

PUBLIC UTILITIES COMMISSION

SAN FRANCISCO, CA 94102-3298
505 VAN NESS AVENUE

May 17, 2013

NorthStar Consulting Group, Inc.
Douglas A. Bennett, Managing Director
900 East Main Street, Suite 104
Santa Maria, CA 93454

Dear Mr. Bennett,

RE: Agreement No. 12PS5100 - PG&E Affiliate Transactions Audit

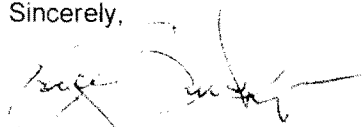
This Agreement cannot be considered binding on either party until approved by appropriate authorized State agencies.

No services should be provided prior to approval, as the State is not obligated to make any payments on any agreement prior to final approval. The GTC are available on the Internet at; <http://www.documents.dgs.ca.gov/ols/GTC-307.doc> Expeditious handling of this Agreement is appreciated. For inquiries regarding this Agreement, please call: **Joyce Swisher, 415-703-1439** or e-mail mia@cpuc.ca.gov

Complete the following item(s) and return to the address stated below:

- Please sign the first page of the standard agreement package with attached exhibits (STD 213 or 213A), along with the additional 2 copies enclosed. **Please return all copies for further processing.** Our office will return an original copy for your records after all signatures are complete.
- Payee Data Record (STD 204). **No payment can be made unless this form is completed and returned.**
- Fill out and sign the **Contractor Certification Clauses (CCC)**. The CCC package contains clauses and conditions that may apply to your agreement and to persons doing business with the State of California. The CCC will be kept on file in a central location and must be renewed every three (3) years, and updated as changes occur. It is available on the Internet site referenced in paragraph one above. Please sign and return the first page of the current CCC. **Failure to do so will prohibit the State of California from doing business with your company.**
- Darfur Contracting Act (Act) (Public Contract Code sections 10475 through 10481). Effective January 1, 2009, procurements for Non-Information Technology (Non-IT) goods or services must address the requirements of this Act. The Act is intended 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. For all acquisitions of Non-IT goods or services, departments must require vendors to certify whether they are a SCRUTANIZED company. Please sign and return the attached Darfur Contract Act Vendor Certification. * **This form is required when contracting with the State of California.**
- _____ A copy of your insurance certification which states coverage will not be canceled without 30 days written notice to the State of California, and which also includes the State of California, its officers, agents, and employees as additional insured's.
- _____ The attached Agreement is signed on behalf of (**Agency Name**). Continue processing and when approved, return the original to this office.
- _____ The attached approved Agreement is for your records. You are now authorized to provide the agreed upon services.

Sincerely,



Joyce Swisher, AGPA
California Public Utilities Commission
Contracts Office – Room 2004
505 Van Ness Avenue, 2nd Floor
San Francisco, CA 94102
415-703-1439 fax (415) 703-5922
mia@cpuc.ca.gov

STATE OF CALIFORNIA
STANDARD AGREEMENT
 STD 213 (Rev 06/03)

| |
|-------------------------------------|
| AGREEMENT NUMBER 12PS5100 |
| REGISTRATION NUMBER eP |

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

| |
|--|
| STATE AGENCY'S NAME California Public Utilities Commission |
| CONTRACTOR'S NAME NorthStar Consulting Group, Inc. |
- The term of this Agreement is: **June 15, 2013** through **June 15, 2015**
- The maximum amount of this Agreement is: **\$ 399,291.00**
 Three Hundred Ninety-nine Thousand Two Hundred Ninety-one Dollars and 00/100
- 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.

The Contract is effective on the start date or upon approval by DGS which ever is later, and no work shall begin until that time.

| | |
|--|------------|
| Exhibit A – Scope of Work | 01 Page(s) |
| Attachment 1 – Scope of Work, 03 pages, Exhibit VI-2 Hours and Fees, 01 page, shall be made a part of Exhibit A of this Agreement. | 04 page(s) |
| Exhibit B – Budget Detail and Payment Provisions | 02 Page(s) |
| Attachment 2 – Exhibit VI-1 Cost Proposal, Rate Schedule, shall be made a part of Exhibit B of this Agreement. | 01 Page(s) |
| Exhibit C* – General Terms and Conditions | 01 Page(s) |
| Exhibit D – Special Terms and Conditions | 01 Page(s) |
| Exhibit E – Additional Provisions | 04 Page(s) |

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.ols.dgs.ca.gov/Standard+Language*

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

| | | |
|--|--|---|
| CONTRACTOR | | <i>California Department of General Services Use Only</i> |
| CONTRACTOR'S NAME (if other than an individual, state whether a corporation, partnership, etc.) NorthStar Consulting Group, Inc. | | |
| DATE SIGNED (Do not type) | | |
| PRINTED NAME AND TITLE OF PERSON SIGNING Douglas A. Bennett, Managing Director | | |
| ADDRESS 900 East Main Street, Suite 104 Santa Maria, CA 93454 | | |
| STATE OF CALIFORNIA | | |
| AGENCY NAME California Public Utilities Commission | | |
| BY (Authorized Signature)  | | |
| DATE SIGNED (Do not type) | | |
| PRINTED NAME AND TITLE OF PERSON SIGNING Paul Clanon, Executive Director | | <input type="checkbox"/> Exempt per: |
| ADDRESS 505 Van Ness Avenue San Francisco, CA 94102 | | |

STATE OF CALIFORNIA
STANDARD AGREEMENT
 STD 213 (Rev 06/03)

| |
|------------------------------|
| AGREEMENT NUMBER 12PS5100 |
| REGISTRATION NUMBER eP |

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

| | |
|---------------------|--|
| STATE AGENCY'S NAME | California Public Utilities Commission |
| CONTRACTOR'S NAME | NorthStar Consulting Group, Inc. |
- The term of this Agreement is: June 15, 2013 through June 15, 2015
- The maximum amount of this Agreement is: \$ 399,291.00
 Three Hundred Ninety-nine Thousand Two Hundred Ninety-one Dollars and 00/100
- 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.

The Contract is effective on the start date or upon approval by DGS which ever is later, and no work shall begin until that time.

| | |
|--|------------|
| Exhibit A – Scope of Work | 01 Page(s) |
| Attachment 1 – Scope of Work, 03 pages, Exhibit VI-2 Hours and Fees, 01 page, shall be made a part of Exhibit A of this Agreement. | 04 page(s) |
| Exhibit B – Budget Detail and Payment Provisions | 02 Page(s) |
| Attachment 2 – Exhibit VI-1 Cost Proposal, Rate Schedule, shall be made a part of Exhibit B of this Agreement. | 01 Page(s) |
| Exhibit C* – General Terms and Conditions | 01 Page(s) |
| Exhibit D – Special Terms and Conditions | 01 Page(s) |
| Exhibit E – Additional Provisions | 04 Page(s) |

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.ols.dgs.ca.gov/Standard+Language

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

| CONTRACTOR | | California Department of General Services Use Only |
|---|--|--|
| CONTRACTOR'S NAME (if other than an individual, state whether a corporation, partnership, etc.) NorthStar Consulting Group, Inc. | | |
| DATE SIGNED (Do not type) | | |
| PRINTED NAME AND TITLE OF PERSON SIGNING Douglas A. Bennett, Managing Director | | |
| ADDRESS 900 East Main Street, Suite 104 Santa Maria, CA 93454 | | |
| STATE OF CALIFORNIA | | |
| AGENCY NAME California Public Utilities Commission | | |
| DATE SIGNED (Do not type) | | |
| BY (Authorized Signature)  | | |
| PRINTED NAME AND TITLE OF PERSON SIGNING Paul Clanon, Executive Director | | |
| ADDRESS 505 Van Ness Avenue San Francisco, CA 94102 | | |
| | | <input type="checkbox"/> Exempt per: |

STATE OF CALIFORNIA
STANDARD AGREEMENT
 STD 213 (Rev 06/03)

| |
|------------------------------|
| AGREEMENT NUMBER 12PS5100 |
| REGISTRATION NUMBER eP |

- This Agreement is entered into between the State Agency and the Contractor named below:
STATE AGENCY'S NAME
California Public Utilities Commission
CONTRACTOR'S NAME
NorthStar Consulting Group, Inc.
- The term of this Agreement is: **June 15, 2013** through **June 15, 2015**
- The maximum amount of this Agreement is: **\$ 399,291.00**
 Three Hundred Ninety-nine Thousand Two Hundred Ninety-one Dollars and 00/100
- 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.

The Contract is effective on the start date or upon approval by DGS which ever is later, and no work shall begin until that time.

| | |
|--|------------|
| Exhibit A – Scope of Work | 01 Page(s) |
| Attachment 1 – Scope of Work, 03 pages, Exhibit VI-2 Hours and Fees, 01 page, shall be made a part of Exhibit A of this Agreement. | 04 page(s) |
| Exhibit B – Budget Detail and Payment Provisions | 02 Page(s) |
| Attachment 2 – Exhibit VI-1 Cost Proposal, Rate Schedule, shall be made a part of Exhibit B of this Agreement. | 01 Page(s) |
| Exhibit C* – General Terms and Conditions | 01 Page(s) |
| Exhibit D – Special Terms and Conditions | 01 Page(s) |
| Exhibit E – Additional Provisions | 04 Page(s) |

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.ols.dgs.ca.gov/Standard+Language*

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

| | | |
|--|--|---|
| CONTRACTOR | | California Department of General Services Use Only <input type="checkbox"/> Exempt per: |
| <small>CONTRACTOR'S NAME (if other than an individual, state whether a corporation, partnership, etc.)</small> NorthStar Consulting Group, Inc. | | |
| | <small>DATE SIGNED (Do not type)</small> | |
| <small>PRINTED NAME AND TITLE OF PERSON SIGNING</small> Douglas A. Bennett, Managing Director | | |
| <small>ADDRESS</small> 900 East Main Street, Suite 104 Santa Maria, CA 93454 | | |
| STATE OF CALIFORNIA | | |
| <small>AGENCY NAME</small> California Public Utilities Commission | | |
| <small>BY (Authorized Signature)</small> | <small>DATE SIGNED (Do not type)</small> | |
| <small>PRINTED NAME AND TITLE OF PERSON SIGNING</small> Paul Clanon, Executive Director | | |
| <small>ADDRESS</small> 505 Van Ness Avenue San Francisco, CA 94102 | | |

EXHIBIT A

SCOPE OF WORK

1. Contractor, NorthStar Consulting Group, agrees to provide to the California Public Utilities Commission (CPUC) program evaluation audit services as described herein:

NorthStar Consulting Group shall audit Pacific Gas & Electric Company ("PG&E" or "the utility") and its parent holding company's compliance with the Affiliate Transaction Rules ("ATRs" or "Rules"), under the Commission's jurisdiction. This management audit will, among other things, determine utility compliance with the ATRs covering the time period January 1, 2010, through December 31, 2011. The audit report submitted to the Commission shall include a detailed report on the following issues, including an executive summary written for a non-technical audience.

2. The services shall be performed at the CPUC's headquarters, the contractor's office, and other places as needed in performing the services of this contract.
3. The services shall be provided during mutually agreed upon working hours.
4. The project representatives during the term of this agreement will be:

| | |
|---|---|
| State Agency: Public Utilities Commission | Contractor: NorthStar Consulting Group, Inc. |
| Name: Will Maguire, Project Manager | Name: Elizabeth (Liz) Lemkul, Project Manager |
| Phone: (415) 703-2642 | Phone: (510) 384-5697 (office/cell) |
| Email: william.maguire@cpuc.ca.gov | Email: elemkul@Northstarconsultants.com |

Direct all inquiries to:

| | |
|---|---|
| State Agency Public Utilities Commission | Contractor: NorthStar Consulting Group, Inc. |
| Section/Unit: Contracts Office | Section/Unit: |
| Attention: Joyce Swisher | Attention: Douglas A. Bennett, Managing Director |
| Address: 505 Van Ness Ave, Room 2004 San Francisco, CA 94102 | Address: 900 East Main Street, Suite #104 Santa Maria, CA 93454 |
| Phone: (415) 703-1439 | Phone: Office: (805) 925-0663 Cell: (805) 878-3400 |
| Fax: (415)703-5922 | Fax: (805) 925-9580 |
| Email: mia@cpuc.ca.gov | Email: DBennett@NorthStarConsultants.com |

5. NorthStar Consulting Group will perform the following tasks as determined to be necessary by CPUC staff and the CPUC Project Manager. These areas to be reported on are attached as Attachment 1 – Scope of Work, which includes NorthStars Exhibit VI-2 Breakdown of Hours and Fees.

Scope of Work Pacific Gas & Electric Company Affiliate Transactions Audit

This contract between the California Public Utilities Commission's ("Commission") Energy Division ("ED") and NorthStar Consulting Group ("NorthStar" or "auditor") is for the audit of Pacific Gas & Electric Company ("PG&E" or "the utility") and its parent holding company's compliance with the Affiliate Transaction Rules ("ATRs" or "Rules"), under the Commission's jurisdiction. This management audit will, among other things, determine utility compliance with the ATRs covering the time period January 1, 2010, through December 31, 2011. The audit report submitted to the Commission shall include a detailed report on the following issues, including an executive summary written for a non-technical audience. The areas to be reported on will include the following:

1. A determination of degree of compliance the utility has achieved, organized by affiliate entity and by ATR, from Rule I through Rule IX. The report shall clearly identify:

- a) those areas where the utility has complied with the Rule;
- b) the areas where the utility's compliance with the Rules has been found deficient by either the auditor *or* the utility;
- c) the areas where the utility's compliance with the Rules has been found deficient by either the auditor *or* the utility;
- d) the dates, affiliates names, and details regarding each deficiency found in the 2010/2011 period by the utility and how they were addressed and/or resolved;
- e) for the deficiencies found by the utility during the audit period, describe how the utility identified and assessed these deficiencies. The report will explain the utility's internal procedures to identify these deficiencies;
- f) to the extent the auditor learns of a deficiency the utility already discovered on its own during the audit period, auditor should assess how successful the utility has been in correcting said deficiency.

2. Rule I defines key terms which appear throughout the ATRs. Therefore, analysis of Rule I shall focus on the utility's degree of compliance in its interpretation and application of those definitions, in relation to its affiliate transactions. For example, ATR I.A defines "affiliate," as "any person, corporation, utility, partnership, or other entity 5 percent or more of whose outstanding securities are owned...by a utility or any of its subsidiaries..." Here, the analysis would focus on whether and to what extent the utility's interpretation and application of the term "affiliate" complies with the letter and spirit of the definition in ATR I.A.

3. Describe the method(s) used to determine the degree of compliance for each Rule stated in the report and degree of certainty attached to each of these conclusions. Describe the method by which auditor has ascertained compliance and identified deficiencies.

page 1

4. Review and test utility records and procedures to ensure the utility has adequate systems in place to enforce the ATRs. NorthStar must describe the kinds of records and procedures reviewed to determine whether the utility has adequate systems in place to enforce each ATR. NorthStar shall conduct interviews with appropriate utility personnel to help develop this analysis, as needed. Appropriate utility personnel should include a statistically representative cross-section of utility employees, spanning multiple responsibilities and years of experience. The cross-section of employees interviewed should afford NorthStar and the Commission an associated degree of confidence in the accuracy of the results.

5. Particular attention shall be paid by NorthStar to an analysis of the utility's level of compliance with ATR VII, which governs the utility's provision of Non-Tariffed Products and Services (NTP&S). This portion of the audit shall include at a minimum:

- a) A listing of each NTP&S, along with a description of the business service or product offered, including its existing mission statement and operational market goals, as provided by the utility;
- b) A description of each market into which each NTP&S is being sold, including discussions of the size of the market and of the competitors in this marketplace, as provided by the utility;
- c) A description of how its entry into the market has affected the relevant marketplace;
- d) The various types, quantities, and costs of utility resources used to develop and sell the NTP&S;
- e) For each NTP&S, audit the actual costs and revenues to determine if the utility has properly complied with the sharing mechanism authorized in the relevant Resolution/Decision issued by the Commission;
- f) A description of the specific methods used to determine the levels of compliance;
- g) Total revenues generated by these NTP&S, for each individual year in the audit period; and
- h) A breakdown of how these additional revenues are allocated between shareholders and ratepayers, including both percentage allocations and specific dollar amounts.

6. NorthStar shall review the most recent ATR Compliance Plans submitted by the utility to ensure these Plans are consistent with NorthStar's findings at the utility. As these Plans are required to be submitted annually under ATR VI.A, any discrepancy between the Plan and the audit findings regarding actual behavior and actions of the utility should be noted and analyzed in the audit report. NorthStar should provide suggested steps the utility can take to ensure its Compliance Plan matches its actions.

7. The audit report shall include a discussion of:
 - a) What additional ATRs may be needed;
 - b) What existing ATRs may be unnecessary; and
 - c) What existing ATRs might be improved to enhance effectiveness, increase ease of data collection and monitoring methods, improve accuracy of data; and decrease cost of compliance by the utility.

8. For each error, discrepancy, or violation of the ATRs by the utility of which NorthStar becomes aware, after consulting with the CPUC Project Manager, NorthStar shall provide:
 - a) An assessment of the magnitude of the error, discrepancy, or violation;
 - b) The criteria used to determine the magnitude of the error, discrepancy, or violation;
 - c) The actual or potential harm to the ratepayers as a result of each error, discrepancy, or violation of the ATRs, considering the ATRs' overarching goals of *i.* avoiding cross-subsidization of affiliate activities by ratepayers and *ii.* maintaining market competition.

9. Pursuant to Commission Resolution G-3461 (as amended by G-3478), the audit of PG&E shall include a review of the utility's transactions with "non-affiliates" SolarCity Corporation and SunRun, Inc. For each of these "non-affiliates," and for each individual year, NorthStar will assess whether, when, and to what extent, PG&E's internal procedures were actually functioning to ensure compliance with the ATRs. NorthStar will also describe the methods and metrics the utility uses to assess functioning and determine level of compliance. Relatedly, NorthStar will provide a description of the methods and metrics it used to assess the functioning and determine the utility's level of compliance with the ATRs regarding "non-affiliates" SolarCity Corporation and SunRun, Inc.

10. This audit will be undertaken under the supervision of the Commission's Project Manager. The audit shall be performed pursuant to P.U. Code § 797, with NorthStar having full access to all information to the full extent provided by Law, including P.U. Code §§ 313-314.

11. This contract shall be performed within one year of the date of final award. The final award is subject to approval by the California Department of General Services (DGS). Throughout performance of this contract, NorthStar will provide the ED's Project Manager with monthly updates and written reports on the progress of the work.

12. The Commission shall contract directly with NorthStar and payment shall be made from Commission accounts. The utility's shareholders shall reimburse the Commission for all amounts expended pursuant to this contract.

Exhibit VI-2
PG&E ATR Audit
Breakdown of Hours and Fees

| Consultant | Bennett | Smith | Lemkul | Francis | Decker | Nelson | Fong | Hudson | Sandhu | Total |
|-----------------------------|----------------|--------------|---------------|----------------|---------------|---------------|-------------|---------------|---------------|--------------|
| Hourly Rate | \$300 | \$275 | \$250 | \$230 | \$150 | \$252 | \$128 | \$100 | \$100 | |
| Orientation | 30 | 15 | 50 | 40 | | 10 | | | | 145 |
| I Definition | 10 | | 5 | | | | | | | 15 |
| II. Applicability | 10 | | 5 | | | | | | | 15 |
| III. Nondiscrimination | 5 | 15 | 5 | 80 | 10 | 5 | 20 | 20 | 20 | 180 |
| IV. Disclosure & Info. | 5 | 15 | 5 | 80 | 10 | 5 | 20 | 20 | 20 | 180 |
| V. Separation | 5 | 15 | 80 | 30 | 10 | 5 | 20 | 20 | 20 | 205 |
| VI. Regulatory Oversight | 5 | | 30 | | | | | | | 35 |
| VII. Products and Services | 5 | | 60 | | 10 | 5 | 20 | 20 | 20 | 140 |
| VIII. Complaint Procedures | 10 | | 5 | 40 | | | | | | 55 |
| IX-Utility Financial Health | 5 | 35 | 5 | | | 5 | 20 | 10 | 10 | 90 |
| Compliance Plan Assessment | 5 | 5 | 30 | 10 | | | | | | 50 |
| Current ATR Assessment | 20 | 5 | 10 | 10 | | | | | | 45 |
| PG&E non-Affiliates | 10 | | 50 | 35 | | | | | | 95 |
| Admin Support | | | | | 80 | | | | | 80 |
| Draft Report | 40 | 20 | 40 | 40 | | 5 | | | | 145 |
| Final Report | 40 | 10 | 40 | 30 | | | | | | 120 |
| Total Hours | 205 | 135 | 420 | 395 | 120 | 40 | 100 | 90 | 90 | 1595 |
| Total Fees | \$ 61,500 | \$ 37,125 | \$ 105,000 | \$ 90,850 | \$ 18,000 | \$ 10,080 | \$ 12,800 | \$ 9,000 | \$ 9,000 | \$ 353,355 |
| Total Expenses | | | | | | | | | | \$ 45,936 |
| Total Cost | | | | | | | | | | \$ 399,291 |

Highlight indicates lead consultant

1 page

EXHIBIT B

BUDGET DETAIL AND PAYMENT PROVISIONS

1. **Invoicing and Payment**

A. For services satisfactorily rendered, and upon receipt and approval of the invoices, the State agrees to compensate the Contractor for actual expenditures incurred in accordance with the rates specified herein, which is attached hereto and made a part of this Agreement.

B. Compensation

As compensation for the satisfactory completion of the services as specified in **Exhibit A**, Contractor shall be entitled to a sum not to exceed **\$399,291.00** unless the amount is increased by amendment hereto as provided in Exhibit C. Payments not to exceed this total sum shall be made as set forth in the attached schedule. Billing rates shall be as specified in **Exhibit B Attachment 2, Exhibit VI-1, Cost Proposal**.

C. Testifying

If the CPUC directs the Contractor to testify in support of the Contractor's work product(s), the Contractor shall be compensated for services related to the preparation and offer of testimony as described in **Exhibit A** at the rates specified in **Exhibit B – Attachment 2**. Payment for attendance at such occasions shall be made only for those persons specified by the Commission's Project Manager.

D. Travel and Other Expenses

State will reimburse Contractor for reasonable travel expenses incurred in the performance of this Agreement. Reasonable travel expenses are defined as transportation, lodging, meals and incidental expenses in conformance with State rules and regulations. Travel expenses will be reimbursed at the same rate as provided for State management employees, as outlined in Standard Form 262. Total expenses claimed under this Agreement shall be included in the total amount encumbered (**\$399,291.00**) under this Agreement.

E. Invoices

Invoices shall include the Agreement Number and shall be submitted in quadruplicate not more frequently than monthly in arrears to:

California Public Utilities Commission
Contracts Office, Room 2004
505 Van Ness Ave.
San Francisco, CA 94102
ATTN: Joyce Swisher

Said invoices will be subject to verification and approval by the Commission's Contract Manager and Project Managers, and shall include the name, address, and I.D. Number of the Contractor. Invoices shall also include a summary identifying the amount claimed for each task, the category(s) of professional services as identified in Contractor's Proposal/work plan or work order, the number of hours claimed for each task and the total claimed, a description of the labor services provided, the amount of the invoice, and an authorized Contractor signature. The invoice must also include a brief narrative progress report describing the context of the work completed during the invoice period. Travel expenses will be claimed in accordance with the regulations specified in Section 1.D above.

EXHIBIT B

Progress payment will be made monthly, in arrears, on the basis of work performed towards completion of the contract deliverables. Ten percent (10%) retention shall be withheld from each invoice including billable hours and expenses. The retention shall become payable upon the satisfactory completion of the Agreement or at the completion of each separate task if the specific task is not a foundation for succeeding tasks leading to the completion of a finished project, report or plan.

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 or to furnish any other considerations under this Agreement and Contractor 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 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 - Attachment 2

**Exhibit VI-1
Cost Proposal**

ATTACHMENT 3

DIRECT LABOR

| | Hours | | Rate | | Total |
|---------------------|-------|---|--------|--|-------------------|
| NorthStar | | | | | |
| Managing Director | 205 | @ | \$ 300 | | \$ 61,500 |
| Director | 135 | @ | \$ 275 | | \$ 37,125 |
| Managing Associate | 420 | @ | \$ 250 | | 105,000 |
| Managing Associate | 395 | @ | \$ 230 | | 90,850 |
| Research Associates | 120 | @ | \$ 150 | | 18,000 |
| Subtotal NorthStar | | | | | <u>\$ 312,475</u> |

| | | | | | |
|---|-----|---|--------|--|------------------|
| DVBE Subcontractor - Nelson CPA, APC | | | | | |
| Principal | 40 | @ | \$ 252 | | \$ 10,080 |
| Sr. Staff Accountant | 100 | @ | \$ 128 | | \$ 12,800 |
| Staff Accountant | 180 | @ | \$ 100 | | \$ 18,000 |
| | | | | | <u>\$ 40,880</u> |
| Subtotal DVBE Subcontractor - Nelson | | | | | |

INDIRECT COSTS

Overhead, fringe benefits and other indirect costs are included in the labor rates listed.

DIRECT COSTS (Except for Labor)

| | |
|----------------------|------------------|
| Travel Costs | <u>\$ 45,736</u> |
| Postage and Delivery | <u>\$ 200</u> |
| | <u>\$ 45,936</u> |

TOTAL COSTS \$ 399,291

EXHIBIT C

GENERAL TERMS AND CONDITIONS

The General Terms and Conditions will be included in the agreement by reference to Internet site:

<http://www.documents.dgs.ca.gov/ols/GTC-610.doc>

The contract will adhere to General Terms and Conditions – 610

EXHIBIT D

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 the California Public Utilities Commission, Executive Director or designee within ten (10) days of discovery of the problem. Within ten (10) days, the Executive Director or designee shall meet with the Contractor and Project Manager for purposes of resolving the dispute. The decision of the Executive Director or designee shall be final.

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

3. **Evaluation of Contractor**

Performance of the Contractor under this Agreement will be evaluated. The evaluation shall be prepared on Contract/Contractor Evaluation Sheet (STD 4), and maintained in the Agreement file. For consultant agreements, a copy of the evaluation will be sent to the Department of General Services, Office of Legal Services, if it is negative and over \$5,000.

4. **Potential Subcontractors**

Nothing contained in this Agreement or otherwise, shall create any contractual relation 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 State's obligation 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.

5. **DVBE SB548 – Replacement of Disabled Veteran Business Enterprise Subcontractors**

Contractor understands and agrees that should award of this contract be based in part on their commitment to use the Disabled Veteran Business Enterprise (DVBE) subcontractor(s) identified in their bid or offer, per military and Veterans Code 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 State, and penalties as outlined in M&VC § 999.9; Public Contract Code (PCC) § 10115.10, or PCC § 4110 (applies to public works only).

EXHIBIT E

ADDITIONAL PROVISIONS

1. Consultant - Staff Expenses

The Contractor represents that it has or shall secure at its own expense, all staff required to perform the services described in this Agreement. Such personnel shall not be employees of or have any contractual relationship with any governmental entity.

2. Subcontracts

Contractor shall submit any proposed subcontracts to the State for its written approval before entering into the same. No work shall be subcontracted without the prior approval of the State. Upon termination of any sub-contract, the State shall be notified immediately.

If the terminated subcontractor is a DVBE, the contractor must replace the subcontractor within the same participation category and such replacement must be approved by the Commission. Failure to adhere to DVBE Participation may be cause for contract termination and recovery of damages under the rights and remedies due the state under the default section of the contract. The Agreement shall permit the State to audit the Contractor to verify compliance with DVBE regulations.

3. Relationship with Contractor and Subcontractor

Contractor shall be responsible for all actions of subcontractors and all payment to subcontractors. Failure of a subcontractor to perform for any reason shall not relieve Contractor of the responsibility for competent and timely performance of duties under this contract. Commission staff will not deal with subcontractors except through Contractor's Project Manager.

All requests for changes of work within this contract shall be in writing between the Project Manager for Commission and the Project Manager for Contractor.

4. Commission Staff

Commission staff will be permitted to work side by side with Contractor's staff to the extent and under conditions directed by the Commission's Project Manager. In this connection, Commission staff will be given access to all data, working papers, etc., which Contractor may seek to utilize.

5. Use of State Personnel

Contractor will not be permitted to use State personnel for the performance of services which are the responsibility of Contractor unless such use is previously agreed to in writing by the Commission's Project Manager, and an appropriate adjustment in price is made. No charge will be made to contractor for the services of State employees performing coordination or monitoring functions.

6. Changes in Time for Performance of Tasks

The time for performance of tasks and items within the budget, but not the total contract price, may be changed by written approval of the Commission's Project Manager. However, the date for completion, the total contract price, and scope, as well as, all other terms may be altered only by formal amendment of this contract.

EXHIBIT E

7. Change of Personnel

Contractor and Subcontractor's key personnel as indicated in the attached resumes may not be substituted without the Commission's Contract Manager's prior written approval.

8. Ownership of Data

Data developed for this contract shall become the property of the State. It shall not be disclosed without the permission of the Commission's Project Manager. Each report shall also become the property of the State and shall not be disclosed except in such manner and such time as the Commission's Project Manager may direct, with the exception of data which have become part of the public records of the State, as discussed in Paragraph 9.

9. Confidentiality of Data/Nondisclosure Agreement

The Consultant ("Signatory"), by signing this Agreement agrees to perform the task(s) under this Agreement. The signatory recognizes that it must have full and unfettered access to information and documents within the knowledge and possession of various entities under the regulatory jurisdiction of the Commission. The Signatory also recognizes that some of this information may be proprietary, confidential, or privileged in nature.

The Signatory further recognizes that the Commission Staff has broad statutory authority to compel the production of such information subject to the provisions of Public Utilities Code 583 and General Order 66-C. The Signatory understands that these legal provisions generally preclude public disclosure of information obtained in confidence except during the course of a public hearing or with permission of the Commission.

The Signatory acknowledges that it has received a copy and read Public Utilities Code Section 583 and General Order 66-C, and agrees to be subject to and to fully comply with these legal provisions in discharging its responsibilities. Such compliance includes abiding by the terms of prohibiting public disclosure of confidential information and submitting to the jurisdiction of the Commission for the purposes of enforcing Public Utilities Code Section 583.

The Signatory further recognizes that much of the information obtained during the course of its work for the Commission may be subject to other privileges for nondisclosure, and may not be disclosed without the consent of the Commission or its Staff who include, but are not limited to, attorney work product privilege, the official information privilege, the attorney-client privilege, and other prohibitions precluding disclosure of confidential information.

The Signatory agrees not to disclose any information regarding its work to third parties except with the Commission Staff's express written consent, and to return all documents obtained during the course of the Agreement. The signatory agrees to notify the Commission Staff of any inquires and/or request for disclosure from any such third parties.

The Signatory will not comment publicly to the press or any other media regarding its work, or the Commission's action on the same, except to the Commission Staff, Signatory's own personnel and/or subcontractors involved in the completion of tasks under this agreement, or at a public hearing, or in response to questions from a legislative committee.

In addition, the Signatory agrees that prior to commencement of any work associated with this Agreement, the signatory shall: (1) provide a copy of this section of the Agreement, Public Utilities

EXHIBIT E

Code Section 583 and General Order 66-C to all who will be performing tasks under this Agreement; and (2) inform all those working under this Agreement that they are such to these legal provisions and must comply with Confidentiality of Data Agreement/Nondisclosure Section.

Ninety days after any document submitted has become a part of the public records of the State, Signatory may at its own expense, publish or utilize the same but shall include the following legend:

LEGAL NOTICE

This report was prepared as an account of work sponsored by the California Public Utilities Commission. It does not necessarily represent the views of the Commission or any of its employees except to the extent, if any, that it has formally been approved by the Commission at a public meeting. For information regarding any such action, communicate directly with the Commission at 505 Van Ness Avenue, San Francisco, California 94102. Neither the Commission nor the State of California, nor any officer, employee, or any of its contractors or subcontractors makes any warranty, express or implied, or assumes any legal liability whatsoever for the contents of this document.

10. **Termination-Bankruptcy**

In the event proceedings in bankruptcy are commenced against the Contractor, it is adjudged bankrupt, or a receiver is appointed and qualifies, the State may terminate this agreement by giving five days' notice in writing to the Contractor.

11. **Termination at State's Option**

State may at its option terminate this contract, with or without cause, at any time upon giving 30 days notice in writing to Contractor. In such event, Contractor agrees to use all reasonable efforts to mitigate its expenses and obligations hereunder. In such event, State shall pay Contractor for all satisfactory services rendered prior to such notice of termination and for all expenses incurred by Contractor prior to said termination which are not included in charges for service rendered prior to termination and which could not by reasonable efforts of Contractor have been avoided.

12. **Termination in Event of Breach**

In the event of any breach of this contract, the State may without any prejudices to any of its other legal remedies terminate this contract upon five days' written notice to the Contractor.

13. **Waiver**

No waiver of any breach of this contract shall be held to be a waiver of any other or subsequent breach. All remedies afforded in this contract shall be taken and construed as cumulative: that is, in addition to every other remedy provided herein or by law. The failure of State to enforce at any time any of the provisions of this agreement, or to require at any time performance by Contractor of any of the provisions thereof, shall in no way be construed to be a waiver of such provision nor in any way to affect the validity of this agreement or any part thereof or the right of State to thereafter enforce each and every such provision.

EXHIBIT E

14. Gratuities

- A. The State may, by written notice to the Contractor, terminate the right of Contractor to proceed under this contract if it is found, after notice and hearing by the State or by Executive Director of the Public Utilities Commission or duly authorized representative, that gratuities were offered or given by the Contractor, or any agent or representative of the Contractor, to any officer or employee of the State with a view toward securing a contract, securing favorable treatment with respect to award amendment, or the evaluation of performance of such contract, provided that the facts upon which either the Commission or the Executive Director makes such findings may be reviewed in any competent court.
- B. In the event this contract is terminated as provided in paragraph 14(A), State shall be entitled (i) to pursue the same remedies against Contractor as it could pursue in the event of the breach of the contract by the Contractor, and (ii) to a penalty in addition to any other damages to which it may be entitled by law, and to exemplary damages in an amount which shall be not less than three nor more than ten times the cost incurred by the Contractor in providing any such gratuities to any such officer or employee.

The rights and remedies of State provided in this clause shall not be exclusive and are in addition to any other rights and remedies provided by law or under this contract.

15. Conflict of Interest

Contractor agrees to refrain from entering into any relationship which could result in a conflict of interest in the performance of this Agreement; and to notify the Commission's Project Manager promptly of any potential conflict of interest, including subcontractors. The Commission may exercise its option to terminate this Agreement if a conflict is found.

16. Agreement is Complete

Other than as specified herein, no document or communication passing between the parties hereto shall be deemed a part of this Agreement.

17. Captions

The clause headings appearing in this agreement have been inserted for the purpose of convenience and ready reference. They do not purport to and shall not be deemed to define, limit, or extend the scope or intent to the clauses to which they appertain.

18. Force Majeure

Neither party shall be liable to the other for any delay in or failure of performance, nor shall any such delay in or failure of performance constitutes default, if such delay or failure is caused by "Force Majeure." As used in this section, "Force Majeure" is defined as follows: Acts of war and acts of god such as earthquakes, floods and other natural disasters such that performance is impossible.

19. Counterparts (OPTIONAL)

For the convenience of the parties, any number of counterparts of this Agreement may be executed by the parties hereto. Each such counterpart shall, and shall be deemed to be, an original instrument, but all such counterparts taken together shall constitute one and the same agreement.

PAYEE DATA RECORD

Required when receiving payment from the State of California in lieu of IRS W-9
 STD. 204 (Rev. 6-2003)

| | | | |
|--|---|-------|---|
| 1 | <p>INSTRUCTIONS: Complete all information on this form. Sign, date, and return to the State agency (department/office) address shown at the bottom of this page. Prompt return of this fully completed form will prevent delays when processing payments. Information provided in this form will be used by State agencies to prepare Information Returns (1099). See reverse side for more information and Privacy Statement.</p> <p>NOTE: Governmental entities, federal, State, and local (including school districts), are not required to submit this form.</p> | | |
| 2 | PAYEE'S LEGAL BUSINESS NAME (Type or Print) | | |
| | SOLE PROPRIETOR - ENTER NAME AS SHOWN ON SSN (Last, First, M.I.) | | E-MAIL ADDRESS |
| | MAILING ADDRESS | | BUSINESS ADDRESS |
| | CITY, STATE, ZIP CODE | | CITY, STATE, ZIP CODE |
| 3 | <p>ENTER FEDERAL EMPLOYER IDENTIFICATION NUMBER (FEIN): <input style="width: 100px; border: 1px solid black;" type="text"/></p> <p><input type="checkbox"/> PARTNERSHIP CORPORATION:</p> <p style="margin-left: 100px;"><input type="checkbox"/> MEDICAL (e.g., dentistry, psychotherapy, chiropractic, etc.)</p> <p style="margin-left: 100px;"><input type="checkbox"/> LEGAL (e.g., attorney services)</p> <p style="margin-left: 100px;"><input type="checkbox"/> EXEMPT (nonprofit)</p> <p style="margin-left: 100px;"><input type="checkbox"/> ALL OTHERS</p> | | <p>NOTE: Payment will not be processed without an accompanying taxpayer I.D. number.</p> |
| <p>PAYEE ENTITY TYPE</p> <p>CHECK ONE BOX ONLY</p> | <p><input type="checkbox"/> ESTATE OR TRUST</p> <p><input type="checkbox"/> INDIVIDUAL OR SOLE PROPRIETOR ENTER SOCIAL SECURITY NUMBER: <input style="width: 100px; border: 1px solid black;" type="text"/></p> <p style="text-align: center; font-size: small;">(SSN required by authority of California Revenue and Tax Code Section 18646)</p> | | |
| 4 | <p><input type="checkbox"/> California resident - Qualified to do business in California or maintains a permanent place of business in California.</p> <p><input type="checkbox"/> California nonresident (see reverse side) - Payments to nonresidents for services may be subject to State income tax withholding.</p> <p style="margin-left: 20px;"><input type="checkbox"/> No services performed in California.</p> <p style="margin-left: 20px;"><input type="checkbox"/> Copy of Franchise Tax Board waiver of State withholding attached.</p> | | |
| 5 | <p>I hereby certify under penalty of perjury that the information provided on this document is true and correct. Should my residency status change, I will promptly notify the State agency below.</p> | | |
| AUTHORIZED PAYEE REPRESENTATIVE'S NAME (Type or Print) | | TITLE | |
| SIGNATURE | | DATE | TELEPHONE () |
| 6 | <p>Please return completed form to:</p> <p>Department/Office: <u>California Public Utilities Commission (CPUC)</u></p> <p>Unit/Section: <u>Contracts Office - Room 2005, Attention: Joyce Swisher</u></p> <p>Mailing Address: <u>505 Van Ness Avenue</u></p> <p>City/State/Zip: <u>San Francisco, California 94012</u></p> <p>Telephone: (415) <u>703-1439</u> Fax: (415) <u>703-5922</u></p> <p>E-mail Address: <u>mia@cpuc.ca.gov</u></p> | | |

PAYEE DATA RECORD

STD. 204 (Rev. 6-2003) (REVERSE)

| | | | | | | | | | |
|--|---|--|---------------------|-----------------|---------------------|--------------------------------------|----------------|----------|----------------|
| 1 | <p><u>Requirement to Complete Payee Data Record, STD. 204</u></p> <p>A completed Payee Data Record, STD. 204, is required for payments to all non-governmental entities and will be kept on file at each State agency. Since each State agency with which you do business must have a separate STD. 204 on file, it is possible for a payee to receive this form from various State agencies.</p> <p>Payees who do not wish to complete the STD. 204 may elect to not do business with the State. If the payee does not complete the STD. 204 and the required payee data is not otherwise provided, payment may be reduced for federal backup withholding and nonresident State income tax withholding. Amounts reported on Information Returns (1099) are in accordance with the Internal Revenue Code and the California Revenue and Taxation Code.</p> | | | | | | | | |
| 2 | <p>Enter the payee's legal business name. Sole proprietorships must also include the owner's full name. An individual must list his/her full name. The mailing address should be the address at which the payee chooses to receive correspondence. Do not enter payment address or lock box information here.</p> | | | | | | | | |
| 3 | <p>Check the box that corresponds to the payee business type. Check only one box. Corporations must check the box that identifies the type of corporation. The State of California requires that all parties entering into business transactions that may lead to payment(s) from the State provide their Taxpayer Identification Number (TIN). The TIN is required by the California Revenue and Taxation Code Section 18646 to facilitate tax compliance enforcement activities and the preparation of Form 1099 and other information returns as required by the Internal Revenue Code Section 6109(a).</p> <p>The TIN for individuals and sole proprietorships is the Social Security Number (SSN). Only partnerships, estates, trusts, and corporations will enter their Federal Employer Identification Number (FEIN).</p> | | | | | | | | |
| 4 | <p><u>Are you a California resident or nonresident?</u></p> <p>A corporation will be defined as a "resident" if it has a permanent place of business in California or is qualified through the Secretary of State to do business in California.</p> <p>A partnership is considered a resident partnership if it has a permanent place of business in California. An estate is a resident if the decedent was a California resident at time of death. A trust is a resident if at least one trustee is a California resident.</p> <p>For individuals and sole proprietors, the term "resident" includes every individual who is in California for other than a temporary or transitory purpose and any individual domiciled in California who is absent for a temporary or transitory purpose. Generally, an individual who comes to California for a purpose that will extend over a long or indefinite period will be considered a resident. However, an individual who comes to perform a particular contract of short duration will be considered a nonresident.</p> <p>Payments to all nonresidents may be subject to withholding. Nonresident payees performing services in California or receiving rent, lease, or royalty payments from property (real or personal) located in California will have 7% of their total payments withheld for State income taxes. However, no withholding is required if total payments to the payee are \$1,500 or less for the calendar year.</p> <p>For information on Nonresident Withholding, contact the Franchise Tax Board at the numbers listed below:</p> <table border="0"> <tr> <td>Withholding Services and Compliance Section:</td> <td>1-888-792-4900</td> <td>E-mail address:</td> <td>wscs.gen@ftb.ca.gov</td> </tr> <tr> <td>For hearing impaired with TDD, call:</td> <td>1-800-822-6268</td> <td>Website:</td> <td>www.ftb.ca.gov</td> </tr> </table> | Withholding Services and Compliance Section: | 1-888-792-4900 | E-mail address: | wscs.gen@ftb.ca.gov | For hearing impaired with TDD, call: | 1-800-822-6268 | Website: | www.ftb.ca.gov |
| Withholding Services and Compliance Section: | 1-888-792-4900 | E-mail address: | wscs.gen@ftb.ca.gov | | | | | | |
| For hearing impaired with TDD, call: | 1-800-822-6268 | Website: | www.ftb.ca.gov | | | | | | |
| 5 | <p>Provide the name, title, signature, and telephone number of the individual completing this form. Provide the date the form was completed.</p> | | | | | | | | |
| 6 | <p>This section must be completed by the State agency requesting the STD. 204.</p> | | | | | | | | |
| | <p><u>Privacy Statement</u></p> <p>Section 7(b) of the Privacy Act of 1974 (Public Law 93-579) requires that any federal, State, or local governmental agency, which requests an individual to disclose their social security account number, shall inform that individual whether that disclosure is mandatory or voluntary, by which statutory or other authority such number is solicited, and what uses will be made of it.</p> <p>It is mandatory to furnish the information requested. Federal law requires that payment for which the requested information is not provided is subject to federal backup withholding and State law imposes noncompliance penalties of up to \$20,000.</p> <p>You have the right to access records containing your personal information, such as your SSN. To exercise that right, please contact the business services unit or the accounts payable unit of the State agency(ies) with which you transact that business.</p> <p>All questions should be referred to the requesting State agency listed on the bottom front of this form.</p> | | | | | | | | |

CCC-307

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 8103) (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 lesser 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 over \$100,000 executed or amended after January 1, 2007, the contractor certifies that contractor is in compliance with Public Contract Code section 10295.3.

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.

S:\ADMIN\HOMEPAGE\CCC\draft CCC-307.doc

DARFUR CONTRACTING ACT CERTIFICATION

Public Contract Code Sections 10475 -10481 applies to any company that currently or within the previous three years has had business activities or other operations outside of the United States. For such a company to bid on or submit a proposal for a State of California contract, the company must certify that it is either a) not a scrutinized company; or b) a scrutinized company that has been granted permission by the Department of General Services to submit a proposal.

If your company has not, within the previous three years, had any business activities or other operations outside of the United States, you do **not** need to complete this form.

OPTION #1 - CERTIFICATION

If your company, within the previous three years, has had business activities or other operations outside of the United States, in order to be eligible to submit a bid or proposal, please insert your company name and Federal ID Number and complete the certification below.

I, the official named below, CERTIFY UNDER PENALTY OF PERJURY that a) the prospective proposer/bidder named below is **not** a scrutinized company per Public Contract Code 10476; and b) I am duly authorized to legally bind the prospective proposer/bidder named below. This certification is made under the laws of the State of California.

| | |
|---|--|
| <i>Company/Vendor 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 and State of</i> |

OPTION #2 – WRITTEN PERMISSION FROM DGS

Pursuant to Public Contract Code Section 10477(b), the Director of the Department of General Services may permit a scrutinized company, on a case-by-case basis, to bid on or submit a proposal for a contract with a state agency for goods or services, if it is in the best interests of the state. If you are a scrutinized company that has obtained written permission from the DGS to submit a bid or proposal, complete the information below.

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 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.

| | |
|--|--------------------------|
| <i>Company/Vendor Name (Printed)</i> | <i>Federal ID Number</i> |
| <i>Initials of Submitter</i> | |
| <i>Printed Name and Title of Person Initialing</i> | |

VOLUNTARY STATISTICAL DATA SHEET

Information to be used for reporting purposes only

Public Contract Code 10111 requires state agencies to capture information on ethnicity, race and gender (ERG) of business owners on all awarded contracts and procurements to the extent that the information has been voluntarily reported to the department. The awarding department is prohibited from using this data to discriminate or provide a preference in the solicitation or acceptance of bids, quotes, or estimates for goods, services, construction and/or information technology. This information shall not be collected until after the contract award is made. The completion of this form is **strictly voluntary**.

The data you provide on this form should best describe the *ownership of your business*. Ownership of a business should be determined as follows:

- For a business that is an sole proprietorship, partnership, corporation, or joint venture at least 51 percent is owned by one or more individuals in a classification designated below or, in the case of any business whose stock is publicly held, at least 51 percent of the stock is owned by one or more individuals in a designated classification, or
- For other business entities, the owner is the person controlling management and daily operations and who "owns" the business.

For purposes of this report, respond only if the business has its home office in the United States and which is not a branch or subsidiary of a foreign corporation, firm, or other business.

Ethnicity/Minority Classification As defined in Public Contract Code Section 2051 (c)

- Asian-Indian** – a person whose origins are from India, Pakistan, or Bangladesh.
- Black** – a person having origins in any of the Black racial groups of Africa.
- Hispanic** – a person of Mexican, Puerto Rican, Cuban, Central or South American, or other Spanish or Portuguese culture or origin regardless of race.
- Native American** – an American Indian, Eskimo, Aleut, or Native Hawaiian.
- Pacific Asian** – a person whose origins are from Japan, China, Taiwan, Korea, Vietnam, Laos, Cambodia, the Philippines, Samoa, Guam, or the United States Trust Territories of the Pacific including the Northern Marianas
- Other** – Any other group of natural persons identified as minorities in the respective project specifications of an awarding department or participating local agency.

Race Classification As defined by the Office of Management and Budget, Federal Register Notice, October 30, 1997, at <http://www.whitehouse.gov/omb/fedref/1997standards.html>

- | | |
|---|--|
| <input type="checkbox"/> American Indian or Alaska Native | <input type="checkbox"/> Asian |
| <input type="checkbox"/> Black or African American | <input type="checkbox"/> Native Hawaiian or Other Pacific Islander |
| <input type="checkbox"/> Other | <input type="checkbox"/> White |

Gender Classification

- Female Male

ITEMS BELOW TO BE COMPLETED BY STATE AGENCY/DEPARTMENT ONLY

- Goods Services Construction

Total Contract Purchase: _____ Contract Award Date: _____