor's knowledge of industry practice and standards. Task Orders will not increase the total not-to-exceed cost of this Contract. Specific deliverables, responsibilities, and timetables will be established by and between CAEATFA and the Contractor in writing prior to commencement of work, and all approved Task Orders shall be made a part of this Contract.

- i. All deliverables included in a Task Order request will be consistent with the Scope of Services and the REEL Program's stage in program development and implementation.
- ii. Each Task Order request will identify a "not-to-exceed" amount of compensation for specific types of consulting services over a period of time.
- iii. The selected Contractor will develop a work plan for completion of the requested deliverables within the defined period of time and under the "not-to-exceed" cost. This work plan will be provided to CAEATFA for approval, and will include:
 - (a) Task order name and number and a description of services to be provided.
 - (b) Name(s) of individuals(s) who will work on the Task Order, their titles/classifications and billing rates to be charged per hour, and anticipated hours to be spent on each portion of the project. The personnel, hourly rates and compensation schedules used in a Task Order will be as described in the awarded proposer's Cost Proposal, and indicated in the Rate Schedules provided by the proposer and included in Exhibit B.
 - (c) Estimated reimbursable cost (labor and expenses, as deemed necessary by the Contractor and CAEATFA) within the "not-to-exceed" price for the defined work under the Task Order.

- (d) Deliverable items required during or at completion of the Task Order work assignment.
- (e) Anticipated schedule for completion of deliverables and overall Task Order.

The selected Contractor will submit invoices as described in Exhibit B toward each approved, discrete Task Order.

8. Term of Agreement

The term of the Agreement will be for a two-year period with the option for CAEATFA to extend for one additional year. The effective date is either the proposed award date (Section D, Item 1), or the date of approval of the Agreement by the Department of General Services, whichever is later. No work shall commence until the effective date. In the event that the agreement ends while contractor training services are still required by CAEATFA, the Contractor will be required to assist and support the transfer of servicing functions to the alternate provider.

C. MINIMUM QUALIFICATIONS FOR PROPOSERS

The Contractor must have, at a minimum, the following qualifications and experience:

- 1. Firm must have an office established in the State of California and must be licensed to do business in the State of California.**
- 2. Firm must have been in operation for a minimum of two (2) years providing the types of services required under the Contract, and must have at least one of the following on staff:**
 - a. A licensed Professional Engineer (PE) on staff.
 - b. BPI-certified contractor on staff.
 - c. AEE certification relevant to the scope of work to be performed by the Applicant. (Applicant to submit relevant certification to the scope of work).
- 3. Firm must not be a publicly traded corporation or subsidiary thereof that is incorporated offshore, even if the United States is the principal market for the public trading of the corporation's stock.**
- 4. Firm must be free from conflicts of interest, not only at the time of selection, but throughout the term of the Contract ("Contract" or "Agreement") as well.**
- 5. Firm must be immediately available to provide the services that will be set forth in the Contract.**

D. PROPOSAL REQUIREMENTS AND INFORMATION

1. Key Action Dates

All firms are hereby advised of the following schedule and will be expected to adhere to the required dates and times. Note: dates may be subject to change due to administrative processing.

<u>Date</u>	<u>Action</u>
April 17, 2017	RFP Advertisement – California State Contracts Register (CSCR). RFP available to prospective Proposers.
April 28 2017	Written questions must be received by CAEATFA by 12:00 noon PST. Responses will be posted within several days on the DGS and CAEATFA websites.
May 15, 2017	Proposals are due and must be received at the CAEATFA office at 915 Capitol Mall, Room 457, Sacramento, CA 95814, by 4:00 p.m.
May 15, 2017 – May 18, 2017	Evaluation and selection of firm by evaluation committee. Determination of responsive proposals.
May 19, 2017	Notice of Intent to Award
June 20, 2017	CAEATFA Board Meeting
July 6, 2017	Proposed Award Date (or upon approval of Agreement by DGS)

2. Content and Format of Proposals

This RFP, the evaluation of the proposals and the award of any resultant contract will be governed generally by the rules of this section and applicable State policy. The Bidder Instructions (<http://www.dgs.ca.gov/pd/Resources/ModelLanguage.aspx>) provide general information for potential bidders describing how to provide a responsive bid.

Proposals must be organized in the format shown below and contain all of the information listed:

- a. Table of Contents
- b. Executive Summary: Summarize the highlights of the proposal.
- c. Firm Qualifications, Experience, and References
 - iv. Firm Qualifications and Experience as a Contractor Specify the way(s) in which your firm meets each of the Minimum Qualifications for Proposers as set forth in Section C. Include the locations of firm offices as well as the name, title and telephone number of a contact for the firm.
 - v. Experience of Firm List your firm’s contractor management engagements during the last three (3) years and provide a brief description of each scope of work. Include a description of the types of training provided, number of training events held, and number of contractors engaged. Discuss experience in providing services for other government programs, if any, and for other agencies or utilities with similar projects. Include a discussion of any unique strengths possessed by your firm.
 - vi. References Provide a listing of other state or local governments or utilities or other energy efficiency financing programs for which the firm has acted, or is currently acting to provide contractor training services; the length of time engaged on such projects; the nature of services provided; and a contact person with address and telephone number.

- vii. Subcontractors Identify any proposed subcontractors and the functions to be assigned to each of them.
- d. Personnel Experience and Qualification
- i. Include an organization chart showing functions, positions, and titles of professionals in your firm, including any subcontractor firm(s) that your firm intends to use in performance of its duties under the Contract. Identify the role of each staff member who will perform services pursuant to the Contract, his/her title, and the percentage of the total firm effort under this contract that shall be provided by each identified individual.
 - ii. Provide detailed resumes for individuals who will be directly involved in providing services under the Contract, including any proposed subcontractor firms and their employees.
 - iii. Percentage of each individual's time that will be dedicated to provision of contractor recruitment, training, enrollment, support, and reporting tasks. CAEATFA prefers a small and dedicated team of qualified individuals.
 - iv. Complete Attachment 3 Key Personnel and Experience, including partners and associates who will be directly involved in providing the services required under the contemplated Contract. Provide a brief description of the background and experience of each individual, including years and type of experience with programs that utilize a contractor manager, if any, and similar types of programs.
- The firm must ensure that the quality and availability of its personnel assigned to this contract will be maintained over the term of the Agreement. Any changes in assigned personnel are at the discretion of the firm, provided that the qualifications and experience of any replacements are substantially the same or better than the original personnel. Include staff of subcontractors (if any).
- e. Approach: Describe your approach to the scope of work, with reference to specific tasks that you will carry out to accomplish the required scope.
 - f. Conflicts of Interest: Firms must disclose any business relationships which may be construed to be potential conflicts of interest or which are actual conflicts of interest. CAEATFA may request interviews of firms for the purpose of clarifying any situations that could be construed to be a conflict of interest, and has the sole and exclusive authority to disqualify a firm if CAEATFA determines a conflict exists or may exist in the future.
 - g. Legal Actions: Describe any and all instances within the past 24 months of your firm's or any of its principals' involvement in any litigation, arbitration, disciplinary or other official actions arising from the firm's business.
 - h. Investment of Public Funds Please identify any known restrictions and/or limitations your firm may have regarding the investment of public funds.
 - i. Use of Contract Funds: None of the proceeds from the Contract shall be used to purchase food, beverages, or other giveaways to incentivize attendance at events.
 - j. Cost Proposal Format and Requirements: The proposed fee schedule will be the basis for the scoring of the cost portion of the evaluation and selection process and must include the maximum cost per year for a total of three (3) years. Use the Cost Proposal Worksheet (Attachment 5) as a guide for preparation. **Proposals submitted with a fee schedule not in compliance with these requirements will be considered non-responsive and will be rejected.** Proposals must identify lead personnel and labor rates and include anticipated per-employee hours (reflecting the cost for provision of contractor recruitment, training, enrollment, support, and reporting tasks); the firm's fee schedule for standard tasks (reflecting the cost per transaction for

provision of compliance verification duties) that will be required of the Contractor as set forth in the Scope of Services (Section B); and anticipated travel and other direct cost expenses.

The following formula will be used for the award of cost points:

The lowest-cost proposal, based on the estimated Total Cost for Three-Year Contract Term (two years and potential one-year extension) from Attachment 5, is awarded the maximum cost points. Other proposals are awarded cost points based on the following calculation:

$$(\text{Lowest Bidder's cost proposal} / \text{Other Bidder's cost proposal}) = (\text{factor})$$

$$\text{Cost points for Other Bidder} = (\text{factor}) \times \text{maximum cost points}$$

EXAMPLE: A maximum of 30 points is available.

Lowest Bidder's Cost Proposal = \$75,000

Other Bidder's Cost Proposal = \$100,000

$$(\text{factor}) = \$75,000 / \$100,000 = \frac{3}{4}$$

$$\text{Cost points awarded to Other Bidder} = \frac{3}{4} \times 30 \text{ maximum cost points}$$

Scenario: As the REEL Pilot Program is new and therefore has a very limited track record of transaction volume and actual participation metrics, the cost proposal should provide annual fee estimates based on a scenario of 100 currently enrolled Qualified Contractors, with the addition of 100 Qualified Contractors per year across all IOU territories under the REEL Program (*This scenario is given only for purposes of evaluating the fees portion of your proposal. Actual enrollment volume under the Agreement may vary considerably*).

- k. Annual Costs: The anticipated contract for contractor management services will establish a maximum cost for each year over a two-year period with a possible one-year option to renew. **The total Contract amount may not exceed \$900,000.00 (Nine Hundred Thousand Dollars) for the entire Contract term, including the optional one-year extension.** Fees for tasks and deliverables as set forth in the Scope of Services (Section B) shall be invoiced monthly, in arrears, for services satisfactorily rendered.
- l. Required Attachments: For the proposal to be considered responsive, all required Attachments (Attachments 1-13) must be completed and included with the proposal by the dates and times shown in Key Action Dates (Section D, Item 1).

3. Submission of Proposals

- a. Proposals should provide straightforward and concise descriptions of the proposing firm's ability to satisfy the requirements of this RFP. The proposal must be complete and accurate. Omissions, inaccuracies or misstatements may be cause for rejection of a proposal.
- b. All proposals must be submitted under **sealed** cover and sent to CAEATFA by the date and time shown in Key Action Dates (Section D, Item 1). Proposals received after this date and time will not be considered.
- c. A minimum of one original and three (3) copies of the proposal must be submitted.
- d. The original proposal must be marked "**ORIGINAL COPY.**" All documents contained in the original proposal package must have original signatures and must be signed by a person who is authorized to bind the Contractor. All additional proposal sets may contain photocopies of the original package.

- e. The proposal envelopes must be plainly marked with the RFP number and title, the Contractor name and address; marked with "DO NOT OPEN" and mailed or delivered to the address shown in the following example:

Subject – Request for Proposals – “**REEL Pilot Program Contractor Manager**”

RFP# CAEATFA08-16

CAEATFA
Attn: Dallas Aicega
915 Capitol Mall
Sacramento, CA 95814

DO NOT OPEN

- If the proposal is made under a fictitious name or business title, the actual legal name of the firm must be provided.
- f. All proposals must include the documents identified in Attachment 1: Required Attachment Check List. Proposals not including the required attachments shall be deemed non-responsive. A non-responsive proposal is one that does not meet the basic proposal requirements.
 - g. Proposals must be submitted for the performance of all the services described herein. Any deviation from the work specifications will not be considered and will cause a proposal to be rejected.
 - h. A proposal may be rejected if it is conditional or incomplete, or if it contains any alterations of form or other irregularities of any kind. CAEATFA may reject any or all proposals and may waive any immaterial deviation in a proposal. CAEATFA’s waiver of an immaterial deviation shall in no way modify the proposal document nor excuse the proposer from full compliance with all requirements if awarded the contract.
 - i. Costs for developing and submitting proposals pursuant to this RFP are entirely the responsibility of the proposer and shall not be charged to CAEATFA or the State of California at any time, whether or not the Contract is awarded to proposer.
 - j. An individual who is authorized to bind the proposing firm contractually shall sign the Proposal/Proposer Certification Sheet (Attachment 2). The signature must indicate the title or position that the individual holds in the firm. An unsigned proposal may be rejected.
 - k. A firm may modify a proposal after its submission by withdrawing its original proposal and resubmitting a new proposal prior to the proposal submission deadline as set forth in the Key Action Dates. The submission of a new proposal must comply with requirements of this section. Proposal modifications offered in any other manner, oral or written, will not be considered.
 - l. A firm may withdraw its proposal by submitting a written withdrawal request, signed by the proposer or an authorized agent, to CAEATFA at the address identified in Item 3.f. above. A firm may thereafter submit a new proposal prior to the proposal submission deadline. Proposals may not be withdrawn without cause after the proposal submission deadline.
 - m. CAEATFA may modify the RFP prior to the date fixed for submission of proposals by the issuance of an addendum to all parties who received an RFP package.
 - n. CAEATFA reserves the right to reject all proposals. The agency is not required to award an agreement.
 - o. Before submitting a response to this solicitation, firms should review such response, correct all errors and confirm compliance with the RFP requirements.

- p. Where applicable, proposers should carefully examine work sites and specifications. No additions or increases to the Contract amount will be made due to a lack of careful examination of work sites and specifications.
- q. More than one proposal from an individual, firm, partnership, corporation or association, under the same or different names, will not be considered.
- r. The State does not accept alternate contract language from a prospective contractor. A proposal with such language will be considered a counter-proposal and will be rejected. Except as specifically set forth in this RFP, the Contract will be governed by the General Terms and Conditions (GTC), which are not negotiable.
- s. No oral understanding or agreement shall be binding upon either party.
- t. Conflict of Interest: The bidder needs to be aware of the provisions regarding current or former state employees. If a proposer has any questions on the status of any person rendering services or involved with the Contract, CAEATFA must be contacted immediately for clarification. (See Attachment 7, Contractor Certification Clauses (CCC)).

4. Evaluation Process

- a. Each proposal will be date-and time-stamped as it is received; additionally, it will be verified that each proposal arrives properly sealed. Late proposals will not be accepted. Proposals shall remain confidential until the review process begins.
- b. CAEATFA staff shall evaluate each proposal to determine how responsive the firm is to the specific requirements contained in this RFP. At the time of proposal opening, each proposal shall be checked for the presence or absence of required information in conformance with the submission requirements of this RFP. The submission requirements are mandatory and failure to fully comply may be deemed grounds for automatic rejection.
- c. Required Attachments. For the proposal to be considered responsive, all required Attachments 1 through 13 must be completed and included with the proposal by the dates and times shown in Key Action Dates (Section D, Item 1).
- d. It is the firm's responsibility to provide sufficient information in the proposal to permit CAEATFA staff to make an accurate assessment of the firm's ability to provide the services needed.
- e. If during the evaluation process CAEATFA staff is unable to assure itself of the firm's ability to perform under the Contract, (if a Contract is awarded), CAEATFA staff has the option of requesting from the firm any information deemed necessary to determine the firm's qualifications. The firm shall be notified if such information is required, and shall be permitted five working days to submit the requested information.
- f. If the information submitted by the firm is insufficient to satisfy CAEATFA staff as to the firm's suitability, CAEATFA staff may ask for additional information or reject the statement. The Authority's determination of the firm's qualifications shall be final.
- g. Proposals that contain false or misleading statements, or which provide references which do not support an attribute or condition claimed by the proposer, may be rejected.
- h. CAEATFA shall evaluate only those proposals from firms meeting the Minimum Qualifications for Proposers as defined in Section C as well as the Proposal Requirements in Section D, Item 2.
- i. Award, if made, will be to the highest-scored responsive proposal.

- j. The proposals that meet the Minimum Qualifications for Proposers in Section C and follow the Content and Format of Proposals outlined in Section D, Item 2 will be evaluated and scored according to the criteria indicated below. A minimum of 85 points must be achieved to be considered responsive (a responsive proposal is one which meets or exceeds the requirements stated in this RFP). The selection will be made by an evaluation committee of CAEATFA on the basis of the following weighted factors (maximum points available for each criterion are noted).

Rating/Scoring Criteria	Maximum Possible Points
<u>Qualifications of the Firm and Personnel</u> : CAEATFA will evaluate the firm's overall experience demonstrating its ability to successfully complete the Scope of Services as described in Section B, including contractor management experience. CAEATFA will evaluate the individuals to be assigned to the Contract on the basis of background and experience in related work including experience as a contractor manager, and with similar types of programs, as well as the extent to which the firm dedicates a small team of qualified individuals to the project.	45 points
<u>Response to Scope</u> : CAEATFA will evaluate the overall plan proposed by the firm to carry out the scope of work, focusing on the firm's proposed approach and tasks laid out to accomplish the scope of work.	25 points
<u>Fee Schedule (Cost)</u> : CAEATFA will evaluate the actual fees proposed, including the reasonableness of rates, cost detail and effectiveness (given value of services to be obtained), and cost effectiveness (given experience and qualifications of firm and its personnel).	30 points
Maximum Total Possible Points	100 points

- k. As part of its final evaluation process, CAEATFA may request oral presentations. If this option is exercised, CAEATFA shall provide proposers with at least a 72-hour notice. Presenters from the firm(s) must include the personnel who shall have primary responsibility for the account(s).

- I. CAEATFA reserves the right to:
 - i. Request an interview with, and additional information from, firms prior to final selection of the Contractor.
 - ii. Select the firm that, in CAEATFA's judgment, shall best meet the needs of CAEATFA and Pilot Programs, regardless of differences in estimated costs between firms.
 - iii. Consider information about a firm in addition to the information submitted in the proposal or interview.

5. Award and Protest

- a. Notice of the proposed award(s) shall be posted in a public place in the office of CAEATFA, 915 Capitol Mall, Sacramento, CA 95814 and on the following Internet site for five (5) working days prior to awarding the Contract: <http://www.treasurer.ca.gov/CAEATFA>.
- b. If any firm, prior to the award of the Contract, files a protest with CAEATFA and the Department of General Services, Office of Legal Services, 707 Third Street, 7th Floor, West Sacramento, CA 95605, on the grounds that the (protesting) firm would have been awarded a contract had CAEATFA correctly applied the evaluation standard in the RFP, or had CAEATFA followed the evaluation and scoring methods in the RFP, the Contract shall not be awarded until either the protest has been withdrawn or the Department of General Services has decided the matter. It is suggested that the firm submit any protest by certified or registered mail.
- c. Within five (5) days after filing the initial protest, the protesting firm shall file with the Department of General Services, Office of Legal Services and CAEATFA a full and complete written statement specifying the grounds for the protest. It is suggested that the firm submit this complete written statement by certified or registered mail.
- d. Upon award of the Agreement(s), the firm must complete and submit to the awarding agency the Payee Data Record (STD 204, made part of the RFP as Attachment 6), to determine if the firm is subject to state income tax withholding pursuant to California Revenue and Taxation Code Sections 18662 and 26131. No payment shall be made unless a completed STD 204 has been returned to CAEATFA.
- e. Upon resolution of the protest and award of the Agreement, Contractor must sign and submit to CAEATFA page one (1) of the Contractor Certification Clauses (CCC), included as Attachment 7.

6. Disposition of Proposals

- a. Upon proposal opening, all documents submitted in response to this RFP will become the property of CAEATFA and the State of California, and will be regarded as public records under the California Public Records Act (Government Code Section 6250 et seq.) and subject to review by the public. The State cannot prevent the disclosure of public documents. However, the contents of all proposals, correspondence, agenda, memoranda, working papers, or any other medium which discloses any aspect of a proposer's proposal shall be held in the strictest confidence until the letter of Intent to Award Contract is posted.
- b. Proposal packages may be returned only at the proposer's expense, unless such expense is waived by CAEATFA.

7. Agreement Execution and Performance

- a. Performance shall start not later than thirty (30) days after the express date set by CAEATFA and the selected firm, after all approvals have been obtained and the

- Agreement is fully executed. Should the firm fail to commence work at the agreed-upon time, CAEATFA, upon five (5) days' written notice to the firm, reserves the right to terminate the Agreement. In addition, the firm shall be liable to CAEATFA for the difference between the firm's proposal price and the actual cost of performing work by another contractor.
- b. All performance under the Agreement shall be completed on or before the termination date of the Agreement.

E. PREFERENCE PROGRAMS

1. Small Business or Microbusiness Preference (www.pd.dgs.ca.gov/smbus/default.htm)

A five percent (5%) preference will be applied to certified small business firms submitting proposals. To obtain the preference, firms must be certified as a small business at the time the bid is submitted. The firm MUST include an updated copy of its Small Business Certificate to obtain the preference. The 5% preference is issued only for computation purposes to arrive at the successful firms and does not alter the amounts of the actual bids. Once each bid has been scored, if the highest responsible firm is not a certified small business or microbusiness, 5% of the highest scoring bid is added to the total "earned" points for each bid submitted by a certified small business. These final numbers, with the 5% included, are then used to determine the highest scoring bid.

Questions regarding the small business certification or preference approval should be directed to the Office of Small Business & DVBE Services (OSDS) at (916) 375-4940 or can be found at the website listed above.

2. Non-Small Business Preference (www.pd.dgs.ca.gov/smbus/default.htm)

A five percent (5%) bid preference is available to a non-small business claiming twenty-five percent (25%) California certified small business subcontractor participation. If claiming the non-small business subcontractor preference, the bid response must include a list of the small business(es) with which the firm commits to subcontract in an amount of at least 25% of the net bid price with one or more California certified small businesses. Each listed certified small business must perform a "commercially useful function" in the performance of the contract as defined in Government Code Section 14837(d)(4).

The required list of California certified small business subcontractors must be attached to the bid response and must include the following: 1) subcontractor name, 2) address, 3) phone number, 4) a description of the work to be performed and/or products supplied; and 5) the dollar amount or percentage of the net bid price (as specified in the solicitation) per subcontractor.

Firms claiming the 5% preference must commit to subcontract at least 25% of the net bid price with one or more California certified small businesses. Completed certification applications and required support documents must be submitted to the OSDS no later than 5:00 p.m. on the bid due date, and the OSDS must be able to approve the application as submitted. Questions regarding certification should be directed to the OSDS at (916) 375-4940.

The preference to a non-small business firm that commits to small business or microbusiness subcontractor participation of 25% of its net bid price shall be 5% of the highest responsive, responsible firm's total score. A non-small business, which qualifies for this preference, may not take an award away from a certified small business

3. Disabled Veteran Business Enterprise (DVBE) Incentive Program

This solicitation provides an incentive for DVBE participation. The DGS established a DVBE incentive pursuant to Senate Bill 115, Chaptered October 3, 2005 and the military and Veterans Code Section 999.5(a). The regulations apply to all competitive solicitations for public works, services, goods, and information technology goods and services posted or released after October 9, 2007. The DVBE incentive is required in solicitations that include DVBE program requirements and may be offered in other competitive solicitations. DGS's policy implements this program by rewarding prime bidders for increased DVBE participation: the more DVBE participation, the greater the incentive. This new incentive program helps State agencies to meet their annual DVBE participation goals.

Attachment 12 outlines the DVBE Incentive Program. To be considered for the DVBE Incentive, the DVBE Incentive Application Request form must be included with bid submittal. The DVBE Incentive participation is *optional* and at the discretion of the proposing firm. To be considered responsive, proposals must include the following completed forms, as applicable:

- Bidder Declaration (Attachment 13), GSPD-05-105 (08/09)
(<http://www.documents.dgs.ca.gov/pd/poliproc/MASTEr-BidDeclar08-09.pdf>)

All bidders must complete the Bidder Declaration, GSPD-05-105 and include it with the bid response. When completing the declaration, bidders must identify all subcontractors proposed for participation in the contract. Bidders awarded a contract are contractually obligated to use the subcontractors for the corresponding work identified unless the State agrees to a substitution and it is incorporated by amendment to the contract.

- DVBE Declarations, STD.843 (5/2006)
(<http://www.documents.dgs.ca.gov/pd/poliproc/STD-843FillPrintFields.pdf>)

Bidders who have been certified by California as a DVBE (or who are bidding rental equipment and have obtained the participation of subcontractors certified by California as a DVBE) must also submit a completed form(s) STD. 843 (Disabled Veteran Business Enterprise Declaration). All disabled veteran owners and disabled veteran managers of the DVBE(s) must sign the form(s).

At the State's option prior to award, bidders may be required to submit additional written clarifying information. Failure to submit the requested written information as specified may be grounds for bid rejection.

Contractor understands and agrees that should award of this contract be based in part on its commitment to use the DVBE subcontractor(s) identified in its bid or offer, per Military and Veterans Code Section 999.5 (e), a DVBE subcontractor may only be replaced by another DVBE subcontractor and must be approved by the Department of General Services (DGS). Changes to the scope of work that impact the DVBE subcontractor(s) identified in the bid or offer and approved DVBE substitutions will be documented by contract amendment.

Failure of Contractor to seek substitution and adhere to the DVBE participation level identified in the bid or offer may be cause for contract termination, recovery of damages under rights and remedies due to the State, and penalties as outlined in M&VC Section 999.9; Public Contract Code (PCC) Section 10115.10.

NOTE: For this solicitation, the Incentive application is based on the High Score Method and shall not exceed five percent (5%), nor be less than three percent (3%) of the total score (see table in Attachment 12).

F. REQUIRED ATTACHMENTS

1. Required Attachments (Attachment 1)

For the proposal to be considered responsive, all required attachments listed on Attachment 1 must be completed and included with the proposal by the dates and times shown in Key Action Dates (Section D, Item 1).

ATTACHMENT 1

REQUIRED ATTACHMENT CHECK LIST

A complete proposal or proposal package will consist of the items identified below. Complete this checklist to confirm the items in your proposal. Place a check mark or "X" next to each item that you are submitting to the State. For your proposal to be responsive, all required attachments must be returned. This checklist should be returned with your proposal package also.

<u>Attachment #</u>	<u>Attachment Name/Description</u>
_____	Attachment 1 – Required Attachment Check List
_____	Attachment 2 – Proposal/Proposer Certification Sheet
_____	Attachment 3 – Key Personnel and Experience
_____	Attachment 4 – Proposer References
_____	Attachment 5 – Cost Proposal Work Sheet
_____	Attachment 6 – Payee Data Record (STD 204)
_____	Attachment 7 – Contractor’s Certification Clauses (CCC)
_____	Attachment 8 – Darfur Contracting Act
_____	Attachment 9 – California Civil Rights Laws Certification
_____	Attachment 10 – Small Business or Microbusiness Preference (if applicable)
_____	Attachment 11 – Non-Small Business Preference (if applicable)
_____	Attachment 12 – California Disabled Veteran Business Enterprise (DVBE) Program Participation Instructions
_____	Attachment 13 – Bidder Declaration (GSPD–05–105)

* DVBE PARTICIPATION COMMITMENT. Bidders seeking the DVBE incentive must submit a completed Bidder Declaration (GSPD-05-105) that demonstrates DVBE participation and qualification for a DVBE incentive.

ATTACHMENT 2

PROPOSAL/PROPOSER CERTIFICATION SHEET

This Proposal/Proposer Certification Sheet must be signed and returned along with all the "required attachments" as an entire package in duplicate with original signatures. The proposal must be transmitted in a sealed envelope in accordance with RFP instructions.

Do not return the RFP nor the "Sample Agreement" at the end of this RFP.

- A. Place all required attachments behind this certification sheet.
- B. I have read and understand the DVBE Participation requirements and have included documentation demonstrating that I have met the participation goals of 3% or more.
- C. The signature affixed hereon and dated certifies compliance with all the requirements of this proposal document. The signature below authorizes the verification of this certification.

**An Unsigned Proposal/Proposer Certification Sheet
 May Be Cause For Rejection**

1. Company Name	2. Telephone Number ()	2a. Fax Number ()
3. Address		
Indicate your organization type:		
4. <input type="checkbox"/> Sole Proprietorship	5. <input type="checkbox"/> Partnership	6. <input type="checkbox"/> Corporation
Indicate the applicable employee and/or corporation number:		
7. Federal Employee ID No. (FEIN)	8. California Corporation No.	
9. Indicate applicable license and/or certification information:		
10. Proposer's Name (Print)	11. Title	
12. Signature	13. Date	
14. Are you certified with the Department of General Services, Office of Small Business Certification and Resources (OSBCR) as:		
a. California Small Business Yes <input type="checkbox"/> No <input type="checkbox"/> If yes, enter certification number: _____	b. Disabled Veteran Business Enterprise Yes <input type="checkbox"/> No <input type="checkbox"/> If yes, enter your service code below: _____	
NOTE: Proof of Certification is required to be included if either of the above items is checked "Yes" and will be verified. Date application was submitted to OSBCR, if an application is pending:		

Completion Instructions for Proposal/Proposer Certification Sheet

Complete the numbered items on the Proposal/Proposer Certification Sheet by following the instructions below.

Item Numbers	Instructions
1, 2, 2a, 3	Must be completed. These items are self-explanatory.
4	Check if your firm is a sole proprietorship. A sole proprietorship is a form of business in which one person owns all the assets of the business in contrast to a partnership and corporation. The sole proprietor is solely liable for all the debts of the business.
5	Check if your firm is a partnership. A partnership is a voluntary agreement between two or more competent persons to place their money, effects, labor, and skill, or some or all of them in lawful commerce or business, with the understanding that there shall be a proportional sharing of the profits and losses between them. An association of two or more persons to carry on, as co-owners, a business for profit.
6	Check if your firm is a corporation. A corporation is an artificial person or legal entity created by or under the authority of the laws of a state or nation, composed, in some rare instances, of a single person and his successors, being the incumbents of a particular office, but ordinarily consisting of an association of numerous individuals.
7	Enter your federal employee tax identification number.
8	Enter your corporation number assigned by the California Secretary of State's Office. This information is used for checking if a corporation is in good standing and qualified to conduct business in California.
9	Complete, if applicable, by indicating the type of license and/or certification that your firm possesses and that is required for the type of services being procured.
10, 11, 12, 13	Must be completed. These items are self-explanatory.
14	If certified as a California Small Business, place a check in the "yes" box, and enter your certification number on the line. If certified as a Disabled Veterans Business Enterprise, place a check in the "Yes" box and enter your service code on the line. If you are not certified to one or both, place a check in the "No" box. If your certification is pending, enter the date your application was submitted to OSBCR.

ATTACHMENT 3

KEY PERSONNEL & EXPERIENCE

Name of Firm:	
Identify Key personnel (include partners, associates, etc.) who will be directly involved in providing the services.	
Name:	Percent of Effort %
Title:	Office Location:
Phone Number:	Email:
Role:	
How Long in Current Position?	How Long Employed in Current Firm?
Experience:	

Name of Firm:	
Identify Key personnel (include partners, associates, etc.) who will be directly involved in providing the services.	
Name:	Percent of Effort %
Title:	Office Location:
Phone Number:	Email:
Role:	
How Long in Current Position?	How Long Employed in Current Firm?
Experience:	

Include additional pages as needed

ATTACHMENT 4

PROPOSER REFERENCES

Submission of this attachment is mandatory. Failure to complete and return this attachment with your proposal will cause your proposal to be rejected and deemed nonresponsive.

List below three references for services performed within the last five years, which are similar to the scope of work to be performed in this contract. If three references cannot be provided, please explain why on an attached sheet of paper.

REFERENCE 1			
Name of Firm			
Street Address	City	State	Zip Code
Contact Person		Telephone Number	
Dates of Service		Value or Cost of Service	
Brief Description of Service Provided			

REFERENCE 2			
Name of Firm			
Street Address	City	State	Zip Code
Contact Person		Telephone Number	
Dates of Service		Value or Cost of Service	
Brief Description of Service Provided			

REFERENCE 3			
Name of Firm			
Street Address	City	State	Zip Code
Contact Person		Telephone Number	
Dates of Service		Value or Cost of Service	
Brief Description of Service Provided			

ATTACHMENT 5
COST PROPOSAL WORKSHEET

Scenario: As the REEL program is new and therefore has a very limited track record of transaction volume and actual participation metrics, the cost proposal should provide annual fee estimates based on a scenario of 100 currently enrolled Participating Contractors, with the addition of 100 Participating Contractors per year across all IOU territories under the REEL Program (This scenario is given only for purposes of evaluating the fees portion of your proposal. Actual enrollment volume under the Agreement may vary considerably):

Personnel and Labor Rates

Responsive proposals must include the firm's proposed hourly rates, including the rates of all subcontractors, and miscellaneous expenses expected to be incurred for this Contract in a simple table format as provided in the worksheet below:

Cost Categories

Your fee schedule should consider the following cost categories, as more specifically described in the Scope of Services (Section B of the RFP):

1. Estimated annual hours per employee for tasks related to contractor recruitment, training, enrollment, support, and reporting:
 - Contractor ME&O and Recruitment
 - Conduct Contractor Training
 - Process Contractor Applications and Certify Contractors
 - Support for Participating Contractors
 - Reporting
2. A per-transaction cost for each instance of Compliance Verification work:
 - Desktop Verifications
 - On-Site Field Verifications and Audits

Travel Costs. Travel, transportation and per diem expenses shall not exceed the rates payable to State employees. The firm shall submit detailed monthly invoices to CAEATFA for review and approval.

Annual Costs. The anticipated contract for Contractor Manager services will establish a maximum cost for each year over a two-year period with a possible one-year option to renew. **The total Contract amount may not exceed \$900,000.00 (Nine Hundred Thousand Dollars) for the entire Contract term, including the optional one-year extension.** Fees for tasks and deliverables as set forth in the Scope of Services (Section B) shall be invoiced monthly, in arrears, for services satisfactorily rendered.

Proposals must include annual not-to-exceed costs, in one of the following formats:

1. Each year is an annual flat fee, and must correlate to the firm's hourly rates as set forth in the Cost Proposal Worksheet and considering all cost categories from the Scope of Services.

OR

2. Monthly billing estimates for the work above, with an annual not-to-exceed cost for each year contemplated.

Cost Proposal – Annual and Total Cost

See Section B of the RFP for more details. Review the RFP and the calculations in your Cost Proposal carefully. Mathematical errors may be corrected by CAEATFA.

Total Proposed Fee for First Year in Two-Year Contract Period	\$ _____
Total Proposed Fee for Second Year in Two-Year Contract Period	\$ _____
Total Proposed Fee for Optional Third Year (if extended by CAEATFA)	\$ _____
Total Cost for Three-Year Contract Term shall be the sum of the “Total Annual Cost” for Year One, Year Two and Year Three, and shall not exceed \$900,000 for the potential three-year contract term.	\$ _____

Cost Proposal Worksheet – Year 2

Personnel and Labor Rates

#	Staff Name	Title	Hourly Rate
1			\$
2			\$
3			\$

Cost Categories

Service/Deliverable	(Title)			(Title)			(Title)		
	AnnualHours	Rate	Cost	AnnualHours	Rate	Cost	AnnualHours	Rate	Cost
ME&O / Recruitment	@	\$	\$	x	\$	= \$	x	\$	= \$
Contractor Training	x	\$	\$	x	\$	= \$	x	\$	= \$
Process Applications	x	\$	\$	x	\$	= \$	x	\$	= \$
Contractor Support	x	\$	\$	x	\$	= \$	x	\$	= \$
Reporting	x	\$	\$	x	\$	= \$	x	\$	= \$
		Subtotal	\$		Subtotal	\$		Subtotal	\$

Annual Labor \$ _____

<u>Compliance Verification</u>	<u>Cost Per Transaction</u>	<u>Estimated # Performed Annually</u>	<u>Annual Cost</u>
Desktop Verification:	\$ _____ each	x _____	= \$ _____
On-Site Field Verification/Audit:	\$ _____ each	x _____	= \$ _____

Annual Verification \$ _____

Travel Costs

<u>Travel Description</u>	<u>Cost</u>	<u>Estimated # Annually</u>	<u>Annual Cost</u>
_____	\$ _____ each	x _____	= \$ _____
_____	\$ _____ each	x _____	= \$ _____

Annual Travel \$ _____

Annual Costs

Total Proposed Fee for Second Year in Two-Year Contract Period \$

ATTACHMENT 6

PAYEE DATA RECORD (STD. 204)

<http://www.documents.dgs.ca.gov/dgs/fmc/pdf/std204.pdf>

ATTACHMENT 7

CONTRACTOR'S CERTIFICATION CLAUSES (CCC)

<http://www.dgs.ca.gov/ols/Resources/StandardContractLanguage.aspx>

CCC 04/2017

CERTIFICATION

I, the official named below, CERTIFY UNDER PENALTY OF PERJURY that I am duly authorized to legally bind the prospective Contractor to the clause(s) listed below. This certification is made under the laws of the State of California.

<i>Contractor/Bidder Firm Name (Printed)</i>		<i>Federal ID Number</i>
<i>By (Authorized Signature)</i>		
<i>Printed Name and Title of Person Signing</i>		
<i>Date Executed</i>	<i>Executed in the County of</i>	

CONTRACTOR CERTIFICATION CLAUSES

1. **STATEMENT OF COMPLIANCE:** Contractor has, unless exempted, complied with the nondiscrimination program requirements. (Gov. Code §12990 (a-f) and CCR, Title 2, Section 11102) (Not applicable to public entities.)
2. **DRUG-FREE WORKPLACE REQUIREMENTS:** Contractor will comply with the requirements of the Drug-Free Workplace Act of 1990 and will provide a drug-free workplace by taking the following actions:
 - a. Publish a statement notifying employees that unlawful manufacture, distribution, dispensation, possession or use of a controlled substance is prohibited and specifying actions to be taken against employees for violations.
 - b. Establish a Drug-Free Awareness Program to inform employees about:
 - 1) the dangers of drug abuse in the workplace;
 - 2) the person's or organization's policy of maintaining a drug-free workplace;
 - 3) any available counseling, rehabilitation and employee assistance programs; and,
 - 4) penalties that may be imposed upon employees for drug abuse violations.
 - c. Every employee who works on the proposed Agreement will:
 - 1) receive a copy of the company's drug-free workplace policy statement; and,

2) agree to abide by the terms of the company's statement as a condition of employment on the Agreement.

Failure to comply with these requirements may result in suspension of payments under the Agreement or termination of the Agreement or both and Contractor may be ineligible for award of any future State agreements if the department determines that any of the following has occurred: the Contractor has made false certification, or violated the certification by failing to carry out the requirements as noted above. (Gov. Code §8350 et seq.)

3. NATIONAL LABOR RELATIONS BOARD CERTIFICATION: Contractor certifies that no more than one (1) final unappealable finding of contempt of court by a Federal court has been issued against Contractor within the immediately preceding two-year period because of Contractor's failure to comply with an order of a Federal court, which orders Contractor to comply with an order of the National Labor Relations Board. (Pub. Contract Code §10296) (Not applicable to public entities.)

4. CONTRACTS FOR LEGAL SERVICES \$50,000 OR MORE- PRO BONO REQUIREMENT: Contractor hereby certifies that Contractor will comply with the requirements of Section 6072 of the Business and Professions Code, effective January 1, 2003.

Contractor agrees to make a good faith effort to provide a minimum number of hours of pro bono legal services during each year of the contract equal to the lessor of 30 multiplied by the number of full time attorneys in the firm's offices in the State, with the number of hours prorated on an actual day basis for any contract period of less than a full year or 10% of its contract with the State.

Failure to make a good faith effort may be cause for non-renewal of a state contract for legal services, and may be taken into account when determining the award of future contracts with the State for legal services.

5. EXPATRIATE CORPORATIONS: Contractor hereby declares that it is not an expatriate corporation or subsidiary of an expatriate corporation within the meaning of Public Contract Code Section 10286 and 10286.1, and is eligible to contract with the State of California.

6. SWEATFREE CODE OF CONDUCT:

a. All Contractors contracting for the procurement or laundering of apparel, garments or corresponding accessories, or the procurement of equipment, materials, or supplies, other than procurement related to a public works contract, declare under penalty of perjury that no apparel, garments or corresponding accessories, equipment, materials, or supplies furnished to the state pursuant to the contract have been laundered or produced in whole or in part by sweatshop labor, forced labor, convict labor, indentured labor under penal sanction, abusive forms of child labor or exploitation of children in sweatshop labor, or with the benefit of sweatshop labor, forced labor, convict labor, indentured labor under penal sanction, abusive forms of child labor or exploitation of children in sweatshop labor. The contractor further declares under penalty of perjury that they adhere to the Sweatfree Code of Conduct as set forth on the California Department of Industrial Relations website located at www.dir.ca.gov, and Public Contract Code Section 6108.

b. The contractor agrees to cooperate fully in providing reasonable access to the contractor's records, documents, agents or employees, or premises if reasonably required by authorized officials of the contracting agency, the Department of Industrial Relations, or the Department of Justice to determine the contractor's compliance with the requirements under paragraph (a).

7. DOMESTIC PARTNERS: For contracts of \$100,000 or more, Contractor certifies that Contractor is in compliance with Public Contract Code section 10295.3.

8. GENDER IDENTITY: For contracts of \$100,000 or more, Contractor certifies that Contractor is in compliance with Public Contract Code section 10295.35.

DOING BUSINESS WITH THE STATE OF CALIFORNIA

The following laws apply to persons or entities doing business with the State of California.

1. CONFLICT OF INTEREST: Contractor needs to be aware of the following provisions regarding current or former state employees. If Contractor has any questions on the status of any person rendering services or involved with the Agreement, the awarding agency must be contacted immediately for clarification.

Current State Employees (Pub. Contract Code §10410):

- 1). No officer or employee shall engage in any employment, activity or enterprise from which the officer or employee receives compensation or has a financial interest and which is sponsored or funded by any state agency, unless the employment, activity or enterprise is required as a condition of regular state employment.
- 2). No officer or employee shall contract on his or her own behalf as an independent contractor with any state agency to provide goods or services.

Former State Employees (Pub. Contract Code §10411):

- 1). For the two-year period from the date he or she left state employment, no former state officer or employee may enter into a contract in which he or she engaged in any of the negotiations, transactions, planning, arrangements or any part of the decision-making process relevant to the contract while employed in any capacity by any state agency.
- 2). For the twelve-month period from the date he or she left state employment, no former state officer or employee may enter into a contract with any state agency if he or she was employed by that state agency in a policy-making position in the same general subject area as the proposed contract within the 12-month period prior to his or her leaving state service.

If Contractor violates any provisions of above paragraphs, such action by Contractor shall render this Agreement void. (Pub. Contract Code §10420)

Members of boards and commissions are exempt from this section if they do not receive payment other than payment of each meeting of the board or commission, payment for preparatory time and payment for per diem. (Pub. Contract Code §10430 (e))

2. LABOR CODE/WORKERS' COMPENSATION: Contractor needs to be aware of the provisions which require every employer to be insured against liability for Worker's Compensation or to undertake self-insurance in accordance with the provisions, and Contractor affirms to comply with such provisions before commencing the performance of the work of this Agreement. (Labor Code Section 3700)

3. AMERICANS WITH DISABILITIES ACT: Contractor assures the State that it complies with the Americans with Disabilities Act (ADA) of 1990, which prohibits discrimination on the basis of disability, as well as all applicable regulations and guidelines issued pursuant to the ADA. (42 U.S.C. 12101 et seq.)

4. CONTRACTOR NAME CHANGE: An amendment is required to change the Contractor's name as listed on this Agreement. Upon receipt of legal documentation of the name change the State will process the amendment. Payment of invoices presented with a new name cannot be paid prior to approval of said amendment.

5. CORPORATE QUALIFICATIONS TO DO BUSINESS IN CALIFORNIA:

a. When agreements are to be performed in the state by corporations, the contracting agencies will be verifying that the contractor is currently qualified to do business in California in order to ensure that all obligations due to the state are fulfilled.

b. "Doing business" is defined in R&TC Section 23101 as actively engaging in any transaction for the purpose of financial or pecuniary gain or profit. Although there are some statutory exceptions to taxation, rarely will a corporate contractor performing within the state not be subject to the franchise tax.

c. Both domestic and foreign corporations (those incorporated outside of California) must be in good standing in order to be qualified to do business in California. Agencies will determine whether a corporation is in good standing by calling the Office of the Secretary of State.

6. RESOLUTION: A county, city, district, or other local public body must provide the State with a copy of a resolution, order, motion, or ordinance of the local governing body which by law has authority to enter into an agreement, authorizing execution of the agreement.

7. AIR OR WATER POLLUTION VIOLATION: Under the State laws, the Contractor shall not be: (1) in violation of any order or resolution not subject to review promulgated by the State Air Resources Board or an air pollution control district; (2) subject to cease and desist order not subject to review issued pursuant to Section 13301 of the Water Code for violation of waste discharge requirements or discharge prohibitions; or (3) finally determined to be in violation of provisions of federal law relating to air or water pollution.

8. PAYEE DATA RECORD FORM STD. 204: This form must be completed by all contractors that are not another state agency or other governmental entity.

ATTACHMENT 8

DARFUR CONTRACTING ACT

Pursuant to Public Contract Code section 10478, if a bidder or proposer currently or within the previous three years has had business activities or other operations outside of the United States, it must certify that it is not a "scrutinized" company as defined in Public Contract Code section 10476.

Therefore, to be eligible to submit a bid or proposal, please insert your company name and Federal ID Number and complete only one of the following three paragraphs (via initials for Paragraph # 1 or Paragraph # 2, or via initials and certification for Paragraph # 3):

<i>Company/Vendor Name (Printed)</i>	<i>Federal ID Number</i>
<i>Printed Name and Title of Person Initialing (for Options 1 or 2)</i>	

1. _____
Initials We do not currently have, and have not had within the previous three years, business activities or other operations outside of the United States.

OR

2. _____
Initials We are a scrutinized company as defined in Public Contract Code section 10476, but we have received written permission from the Department of General Services (DGS) to submit a bid or proposal pursuant to Public Contract Code section 10477(b). A copy of the written permission from DGS is included with our bid or proposal.

OR

3. _____
Initials
+ certification
below We currently have, or we have had within the previous three years, business activities or other operations outside of the United States, but we certify below that we are not a scrutinized company as defined in Public Contract Code section 10476.

CERTIFICATION For # 3.

I, the official named below, CERTIFY UNDER PENALTY OF PERJURY that I am duly authorized to legally bind the prospective proposer/bidder to the clause listed above in # 3. This certification is made under the laws of the State of California.

<i>By (Authorized Signature)</i>	
<i>Printed Name and Title of Person Signing</i>	
<i>Date Executed</i>	<i>Executed in the County and State of</i>

ATTACHMENT 9

CALIFORNIA CIVIL RIGHTS LAWS CERTIFICATION

Pursuant to Public Contract Code section 2010, if a bidder or proposer executes or renews a contract over \$100,000 on or after January 1, 2017, the bidder or proposer hereby certifies compliance with the following:

1. **CALIFORNIA CIVIL RIGHTS LAWS:** For contracts over \$100,000 executed or renewed after January 1, 2017, the contractor certifies compliance with the Unruh Civil Rights Act (Section 51 of the Civil Code) and the Fair Employment and Housing Act (Section 12960 of the Government Code); and
2. **EMPLOYER DISCRIMINATORY POLICIES:** For contracts over \$100,000 executed or renewed after January 1, 2017, if a Contractor has an internal policy against a sovereign nation or peoples recognized by the United States government, the Contractor certifies that such policies are not used in violation of the Unruh Civil Rights Act (Section 51 of the Civil Code) or the Fair Employment and Housing Act (Section 12960 of the Government Code).

CERTIFICATION

I, the official named below, certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.		<i>Federal ID Number</i>
<i>Proposer/Bidder Firm Name (Printed)</i>		
<i>By (Authorized Signature)</i>		
<i>Printed Name and Title of Person Signing</i>		
<i>Date Executed</i>	<i>Executed in the County and State of</i>	

ATTACHMENT 10

SMALL BUSINESS OR MICROBUSINESS PREFERENCE

(If Applicable)

Small Business or Microbusiness Preference – www.pd.dgs.ca.gov/smbus/default.htm

A five percent (5%) preference will be applied to certified small business firms submitting proposals. To obtain the preference, firms must be certified as a small business at the time the bid is submitted. The firm MUST include an updated copy of their Small Business Certificate to obtain the preference. The 5% preference is issued only for computation purposes to arrive at the successful firms and does not alter the amounts of the actual bids. Once each bid has been scored, if the highest responsible firm is not a certified small business or microbusiness, 5% of the highest scoring bid is added to the total “earned” points for each bid submitted by a certified small business. These final numbers, with the 5% included, are then used to determine the highest scoring bid.

Questions regarding the small business certification or preference approval should be directed to the Office of Small Business & DVBE Services (OSDS) at (916) 375-4940 or can be found at the website listed above.

ATTACHMENT 11

NON-SMALL BUSINESS PREFERENCE

(If Applicable)

Non-Small Business Preference – www.pd.dgs.ca.gov/smbus/default.htm

A five percent (5%) bid preference is available to a non-small business claiming twenty-five percent (25%) California certified small business subcontractor participation. If claiming the non-small business subcontractor preference, the bid response must include a list of the small business(es) with which the firm commits to subcontract in an amount of at least 25% of the net bid price with one or more California certified small businesses. Each listed certified small business must perform a "commercially useful function" in the performance of the contract as defined in Government Code Section 14837(d)(4).

The required list of California certified small business subcontractors must be attached to the bid response and must include the following: 1) subcontractor name, 2) address, 3) phone number, 4) a description of the work to be performed and/or products supplied; and 5) the dollar amount or percentage of the net bid price (as specified in the solicitation) per subcontractor.

Firms claiming the 5% preference must commit to subcontract at least 25% of the net bid price with one or more California certified small businesses. Completed certification applications and required support documents must be submitted to the OSDS no later than 5:00 p.m. on the bid due date, and the OSDS must be able to approve the application as submitted. Questions regarding certification should be directed to the OSDS at (916) 375-4940.

The preference to a non-small business firm that commits to small business or microbusiness subcontractor participation of 25% of its net bid price shall be 5% of either the lowest, responsive, responsible firm's price or the highest responsive, responsible firm's total score. A non-small business, which qualifies for this preference, may not take an award away from a certified small business.

ATTACHMENT 12

**CALIFORNIA DISABLED VETERAN BUSINESS ENTERPRISE (DVBE)
PROGRAM PARTICIPATION INSTRUCTIONS**

DVBE PARTICIPATION REQUIREMENT. The Disabled Veteran Business Enterprise (DVBE) Participation Goal Program for State contracts is established in Public Contract Code (PCC) section 10115 et seq., Military and Veterans Code (MVC) section 999 et seq., and California Code of Regulations (CCR), title 2, section 1896.60 et seq. **This solicitation DOES NOT include a minimum DVBE participation requirement. DVBE participation is NOT required in the bid or proposal. However, a DVBE incentive will be applied as provided below.**

DVBE INCENTIVE. The State will apply a DVBE incentive for responsive bids or proposals (herein “bid” or “bids”) from responsible bidders that propose DVBE participation. The DVBE incentive will vary in relation to the percentage of confirmed DVBE participation. The following percentages shall apply.

Confirmed DVBE Participation of	DVBE Incentive
5% and above	5%
4% to 4.99% inclusive	4%
3% to 3.99% inclusive	3%
2% to 2.99% inclusive	2%
1% to 1.99% inclusive	1%

As applicable: (1) Awards based on low price – The DVBE incentive is applied by reducing the bid price by the amount of DVBE incentive as computed from the lowest responsive bid price submitted by a responsible bidder. The DVBE incentive is for evaluation purposes only. Application of the DVBE incentive shall not displace an award to a small business with a non-small business.

(2) Awards based on high score – The DVBE incentive is a percentage of the total possible available points, not including points for socioeconomic incentives or preferences. The DVBE incentive points are included in the sum of non-cost points. The DVBE incentive points cannot be used to achieve any applicable minimum point requirements.

DVBE PARTICIPATION COMMITMENT. Bidders seeking the DVBE incentive must submit a completed Bidder Declaration, GSPD-05-105, that demonstrates DVBE participation and qualification for a DVBE incentive.

DVBE participation information submitted by the intended awardee will be verified by the State. If evidence of an alleged violation is found during the verification process, the State or the Department of General Services, Office of Small Business and DVBE Services (OSDS) shall initiate an investigation in accordance with PCC section 10115 et seq., MVC section 999 et seq., and CCR, title 2, section 1896.60 et seq. Contractors found to be in violation of certain provisions may be subject to loss of certification, contract termination, and/or other penalties.

Only State of California OSDS certified DVBEs that perform a commercially useful function relevant to this solicitation may be used for the DVBE incentive and to comply with the DVBE Participation Goal Program. Please see MVC section 999(b) and CCR, title 2, section 1896.62(/) regarding the performance of a commercially useful function. Bidders are to verify each DVBE subcontractor’s certification with OSDS to ensure DVBE eligibility. Bidders cannot demonstrate DVBE incentive eligibility and DVBE Participation Goal Program compliance by performing a good faith effort.

At the State’s option prior to contract award, written confirmation from each DVBE subcontractor identified on the Bidder Declaration, GSPD-05-105, must be provided. As directed by the State, the written confirmation must be signed by the bidder and/or the DVBE subcontractor(s). The written confirmation shall include information as may be requested by the State, such as DVBE scope of work, work to be performed by the DVBE, term of intended subcontract with the DVBE, anticipated dates the DVBE will perform required work, rate and conditions of payment, and total amount to be paid to the DVBE. The State may obtain any additional documentation or information to verify compliance.

RESOURCES AND INFORMATION*

U.S. Small Business Administration:

Central Contractor Registration on-line database
www.ccr.gov

FOR:

Service-Disabled Veteran-Owned
Businesses in California

Local Organizations:

DVBE local contacts
www.pd.dgs.ca.gov/smbus

FOR:

List of Potential DVBE Subcontractors

**Department of General Services, Procurement Division
(DGS-PD) eProcurement:**

Website: www.eprocure.dgs.ca.gov
Phone: (916) 375-2000
Email: eprocure@dgs.ca.gov

FOR:

- SB/DVBE Search
- CSCR Advertisements
- Training Modules

**DGS-PD Office of Small Business and DVBE Services
(OSDS):**

707 Third Street, Room 1-400, West Sacramento, CA 95605
Website: www.pd.dgs.ca.gov/smbus
OSDS Receptionist: (916) 375-4940
PD Receptionist: (800) 559-5529
Fax: (916) 375-4950
Email: osdchelp@dgs.ca.gov

FOR:

- Directory of OSDS Certified DVBEs
- Certification Applications
- Certification Information
- Certification Status, Concerns
- General DVBE Program Information
- DVBE Business Utilization Plan
- SB/DVBE Advocates
- Lists of Trade and Focus Publications

Commercially Useful Function Definition

Military and Veterans Code section 999(b)
California Code of Regulations, title 2, section 1896.62(f)

*Contact information and available resources may be subject to change by the respective administration, department, division, or office. DVBEs must be certified by OSDS.

ATTACHMENT 13

BIDDER DECLARATION

<http://www.documents.dgs.ca.gov/pd/poliproc/MASTEr-BidDeclar08-09.pdf>

AGREEMENT NUMBER CAEATFA08-16
REGISTRATION NUMBER

1. This Agreement is entered into between the State Agency and the Contractor named below:

STATE AGENCY'S NAME

California Alternative Energy and Advanced Transportation Financing Authority

CONTRACTOR'S NAME

CONTRACTOR TO BE SELECTED THROUGH RFP PROCESS

2. The term of this Agreement is: July 1, 2017 through June 30, 2019
 (or upon DGS approval)

3. The maximum amount of this Agreement is: \$ 900,000.00
 Nine Hundred Thousand Dollars and Zero Cents

4. The parties agree to comply with the terms and conditions of the following exhibits which are by this reference made a part of the Agreement.

Exhibit A – Scope of Work 10 page(s)

Exhibit B – Budget Detail and Payment Provisions 3 page(s)

Exhibit C* – General Terms and Conditions 1 - GTC*

Check mark one item below as Exhibit D:

Exhibit - D Special Terms and Conditions (Attached hereto as part of this agreement) 6 page(s)

Exhibit - D* Special Terms and Conditions

Exhibit E – Additional Provisions 1 page(s)

Attachment 1 to Exhibit E - Third Party Agreement Provisions

Items shown with an Asterisk (*), are hereby incorporated by reference and made part of this agreement as if attached hereto. These documents can be viewed at www.dgs.ca.gov/ols/Resources/StandardContractLanguage.aspx

IN WITNESS WHEREOF, this Agreement has been executed by the parties hereto.

CONTRACTOR

CONTRACTOR'S NAME (if other than an individual, state whether a corporation, partnership, etc.)
 (TO BE DETERMINED)

BY (Authorized Signature)

DATE SIGNED(Do not type)



PRINTED NAME AND TITLE OF PERSON SIGNING

ADDRESS

STATE OF CALIFORNIA

AGENCY NAME

California Alternative Energy and Advanced Transportation Financing Authority

BY (Authorized Signature)

DATE SIGNED(Do not type)



PRINTED NAME AND TITLE OF PERSON SIGNING

Deana J. Carrillo, Executive Director

ADDRESS

915 Capitol Mall, Sacramento, CA 95814

California Department of General Services Use Only

Exempt per:

EXHIBIT A
(Standard Agreement)

SCOPE OF WORK

Under the general direction of the Executive Director of CAEATFA or his or her designee, the Contractor will provide the services outlined below. At the time the Contractor comes under contract, many of the tasks, set forth below, will already be implemented in the REEL Program and the Contractor will be expected to assume responsibility for such tasks, review and improve their effectiveness, and implement the remaining scope of services set forth below for the REEL Program. The Scope of Services broadly falls into seven categories:

- Contractor ME&O and Recruitment
- Conduct Contractor Training
- Process Contractor Applications and Certify Contractors
- Support for Participating Contractors
- Compliance Verification
- Reporting
- Program Design Assistance Task Orders

1. Contractor ME&O and Recruitment

CAEATFA and the Center for Sustainable Energy (CSE) are coordinating contractor marketing, education, and outreach (ME&O), as well as recruitment efforts, for all Pilot Programs and have developed contractor marketing strategies and tasks, which set forth each party's roles. Certain strategies for the REEL Program have been developed and launched by CSE and CAEATFA staff. The Contractor will conduct (or coordinate with CSE to conduct) the following REEL-related tasks. Note that these tasks may change as the pilot is refined.

- a. Coordinate outreach activities with IOUs. As part of this, attend and present at events sponsored by IOUs and IOU implementers including providing program updates on the REEL Program approximately monthly.
- b. Conduct weekly webinars that provide Q&A for contractors considering participation in the REEL Program. Recruit participants for those webinars. Record these or similar webinars for placement on Pilot website(s).
- c. Coordinate with CSE to attend outreach events with BPI, Efficiency First and PACE contractors, other trade associations and contractor groups, and manufacturers and distributors of equipment eligible for REEL financing and networking events. If and as relationships are developed through these efforts, the Contractor will continue to manage these relationships to support contractor participation in the REEL Program (up to 3-4 events per month).
- d. Perform comprehensive outreach to recruit contractors to the program through meetings, conferences, workshops, calls, individual meetings, e-mails, social media and the use of manufacturers and association contacts. Coordinate with CSE on this task.
- e. Develop and provide marketing collateral to describe the program requirements and benefits to use during the recruiting effort. Coordinate with CSE on this task.
- f. Contact contractors who have taken training, but have not completed an application, to determine if they need support with the application process
- g. Continually review the recruitment strategy and prioritize efforts to grow contractor enrollment and participation across IOU territories (urban and rural) and adequate coverage in high population areas.

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2. Conduct Contractor Training

The Contractor will review the current material, develop and expand training curricula and presentations covering specific processes and documentation requirements for REEL, and conduct training events via webinar and in person. Additionally, CSE is currently responsible for conducting contractor training related to the integration of financing with contractor sales and IOUs may host other training events which surface opportunities for tandem training, which may be employed for the convenience of Eligible Contractors (those interested contractors who intend to participate in the Pilot Program and meet eligibility requirements).

- a. Coordinate with CSE, IOUs and other parties for tandem training events and attend in-person training with a frequency of 1-2 per quarter.
- b. Conduct stand-alone training events, including training events scheduled with larger contractors employing multiple salespeople with a frequency of 1-2 per quarter in the initial stages of contractor enrollment for the Pilot Programs.
- c. Host weekly webinar training events.
- d. Coordinate with CSE to further develop and conduct contractor training on incorporating financing options into their sales tools.
- e. Update and make improvements to CHEEF internet "on-demand" access contractor training (currently in development by CAEATFA and CSE).
- f. Contractor may be requested to coordinate with the IOUs or their agents and CSE to train the appropriate staff on contractor requirements so that they can potentially administer contractor trainings independently leveraging their existing activities.

3. Process Contractor Applications and Certify Contractors

The Contractor will process all eligibility, screening and training requirements and ensure compliance with the REEL Program regulations. Contractors who respond to ME&O efforts, and intend to participate in the Pilot Program, must meet eligibility requirements ("Eligible Contractors") and undergo an enrollment process comprising application ("Contractor Application"), screening and training, to become "Qualified Contractors." The Contractor will perform the following tasks associated with Contractor Enrollment:

- a. Review Contractor Applications and conduct screening to ensure all eligibility requirements have been met in compliance with CAEATFA Program Regulations:
 - i. Verification of business name and address of the Eligible Contractor.
 - ii. Verification of name, business address, business telephone number, e-mail address and title of contact person.
 - iii. Verification of Contractor's State License Board (CSLB) license number.
 - iv. Verification that the business name submitted to CAEATFA matches the business name provided to the CSLB.
 - v. Verification of type(s) of CSLB licenses relevant to the work performed under the Program.
 - vi. Verification of a commercial general liability insurance policy or policies of not less than \$1,000,000 per occurrence or policy aggregate of not less than twice the occurrence limit.
 - vii. Verification that the Eligible Contractor has no outstanding judgements or liens.
 - viii. Verification that the date, location, and provider of the mandatory training attended by the Eligible Contractor, or an attachment from the provider of the mandatory training containing this information is included with the signed Contractor Application.

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- ix. If application is not complete or additional information is required notify applicant within five (5) business days.
- x. Upon receipt of a complete Contractor Application, review and notify applicant within ten (10) business days whether the Application is accepted or denied.
- xi. Verify Contractor Applications have authorized signatures.
- b. Verify other similar contractor requirements that may change from time to time as determined by CAEATFA's regulations and operational processes.
- c. If an application is accepted:
 - i. Send a "welcome letter" (template will be provided by CAEATFA) to each new Qualified Contractor.
 - ii. Maintain a current list of Qualified Contractors' contact information for inclusion on CAEATFA's website.
 - iii. Provide CHEEF partners, including participating lenders, master servicer and CSE, with regular lists of Qualified Contractors.
 - iv. Maintain an electronic file of Eligible Contractors for outreach purposes.
 - v. Maintain a map of Qualified Contractors and coordinate with CSE to update the map on the public facing website.
- d. If an application is denied, notify the Authority within one (1) business day.
- e. Regularly engage contractors to receive feedback on the program. In addition, at least two times each year, conduct a survey of Qualified Contractors, to gain contractor perspectives on the impact of the REEL Program and feedback on program processes and potential areas of improvement.

4. Support for Participating Contractors

The Contractor will be responsible for the day-to-day interaction with and support of Qualified Contractors in the REEL Program, and is expected to:

- a. Work with Qualified Contractors who have not yet completed a project, to encourage and assist them in using the program.
- b. Support e-mail and telephone inquiries from contractors seeking answers to questions about program requirements and eligibility criteria. This will include supporting contractors with identification of eligible energy efficiency measures (EEEMs), the proper completion of program forms, and general compliance with program eligibility requirements set forth in the Program Regulations. In order to accommodate contractor working and selling schedules, this support shall be provided weekdays from 8:00 a.m. to 8:00 p.m.
- c. Conduct monthly contractor roundtable calls (including contractor recruitment, setting the agenda, developing presentations) to gather program feedback and to provide answers to contractor inquiries.
- d. Coordinate with CSE and CAEATFA on the content and training material on the CHEEF website (www.thecheef.com) to ensure it is accurate and responsive to recurring questions received from interested parties.
- e. Review and develop forms, instructions, and the list of enrolled Qualified Contractors to ensure they are current on CAEATFA web site.
- f. Coordinate with CAEATFA to provide Qualified Contractors with regular program updates including, but not limited to: changes to the program, addition of new participating lenders, or best practices.

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- g. Identify areas of program implementation that need improvement, make recommendations and improvements to existing program material to better the program and encourage contractor uptake.

5. Compliance Verification

The Contractor will conduct compliance verifications on Qualified Contractors and loans/retrofit projects to verify compliance with REEL Program regulations. Specific requirements described below are based on current regulations, and some elements may be refined as the program is further implemented. Compliance verification objectives are to:

- a. Identify compliance deficiencies, and follow up with remedial training and guidance to Qualified Contractors to avoid repeated occurrence of deficiencies.
- b. For each completed project, verify that the contractor complied with program regulations and that program documents submitted by the contractor are accurate and reflect their completed work. The following is a list and description of the documents that will be reviewed during the Desktop Review process for residential projects participating in the REEL Program:
- i. Certificate of Completion (COC) – This document certifies compliance by the contractor with program regulations and provides additional information that is relevant to the Contractor's review of documents.
 - ii. Itemized Invoice – This document lists which Eligible Energy Efficiency Measures (EEEMs) were installed at what cost and what additional non-energy efficiency measures, if any, were installed. It provides data for program evaluation.
 - iii. Customer Utility Bill – This is the bill that the customer at the service address receives from the IOU monthly.
 - iv. Authorization to Release Customer Information (CISR) – This form gives the IOUs permission to collect data on energy usage at the service address.
 - v. Energy Modeling Documentation (if applicable) – A copy of this documentation is required for Eligible Energy Efficiency Measures (EEEMs) in finance-only projects that require modeling.

These documents may change from time to time as the program is modified to incorporate lessons learned and changes in the utility and energy efficiency industry.

- c. Establish a process to record occurrences of contractor deficiencies and non-compliance, with remedial training recommendations.
- d. Establish a process for contractor evaluation and termination from REEL Program participation that considers severity, frequency, and contractor's effort to remediate project deficiencies, as well as non-compliance with REEL Program requirements. This effort will be developed by the Contractor, to be approved by CAEATFA.

Two types of activity are required under the Compliance Verification element of the Scope of Services: desktop verification and field verification.

e. Desktop Verification

The Contractor will receive a list of projects and corresponding project documents (described above) from the Master Servicer electronically on a weekly basis or as needed. After these project documents are provided to the Contractor from the Master Servicer, the Contractor will review the documents for accuracy, completeness, and consistency with relevant CAEATFA program regulations. Note, however, that the Master Servicer will have already conducted a review of whether documents are complete, so the completeness review will be done in order to identify areas of remedial training that may be required.

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Specifically, if the documents are complete, accurate, and consistent with CAEATFA regulations, the Contractor will note its review on the documents and maintain them in files. If the documents are not complete, accurate, and consistent, the Contractor will conduct remedial training with the contractor and, as required, modify the contractor's tier accordingly. The Contractor will review the following data points on the documents for compliance:

- i. EEEMs match the correct fuel source for the service provided by the IOU.
 - ii. Other necessary alterations are generally consistent with the EEEM installation (if information is available on the invoice).
 - iii. Contractor had correct license for project and that the contractor's license was current and in effect at the time of installation.
 - iv. For finance-only projects, project complied with Title 24 and other building standard compliance to the extent this can be evaluated through a desktop review (including climate zone requirements).
 - v. The contractor obtained necessary permits (as reflected by a permit number identified on the Certificate of Completion). The Contractor shall not verify validity of permit at this point, but shall only do so if the project is selected for field verification/audit (described below).
 - vi. Based on a review of the Itemized Invoice, whether or not a CAS/CAZ test should have been conducted and was denoted on the Certificate of Completion.
- f. On-site Field Verification and Audit
Note that the REEL Program allows for Qualified Contractors to install projects, but under certain circumstances will also enable self-installers to install energy efficiency equipment. The Contractor shall perform on-site field verifications and an audit that confirm the installation of Eligible Energy Efficiency Measures and certain other elements of compliance with the REEL Program, for a sampling of projects that are not participating in an IOU rebate or incentive program (i.e. the finance only pathway), and projects that have been self-installed. Such verifications are intended to confirm compliance with REEL Program regulations, including among other items, that Eligible Measures, as listed by the Qualified Contractor on the Itemized Invoice, were installed on the Eligible Property. Note that these verifications are not intended to duplicate local government inspection and oversight related to health and safety or Title 24 code compliance. These field verifications shall be performed on a sampling basis, only for selected projects.

The sampling shall be conducted as follows:

- i. For projects completed by Self-Installers (Do-It-Yourself Home Installers), the Contractor shall conduct field verifications on five percent (5%) of all projects participating in the Program that contain Eligible Improvements installed by a Self-Installer.
- ii. For projects installed by a Qualified Contractor that do not receive or participate in an IOU rebate or incentive program (finance only):
 - (a) For projects that **DO NOT** require a Combustion Appliance Safety or Combustion Appliance Zone test, the Contractor shall conduct field verifications on five percent (5%) of projects performed by a Qualified Contractor. If at any point the Contractor finds substantive issues in the field verifications, the Contractor shall provide written notice to the Qualified Contractor of any issues that may need to be addressed.
 - (b) For projects that **DO** require a Combustion Appliance Safety or Combustion Appliance Zone test, the Contractor shall conduct field verifications according to the following sampling methodology:

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Contractor Tiers for Projects Requiring a Combustion Appliance Safety (CAS) or Combustion Applicant Zone (CAZ) Test	
Tier 1	The Contractor shall verify one hundred percent (100%) of projects performed by the Qualified Contractor and funded by Enrolled Loans. Upon completing five (5) consecutive inspections with no substantive issues, the Authority will begin verifying the Qualified Contractor's work according to Tier II.
Tier 2	The Contractor shall verify a randomly selected twenty percent (20%) of projects performed by the Qualified Contractor and funded by Enrolled Loans. Upon completing twenty (20) consecutive inspections with no substantive issues, the Authority will begin verifying the Qualified Contractor's work according to Tier III.
Tier 3	The Contractor shall verify a randomly selected five percent (5%) of projects performed by the Qualified Contractor and funded by Enrolled Loans.
*If at any point the Contractor finds substantive issues in the field verifications, the Contractor shall provide written notice to the Qualified Contractor of any issues that may need to be addressed. Upon the third such notice, the Contractor shall begin verifying the Qualified Contractor's work according to the previous Tier.	

- (c) The Contractor should propose to CAEATFA a random sampling methodology to carry out sections (a) and (b) directly above for CAEATFA's approval. The frequency of the verifications shall depend on the Qualified Contractor's participation in the Program and the type of Eligible Improvements installed.
- (d) The Contractor may conduct field verifications at the Eligible Property up to one (1) year of enrolling the Eligible Loan to verify that the Eligible Improvements were installed in accordance with regulations. While the regulations allow for these inspections to be conducted for up to one year, the Contractor will be expected to conduct them within 60-days of receiving the project information. The Contractor will prioritize those projects that require CAS/CAV tests.
- (e) The Contractor will coordinate the field verification directly with the Borrower. The Contractor shall notify the Borrower at least ten (10) business days prior to conducting field verification.
- (f) The Contractor will classify each contractor into the appropriate inspection tier in order to determine project inspection frequency, consistent with the relevant Pilot Program regulation. The Contractor will:
- (1) Update these classifications per Pilot Program regulations as needed.
 - (2) Report within one (1) business day to CAEATFA regarding potential contractor disciplinary actions, including any failure of a contractor to meet or maintain qualifications to participate in the REEL Pilot Program.
 - (A) If the Contractor finds that the Eligible Improvements were not installed in accordance with these requirements or that the Qualified Contractor misrepresented information related to

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the work, the Authority/Contractor may suspend the Qualified Contractor from Program participation and/or may notify other government agencies and entities.

- (B) If the Contractor finds that the Eligible Improvements were not installed in accordance with these requirements or that the Self-Installer misrepresented information related to the work, the Contractor may notify other government agencies and entities.
- (g) In addition to verifications that require a field visit to the property where measures have been installed, any selected project will require three additional document reviews:
- (1) A review of the actual CAZ/CAS test document where it was required (to be obtained directly from the contractor).
 - (2) A verification of a valid permit issued and inspected by local government matching the permit # and address information of the Certificate of Completion. The Contractor may perform this verification by:
 - (A) review of a local government "job card" or permit documents in possession of the homeowner at the time of field verification; **or**
 - (B) use of local government internet-based facilities for viewing permit documents; **or**
 - (C) telephone contact with local government to verify issuance and the information on the permit; **or**
 - (D) other recommendations or methodologies proposed by the Contractor.
 - (3) Itemized Invoice Review:
 - (A) Review REEL Itemized Invoice costs for reasonableness to evaluate consistency with local market conditions and industry standards, as well as ensuring that the efficiency levels of the installed EEEMs are appropriate to the local climate zone.
 - (B) Review REEL Itemized Invoice and compare it to invoice provided to the customer to note whether the Itemized Invoice is consistent with the customer invoice. The customer invoice/work order will be obtained directly from the customer or contractor.

Types of Deficiencies. Deficiencies identified during quality assurance reviews and compliance verifications will be categorized as "Programmatic" findings based on the guideline provided below. All deficiencies will require a corrective action.

- i. Any repeated deficiencies may be cause for evaluation of contractor program status or dismissal from the REEL Pilot Program.
- ii. If objective evidence is not supplied indicating that corrective actions have been addressed, including pictures or other such evidence, the Contractor may require an additional field inspection to verify the completion of the corrective action in the field.
- iii. Examples of programmatic deficiencies include:
 - (a) Installation of measure was different from that specified on Itemized Invoice. Note that this review is focused only on whether the measure identified on the

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Itemized Invoice was actually installed; the review is not seeking to evaluate the quality of that installation.

- (b) Inaccurate information recorded on Certificate of Completion and Itemized Invoice, for instance:
- (1) A permit review identifies that a contractor did not obtain a permit, but had indicated having done so on the Certificate of Completion form.
 - (2) A review of the CAS/CAZ test identifies that the project failed the test, but the contractor had indicated on the Certificate of Completion form that the project had passed the test.

6. Reporting

- a. Contractor Activity Update. The Contractor will maintain, and make improvements to existing reporting tools that have been developed by CHEEF including:
- i. The public Qualified Contractor List and associated map on the CHEEF website.
 - ii. CHEEF's internal contractor listing.
 - iii. CHEEF's master contractor listing, which provides comprehensive information and will need further improvements to include:
 - (a) Contractors in the enrollment process.
 - (b) Contractors' status with enrollment (e.g., in screening, pending confirmation, in training, etc.) and any issues or reasons (e.g., inactive license, denial), which arise causing delay in their enrollment process.
 - (c) All information contained in the Contractor Application in order to identify geographic areas with high or low contractor enrollment and participation and to identify gaps in geographic participation, or gaps in the types of services that contractors offer.

The Contractor will supplement this reporting with information on each contractor's success or failure with the program, REEL loan applications, funded REEL loans, issues with lenders, any relevant information discovered through contact with the contractor affecting their performance on the program.

The Contractor will make recommendations to CAEATFA to increase contractor recruitment based on analysis of this Contractor reporting.

- b. Monthly QC Report. The purpose of this report is to summarize contractor quality control issues and resolutions for CAEATFA. The report will contain the following information:
- i. Name of contractor(s) with QC issue(s).
 - ii. Did the issue require the Contractor to move the contractor to a lower tier requiring greater oversight?
 - iii. Did the contractor cure the issue(s)?
 - iv. Number of days to resolve.
- c. Contractor Recruitment, Training, and Enrollment Report. The report will contain the following information:
- i. A list of recruitment activities including number of webinars, trainings, or events held, number of contractors invited, number attending and number enrolling. Description of coordination efforts with CSE and the IOUs.
 - ii. Newly enrolled contractors in each pilot, including information on types of projects the contractors work on and the zip code for the contractor's business address.

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- iii. Desktop reviews; fail/pass rate, identification of issues.
 - iv. Number of field verifications performed.
 - v. Fail/pass rate of field verifications and reason for failure.
 - vi. Fail/pass rate as it relates to individual contractors.
 - vii. Summary information describing number of contractors either downgraded or upgraded among Tiers 1, 2 or 3.
 - viii. Any potential contractor removals from the pilots.
 - ix. Any significant events or upcoming activities of which CAEATFA should be aware.
- d. Annual Report. The purpose of this report is to provide following information:
- i. Check that contractor CSLB license is still valid.
 - ii. Check to see if contractor insurance is still valid.

7. Program Design Assistance Task Orders

If requested by CAEATFA and agreed upon in advance by CAEATFA and the Contractor in written Task Orders, the Contractor will make recommendations to CAEATFA on program design based on Contractor's knowledge of industry practice and standards. Task Orders will not increase the total not-to-exceed cost of this Contract. Specific deliverables, responsibilities, and timetables will be established by and between CAEATFA and the Contractor in writing prior to commencement of work, and all approved Task Orders shall be made a part of this Contract.

- i. All deliverables included in a Task Order request will be consistent with the Scope of Services and the REEL Program's stage in program development and implementation.
- ii. Each Task Order request will identify a "not-to-exceed" amount of compensation for specific types of consulting services over a period of time.
- iii. The Contractor will develop a work plan for completion of the requested deliverables within the defined period of time and under the "not-to-exceed" cost. This work plan will be provided to CAEATFA for approval, and will include:
 - (a) Task order name and number and a description of services to be provided.
 - (b) Name(s) of individuals(s) who will work on the Task Order, their titles/classifications and billing rates to be charged per hour, and anticipated hours to be spent on each portion of the project. The personnel, hourly rates and compensation schedules used in a Task Order will be as described in the awarded proposer's Cost Proposal, and indicated in the Rate Schedules provided by the proposer and included in Exhibit B.
 - (c) Estimated reimbursable cost (labor and expenses, as deemed necessary by the Contractor and CAEATFA) within the "not-to-exceed" price for the defined work under the Task Order.
 - (d) Deliverable items required during or at completion of the Task Order work assignment.
 - (e) Anticipated schedule for completion of deliverables and overall Task Order.

The Contractor will submit invoices as described in Exhibit B toward each approved, discrete Task Order.

**EXHIBIT A
(Standard Agreement)**

The project representatives during the term of this Agreement will be:

State Agency: California Alternative Energy And Advanced Transportation Financing Authority (CAEATFA)	Contractor:
Name: Deana J. Carrillo, Executive Director	Name:
Address: 915 Capitol Mall, Sacramento, California 95814	Address:
Phone: (916) 653-8157	Phone:
Fax: (916) 657-4821	Fax:
Email: dcarrillo@treasurer.ca.gov	Email:

Direct all inquiries to:

State Agency: California Alternative Energy And Advanced Transportation Financing Authority (CAEATFA)	Contractor:
Section/Unit: CAEATFA	Section/Unit:
Attention: Dallas Aicega	Attention:
Address: 915 Capitol Mall, Sacramento, California 95814	Address:
Phone: (916) 653-3303	Phone:
Fax: (916) 657-4821	Fax:
Email: daicega@treasurer.ca.gov	Email:

**EXHIBIT B
(Standard Agreement)**

BUDGET DETAIL AND PAYMENT PROVISIONS

1. Invoicing and Payment

- a. For services satisfactorily rendered, and upon receipt and approval of the invoices, in consideration of the services described in the Scope of Services, CAEATFA agrees to compensate the Contractor for actual expenditures incurred in accordance with the rates specified below and attached hereto as Contractor's Cost Proposal, which is made a part of this Agreement.

Name, Title	Rate Per Hour

- b. **Task Orders:** The Contractor Manager shall perform services designated by the Authority on specific tasks, deliverables or task order work assignments consistent with the Scope of Work, and as requested in writing by the Authority according to Section 7 (Program Design Assistance Task Orders) of Exhibit A. In response to such request, Contractor shall provide the Executive Director with a detailed work plan for approval, which will include a description of the activities to be performed and hours proposed by task and by individual; a proposed schedule for task completion, including any deliverable items required during or at completion of the task order work assignment, and estimated reimbursable expenses. Payment for specific task order assignments shall not exceed the amount of the task order approved in writing in advance by the Executive Director.
- c. Invoices shall be provided to CAEATFA on a **monthly** basis and shall include Agreement Number CAEATFA08-16. Itemized billings must include the following where applicable:
- i. Project name, Agreement Number, Task Order number and services to be provided.
 - ii. Name(s) of individuals(s) who performed work on the project, their titles/classifications and billing rates per hour.
 - iii. Itemized reimbursable expenses, along with receipts.
 - iv. Deliverable items required during or at completion of the task order work assignment. Sufficient detail regarding the activity engaged in or the services provided includes, at a minimum:
 - For preparation of documents, a brief description of the document prepared;
 - For attendance at, hosting, or preparation for a meeting, hearing, or other event, a brief description of the purpose of the meeting, hearing or event;
 - For telephone conversations, the name of the party with whom you spoke and a brief description of the subject matter discussed;
 - For training or conferences, the name of the parties participating in the training or conference and a brief description of the subject matter discussed; and for research, a brief description of the issues researched.

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- d. Any change in the professional staff or subcontractors, whether by substitution or addition of staff, must be approved in writing in advance by CAEATFA Executive Director and must be accompanied by a resume and proposed billing rate, which rate shall not be greater than the rate for comparable staff identified in the billing rates.
- e. All travel must be pre-approved by the Executive Director. Travel and transportation expenses shall not exceed the rates payable to State employees. Other necessary expenses not listed above will be reimbursed if approved in advance by the Executive Director. Send invoices to:

Deana J. Carrillo, Executive Director
California Alternative Energy and Advanced Transportation
Financing Authority (CAEATFA)
915 Capitol Mall
Sacramento, California 95814

- f. The maximum amount of compensation to Contractor Manager under this Agreement shall not exceed **\$900,000.00** for the entire term of this Agreement.
- g. Progress payments are permitted for tasks completed under this Agreement. Ten percent (10%) of the invoiced amount shall be withheld pending final completion of each task and acceptance by CAEATFA, upon which CAEATFA will disburse the remaining 10% held back and owing to the Contractor Manager.

2. Budget Contingency Clause

- a. It is mutually agreed that if the Budget Act of the current year and/or any subsequent years covered under this Agreement does not appropriate sufficient funds for the program, this Agreement shall be of no further force and effect. In this event, the State shall have no liability to pay any funds whatsoever to Contractor Manager or to furnish any other considerations under this Agreement and Contractor Manager shall not be obligated to perform any provisions of this Agreement.
- b. If funding for any fiscal year is reduced or deleted by the Budget Act for purposes of this program, the State shall have the option to either cancel this Agreement with no liability occurring to the State, or offer an agreement amendment to Contractor Manager to reflect the reduced amount.

3. Prompt Payment Clause

Payment will be made in accordance with, and within the time specified in, Government Code Chapter 4.5, commencing with Section 927.

**EXHIBIT B
 (Standard Agreement)**

**SAMPLE BILLING
 (Contractor Manager Firm's Letterhead)**

Invoice No. _____
 Invoice Date: _____

Deana J. Carrillo, Executive Director
 California Alternative Energy and Advanced Transportation
 Financing Authority (CAEATFA)
 915 Capitol Mall
 Sacramento, California 95814

Agreement No.: CAEATFA08-16

Project Description: **Development and ongoing support for residential contractor recruitment and management, project desk-top review, on-site field verifications, and reporting for CAEATFA's Residential Energy Efficiency Loan (REEL) Assistance Program**

Description of Work Performed	Count	Cost Per Transaction / Rate	Total
		\$	\$
		\$	\$
		\$	\$
		\$	\$
		\$	\$
		\$	\$
		\$	\$
		\$	\$
		\$	\$
		\$	\$
		\$	\$
		\$	\$
		\$	\$
		\$	\$
		\$	\$
		\$	\$

TOTAL FEES:	\$	\$
TOTAL EXPENSES:	\$	\$
TOTAL FEES & EXPENSES:	\$	\$

**EXHIBIT C
(Standard Agreement)**

GENERAL TERMS AND CONDITIONS

Exhibit C to this Agreement, the General Terms and Conditions (GTC), is hereby incorporated by reference and made part of this Agreement as if attached hereto. The General Terms and Conditions may be viewed and downloaded at <http://www.dgs.ca.gov/ols/Resources/StandardContractLanguage.aspx>.

SAMPLE

EXHIBIT D
(Standard Agreement)

SPECIAL TERMS AND CONDITIONS

1. Excise Tax

The State of California is exempt from federal excise taxes, and no payment will be made for any taxes levied on employees' wages. The State will pay for any applicable State of California or local sales or use taxes on the services rendered or equipment or parts supplied pursuant to this Agreement. California may pay any applicable sales and use tax imposed by another state.

2. Settlement of Disputes

In the event of a dispute, Contractor shall file a "Notice of Dispute" with a Deputy Treasurer of the State Treasurer's Office within ten (10) days of discovery of the problem. Within ten (10) days, the Deputy Treasurer shall meet with the representatives of Contractor and the State identified in Paragraph 2 of Exhibit A for purposes of resolving the dispute. The decision of the Deputy Treasurer shall be final.

In the event of a dispute, the language contained within this Agreement shall prevail over any other language including that of any bid proposal.

3. Evaluation of Contractor

Pursuant to Public Contract Code sections 10367 and 10369 within sixty (60) days after the completion of this Agreement, the State shall complete a written evaluation of Contractor's performance under this Agreement. If this Agreement is a contract for consultant services and if Contractor did not satisfactorily perform the work, a copy of the evaluation will be sent to the Department of General Services (DGS), Office of Legal Services, and to the Contractor within fifteen (15) working days of the completion of the evaluation in accordance with Public Contract Code section 10371.

4. No Agency Liability

The Contractor warrants by execution of this Agreement that no person or selling agency has been employed or retained to solicit or secure this Agreement upon agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by the Contractor for the purpose of securing business. For breach or violation of this warranty, the State shall, in addition to other remedies provided by law, have the right to annul this Agreement without liability, paying only for the value of the work actually performed, or otherwise recover the full amount of such commission, percentage, brokerage, or contingent fee.

5. Potential Subcontractors

Nothing contained in this Agreement or otherwise, shall create any contractual relationship between the State and any subcontractors, and no subcontract shall relieve the Contractor of his responsibilities and obligations hereunder. The Contractor agrees to be as fully responsible to the State for the acts and omissions of its subcontractors and of persons either directly or indirectly employed by any of them as it is for the acts and omissions of persons directly employed by the Contractor. The Contractor's obligation to pay its subcontractors is an independent obligation from the obligation of the State to make payments to the Contractor. As a result, the State shall have no obligation to pay or to enforce the payment of any moneys to any subcontractor.

**EXHIBIT D
(Standard Agreement)**

6. Force Majeure

Neither party to this Agreement shall be liable for damages resulting from delayed or defective performance when such delays arise out of causes beyond the control and without the fault or negligence of the offending party. Such causes may include, but are not restricted to, acts of God or of the public enemy, acts of the State in its sovereign capacity, fires, floods, power failure, disabling strikes, epidemics, quarantine restrictions, and freight embargoes.

7. Waivers

No delay on the part of any party in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any waiver on the part of any party of any right, power or privilege hereunder, nor any single or partial exercise of any right, power or privilege hereunder, preclude any other or further exercise thereof or the exercise of any other right, power or privilege hereunder.

8. Incorporation of Amendments to Applicable Laws

Any references to sections of federal or state statutes or regulations shall be deemed to include a reference to any amendments thereof and any successor provisions thereto.

9. Confidentiality

All financial, statistical, personal, technical and other data and information relating to the operations of the State which are designated confidential by the State and become available to Contractor shall be protected by Contractor from unauthorized use and disclosure.

10. Titles/Section Headings

Titles and headings are for convenience of reference only, and shall have no effect on the construction or legal effect of this Agreement.

11. Choice of Law

Notwithstanding Paragraph 14 of Exhibit C (General Terms and Conditions), this Agreement shall be administered, construed, and enforced according to the laws of the State of California (without regard to any conflict of laws provisions) to the extent such laws have not been preempted by applicable federal law. Any suit brought hereunder, including any action to compel arbitration or to enforce any award or judgment rendered thereby, shall be brought in state court sitting in Sacramento, California, the parties hereby waiving any claim or defense that such forum is not convenient or proper. Each party agrees that any such court shall have in personam jurisdiction over it and consents to service of process in any manner authorized by California law.

12. Notices

The parties agree that to avoid unreasonable delay in the progress of the services performed hereunder, Contractor and the State have designated in Paragraph 2 of Exhibit A specific staff representatives for the purpose of communication between the parties. Any notice or other written communication required or which may be given hereunder shall be deemed given when delivered personally, or by mail three (3) days after the date of mailing, unless by express mail then upon the date of confirmed receipt, to the representatives named in Paragraph 2 of Exhibit A.

EXHIBIT D
(Standard Agreement)

Either party hereto may, from time to time by notice in writing served upon the other as aforesaid, designate a different mailing address or a different or additional person to which all such notices or demands thereafter are to be addressed.

13. Permits and Licenses

Contractor shall carry out its duties and responsibilities herein in accordance with, be limited in the exercise of its rights by, and observe and comply with, all federal, state, city and county laws, rules or regulations affecting services under this Agreement. Contractor shall procure and keep in full force and effect during the term of this Agreement all permits and licenses necessary to accomplish the work contemplated in this Agreement.

14. Books and Records

Contractor shall keep accurate books and records connected with the performance of this Agreement for a period of at least three (3) years. Contractor shall ensure that books and records of subcontractors, suppliers, and other providers shall also be accurately maintained. Such books and records shall be kept in a secure location and shall be available for inspection and copying by the State and its representatives at any time.

15. Key Personnel

- a. A resume for each member of Contractor's staff who will exercise a significant administrative, policy, or consulting role under this Agreement is attached to this Agreement as Attachment 1 to Exhibit D. These members of Contractor's staff shall be hereafter referred to (both individually and collectively) as "Key Personnel."
- b. Contractor shall not substitute, replace or reassign Key Personnel without the prior approval of the State and an amendment to this Agreement.
- c. This Agreement may be terminated immediately, in the sole discretion of the State and upon written notice from the State to Contractor, because of any change in or departure of any of the Key Personnel.

16. Changes in Control, Organization or Key Personnel

Contractor shall promptly, and in any case within five (5) days, notify the State in writing: (i) if any of Contractor's representations and warranties, as set forth in this Agreement, cease to be true at any time during the term of this Agreement; (ii) of any change in Contractor's staff who exercises a significant administrative, policy, or consulting role under this Agreement, including without limitation any Key Personnel; (iii) of any change in the majority ownership, control, or business structure of Contractor; or (iv) of any other material change in Contractor's business, partnership or corporate organization. All written notices from Contractor under this provision shall contain sufficient information to permit the State to evaluate the changes within Contractor's staff or organization under the same criteria as was used by the State in its award of this Agreement to Contractor.

17. Insurance Requirements

Contractor warrants that it carries adequate liability, worker's compensation and other necessary insurance and shall maintain such insurance at levels acceptable to the State in full force and effect during the term of this Agreement. Contractor agrees to furnish satisfactory evidence of this insurance coverage to the State upon request.

**EXHIBIT D
(Standard Agreement)**

18. Subcontractors

- a. Contractor shall perform the work contemplated by this Agreement with resources available within its own organization except for subcontracted work identified in this Agreement or other attachment incorporated hereto. No other portion of the work pertinent to this Agreement shall be subcontracted without written authorization by the State. The subcontractor must be mutually agreed upon in advance by both parties.
- b. Contractor shall require that any subcontractor agree to be bound by all provisions of this Agreement, as applicable.

19. Notice of Proceedings

Contractor shall promptly notify the State in writing of any investigation, examination or other proceeding involving Contractor, including any Key Personnel, commenced by any regulatory agency, which proceeding is not conducted in the ordinary course of Contractor's business.

20. Cumulative Remedies

The rights and remedies provided herein are cumulative and are not exclusive of any rights or remedies that any party may otherwise have at law or in equity.

21. Binding Effect

This Agreement, any instrument or agreement executed pursuant to this Agreement, and the rights, covenants, conditions and obligations of Contractor and the State contained therein, shall be binding upon the parties and their successors, assigns and legal representatives.

22. Publicity

No publicity release or announcement concerning this Agreement or the transactions contemplated herein shall be issued by Contractor without advance written approval by the State.

23. Services or Procurement Resulting from Agreement

Neither Contractor, nor any of its subsidiaries, officers or directors, may submit a bid or be awarded a contract for the provision of services, procurement of goods or supplies, or any other related action which is required, suggested, or otherwise deemed to be an outgrowth of the advice or recommendations that Contractor provides under this Agreement.

24. Agreement Does Not Violate Law

Contractor represents and warrants that neither the execution of this Agreement nor the acts contemplated hereby nor compliance by Contractor with any provisions hereof will:

- a. Violate any provision of the charter documents of Contractor;
- b. Violate any statute or law or ordinance or any judgment, decree, order, regulation or rule of any court or governmental authority applicable to Contractor; or
- c. Violate, or be in conflict with, or constitute a default under, or permit the termination of, or require the consent of any person under, any agreement to which Contractor may be bound, the violation of

EXHIBIT D
(Standard Agreement)

which in the aggregate would have a material adverse effect on the properties, business, prospects, earnings, assets, liabilities or condition (financial or otherwise) of Contractor.

25. Power and Authority

Contractor represents and warrants that it has the power and authority to enter into this Agreement and to carry out its obligations hereunder. The execution of this Agreement has been duly authorized by Contractor and no other proceeding on the part of Contractor is necessary to authorize this Agreement. Contractor has completed, obtained and performed all registrations, filings, approvals, authorizations, consents or examinations required by any government or governmental authority for its acts contemplated by this Agreement.

26. Signature Authorization

The person signing this Agreement warrants that he/she is an agent of Contractor and is duly authorized to enter into this Agreement on behalf of Contractor.

27. Entire Agreement; Order of Precedence

- a. This Agreement, including documents that have been incorporated in this Agreement by reference, contains all representations and the entire understanding between the parties hereto with respect to the subject matter hereof. Any prior correspondence, memoranda or agreements are replaced in total by this Agreement.
- b. In the event there are any inconsistencies or ambiguities among the terms of this Agreement and incorporated documents, the following order of precedence shall be used: (i) applicable laws; (ii) the terms and conditions of this Agreement, including exhibits and attachments; (iii) the Request for Proposal (RFP) if any; (iv) Contractor's response to the RFP if any; and (v) any other provisions, terms, or materials incorporated herein.

28. Termination at Option of the State

In addition to the provisions of Paragraph 7 of Exhibit C (General Terms and Conditions), this Agreement may be terminated in whole or in part at any time upon 30 calendar days' written notice by the State, for any reason. Upon receipt of a termination notice, Contractor shall promptly discontinue all services affected unless the notice specifies otherwise. In the event the State terminates all or a portion of this Agreement for any reason, it is understood that the State will provide payment to Contractor for satisfactory services rendered prior to the termination, but not in excess of the maximum amount of this Agreement.

29. Termination for Insolvency

Contractor shall notify the State immediately in writing in the event that Contractor files any federal bankruptcy action or state receivership action, any federal bankruptcy or state receivership action is commenced against Contractor, Contractor is adjudged bankrupt, or a receiver is appointed and qualifies. In the event of any of the foregoing events, or if the State determines, based on reliable information, that there is a substantial probability that Contractor will be financially unable to continue performance under this Agreement, the State may terminate this Agreement and all further rights and obligations immediately.

30. Completion

In the event of termination for default, the State reserves the right to take over and complete the work by contract or other means. In such case, Contractor will be liable to the State for any additional cost incurred by the State to complete the work whether reimbursed or not.

EXHIBIT D
(Standard Agreement)

31. Effect of Termination

All duties and obligations of the State and Contractor shall cease upon termination of this Agreement, except that:

- a. Each party shall remain liable for any rights, obligations, or liabilities arising from activities carried on by it under this Agreement prior to the effective date of termination; and
- b. Contractor shall provide for the return of all records of the State to the State or its designee and shall cooperate fully to effect an orderly transfer of services.

32. Termination for Expatriation

Contractor shall notify the State immediately in writing in the event that Contractor or its parent files any notice with the Securities and Exchange Commission that Contractor intends to reincorporate offshore. In the event of such notice, the State may terminate this Agreement and all further rights and obligations immediately by giving five (5) days' notice in writing in the manner specified herein.

33. Compliance With Political Reform Act

Contractor acknowledges that the State is subject to the provisions of the Political Reform Act (Government Code section 81000 et seq. and all regulations adopted thereunder, including, but not limited to, California Code of Regulations, title 2, section 18700 et. seq.) and Contractor shall comply promptly with any requirement thereunder. If required by law, Contractor shall require its personnel, including without limitation, its Key Personnel all later substitutions therefore, to file Statements of Economic Interests in compliance with the Conflict of Interest Code for the Office of the State Treasurer and the various boards, authorities, commissions, and committees chaired by the State Treasurer (California Code of Regulations, title 2, section 1897). All such reports shall be filed simultaneously with the State.

34. Darfur Contracting Act

Effective January 1, 2009, all Invitations for Bids (IFB) or Requests for Proposals (RFP) for goods or services must address the requirements of the Darfur Contracting Act of 2008 (Act). (Public Contract Code section 10475 et seq.) The Act was passed by the California Legislature and signed into law by the Governor to preclude State agencies generally from contracting with "scrutinized" companies that do business in the African nation of Sudan of which the Darfur region is a part, for the reasons described in Public Contract Code section 10475.

A scrutinized company is a company doing business in Sudan as defined in Public Contract Code section 10476. Scrutinized companies are ineligible to, and cannot, bid on or submit a proposal for a contract with a State agency for goods or services. (Public Contract Code section 10477(a).)

Therefore, Public Contract Code section 10478(a) requires a company that currently has (or within the previous three years has had) business activities or other operations outside of the United States to certify that it is not a "scrutinized" company when it submits a bid or proposal to a State agency. A scrutinized company may still, however, submit a bid or proposal for a contract with a State agency for goods or services if the company first obtains permission from DGS according to the criteria set forth in Public Contract Code section 10477(b).

**EXHIBIT E
(Standard Agreement)**

ADDITIONAL PROVISIONS

1. Progress Payments

Progress payments are permitted for tasks completed under this Agreement. Ten percent (10%) of the invoiced amount shall be withheld pending final completion of each task. Any funds withheld with regard to a particular task may be paid upon completion of that task.

2. Conflict of Interest; No Profit

- A. Contractor certifies that its employees and the officers of its governing body shall avoid any actual or potential conflicts of interest, and that no officer or employee who exercises any functions or responsibilities in connection with this Agreement shall have any personal financial interest or benefit which either directly or indirectly arises from this Agreement.
- B. Contractor shall establish safeguards to prohibit its employees or its officers from using their positions for a purpose which could result in private gain or which gives the appearance of being motivated for private gain for themselves or others, particularly those with whom they have family, business, or other ties.

3. Third-Party Agreement Provisions and Information Security Requirements

Pursuant to the CHEEF Implementation Agreement effective September 12, 2014, entered into by and among the California Alternative Energy and Advanced Transportation Financing Authority, a public instrumentality of the State of California created pursuant to Division 16 (commencing with Section 26000) of the California Public Resources Code ("CAEATFA"), Pacific Gas and Electric Company, a California corporation ("PG&E"), San Diego Gas & Electric Company, a California corporation ("SDG&E"), Southern California Edison Company, a California corporation ("SCE"), and Southern California Gas Company, a California corporation ("SoCalGas"), terms for the protection of the investor-owned utilities ("IOUs") are included as Attachment 1 to this Exhibit and made a part of this Agreement.

ATTACHMENT 1 TO EXHIBIT E

(Exhibit C to CHEEF Implementation Agreement, as amended) **Third Party Agreement Provisions**

1. Confidentiality and Data Protection

1.1 Definitions

Capitalized terms not defined in this exhibit (“**Third Party Agreement Provisions**,” or the “**Provisions**”) shall have the meanings set forth in the CAEATFA agreement (“**Agreement**”) to which the Provisions are attached and made a part by reference.

1.1.1 “**Confidential Information and Property**” means all non-public, confidential or proprietary commercial or personal information or property of a party or IOU, including without limitation Customer Data, disclosed or provided under this Agreement to any other party or its agents, employees, officers, directors, partners, attorneys, accountants, contractors or Contractors (collectively, “**Representatives**”), whether disclosed or provided orally or disclosed, provided or accessed in written, electronic or other form of media, whether or not marked or otherwise identified as “confidential,” concerning, but not limited to, research, development, products, services, processes, designs, inventions, software, tools, reports, ratemaking, regulatory and legislative matters and practices of that party, its parent company, subsidiaries, affiliates, or members of the public, including Customer Data provided by that party. Such Confidential Information and Property also includes non-public, confidential or proprietary commercial or personal information, data or tangible or intangible property produced, developed or delivered by Contractor in the performance of this Agreement.

1.1.2 “**Customer Data**” means all information and data regarding an IOU customer that is furnished, disclosed, or otherwise made available to Contractor by an IOU under this Agreement, including without limitation personal information such as the customer’s name, address, contact information, service agreement number on the Customer’s utility bill, user name, password, financial status, and social security number, and any information regarding the Customer’s energy usage or billing. No confidential Customer Data shall be provided to Contractor except pursuant to a release of any such Customer Data in one or more forms provided by that IOU, as may be amended from time to time in that IOUs’ sole discretion, executed by that IOU’s customer to whom such Customer Data pertains (“**Release**”).

1.1.3 “**Contractor Personnel**” means any and all personnel furnished or engaged by the Contractor to perform any part of the services under the Agreement, including employees and independent contractors of the Contractor and its Subcontractors.

1.1.4 “**Disclosing Party**” means the party or, as applicable, the IOU, that discloses its Confidential Information and Property to the Receiving Party pursuant to this Agreement.

1.1.5 “**Receiving Party**” means the party that receives Confidential Information and Property from the Disclosing Party pursuant to this Agreement.

1.2 Confidentiality

1.2.1 Contractor shall not disclose or make available Confidential Information and Property to any third party, except as permitted by this Agreement. Contractor shall, and shall require Contractor Personnel to, access and use Confidential Information and Property solely for the purpose of performing services under the Agreement, but not otherwise. In addition, Contractor shall comply, and ensure that Contractor Personnel comply, with all applicable laws relating to the protection of Confidential Information and Property and Customer Data.

1.2.2 Contractor shall not, and shall ensure Contractor Personnel do not, use Confidential Information and Property or Customer Data (including any Customer Data received by Contractor pursuant to a Release) for Contractor’s or Contractor Personnel’s own benefit or for any purpose other than as expressly stated in this Agreement.

1.2.3 If Contractor receives any Customer Data pursuant to this Agreement without a Release, Contractor shall (1) provide written notice to CAEATFA and the relevant IOU within two (2) Business Days of discovering that the Customer Data was disclosed without a Release; (2) shall delay processing of any application related to an IOU customer to which the Customer Data pertains until Contractor receives such Release; and (3) treat any such Customer Data as Confidential Information and Property.

1.2.4 The foregoing confidentiality restrictions shall not apply to information which is (i) previously known to a Receiving Party, prior to its receipt from Disclosing Party, (ii) independently developed by Receiving Party without use of the Confidential Information, (iii) acquired by it from a third party not participating in the Pilot Program, which was not, to the Receiving Party's knowledge, under an obligation to the Disclosing Party not to disclose such information, (iv) which is or becomes publicly available through no breach of this Agreement by the Receiving Party; or (v) Customer Data provided by an IOU pursuant to a Release; provided that if such Customer Data has been compiled in a database, that database shall nonetheless be deemed Confidential Information and Property owned by the IOUs, and all of the confidentiality obligations herein shall apply unless such Customer Data in that database is anonymized or aggregated so that it cannot be identified with the individuals to whom it relates.

1.2.5 Contractor acknowledges that CAEATFA and the IOUs may elect to disclose Contractor Confidential Information and Property to their respective regulator(s) and legislators. In addition, CAEATFA and the IOUs may be required to disclose Contractor's Confidential Information and Property to third parties to comply with Commission directions relating to energy efficiency program reporting or to comply with other applicable laws. Such disclosures are not prohibited by this Section 1.2 but, in making such disclosures, CAEATFA and the IOUs will afford the level of protection to such information as CAEATFA and the IOUs determine to be appropriate in accordance with their normal business practices.

1.3 Use of Confidential Information and Property

Confidential Information and Property is and will remain the property of the Disclosing Party. The Receiving Party may not use the Disclosing Party's Confidential Information and Property or Customer Data (including any Customer Data received by such Party pursuant to a Release) for any purpose other than those expressly authorized by this Agreement. The Disclosing Party's Confidential Information and Property shall not be sold, assigned, leased or otherwise disposed of to third parties or commercially exploited by or on behalf of the Receiving Party. The Receiving Party may not possess or assert any lien or other right against or to the Disclosing Party's Confidential Information and Property.

1.4 Compliance with Data Privacy and Data Protection Laws

Contractor shall observe and comply with all applicable laws, including data privacy, data protection, and consumer privacy laws. If a party becomes aware of any use or disclosure of another party's Confidential Information and Property or Customer Data that is not permitted by this Agreement, it will notify that other party as soon as practicable, but no later than two (2) Business Days after such party becomes aware of any such unauthorized use or disclosure.

1.5 Information Security and Protection Measures

1.5.1 Contractor shall take "Information Security and Protection Measures" consistent with industry best practices, as such practices evolve and improve during the Term and, without limiting the foregoing, shall comply with the Information Security Requirements set forth hereof, as such policies are updated and supplemented by the relevant parties during the continuance of this Agreement. Information Security and Protection Measures means measures to safeguard against the unauthorized access, loss, destruction, use, alteration or disclosure of Confidential Information and Property owned or provided by CAEATFA or IOUs, including but not limited to:

1.5.1.1 Systems, infrastructure, procedures and services as necessary to recover data, systems and operations in the event of a major outage or disaster, and regular tests (no less frequently than annually) to verify that such recovery can be achieved;

1.5.1.2 Policies and procedures providing information security, third-party assurance auditing and penetration testing;

1.5.1.3 Password protected access to Confidential Information and Property at all access points;

1.5.1.4 Encryption of Confidential Information and Property at rest and in transit (including any backup copies);

1.5.1.5 Restriction of physical access to Confidential Information and Property;

1.5.1.6 Implementation of logical access controls and sanitization or destruction of media, including hard drives;

1.5.1.7 Compliance with NIST standards, as applicable to services under the Agreement; and

1.5.1.8 Contractor shall furnish to CAEATFA and the IOUs upon request an SSAE 16 Type II report on Contractor's internal controls pertaining to services under the Agreement (or such other independent verification of Contractor's Security Measures that is reasonably acceptable to CAEATFA and the IOUs):

1.5.1.8.1 Before commencing performance of services under the Agreement;

1.5.1.8.2 Not less than annually during the Agreement term; and

1.5.1.8.3 Upon request by CAEATFA or the IOUs, but not more than once per calendar year in addition to the provision of the annual certification referred to in subsection 1.5.1.8.2.

1.5.2 CAEATFA and the IOUs may inspect and audit, or engage a third party auditor to inspect and audit, the Contractor's facilities and systems to assess the Contractor's security measures. The Contractor shall cooperate fully with any requested inspection or audit. If CAEATFA or an IOU notifies Contractor of a material vulnerability in the Contractor's security measures, Contractor shall develop an action plan acceptable to CAEATFA and the IOUs to correct the material vulnerability or vulnerabilities, in accordance with the Information Security Requirements.

1.5.3 Contractor hereby represents, warrants and covenants that, to the extent Contractor's facilities or information system(s) have been the subject of security audits prior to the date hereof and such audits have revealed any material vulnerabilities in the Contractor's facilities or Contractor's information system(s), Contractor has fully remedied such vulnerabilities.

1.6 Compelled Disclosure

If Contractor becomes legally compelled to disclose any Confidential Information and Property of the Disclosing Party in a manner not otherwise permitted by this Agreement (including any disclosure that is required pursuant to the Public Records Act), Contractor will provide CAEATFA and the Disclosing Party with notice of the request within two (2) Business Days to enable CAEATFA and the Disclosing Party to fulfill their obligations under Section 7.2(e) of the CHEEF Implementation Agreement dated September 12, 2014. Contractor acknowledges that the obligation to produce documents and the ultimate determination of what information is privileged and what is to be released is solely CAEATFA's.

1.7 Public Disclosures

1.7.1 CAEATFA and the IOUs may be required or may determine it is desirable to file this Agreement with regulatory entities and, Contractor acknowledges that in either case, they shall have the right to do so. Each Party will otherwise refrain from disclosing the specific terms and conditions of this Agreement to third parties to the extent allowed by law.

1.7.2 All other media releases, public announcements and public disclosures by CAEATFA or the IOUs relating to this Agreement or the subject matter of this Agreement

(including disclosures and announcements regarding the conduct or results of the Pilot Program(s)) will be coordinated with and approved by CAEATFA and the IOUs prior to release.

1.7.3 The fact that CAEATFA and the Contractor have entered into this Agreement does not constitute, nor does it imply in any way, endorsement by CAEATFA of Contractor, and Contractor will not indicate or imply that CAEATFA endorses, recommends, or vouches for Contractor in any form of written, verbal, or electronic advertisement, communication, or any other business development effort, except to the extent expressly approved by CAEATFA in writing.

1.8 Return or Destruction

Upon request by the Disclosing Party, and with the written consent of CAEATFA in the event of a request from an IOU, Contractor will return or provide the Disclosing Party a copy of any designated Confidential Information and Property of the Disclosing Party. When Confidential Information and Property of the Disclosing Party is no longer required for the Contractor's performance under this Agreement, or in any event upon expiration or termination of this Agreement for any reason, the Contractor will return all materials in any medium that contain, refer to, or relate to Confidential Information and Property of the Disclosing Party or, at the Disclosing Party's election, destroy them. At the Disclosing Party's request, the Receiving Party will certify in writing that it has returned or destroyed all copies of the Disclosing Party's Confidential Information and Property in the possession or control of the Receiving Party. Contractor shall remove, or cause to be removed, all Confidential Information and Property from Contractor and Contractor Personnel's information system and other computing resources. Contractor shall not, without the prior written authorization of CAEATFA and the IOUs, sell or otherwise dispose of any parts, equipment, or other materials containing, conveying, embodying, or made in accordance with or by reference to any Confidential Information and Property. Before disposing of such parts, equipment, or materials, Contractor shall render them unusable.

1.9 Duration of Confidentiality Obligations

The Receiving Party's obligations hereunder apply to Confidential Information and Property of the Disclosing Party disclosed to the Receiving Party before or after the Effective Date and will continue during the Term and survive the expiration or termination of this Agreement as follows and in compliance with any obligations arising under the Public Records Act:

1.9.1 The Receiving Party's obligations under Section 1.8 will continue in effect until fully performed;

1.9.2 As to any portion of the Disclosing Party's Confidential Information and Property that constitutes a trade secret under applicable Law, the obligations will continue for as long as the information continues to constitute a trade secret;

1.9.3 As to Customer Data, such obligations shall continue in perpetuity; and

1.9.4 As to all other Confidential Information and Property of the Disclosing Party, the obligations will survive for two years after the Receiving Party's fulfillment of its obligations under Section 1.8 with respect to the Confidential Information and Property in question.

1.10 Database and Derived Data

1.10.1 Any database or information repository developed or maintained by Contractor using IOU Confidential Information and Property or Customer Data (a "**Database**"), and all analysis, reports, aggregated and/or anonymized data and metadata created by Contractor based on IOU Confidential Information and Property or Customer Data ("**Derived Data**"), shall be owned jointly by the IOUs from whose Confidential Information and Property and Customer Data the Database or Derived Data was derived, and shall be held for the benefit of ratepayers subject to the continuing jurisdiction and regulation of the Commission.

1.10.2 Contractor may use, publish and disclose the Database and Derived Data only for the purpose of performing services under the Agreement in accordance with this Agreement, but not otherwise, and shall not sell, assign, lease or otherwise dispose of the Database or

Derived Data to third parties or commercially exploit it for Contractor's benefit or the benefit of any third party. Contractor may not possess or assert any lien or other right against or to the Database or Derived Data.

1.10.3 Before the Database and/or any Derived Data is made public or disclosed to any third party pursuant to authorization under this Agreement, Contractor shall ensure that any Customer Data included therein is anonymized so that it cannot be identified with the individuals to whom it relates.

1.11 Data Required for Program Participation

(a) The following Customer Data may be required from a borrower or lessee by an IOU or CAEATFA Contractor in order for such borrower or lessee to be eligible to participate in the Pilot Program(s): (i) name(s), address(es), and other contact information of such borrower or lessee; (ii) the service account number on such borrower or lessee's utility bill for the subject property(ies), (iii) information regarding such borrower or lessee's energy usage and/or billing data for the subject property(ies); and/or (iv) data regarding such borrower or lessee's eligible project.

(b) To the extent the Customer Data set forth in Section 1.11(a) is required from a borrower or lessee in order for such borrower or lessee to be eligible to participate in the Pilot Program(s), such Customer Data shall only be released to Contractor by the applicable IOU(s) pursuant and subject to a Release.

(c) Notwithstanding the definition of "Customer Data," under no circumstance will social security numbers, passwords or usernames be required by CAEATFA from a borrower or lessee in order to be eligible to participate in the Pilot Program(s). Nothing set forth herein, however, shall be interpreted or deemed to preclude a lender or lessor from obtaining additional information (including, without limitation, social security number, employment history, prior addresses) from a borrower or lessee as deemed necessary by such lender or lessor in order to provide a loan or lease to such borrower or lessee for an eligible project.

2. Provisions Related to Personnel (Security Training and Background Check)

2.1 The Contractor, at its own expense, will ensure that, prior to providing any services under the Agreement, Contractor Personnel will: (i) complete any CAEATFA- or IOU-provided or required orientation and security procedures, which will include training on the confidentiality, security and non-disclosure obligations regarding the IOUs' computing system and Confidential Information and Property, Security Incident Response Plan, as well as appropriate business conduct and protocols directed at compliance with applicable laws and any relevant IOU policies; and (ii) complete annual training thereafter, and update such training when applicable laws materially change or when CAEATFA or an IOU informs the Contractor of material changes in the IOUs' information or physical security policies.

2.2 The Contractor, at its own expense, will screen and conduct background checks of the Contractor Personnel in accordance with CAEATFA's and the IOUs' policies that have been provided to the Contractor in writing; (iii) verify that each individual involved in providing services under the Agreement has received and signed a copy of the Contractor's code of conduct and is bound to maintain the confidentiality of all Confidential Information and Property provided by CAEATFA and the IOUs pursuant to this Agreement; and (iv) confirm to CAEATFA and the IOUs that these and any other pre-assignment steps described in this Agreement or CAEATFA's and the IOUs' written policies for contractors have been successfully completed.

3. Enforcement by IOUs

3.1 Each IOU is a third party beneficiary of the Contractor's warranties, covenants, indemnities and other obligations under this Agreement. In addition to CAEATFA's right to enforce the Agreement as a Party, each IOU may enforce the terms of this Agreement

against the Contractor as if the IOU were a Party. Alternatively, each IOU may, in its sole discretion, authorize CAEATFA or another IOU to enforce such rights, including by participating in an arbitration proceeding or litigation on its behalf. The IOUs shall take no action pursuant to this section without providing three (3) Business Days prior written notice to CAEATFA.

- 3.2 Subject to paragraph (a), this Agreement is entered into solely between CAEATFA and Contractor will not be deemed to create any rights in any third parties or to create any obligations of either CAEATFA or Contractor to any third parties.

4. **Prior Written Approval for Changes**

The Fee Schedule describes the personnel, subcontractors, facilities and systems (the “**Service Delivery Environment**”) that will be used by the Contractor to perform and deliver services under the Agreement. Any material change to the Service Delivery Environment as described in the Fee Schedule (or Statement of Work) shall require CAEATFA’s prior written approval. Without limiting the foregoing, CAEATFA’s prior written approval is required for any subcontracting of services under the Agreement by Contractor, any relocation of Confidential Information and Property or any change in the locations from which Confidential Information and Property may be accessed by Contractor Personnel.

5. **Compliance with Applicable Laws**

The Contractor will comply with all applicable laws in connection with the performance of services under the Agreement and the conduct of its business. If applicable, without limitation, the Contractor shall maintain and keep in good standing a money transmitter’s license pursuant to the California Money Transmission Act (California Financial Code § 2000, et seq.), a finance lender’s license pursuant to California Financial Code §§ 2200 et seq., a mortgage lender’s license pursuant to the California Residential Mortgage Lending Act (California Financial Code, § 50000 et seq.) and/or a real estate broker’s license pursuant to Section 10130 et seq. of the California Business and Professions Code, to the extent applicable to Contractor’s services under the Agreement.

6. **Insurance**

- 6.1 Contractor will maintain the following insurance coverage or self-insurance coverage, at all times during the term of this Agreement, with companies having an A.M. Best rating of “A-, VII” or better, or equivalent:

- i. **Workers’ Compensation:** statutory minimum.
- ii. **Employer’s Liability coverage:** \$1 million minimum.
- iii. **Commercial General Liability:** \$2 million minimum per occurrence/\$4 million minimum aggregate.

- 6.2 The insurance policies referred to in paragraphs (i), (ii) and (iii) above shall acknowledge CAEATFA, the IOUs and their respective officers, agents and employees (the “**Beneficiaries**”) as additional insureds, be primary for all purposes, contain standard cross-liability or severability of interest provisions, and waive all rights of subrogation against the Beneficiaries.

- i. **Professional Liability** (if applicable): \$1 million minimum.
- ii. **Commercial or Business Auto:** \$1 million minimum. Such insurance shall acknowledge the Beneficiaries as additional insureds and be primary for all purposes.

- 6.3 **Evidence of Insurance.** Upon request at any time during the term of this Agreement, Contractor shall provide evidence that the insurance policies required by this Section are in full force and effect, and provide the coverage and limits of insurance required herein.

6.4 Notice of Claims. Contractor shall immediately report to CAEATFA, and promptly thereafter confirm in writing, the occurrence of any injury, loss or damage incurred by Contractor in the course of performing services under the Agreement, or receipt of notice or knowledge of any claim by a third party of any occurrence that might give rise to such a claim.

7. Audit Rights and Record Retention.

7.1 Contractor shall maintain, for a period of five (5) years after final payment, complete accounting records (and supporting documentation) of all funds paid to Contractor hereunder. Contractor agrees that CAEATFA and the IOUs shall have the right to review and to copy any records and supporting documentation pertaining to the performance of the Agreement. Contractor agrees to allow the auditor(s) access to such records during normal business hours and to allow interviews of any employees who might reasonably have information related to such records. Further, Contractor agrees to include a similar audit right provision in any contract with a subcontractor performing any of the services under the Agreement.

7.2 Contractor shall not retain any funds erroneously paid by CAEATFA to Contractor, including, but not limited to, any funds paid on behalf of an IOU. If, at any time, CAEATFA or the IOUs discover that an amount was paid to Contractor in error, either through subsequent review or audit, or by another means, the amount erroneously paid to Contractor may, at the option of CAEATFA or IOUs, as applicable be used to offset future payment(s) due to Contractor or must be repaid by Contractor.

8. Contractor Indemnities.

8.1 Contractor shall indemnify, defend and hold harmless CAEATFA, the IOUs, their affiliates, and their respective officers, directors, employees, agents and representatives from and against any and all Losses arising in connection with any Claim:

8.1.1 resulting from the negligent or unlawful acts or omissions, or willful or tortious conduct of Contractor or its employees, agents and subcontractors, including any failure of any of them to comply with applicable laws in connection with this Agreement;

8.1.2 resulting from any collection or enforcement action in connection with this Agreement; and/or

8.1.3 arising from the Contractor's breach or alleged breach of its confidentiality, data privacy and data protection obligations under this Agreement.

8.2 Definitions Related to Contractor Indemnities.

8.2.1 **"Claim"** means any claim, demand, action, proceeding or investigation made or commenced against a Party that is related to this Agreement or a Contractor agreement, as applicable, by an unaffiliated third party or governmental authority, whether or not a lawsuit is filed.

8.2.2 **"Losses"** means any and all expenses, losses, liabilities and/or damages suffered or incurred by any indemnified person as a result of or in connection with a Claim, including any amounts paid or incurred in settlement of a Claim, and including the costs of defending and/or settling the Claim and associated legal costs.

Attachment A to Exhibit C - Information Security Requirements

CAEATFA and Contractor have entered into the Agreement as of the effective date thereof (“**Effective Date**”). The terms set forth in this attachment (“**Information Security Requirements**”) shall be governed by the Agreement and shall be effective as of the Effective Date. Capitalized terms used in this attachment but not defined herein shall have the meanings given in the Agreement.

1. **Scope.** The Information Security Requirements apply to and govern any and all receipt of, access to, storage of, or use of Confidential Information and Property by Contractor and Contractor Personnel, in connection with services under the Agreement.

2. **Definitions.** In addition to the definitions set forth elsewhere in the Agreement, the following capitalized terms shall have the meanings set forth below:

(a) **“Security Incident”** means (i) any Unauthorized Use or other breach in the security of Contractor’ and/or Contractor Personnel’s information systems that contain Confidential Information and Property, or any unauthorized access to, interception of, disclosure or acquisition of such Confidential Information and Property, or (ii) if caused by the action or inaction of Contractor, any Unauthorized Use or other breach in the security of information systems that contain Confidential Information and Property, or any unauthorized access to, interception of, disclosure or acquisition of such Confidential Information and Property.

(b) **“Security Incident Response Plan”** or **“SIRP”** means a written plan and process for preventing, detecting, identifying, reporting, tracking and remediating Security Incidents.

(c) **“Security Incident Report”** or **“SIR”** means a report prepared by Contractor regarding a Security Incident which includes, at a minimum, the information more fully set forth below in Section 5.

(d) **“Unauthorized Use”** means any use, reproduction, distribution, transfer, disposition, disclosure, possession, memory input, alteration, erasure, damage or other activity by Contractor involving Confidential Information and Property that is not expressly authorized under the Agreement.

3. **Security Obligations.**

(a) **Security Incident Response Plan:** Prior to accessing any Confidential Information and Property, Contractor shall develop a SIRP and implement and maintain such SIRP throughout the Term.

(b) **SIRP General Requirements:** Contractor’s SIRP will include, at a minimum, Security Incident handling and response procedures, specific contacts in an event of a Security Incident, the contacts’ roles and responsibilities, and their plans to notify CAEATFA and/or the relevant IOU(s), as the case may be, concerning the Security Incident. The SIRP must be based on and meet all of the following requirements:

(i) Applicable laws concerning the care, custody, control and integrity of data and information, including but not limited to, California’s Information Practices Act of 1977, California Civil Code §§ 1798.80 *et seq.*

(ii) Provides for notice to CAEATFA and/or the IOUs (as applicable), of any breach of the security of Confidential Information and Property if it is reasonably believed to have been acquired by an unauthorized person and California Public Utilities Commission Decision 11-07-056, 2011 Cal. PUC LEXIS 404.

(c) **SIRP Review.** At CAEATFA’s request, Contractor shall review the SIRP at least annually with CAEATFA, and the IOU’s (if applicable) to identify updates, changes or potential improvements, and a process to document these changes within ninety (90) days of these changes.

(d) **Physical Security.** Contractor shall provide and maintain physical controls in accordance with Applicable Standards to prevent any Security Incidents and the Unauthorized Use of Confidential Information and Property. Physical controls shall include, but not be limited to: (i) effective physical security of any Contractor facilities and Contractor’s computing systems used in connection with providing services under the Agreement to CAEATFA, on behalf of the IOUs. At a minimum, such methods must include visitor sign-ins, restricted access key cards or locks for employees, and limited access to server

rooms and archival backups; (ii) physical hazard protection; (iii) equipment configuration control methods to detect unauthorized changes in configuration and inventory; and (iv) requirements stating that all removable media such as compact discs, digital video discs, thumb drives, or laptops used to store Confidential Information and Property shall be protected from Unauthorized Use or a Security Incident.

(e) Additional Security Obligations. In addition to its other obligations relating to Confidential Information under the Agreement, Contractor shall (and shall ensure Contractor Personnel) comply with the following additional obligations:

(i) Data Storage. Contractor shall maintain all Confidential Information and Property so as to be compartmentalized or otherwise logically separate from, and in no way commingled with, other information of Contractor or its other customers and not accessible by other customers.

(ii) Security Program. The security program implemented and maintained by Contractor for its Information Systems shall consist of safeguards to prevent any Unauthorized Use, accidental or unauthorized destruction, accidental loss, alteration of, access to and any other unauthorized collection or use of Confidential Information and Property, and shall include, without limitation: (aa) appropriate access controls and data integrity controls, including the use of strong authentication of users, least privilege access, and use of firewalls and antivirus software; (bb) testing and auditing of all controls; and (cc) encryption of all Confidential Information and Property, while at rest and in transit.

(iii) Backup of Confidential Information and Property. Contractor will use prevailing: (aa) secure and redundant encrypted data backup, (bb) recovery technologies, and (cc) destruction methods, at no additional cost to CAEATFA, with respect to Contractor's access and use of Confidential Information and Property. Contractor shall at all times ensure that it is aware of and has documented the location of all copies of Confidential Information and Property.

4. Notice of Security Incident. Contractor covenants and agrees that if Contractor or Contractor Personnel, discover or are notified of a Security Incident or potential Security Incident relating to the IOUs' or CAEATFA's computing systems, Confidential Information and Property or information therein, Contractor shall immediately submit a SIR to CAEATFA and the relevant IOU(s) by emailing the SIR. The SIR shall include, at a minimum, a brief summary of the issue, facts and status of Contractor's investigation; (b) identify the potential number of individuals affected by the Security Incident; (c) provide any other information pertinent to CAEATFA's and the IOUs' understanding of the Security Incident and the exposure or potential exposure of Confidential Information and Property; (d) investigate such Unauthorized Use or such potential Unauthorized Use that caused the Security Incident or may cause a Security Incident, (e) inform CAEATFA and the relevant IOU(s), in writing, of the results of such investigation, (f) assist CAEATFA and the relevant IOU(s), (at Contractor's cost and expense) in maintaining the confidentiality of such Confidential Information and Property; and (g) if requested by CAEATFA, discuss with CAEATFA and the relevant IOU(s) the cause(s) of the Security Incident, Contractor's response, lessons learned and potential improvements to Contractor's computing system's security process and procedures. Upon receipt of Contractor's SIR, CAEATFA or the IOUs may immediately revoke Contractor's and Contractor Personnel's access to the relevant computing systems and Confidential Information and Property. Such revocation shall not relieve Contractor of its obligations to perform services in accordance with the terms of the Agreement. If CAEATFA or an IOU deems it prudent to notify individuals potentially affected by the Security Incident and/or to offer them free credit monitoring service or other remedies, then Contractor shall reimburse CAEATFA or the IOU for its costs and expenses for the notification and remedies.

5. Vulnerability Management After a Security Incident. Upon the occurrence of a Security Incident, Contractor shall immediately inform CAEATFA and the IOUs of such Security Incident and provide access to CAEATFA and the IOUs so that CAEATFA and the IOUs or an independent third party may conduct an onsite audit and inspection of the facility or facilities and Contractor's computing systems involved in the Security Incident. Contractor shall develop an action plan acceptable to CAEATFA and the IOUs to correct the causes of the Security Incident and all material vulnerability or vulnerabilities discovered during the audit or inspection. Promptly after CAEATFA and the IOUs approve the action plan, Contractor shall correct each such Security Incident cause or vulnerability at its sole cost and expense.

Contractor shall certify in writing to CAEATFA and the IOUs that it has corrected all such Security Incident causes and vulnerabilities. Contractor shall bear (and if applicable, shall reimburse CAEATFA and/or the applicable IOU(s) for) all costs and expenses of an audit or inspection following a Security Incident. Additionally, Contractor shall:

(i) Upon CAEATFA's or an IOU's written request, promptly perform (or shall permit the IOUs or an independent third party to perform) a vulnerability threat assessment ("VTA") test or such additional testing as may be reasonably required by CAEATFA or an IOU. The VTA may be performed, in CAEATFA's or the IOUs' sole discretion, by CAEATFA, the staff or subcontractor of one or more IOU, or a security consultant selected and approved in writing by CAEATFA.

(ii) Thereafter, throughout the remainder of the Term, perform quarterly vulnerability assessments of Contractor's computing systems used to perform services under the Agreement ("Assessments"). Such Assessments shall include an evaluation of Contractor's externally accessible computer systems from the perspective of an external attacker, with a focus on service discovery and service identification. This Assessment shall include a logical assessment, penetration/intrusion testing and/or analysis services. Threats to Contractor's computing systems' availability, reviewing of whether attackers could deny legitimate users access to information made available through Contractor's IT infrastructure, may also be evaluated. Such quarterly Assessments shall be at Contractor's sole expense and shall be conducted by a third party nationally recognized for performing such Assessments (a "VTA Contractor"), proposed by Contractor and subject to CAEATFA's and the IOUs' prior approval, which shall not be unreasonably withheld.

(iii) CAEATFA or an IOU may also request Contractor to have the VTA Contractor conduct additional Assessments on an ad hoc basis, to provide reviews of Contractor's computing systems, including without limitation, Contractor's infrastructure, applications, networks, internal scans, external scans and code. Such ad hoc Assessments shall be conducted in a manner that does not compromise Contractor's reasonable security standards, shall be conducted under Contractor's direction, and shall be at CAEATFA's or the IOU's sole expense. CAEATFA and the IOUs shall have the right to require Contractor to use a different VTA Contractor (other than the one proposed by Contractor) to perform such additional ad hoc Assessments.

(iv) The results of all Assessments described in these Sub-Sections 6(d) (i) – (iii) shall be provided by Contractor to CAEATFA and the IOUs and shall include a comprehensive report of the Assessment findings, redacted to exclude only specific information that is confidential and proprietary to Contractor's other customers. Contractor, CAEATFA and the IOUs shall reach an agreement regarding remediation of the findings within the Assessment results and Contractor shall promptly perform such remediation at its sole cost and expense.

(e) Nothing set forth in Sections 6(c) or (d) shall be construed as a waiver of any legal or equitable rights and remedies available to CAEATFA and/or the IOUs in connection with an audit, inspection, or Security Incident. In addition, CAEATFA's and the IOUs' onsite audit or inspection of Contractor's facilities under these sections shall not be interpreted as CAEATFA's or the IOUs' assumption of any liability or responsibility to remedy the Security Incident or vulnerability or otherwise to assist Contractor in the repair or replacement of Contractor's computing systems or facilities.

(f) Document Retention. Contractor shall maintain all documentation relating to Security Incidents, remediation activities and follow-on assessments, whether in written or electronic form, including their identification, processing and resolution, for three (3) years after final resolution of the Security Incident, including the final resolution of all claims arising out of the Security Incident.

6. Additional Representations and Warranties. In addition to Contractor's other representations and warranties in the Agreement, Contractor hereby represents and warrants:

(a) Contractor shall comply with all of the terms in these Information Security Requirements throughout the Term;

(b) Virus Precautions. Contractor represents and warrants that: (i) Contractor's information systems utilized to provide services under the Agreement were checked with Internet industry standard up-to-date antivirus software, and were determined to be virus-free, before their first use in performance of the Agreement; (ii) Contractor will update its virus definitions no less than monthly to ensure that they use the most up-to-date definitions available, and will conduct at least biweekly virus sweeps of all networks, databases, computers, and software (including archival copies of the foregoing) utilized to provide services under the Agreement; (iii) Contractor will promptly use such virus detection software to attempt to purge all viruses discovered during such sweeps; (iv) prior to delivering any digital files to CAEATFA and/or the IOUs, as applicable, Contractor will scan all files with Internet industry standard up-to-date antivirus software and will determine that they are virus-free; and (v) if Contractor discovers that a virus may have been transmitted to CAEATFA or to one or more IOUs by Contractor, Contractor will promptly notify CAEATFA and the IOUs of such possibility in a writing that states the nature of the virus, the date on which transmission may have occurred, and the means Contractor has used to attempt to purge the virus; and

(c) Contractor will not (and will ensure Contractor Personnel do not) access or use any Confidential Information and Property for any purpose other than that of performing Contractor's obligations under the Agreement.

7. Acknowledgement. Contractor acknowledges that the IOUs each retain sole and exclusive ownership of all right, title and interest to and to all Confidential Information and Property. The Agreement does not grant Contractor or Contractor Personnel any implied licenses with respect to Confidential Information and Property or Customer Data.

8. Survival. The terms of the Information Security Requirements will survive the expiration or any termination of the Agreement.