



## **Lodi Energy Center Project Participant Committee**

### **Staff Report**

AGENDA ITEM NO.: 10

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**Date:** June 29, 2017

**Meeting Date:** July 10, 2017

**To:** Lodi Energy Center Project Participant Committee

**Subject:** Compliance Services, Inc. – First Amendment to Five Year Multi-Task General Services Agreement; Applicable to the following projects: All NCPA Generation Plant Facilities, Members, Southern California Public Power Authority (“SCPPA”) or SCPPA Members

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#### Proposal

Approve the First Amendment to Multi-Task General Services Agreement with Compliance Services, Inc. for Pipeline Hazardous Materials Safety Administration (PHMSA) services, with any non-substantial changes recommended and approved by the NCPA General Counsel, which shall not exceed \$1,500,000 over five years as needed at any facilities owned and/or operated by Agency, its Members, Southern California Public Power Authority (“SCPPA”) or SCPPA Members.

#### Background

Pipeline Hazardous Materials Safety Administration (PHMSA) services are required at the NCPA, Member, SCPPA and SCPPA Member locations from time to time. Compliance Services, Inc. is a provider of these services. NCPA entered into a Five Year Multi-Task General Services Agreement with Compliance Services, Inc. effective February 26, 2016 for an amount not to exceed \$1,500,000. This amendment will modify Exhibit A to expand the scope of work for additional services. This agreement will be for use at any facility owned and/or operated by the Agency, its Members, SCPPA or SCPPA Members.

#### Selection Process

This five year contract does not commit NCPA to any expenditure of funds. When services are required, NCPA will bid the specific scope of work consistent with NCPA procurement policies and procedures. NCPA will seek bids from as many qualified suppliers as possible and enter into additional enabling agreements as needed. The bid is awarded to the lowest cost provider. NCPA will issue purchase orders based on cost and availability of the materials/supplies needed at the time the material is required.

#### Fiscal Impact

The total cost of the agreement will be not-to-exceed \$1,500,000 over the five year term. Allocation of funds will be based on the Commission approved annual budgets. Purchase orders referencing the terms and conditions of the Agreement will be issued following NCPA procurement policies and procedures.

Environmental Analysis

This activity would not result in a direct or reasonably foreseeable indirect change in the physical environment and is therefore not a “project” for purposes of Section 21065 the California Environmental Quality Act. No environmental review is necessary.

Prepared by:

KEN SPEER  
Assistant General Manager  
Generation Services

Attachments: (2)

- First Amendment to Multi-Task General Services Agreement with Compliance Services, Inc.
- Multi-Task General Services Agreement with Compliance Services, Inc.



**FIRST AMENDMENT TO MULTI-TASK GENERAL SERVICES AGREEMENT BETWEEN  
THE NORTHERN CALIFORNIA POWER AGENCY AND COMPLIANCE SERVICES, INC.**

This First Amendment ("Amendment") to Multi-Task General Services Agreement is entered into by and between the Northern California Power Agency ("Agency") and Compliance Services, Inc. ("Contractor") (collectively referred to as "the Parties") as of \_\_\_\_\_, 2017.

WHEREAS, the Parties entered into a Multi-Task General Services Agreement dated effective February 26, 2016, (the "Agreement") for Contractor to provide Pipeline Hazardous Materials Safety Administration (PHMSA) services; and

WHEREAS, the Agency now desires to amend the Summary of Scope of Work set forth in Exhibit A to the Agreement; and

WHEREAS, the Parties have agreed to modify the Agreement as set forth above; and

WHEREAS, in accordance with Section 8.2 all changes to the Agreement must be in writing and signed by all the Parties; and

NOW, THEREFORE, the Parties agree as follows:

1. **Exhibit A – SCOPE OF SERVICES** is amended and restated to read in full as set forth in the attached Exhibit A.
2. This Amendment in no way alters the terms and conditions of the Agreement except as specifically set forth herein.

Date: \_\_\_\_\_

NORTHERN CALIFORNIA POWER AGENCY

\_\_\_\_\_  
RANDY S. HOWARD, General Manager

Date: \_\_\_\_\_

COMPLIANCE SERVICES, INC.

\_\_\_\_\_  
ANDY BRADFIELD, President

Attest:

\_\_\_\_\_  
Assistant Secretary of the Commission

Approved as to Form:

\_\_\_\_\_  
Assistant General Counsel

## EXHIBIT A SCOPE OF SERVICES

### SUMMARY OF SCOPE OF WORK

Compliance Services, Inc. ("Contractor") shall provide pipeline services as requested by the Northern California Power Agency ("Agency") at an Facilities owned or operated by Agency, its Members, Southern California Public Power Authority (SCPPA) or SCPPA members.

Services to include, but not be limited to the following:

- Written Programs & Support
- Web-based Management Systems & Online Training
- Geographic Information Systems (GIS) Mapping and Analysis
- Audits
- Pipeline Field & Management Services
- Jurisdictional Analysis
- Pipeline Hazardous Materials Safety Administration (PHMSA):
  - Ongoing operations and maintenance field activities
  - Ongoing operations and maintenance compliance activities
  - Ongoing demonstration of operator qualification (OQ) compliance
  - Ongoing integrity management program field activities
  - Ongoing integrity management compliance
  - Ongoing integrity management action items
- PHMSA Operations and Maintenance Field Activities:
  - Complete PHMSA gas pipeline operations and maintenance (O&M) tasks field activities as identified in Exhibit A-1 shown below.
    - Contractor shall complete all O&M gas pipeline tasks in a timely manner in accordance with DOT pipeline regulations, company O&M procedures, company pipeline emergency plan procedures, pipeline operator qualification procedures, and all appropriate industry standards.
    - Contractor shall develop pipeline O&M procedures as required by 49 CFR 192.
    - Contractor will be available and take the lead during PHMSA pipeline O&M audits when they occur. And the company must be able to provide all required procedures and records as required by 49 CFR 192.
    - Contractor shall make all required PHMSA documentation available for viewing to NCPA staff using online database/management system.

**\*\*Exhibit A-1 through Exhibit A-6 remain unchanged.\*\***



**MULTI-TASK  
GENERAL SERVICES AGREEMENT BETWEEN  
THE NORTHERN CALIFORNIA POWER AGENCY AND  
COMPLIANCE SERVICES, INC.**

This agreement for general services ("Agreement") is made by and between the Northern California Power Agency, a joint powers agency with its main office located at 651 Commerce Drive, Roseville, CA 95678-6420 ("Agency") and Compliance Services, Inc., a with its office located at 2416 Tiverton Drive, Bakersfield, CA 93311 ("Contractor") (together sometimes referred to as the "Parties") as of 2/26/, 2016 ("Effective Date") in Roseville, California.

**Section 1. SCOPE OF WORK.** Subject to the terms and conditions set forth in this Agreement, Contractor is willing to provide to Agency the range of services and/or goods described in the Scope of Work attached hereto as Exhibits A and A-1 through A-6 and incorporated herein ("Work").

- 1.1 Term of Agreement.** The term of this Agreement shall begin on the Effective Date and shall end when Contractor completes the Work, or no later than five (5) years from the date this Agreement was signed by Agency, whichever is shorter.
- 1.2 Standard of Performance.** Contractor shall perform the Work in the manner and according to the standards observed by a competent practitioner of the profession in which Contractor is engaged and for which Contractor is providing the Work. Contractor represents that it is licensed, qualified and experienced to provide the Work set forth herein.
- 1.3 Assignment of Personnel.** Contractor shall assign only competent personnel to perform the Work. In the event that Agency, in its sole discretion, at any time during the term of this Agreement, requests the reassignment of any such personnel, Contractor shall, immediately upon receiving written notice from Agency of such request, reassign such personnel.
- 1.4 Work Provided.** Work provided under this Agreement by Contractor may include Work directly to the Agency or, as requested by the Agency and consistent with the terms of this Agreement, to Agency members, Southern California Public Power Authority ("SCPPA") or SCPPA members.
- 1.5 Request for Work to be Performed.** At such time that Agency determines to have Contractor perform Work under this Agreement, Agency shall issue a Purchase Order. The Purchase Order shall identify the specific Work to be performed ("Requested Work"), may include a not-to-exceed cap on monetary cap on Requested Work and all related expenditures authorized by that Purchase Order, and shall include a time by which the Requested Work shall be completed. Contractor shall have seven calendar days from the date of the Agency's issuance of the Purchase Order in which to respond in writing that Contractor chooses not to perform the Requested Work. If Contractor agrees to perform

the Requested Work, begins to perform the Requested Work, or does not respond within the seven day period specified, then Contractor will have agreed to perform the Requested Work on the terms set forth in the Purchase Order, this Agreement and its Exhibits.

**Section 2. COMPENSATION.** Agency hereby agrees to pay Contractor an amount **NOT TO EXCEED ONE MILLION FIVE HUNDRED THOUSAND** dollars (\$1,500,000.00) for the Work, which shall include all fees, costs, expenses and other reimbursables, as set forth in Contractor's fee schedule, attached hereto and incorporated herein as Exhibit B. This dollar amount is not a guarantee that Agency will pay that full amount to the Contractor, but is merely a limit of potential Agency expenditures under this Agreement.

**2.1 Invoices.** Contractor shall submit invoices, not more often than once a month during the term of this Agreement, based on the cost for services performed and reimbursable costs incurred prior to the invoice date. Invoices shall contain the following information:

- The beginning and ending dates of the billing period;
- Work performed;
- The Purchase Order number authorizing the Requested Work;
- At Agency's option, for each work item in each task, a copy of the applicable time entries or time sheets shall be submitted showing the name of the person doing the work, the hours spent by each person, a brief description of the work, and each reimbursable expense, with supporting documentation, to Agency's reasonable satisfaction;
- At Agency's option, the total number of hours of work performed under the Agreement by Contractor and each employee, agent, and subcontractor of Contractor performing work hereunder.

Invoices shall be sent to:

Northern California Power Agency  
651 Commerce Drive  
Roseville, California 95678  
Attn: Accounts Payable

**2.2 Monthly Payment.** Agency shall make monthly payments, based on invoices received, for Work satisfactorily performed, and for authorized reimbursable costs incurred. Agency shall have thirty (30) days from the receipt of an invoice that complies with all of the requirements above to pay Contractor.

**2.3 Payment of Taxes.** Contractor is solely responsible for the payment of all federal, state and local taxes, including employment taxes, incurred under this Agreement.

**2.4 Authorization to Perform Work.** The Contractor is not authorized to perform any Work or incur any costs whatsoever under the terms of this Agreement until receipt of a Purchase Order from the Contract Administrator.

**2.5 Timing for Submittal of Final Invoice.** Contractor shall have ninety (90) days after completion of the Requested Work to submit its final invoice for the Requested Work. In the event Contractor fails to submit an invoice to Agency for any amounts due within the ninety (90) day period, Contractor is deemed to have waived its right to collect its final payment for the Requested Work from Agency.

**Section 3. FACILITIES AND EQUIPMENT.** Except as set forth herein, Contractor shall, at its sole cost and expense, provide all facilities and equipment that may be necessary to perform the Work.

**Section 4. INSURANCE REQUIREMENTS.** Before beginning any Work under this Agreement, Contractor, at its own cost and expense, shall procure the types and amounts of insurance listed below and shall maintain the types and amounts of insurance listed below for the period covered by this Agreement.

**4.1 Workers' Compensation.** If Contractor employs any person, Contractor shall maintain Statutory Workers' Compensation Insurance and Employer's Liability Insurance for any and all persons employed directly or indirectly by Contractor with limits of not less than one million dollars (\$1,000,000.00) per accident.

**4.2 Commercial General and Automobile Liability Insurance.**

**4.2.1 Commercial General Insurance.** Contractor shall maintain commercial general liability insurance for the term of this Agreement, including products liability, covering any loss or liability, including the cost of defense of any action, for bodily injury, death, personal injury and broad form property damage which may arise out of the operations of Contractor. The policy shall provide a minimum limit of \$1,000,000 per occurrence/\$2,000,000 aggregate. Commercial general coverage shall be at least as broad as ISO Commercial General Liability form CG 0001 (current edition) on "an occurrence" basis covering comprehensive General Liability, with a self-insured retention or deductible of no more than \$100,000. No endorsement shall be attached limiting the coverage.

**4.2.2 Automobile Liability.** Contractor shall maintain automobile liability insurance form CA 0001 (current edition) for the term of this Agreement covering any loss or liability, including the cost of defense of any action, arising from the operation, maintenance or use of any vehicle (symbol 1), whether or not owned by the Contractor, on or off Agency premises. The policy shall provide a minimum limit of \$1,000,000 per each accident, with a self-insured retention or deductible of no more than \$100,000. This insurance shall provide contractual liability covering all



motor vehicles and mobile equipment to the extent coverage may be excluded from general liability insurance.

**4.2.3 General Liability/Umbrella Insurance.** The coverage amounts set forth above may be met by a combination of underlying and umbrella policies as long as in combination the limits equal or exceed those stated.

**4.3 Professional Liability Insurance.** Contractor shall maintain professional liability insurance appropriate to Contractor's profession performing work in connection with this Agreement in an amount not less than one million dollars (\$1,000,000.00) and two million dollars (\$2,000,000) aggregate covering the Contractor's errors and omissions. Any deductible or self-insured retention shall not exceed two hundred fifty thousand dollars (\$250,000.00) per claim. Such insurance shall be on "an occurrence" basis.

**4.4 Pollution Insurance.** If Contractor's Work involves its transporting hazardous materials, then Contractor shall obtain and maintain Contractors' Pollution Liability Insurance of not less than two million dollars (\$2,000,000) for any one occurrence and not less than four million dollars (\$4,000,000) aggregate. Any deductible or self-insured retention shall not exceed two hundred fifty thousand dollars (\$250,000.00) per claim. Such insurance shall be on "an occurrence" basis.

"Hazardous Materials" means any toxic or hazardous substance, hazardous material, dangerous or hazardous waste, dangerous good, radioactive material, petroleum or petroleum-derived products or by-products, or any other chemical, substance, material or emission, that is regulated, listed, or controlled pursuant to any national, state, or local law, statute, ordinance, directive, regulation, or other legal requirement of the United States.

**4.5 All Policies Requirements.**

**4.5.1 Verification of coverage.** Prior to beginning any work under this Agreement, Contractor shall provide Agency with (1) a Certificate of Insurance that demonstrates compliance with all applicable insurance provisions contained herein and (2) policy endorsements to the policies referenced in Section 4.2 and in Section 4.4, if applicable, adding the Agency as an additional insured and declaring such insurance primary in regard to work performed pursuant to this Agreement.

**4.5.2 Notice of Reduction in or Cancellation of Coverage.** Contractor shall provide at least thirty (30) days prior written notice to Agency of any reduction in scope or amount, cancellation, or modification adverse to Agency of the policies referenced in Section 4.

**4.5.3 Higher Limits.** If Contractor maintains higher limits than the minimums specified herein, the Agency shall be entitled to coverage for the higher limits maintained by the Contractor.

**4.5.4 Additional Certificates and Endorsements.** If Contractor performs Work for Agency members, SCPPA and/or SCPPA members pursuant to this Agreement, Agency shall have the right to require Contractor to provide the certificates of insurance and/or policy endorsements, as referenced in Section 4.4.1, naming the specific Agency member, SCPPA and/or SCPPA member for which the Work is to be performed.

**4.6 Waiver of Subrogation.** Contractor agrees to waive subrogation which any insurer of Contractor may acquire from Contractor by virtue of the payment of any loss. Contractor agrees to obtain any endorsement that may be necessary to effect this waiver of subrogation. The Workers' Compensation policy shall be endorsed with a waiver of subrogation in favor of Agency for all work performed by Contractor, its employees, agents and subcontractors.

**4.7 Contractor's Obligation.** Contractor shall be solely responsible for ensuring that all equipment, vehicles and other items utilized in the performance of Work are operated, provided or otherwise utilized in a manner that ensures they are and remain covered by the policies referenced in Section 4 during this Agreement. Contractor shall also ensure that all workers involved in the provision of Work are properly classified as employees, agents or independent contractors and are and remain covered by any and all workers' compensation insurance required by applicable law during this Agreement.

## **Section 5. INDEMNIFICATION AND CONTRACTOR'S RESPONSIBILITIES.**

**5.1 Effect of Insurance.** Agency's acceptance of insurance certificates and endorsements required under this Agreement does not relieve Contractor from liability under this indemnification and hold harmless clause. This indemnification and hold harmless clause shall apply to any damages or claims for damages whether or not such insurance policies shall have been determined to apply. By execution of this Agreement, Contractor acknowledges and agrees to the provisions of this section and that it is a material element of consideration.

**5.2 Scope.** Contractor shall indemnify, defend with counsel reasonably acceptable to the Agency, and hold harmless the Agency and its officials, commissioners, officers, employees, and volunteers from and against any and all claims that arise out of, pertain to or relate to the negligence, recklessness or willful misconduct of the Contractor in its performance of Work under this Agreement. Contractor shall bear all losses, costs, damages, expense and liability of every kind, nature and description that arise out of,

pertain to, or relate to such claims, whether directly or indirectly ("Liabilities"). Such obligations to defend, hold harmless and indemnify the Agency shall not apply to the extent that such Liabilities are caused by the sole negligence, active negligence, or willful misconduct of the Agency.

## **Section 6. STATUS OF CONTRACTOR.**

- 6.1 Independent Contractor.** Contractor is an independent contractor and not an employee of Agency. Agency shall have the right to control Contractor only insofar as the results of Contractor's Work and assignment of personnel pursuant to Section 1; otherwise, Agency shall not have the right to control the means by which Contractor accomplishes Work rendered pursuant to this Agreement. Notwithstanding any other Agency, state, or federal policy, rule, regulation, law, or ordinance to the contrary, Contractor and any of its employees, agents, and subcontractors providing services under this Agreement shall not qualify for or become entitled to, and hereby agree to waive any and all claims to, any compensation, benefit, or any incident of employment by Agency, including but not limited to eligibility to enroll in the California Public Employees Retirement System (PERS) as an employee of Agency and entitlement to any contribution to be paid by Agency for employer contributions and/or employee contributions for PERS benefits.

Contractor shall indemnify, defend, and hold harmless Agency for the payment of any employee and/or employer contributions for PERS benefits on behalf of Contractor or its employees, agents, or subcontractors, as well as for the payment of any penalties and interest on such contributions, which would otherwise be the responsibility of Agency. Contractor and Agency acknowledge and agree that compensation paid by Agency to Contractor under this Agreement is based upon Contractor's estimated costs of providing the Work, including salaries and benefits of employees, agents and subcontractors of Contractor.

Contractor shall indemnify, defend, and hold harmless Agency from any lawsuit, administrative action, or other claim for penalties, losses, costs, damages, expense and liability of every kind, nature and description that arise out of, pertain to, or relate to such claims, whether directly or indirectly, due to Contractor's failure to secure workers' compensation insurance for its employees, agents, or subcontractors.

Contractor agrees that it is responsible for the provision of group healthcare benefits to its fulltime employees under 26 U.S.C. § 4980H of the Affordable Care Act. To the extent permitted by law, Contractor shall indemnify, defend and hold harmless Agency from any penalty issued to Agency under the Affordable Care Act resulting from the performance of the Services by any employee, agent, or subcontractor of Contractor.

- 6.2 Contractor Not Agent.** Except as Agency may specify in writing, Contractor shall have no authority, express or implied, to act on behalf of Agency in any capacity whatsoever as an

agent. Contractor shall have no authority, express or implied, pursuant to this Agreement to bind Agency to any obligation whatsoever.

- 6.3 Assignment and Subcontracting.** This Agreement contemplates personal performance by Contractor and is based upon a determination of Contractor's unique professional competence, experience, and specialized professional knowledge. A substantial inducement to Agency for entering into this Agreement was and is the personal reputation and competence of Contractor. Contractor may not assign this Agreement or any interest therein without the prior written approval of the Agency. Contractor shall not subcontract any portion of the performance contemplated and provided for herein, other than to the subcontractors identified in Exhibit A, without prior written approval of the Agency. Where written approval is granted by the Agency, Contractor shall supervise all work subcontracted by Contractor in performing the Work and shall be responsible for all work performed by a subcontractor as if Contractor itself had performed such work. The subcontracting of any work to subcontractors shall not relieve Contractor from any of its obligations under this Agreement with respect to the Work and Contractor is obligated to ensure that any and all subcontractors performing any Work shall be fully insured in all respects and to the same extent as set forth under Section 4, to Agency's satisfaction.
- 6.4 Certification as to California Energy Commission.** If requested by the Agency, Contractor shall, at the same time it executes this Agreement, execute Exhibit C.
- 6.5 Certification as to California Energy Commission Regarding Hazardous Materials Transport Vendors.** If requested by the Agency, Contractor shall, at the same time it executes this Agreement, execute Exhibit D.
- 6.6 Maintenance Labor Agreement.** If the Work is subject to the terms of one or more Maintenance Labor Agreements, which are applicable only to certain types of construction, repair and/or maintenance projects, then Contractor shall execute Exhibit E and/or similar documentation as to compliance.

## **Section 7. LEGAL REQUIREMENTS.**

- 7.1 Governing Law.** The laws of the State of California shall govern this Agreement.
- 7.2 Compliance with Applicable Laws.** Contractor and its subcontractors and agents, if any, shall comply with all laws applicable to the performance of the work hereunder.
- 7.3 Licenses and Permits.** Contractor represents and warrants to Agency that Contractor and its employees, agents, and subcontractors (if any) have and will maintain at their sole expense during the term of this Agreement all licenses, permits, qualifications, and approvals of whatever nature that are legally required to practice their respective professions.

- 7.4 Monitoring by DIR.** The Work is subject to compliance monitoring and enforcement by the Department of Industrial Relations.
- 7.5 Registration with DIR.** During the term of this Agreement, Contractor warrants that it is registered with the Department of Industrial Relations and qualified to perform Work consistent with Labor Code section 1725.5.
- 7.6 Prevailing Wage Rates.** In accordance with California Labor Code Section 1771, not less than the general prevailing rate of per diem wages for work of a similar character in the locality in which the Work is to be performed, and not less than the general prevailing rate of per diem wages for holiday and overtime work as provided in the California Labor Code must be paid to all workers engaged in performing the Work. In accordance with California Labor Code Section 1770 and following, the Director of Industrial Relations has determined the general prevailing wage per diem rates for the locality in which the Work is to be performed; the Agency has obtained the general prevailing rate of per diem wages and the general rate for holiday and overtime work in the locality in which the Work is to be performed for each craft, classification or type of worker needed to perform the project; and copies of the prevailing rate of per diem wages are on file at the Agency and will be made available on request. Throughout the performance of the Work, Contractor must comply with all applicable laws and regulations that apply to wages earned in performance of the Work. Contractor assumes all responsibility for such payments and shall defend, indemnify and hold the Agency harmless from any and all claims made by the State of California, the Department of Industrial Relations, any subcontractor, any worker or any other third party with regard thereto.

Additionally, in accordance with the California Administrative Code, Title 8, Group 3, Article 2, Section 16000, Publication of Prevailing Wage Rates by Awarding Bodies, copies of the applicable determination of the Director can be found on the web at: <http://www.dir.ca.gov/DLSR/PWD/> and may be reviewed at any time.

Contractor shall be required to submit to the Agency during the contract period, copies of Public Works payroll reporting information per California Department of Industrial Relations, Form A- 1-131 (New 2-80) concerning work performed under this Agreement.

Contractor shall comply with applicable law, including Labor Code Sections 1774 and 1775. In accordance with Section 1775, Contractor shall forfeit as a penalty to Agency \$50.00 for each calendar day or portion thereof, for each worker paid less than the prevailing rates as determined by the Director of Industrial Relations for such work or craft in which such worker is employed for any Work done under the Agreement by Contractor or by any subcontractor under Contractor in violation of the provisions of the Labor Code and in particular, Labor Code Sections 1770 *et seq.* In addition to the penalty and pursuant to Section 1775, the difference between such prevailing wage rates and the

amount paid to each worker for each calendar day or portion thereof for which each worker was paid less than the prevailing wage rate shall be paid to each worker by the Contractor.

## **Section 8. TERMINATION AND MODIFICATION.**

- 8.1 Termination.** Agency may cancel this Agreement at any time and without cause upon ten (10) days prior written notice to Contractor.

In the event of termination, Contractor shall be entitled to compensation for Work satisfactorily completed as of the effective date of termination; Agency, however, may condition payment of such compensation upon Contractor delivering to Agency any or all records or documents (as referenced in Section 9.1 hereof).

- 8.2 Amendments.** The Parties may amend this Agreement only by a writing signed by all the Parties.

- 8.3 Survival.** All obligations arising prior to the termination of this Agreement and all provisions of this Agreement allocating liability between Agency and Contractor shall survive the termination of this Agreement.

- 8.4 Options upon Breach by Contractor.** If Contractor materially breaches any of the terms of this Agreement, including but not limited to those set forth in Section 4, Agency's remedies shall include, but not be limited to, the following:

**8.4.1** Immediately terminate the Agreement;

**8.4.2** Retain the plans, specifications, drawings, reports, design documents, and any other work product prepared by Contractor pursuant to this Agreement;

**8.4.3** Retain a different Contractor to complete the Work not finished by Contractor; and/or

**8.4.4** Charge Contractor the difference between the costs to complete the Work that is unfinished at the time of breach and the amount that Agency would have paid Contractor pursuant hereto if Contractor had completed the Work.

## **Section 9. KEEPING AND STATUS OF RECORDS.**

- 9.1 Records Created as Part of Contractor's Performance.** All reports, data, maps, models, charts, studies, surveys, photographs, memoranda, plans, studies, specifications, records, files, or any other documents or materials, in electronic or any other form, that Contractor prepares or obtains pursuant to this Agreement and that relate to the matters covered hereunder shall be the property of the Agency. Contractor hereby agrees to

deliver those documents to the Agency upon termination of the Agreement. Agency and Contractor agree that, unless approved by Agency in writing, Contractor shall not release to any non-parties to this Agreement any data, plans, specifications, reports and other documents.

**9.2 Contractor's Books and Records.** Contractor shall maintain any and all records or other documents evidencing or relating to charges for Work or expenditures and disbursements charged to the Agency under this Agreement for a minimum of three (3) years, or for any longer period required by law, from the date of final payment to the Contractor under this Agreement.

**9.3 Inspection and Audit of Records.** Any records or documents that this Agreement requires Contractor to maintain shall be made available for inspection, audit, and/or copying at any time during regular business hours, upon oral or written request of the Agency. Under California Government Code Section 8546.7, if the amount of public funds expended under this Agreement exceeds ten thousand dollars (\$10,000.00), the Agreement shall be subject to the examination and audit of the State Auditor, at the request of Agency or as part of any audit of the Agency, for a period of three (3) years after final payment under this Agreement.

**9.4 Confidential Information and Disclosure.**

**9.4.1 Confidential Information.** The term "Confidential Information", as used herein, shall mean any and all confidential, proprietary, or trade secret information, whether written, recorded, electronic, oral or otherwise, where the Confidential Information is made available in a tangible medium of expression and marked in a prominent location as confidential, proprietary and/or trade secret information. Confidential Information shall not include information that: (a) was already known to the Receiving Party or is otherwise a matter of public knowledge, (b) was disclosed to Receiving Party by a third party without violating any confidentiality agreement, (c) was independently developed by Receiving Party without reverse engineering, as evidenced by written records thereof, or (d) was not marked as Confidential Information in accordance with this section.

**9.4.2 Non-Disclosure of Confidential Information.** During the term of this Agreement, either party may disclose (the "Disclosing Party") Confidential Information to the other party (the "Receiving Party"). The Receiving Party: (a) shall hold the Disclosing Party's Confidential Information in confidence; and (b) shall take all reasonable steps to prevent any unauthorized possession, use, copying, transfer or disclosure of such Confidential Information.

**9.4.3 Permitted Disclosure.** Notwithstanding the foregoing, the following disclosures of Confidential Information are allowed. Receiving Party shall endeavor to provide prior written notice to Disclosing Party of any permitted disclosure made pursuant to Section 9.4.3.2 or 9.4.3.3. Disclosing Party may seek a protective order, including without limitation, a temporary restraining order to prevent or contest such permitted disclosure; provided, however, that Disclosing Party shall seek such remedies at its sole expense. Neither party shall have any liability for such permitted disclosures:

**9.4.3.1** Disclosure to employees, agents, contractors, subcontractors or other representatives of Receiving Party that have a need to know in connection with this Agreement.

**9.4.3.2** Disclosure in response to a valid order of a court, government or regulatory agency or as may otherwise be required by law; and

**9.4.3.3** Disclosure by Agency in response to a request pursuant to the California Public Records Act.

**9.4.4 Handling of Confidential Information.** Upon conclusion or termination of the Agreement, Receiving Party shall return to Disclosing Party or destroy Confidential Information (including all copies thereof), if requested by Disclosing Party in writing. Notwithstanding the foregoing, the Receiving Party may retain copies of such Confidential Information, subject to the confidentiality provisions of this Agreement: (a) for archival purposes in its computer system; (b) in its legal department files; and (c) in files of Receiving Party's representatives where such copies are necessary to comply with applicable law. Party shall not disclose the Disclosing Party's Information to any person other than those of the Receiving Party's employees, agents, consultants, contractors and subcontractors who have a need to know in connection with this Agreement.

## **Section 10. PROJECT SITE.**

**10.1 Operations at the Project Site.** Each Project site may include the power plant areas, all buildings, offices, and other locations where Work is to be performed, including any access roads. Contractor shall perform the Work in such a manner as to cause a minimum of interference with the operations of the Agency; if applicable, the entity for which Contractor is performing the Work, as referenced in Section 1.4; and other contractors at the Project site and to protect all persons and property thereon from damage or injury. Upon completion of the Work at a Project site, Contractor shall leave such Project site clean and free of all tools, equipment, waste materials and rubbish, stemming from or relating to Contractor's Work.



**10.2 Contractor's Equipment, Tools, Supplies and Materials.** Contractor shall be solely responsible for the transportation, loading and unloading, and storage of any equipment, tools, supplies or materials required for performing the Work, whether owned, leased or rented. Neither Agency nor, if applicable, the entity for which Contractor is performing the Work, as referenced in Section 1.4, will be responsible for any such equipment, supplies or materials which may be lost, stolen or damaged or for any additional rental charges for such. Equipment, tools, supplies and materials left or stored at a Project site, with or without permission, is at Contractor's sole risk. Anything left on the Project site an unreasonable length of time after the Work is completed shall be presumed to have been abandoned by the Contractor. Any transportation furnished by Agency or, if applicable, the entity for which Contractor is performing the Work, as referenced in Section 1.4, shall be solely as an accommodation and neither Agency nor, if applicable, the entity for which Contractor is performing the Work, as referenced in Section 1.4, shall have liability therefor. Contractor shall assume the risk and is solely responsible for its owned, non-owned and hired automobiles, trucks or other motorized vehicles as well as any equipment, tools, supplies, materials or other property which is utilized by Contractor on the Project site. All materials and supplies used by Contractor in the Work shall be new and in good condition.

**10.3 Use of Agency Equipment.** Contractor shall assume the risk and is solely responsible for its use of any equipment owned and property provided by Agency and, if applicable, the entity for which Contractor is performing the Work, as referenced in Section 1.4, for the performance of Work.

## **Section 11. WARRANTY.**

**11.1 Nature of Work.** In addition to any and all warranties provided or implied by law or public policy, Contractor warrants that all Work shall be free from defects in design and workmanship, and that Contractor shall perform all Work in accordance with applicable federal, state, and local laws, rules and regulations including engineering, construction and other codes and standards and prudent electrical utility standards, and in accordance with the terms of this Agreement.

**11.2 Deficiencies in Work.** In addition to all other rights and remedies which Agency may have, Agency shall have the right to require, and Contractor shall be obligated at its own expense to perform, all further Work which may be required to correct any deficiencies which result from Contractor's failure to perform any Work in accordance with the standards required by this Agreement. If during the term of this Agreement or the one (1) year period following completion of the Work, any equipment, supplies or other materials or Work used or provided by Contractor under this Agreement fails due to defects in material and/or workmanship or other breach of this Agreement, Contractor shall, upon any reasonable written notice from Agency, replace or repair the same to Agency's satisfaction.

- 11.3** **Assignment of Warranties.** Contractor hereby assigns to Agency all additional warranties, extended warranties, or benefits like warranties, such as insurance, provided by or reasonably obtainable from suppliers of equipment and material used in the Work.

**Section 12. HEALTH AND SAFETY PROGRAMS.** The Contractor shall establish, maintain, and enforce safe work practices, and implement an accident/incident prevention program intended to ensure safe and healthful operations under their direction. The program shall include all requisite components of such a program under Federal, State and local regulations and shall comply with all site programs established by Agency and, if applicable, the entity for which Contractor is performing the Work, as referenced in Section 1.4.

- 12.1** Contractor is responsible for acquiring job hazard assessments as necessary to safely perform the Work and provide a copy to Agency upon request.
- 12.2** Contractor is responsible for providing all employee health and safety training and personal protective equipment in accordance with potential hazards that may be encountered in performance of the Work and provide copies of the certified training records upon request by Agency. Contractor shall be responsible for proper maintenance and/or disposal of their personal protective equipment and material handling equipment.
- 12.3** Contractor is responsible for ensuring that its lower-tier subcontractors are aware of and will comply with the requirements set forth herein.
- 12.4** Agency, or its representatives, may periodically monitor the safety performance of the Contractor performing the Work. Contractors and its subcontractors shall be required to comply with the safety and health obligations as established in the Agreement. Non-compliance with safety, health, or fire requirements may result in cessation of work activities, until items in non-compliance are corrected. It is also expressly acknowledged, understood and agreed that no payment shall be due from Agency to Contractor under this Agreement at any time when, or for any Work performed when, Contractor is not in full compliance with this Section 12.
- 12.5** Contractor shall immediately report any injuries to the Agency site safety representative. Additionally, the Contractor shall investigate and submit to the Agency site safety representative copies of all written accident reports, and coordinate with Agency if further investigation is requested.
- 12.6** Contractor shall take all reasonable steps and precautions to protect the health of its employees and other site personnel with regard to the Work. Contractor shall conduct occupational health monitoring and/or sampling to determine levels of exposure of its employees to hazardous or toxic substances or environmental conditions. Copies of any sampling results will be forwarded to the Agency site safety representative upon request.

- 12.7 Contractor shall develop a plan to properly handle and dispose of any hazardous wastes, if any, Contractor generates in performing the Work.
- 12.8 Contractor shall advise its employees and subcontractors that any employee who jeopardizes his/her safety and health, or the safety and health of others, may be subject to actions including removal from Work.
- 12.9 Contractor shall, at the sole option of the Agency, develop and provide to the Agency a Hazardous Material Spill Response Plan that includes provisions for spill containment and clean-up, emergency contact information including regulatory agencies and spill sampling and analysis procedures. Hazardous Materials shall include diesel fuel used for trucks owned or leased by the Contractor.
- 12.10 **Work Provided Pursuant to Section 1.4.** If Contractor is providing Work to an Agency Member, SCPPA or SCPPA member (collectively "Member" solely for the purpose of this section) pursuant to Section 1.4 hereof, then that Member shall have the same rights as the Agency under Sections 12.1, 12.2, 12.4, 12.5, and 12.6 hereof.

**Section 13 MISCELLANEOUS PROVISIONS.**

- 13.1 **Attorneys' Fees.** If a party to this Agreement brings any action, including an action for declaratory relief, to enforce or interpret the provision of this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees in addition to any other relief to which that party may be entitled. The court may set such fees in the same action or in a separate action brought for that purpose.
- 13.2 **Venue.** In the event that either party brings any action against the other under this Agreement, the Parties agree that trial of such action shall be vested exclusively in the state courts of California in the County of Placer or in the United States District Court for the Eastern District of California.
- 13.3 **Severability.** If a court of competent jurisdiction finds or rules that any provision of this Agreement is invalid, void, or unenforceable, the provisions of this Agreement not so adjudged shall remain in full force and effect. The invalidity in whole or in part of any provision of this Agreement shall not void or affect the validity of any other provision of this Agreement.
- 13.4 **No Implied Waiver of Breach.** The waiver of any breach of a specific provision of this Agreement does not constitute a waiver of any other breach of that term or any other term of this Agreement.
- 13.5 **Successors and Assigns.** The provisions of this Agreement shall inure to the benefit of and shall apply to and bind the successors and assigns of the Parties.

- 13.6 Conflict of Interest.** Contractor may serve other clients, but none whose activities within the corporate limits of Agency or whose business, regardless of location, would place Contractor in a "conflict of interest," as that term is defined in the Political Reform Act, codified at California Government Code Section 81000 *et seq.*

Contractor shall not employ any Agency official in the work performed pursuant to this Agreement. No officer or employee of Agency shall have any financial interest in this Agreement that would violate California Government Code Sections 1090 *et seq.*

- 13.7 Contract Administrator.** This Agreement shall be administered by Ken Speer, Assistant General Manager, or his/her designee, who shall act as the Agency's representative. All correspondence shall be directed to or through the representative.

- 13.8 Notices.** Any written notice to Contractor shall be sent to:

Compliance Services, Inc.  
Attention: Andy Bradfield, President  
2416 Tiverton Drive  
Bakersfield, CA 93311

Any written notice to Agency shall be sent to:

Randy S. Howard  
General Manager  
Northern California Power Agency  
651 Commerce Drive  
Roseville, CA 95678

With a copy to:

Michael F. Dean  
General Counsel  
Northern California Power Agency  
Meyers Nave  
555 Capitol Mall, Suite 1200  
Sacramento, CA 95814

- 13.9 Professional Seal.** Where applicable in the determination of the Agency, the first page of a technical report, first page of design specifications, and each page of construction drawings shall be stamped/sealed and signed by the licensed professional responsible for the report/design preparation.

**13.10 Integration; Incorporation.** This Agreement, including all the exhibits attached hereto, represents the entire and integrated agreement between Agency and Contractor and supersedes all prior negotiations, representations, or agreements, either written or oral. All exhibits attached hereto are incorporated by reference herein.

**13.11 Alternative Dispute Resolution.** If any dispute arises between the Parties that cannot be settled after engaging in good faith negotiations, Agency and Contractor agree to resolve the dispute in accordance with the following:

**13.11.1** Each party shall designate a senior management or executive level representative to negotiate any dispute;

**13.11.2** The representatives shall attempt, through good faith negotiations, to resolve the dispute by any means within their authority.

**13.11.3** If the issue remains unresolved after fifteen (15) days of good faith negotiations, the Parties shall attempt to resolve the disagreement by negotiation between legal counsel. If the above process fails, the Parties shall resolve any remaining disputes through mediation to expedite the resolution of the dispute.

**13.11.4** The mediation process shall provide for the selection within fifteen (15) days by both Parties of a disinterested third person as mediator, shall be commenced within thirty (30) days and shall be concluded within fifteen (15) days from the commencement of the mediation.

**13.11.5** The Parties shall equally bear the costs of any third party in any alternative dispute resolution process.

**13.11.6** The alternative dispute resolution process is a material condition to this Agreement and must be exhausted as an administrative remedy prior to either Party initiating legal action. This alternative dispute resolution process is not intended to nor shall be construed to change the time periods for filing a claim or action specified by Government Code §§ 900 *et seq.*

**13.12 Controlling Provisions.** In the case of any conflict between the terms of this Agreement and the Exhibits hereto, and Contractor's Proposal (if any), the Agreement shall control. In the case of any conflict between the Exhibits hereto and the Contractor's Proposal, the Exhibits shall control.

**13.13 Counterparts.** This Agreement may be executed in multiple counterparts, each of which shall be an original and all of which together shall constitute one agreement.

**13.14 Construction of Agreement.** Each party hereto has had an equivalent opportunity to participate in the drafting of the Agreement and/or to consult with legal counsel. Therefore, the usual construction of an agreement against the drafting party shall not apply hereto.

**13.15 No Third Party Beneficiaries.** This Agreement is made solely for the benefit of the parties hereto, with no intent to benefit any non-signator third parties. However, should Contractor provide Work to an Agency member, SCPPA or SCPPA member (collectively for the purpose of this section only "Member") pursuant to Section 1.4, the parties recognize that such Member may be a third party beneficiary solely as to the Purchase Order and Requested Work relating to such Member. If requested by Agency, such Member will sign the "Acknowledgement of Agreement", attached hereto as Exhibit F and incorporated herein, prior to the Contractor performing Work under the Purchase Order.

The Parties have executed this Agreement as of the date signed by the Agency.

NORTHERN CALIFORNIA POWER AGENCY

Date

2/26/16

  
RANDY S. HOWARD, General Manager

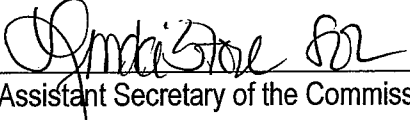
COMPLIANCE SERVICES, INC.

Date


2/19/2016

  
ANDY BRADFELD, President

Attest:

  
Assistant Secretary of the Commission

Approved as to Form:

  
Assistant General Counsel

**EXHIBIT A**  
**SCOPE OF SERVICES, COMPENSATION AND HOURLY FEES**

**SUMMARY OF SCOPE OF WORK**

Compliance Services, Inc. ("Contractor") shall complete the following Pipeline Hazardous Materials Safety Administration (PHMSA) activities as requested by the Northern California Power Agency ("Agency") at any Facilities owned or operated by NCPA, its Members, Southern California Public Power Authority (SCPPA) or SCPPA members:

- Ongoing operations and maintenance field activities
- Ongoing operations and maintenance compliance activities
- Ongoing demonstration of operator qualification (OQ) compliance
- Ongoing integrity management program field activities
- Ongoing integrity management compliance
- Ongoing integrity management action items

**Operations and Maintenance Field Activities:**

1. Complete PHMSA gas pipeline operations and maintenance (O&M) tasks field activities as identified in Exhibit A-1 shown below.
  - Contractor shall complete all O&M gas pipeline tasks in a timely manner in accordance with DOT pipeline regulations, company O&M procedures, company pipeline emergency plan procedures, pipeline operator qualification procedures, and all appropriate industry standards.
  - Contractor shall develop pipeline O&M procedures as required by 49 CFR 192.
  - Contractor will be available and take the lead during PHMSA pipeline O&M audits when they occur. And the company must be able to provide all required procedures and records as required by 49 CFR 192.
  - Contractor shall make all required PHMSA documentation available for viewing to NCPA staff using online database/management system.

**EXHIBIT A-1**  
**O&M Task Field Activities**

Item #	Pipeline Task Description [192 Regulation]:	Freq.	Regulation 49 CFR
<b>Ongoing O&amp;M:</b>			
1.	Patrols (class 3)	2x/yr <sup>2</sup>	192.705
2.	Critical Crossings Inspection (class 3)	4x/yr <sup>3</sup>	192.705
3.	Leak Survey with Instrument (class 3)	2x/yr <sup>2</sup>	192.706
4.	Emergency Valve Inspection	1x/yr <sup>1</sup>	192.745
5.	Test Pressure Relief Valve	1x/yr <sup>1</sup>	192.739
6.	Atmospheric Corrosion Inspection	1x/yr <sup>5</sup>	192.481
7.	Test Gas for Corrosive Properties	1x/yr <sup>5</sup>	192.477
8.	Pipe to Soil (CP Survey)	1x/yr <sup>1</sup>	192.465(b)
9.	Rectifier Inspection & Readings	6x/yr <sup>7</sup>	192.465(b)
10.	Class Location Study	1x/yr <sup>5</sup>	192.609
<b>Event Driven O&amp;M Items:</b>			
11.	One Call Processing, Marking, Onsite Standby if Pipeline Exposed (Hourly rate applies)	AR	192.614
12.	External Exposed Pipe Report Inspections	AR	192.459
13.	Internal Exposed Pipe Report	AR	192.475(b)
14.	Maintain Pipeline Markers	AR	192.707
15.	Maintain Warning Signs	AR	192.751
16.	Emergency Valves Protection from Tampering or Vandalism	AR	192.179

1x/yr<sup>1</sup> = Once per calendar year, not to exceed 15 months  
 2x/yr<sup>2</sup> = Twice per calendar year, not to exceed 7 ½ months  
 4x/yr<sup>3</sup> = Four times per calendar year, not to exceed 4 ½ months  
 AR = As required  
 1x/yr<sup>4</sup> = Due by March 15<sup>th</sup> for previous calendar year  
 1x/yr<sup>5</sup> = Once per calendar year  
 1x/yr<sup>6</sup> = Once per calendar year, not to exceed 18 months  
 6x/yr<sup>7</sup> = Six times per calendar year, not to exceed 2 ½ months

Remedial measures if needed above and beyond normal O&M activities listed in the table above would be invoiced at cost plus 15%. Examples of remedial measures for O&M activities:

- 1) Pipe casing work
- 2) Work regarding leak
- 3) Emergency valve work



- 4) Relief valve work
- 5) Remedial measure to mitigate corrosive properties in the gas. For example, installing corrosion coupons, injection corrosion inhibitor
- 6) Remedial measures to mitigate low cathodic protection readings. For example, additional surveys like Close Interval Survey, installing anodes, etc.
- 7) Rectifier work
- 8) Pipeline coating work
- 9) Pipe segments work

#### Operations and Maintenance Compliance Activities:

2. Contractor shall complete PHMSA gas pipeline operations and maintenance (O&M) tasks compliance activities as identified in Exhibit A-2 shown below.
  - These compliance tasks shall be completed in a timely manner in accordance with DOT pipeline regulations, Company O&M procedures, pipeline emergency plan procedures, pipeline operator qualification procedures, and all appropriate industry standards.

#### EXHIBIT A-2 O&M Task Compliance Activities

Item #	Pipeline Task Description [192 Regulation]:	Freq.	Regulation 49 CFR
	<b><i>Ongoing O&amp;M Compliance Items:</i></b>		
	Update CP Maps	1x/yr <sup>5</sup>	192.491(a)
	Update Construction Maps and Records	1x/yr <sup>5</sup>	192.603(b)
1.	O&M Procedures Review	1x/yr <sup>1</sup>	192.605(a)
2.	PHMSA Annual Report	1x/yr <sup>4</sup>	191.17
3.	Review Work Performed by Operator	1x/yr <sup>5</sup>	192.605(b)(8)
4.	Relief Valve Capacity Review	1x/yr <sup>5</sup>	192.743
5.	Continuing Surveillance Review	1x/yr <sup>5</sup>	192.613
6.	Government Liaison Meeting	1x/yr <sup>5</sup>	192.614
7.	Maintain List of Excavators	1x/yr <sup>5</sup>	192.614
8.	Member of "One Call" dig alert in California	Ongoing	192.614
9.	Public Awareness Mailers to Residents	1x/2yr	192.616
10.	Public Awareness: Mailers to Excavators	1x/yr <sup>5</sup>	192.616
11.	Public Awareness: Mailers to Em. Responders	1x/yr <sup>5</sup>	192.616
12.	Public Awareness: Mailers to Public Officials	1x/3yr	192.616
13.	PA Surveys Results & Conclusions - Residents	1x/4yr	192.616
14.	PA Surveys Results & Conclusions – Excavators	1x/4yr	192.616
15.	PA Surveys Results & Conclusions – Em. Responders	1x/4yr	192.616

16.	PA Surveys Results & Conclusions - Public Officials	1x/4yr	192.616
17.	PA Program Self Assessment	1x/yr <sup>5</sup>	192.616
	<b><i>Drug Plan and Testing Items:</i></b>		
1.	Company (Contractor) Drug Plan & Procedures	1x/yr <sup>5</sup>	199
2.	Company (Contractor) Records of Random Drug Testing	1x/yr <sup>5</sup>	199
3.	Sub-Contractor Drug Plan & Procedures	1x/yr <sup>5</sup>	199
4.	Sub-Contractor Records of Random Drug Testing	1x/yr <sup>5</sup>	199
5.	Post Accident Drug Testing Records	AR	199
	<b><i>Emergency Response Items:</i></b>		
1.	Pipeline Emergency Procedures Review	1x/yr <sup>1</sup>	192.605(a)
2.	Emergency Drill or Training & Verify Effectiveness	1x/yr <sup>5</sup>	192.615(b)(2)
3.	Verify Qualification of Emergency Contractor	1x/yr <sup>5</sup>	Em. Plan
4.	Documentation of OSHA Hazwoper 8 HR Refresher	1x/yr <sup>5</sup>	Em. Plan
5.	Emergency Activity Review After an Em. Event	AR	192.615(b)(3)
	<b><i>Event Driven O&amp;M Compliance Items:</i></b>		
1.	Verify MAOP if Class Location Changes	AR	192.611
2.	Telephonic Reports to NRC	AR	191.5
3.	Incident Report	AR	191.15
4.	Safety Related Condition Report	AR	191.23
5.	Abnormal Operations Report	AR	192.605(c)
6.	Failure Investigation Report	AR	192.617
7.	Conversion of Service Report	AR	192.14
8.	Abandonment Report	AR	192.727
9.	Pressure Testing Report	AR	192.501-517

### Additional Operations and Maintenance Activities:

3. Contractor shall complete PHMSA gas pipeline additional operations and maintenance (O&M) activities as identified in Exhibit A-3 shown below.
  - These compliance tasks shall be completed in a timely manner in accordance with DOT pipeline regulations, Company O&M procedures, pipeline emergency plan procedures, pipeline operator qualification procedures, and all appropriate industry standards.

**EXHIBIT A-3**  
**Additional O&M Task Compliance Activities**

Item #	Pipeline Task Description [192 Regulation]:	Freq.	Regulation 49 CFR
	<b><i>Additional Event Driven O&amp;M Compliance Items:</i></b>		
1.	Test Results to Qualify Welding Procedures	AR	192.225
2.	Welder re-qualification	AR	192.227
3.	Visual Weld Inspector Training/Experience	AR	192.241(a)
4.	NDT: Procedures	AR	192.243(c)
5.	NDT: Total Number of Girth Welds	AR	192.243(f)
6.	NDT: Number of Welds Inspected by NDT	AR	192.243(f)
7.	NDT: Number of Welds Rejected	AR	192.243(f)
8.	NDT: Disposition of Each Rejected Weld	AR	192.243(f)
9.	Underground Clearance Distance	AR	192.325
10.	Pressure Testing	AR	192.517
11.	Up-rating	AR	192.553(b)
12.	Prevention of Accidental Ignition	AR	192.751
13.	Welding Procedures	AR	192.225(b)
14.	Welding Qualification	AR	192.227, 229
15.	Pipeline Work	AR	192.709
16.	New System Design Evaluation to Minimize Internal Corrosion	AR	192.476(c)

**Operator Qualification Compliance Activities:**

4. Contractor shall complete PHMSA gas pipeline operator qualification (OQ) tasks compliance activities as identified in Exhibit A-4 shown below.
  - These OQ activities shall be completed in a timely manner in accordance with DOT pipeline regulations, Company O&M procedures, pipeline operator qualification procedures, and all appropriate industry standards.
  - Contractor shall develop pipeline OQ procedures as required by 49 CFR 192.
  - Contractor will be available and take the lead during PHMSA pipeline OQ audits when they occur. And the company must be able to provide all required procedures and records as required by 49 CFR 192.801-809 and PHMSA OQ inspection protocols.
  - Contractor shall make all required PHMSA OQ documentation available for viewing to NCPA staff using online call up system.

**EXHIBIT A-4**  
**OQ Compliance Activities**

Item #	Pipeline Task Description [192 Regulation]:	Freq.	Regulation 49 CFR
	<b><i>Ongoing OQ Compliance Items:</i></b>		
1.	Provide OQ Records via Online System Available to NCPA Using Password Protection	Ongoing	192.801-809 PHMSA protocols
2.	Provide Sub-Contractor Records via Online System Available to NCPA Using Password Protection	1x/3yr	192.801-809 PHMSA protocols
3.	Review and Update OQ Plan	1x/yr <sup>1</sup>	192.801-809 PHMSA protocols
5.	Train Company Employees as Needed to Maintain Qualifications	1x3yr	192.801-809 PHMSA protocols
6.	Operate Pipeline on Daily Basis Only Using Qualified Personnel	Ongoing	192.801-809 PHMSA protocols

**Integrity Management Field and Compliance Activities:**

5. Contractor shall complete PHMSA gas pipeline integrity management (IMP) tasks compliance activities as identified in Exhibit A-5 shown below.
  - These IMP activities shall be completed in a timely manner in accordance with DOT pipeline regulations, company IMP procedures, company O&M procedures, pipeline operator qualification procedures, and all appropriate industry standards.
  - As minimum, annual reviews using agenda format shall be conducted for each IMP element shown in Exhibit A-1 to satisfy all the requirements in Exhibit B (PHMSA IMP protocols).
  - Contractor shall develop pipeline IMP procedures as required by 49 CFR 192.
  - Contractor will be available and take the lead during PHMSA pipeline IMP audits when they occur. And the company must be able to provide all required IMP procedures and IMP records as required by 49 CFR 192. See EXHIBIT B, PHMSA Gas IMP Inspection Protocols for a list of required IMP procedures and documentation.
  - Contractor shall make all required PHMSA documentation available for viewing to NCPA staff using online call up system.

**EXHIBIT A-5**  
**Summary of IMP Compliance Activities**

Item #	Pipeline Task Description [192 Regulation]:	Freq.	Regulation 49 CFR
	<b><i>Summary of Ongoing IMP Compliance Items:</i></b>		
1.	Element #1: ID of HCAs	1x/yr <sup>6</sup>	
2.	Element #2: ID of Threats, Data Integration, and Risk Analysis	1x/yr <sup>6</sup>	
3.	Element #3: Baseline Assessment	1x/yr <sup>6</sup>	
5.	Element #4: Direct Assessment	1x/yr <sup>6</sup>	
6.	Element #5: Remediation Work	1x/yr <sup>6</sup>	
7.	Element #6: Continual Evaluation and Assessment	1x/yr <sup>6</sup>	
8.	Element #7: Confirmatory Direct Assessment	1x/yr <sup>6</sup>	
9.	Element #8: Preventive and Mitigative Measures	1x/yr <sup>6</sup>	
10.	Element #10: Record Keeping	1x/yr <sup>6</sup>	
11.	Element #11: Management of Change	1x/yr <sup>6</sup>	
12.	Element #12: Quality Assurance	1x/yr <sup>6</sup>	
13.	Element #13: Communication Plan	1x/yr <sup>6</sup>	
14.	Element #14: Agency Notification	1x/yr <sup>6</sup>	
15.	Element #15: Environment and Safety	1x/yr <sup>6</sup>	

6. Contractor shall complete PHMSA Gas Integrity Management Program (IMP) required integrity assessments as currently scheduled for May 2020. Frequency of re-assessments shall not exceed 1x/7 years. Note, pipeline is not piggable at this time. Please provide an integrity assessment price below:
- 1) Eight hour pressure test using nitrogen
  - 2) External corrosion direct assessment (ECDA)
  - 3) Other technology as approved by PHMSA

**EXHIBIT A-6**  
**Integrity Management Program Action Items**

#	Description:	Target Date	Estimated Costs:
1	Provide data integration maps to satisfy IMP element #2 requirements. Maps must use GPS coordinates and meet ArcGIS industry standard.	Oct 2016	\$5,000
2	Conduct pressure test as required by IMP element #6.	May 2020	Cost plus 15% (\$80,000 Estimate Only)
3	Supervise and coordinate relocation of NCPA pipeline when required by city of Alameda for ongoing development project. Provide time and material rate.	tbd	Cost plus 15% (\$800,000 Estimate Only)
<b>Total Cost Exhibit A-6</b>			<b>\$885,000 (estimate)</b>

## EXHIBIT B COMPENSATION SCHEDULE AND HOURLY FEES

Compensation for all work, including hourly fees and expenses, shall not exceed the amount set forth in Section 2 hereof. The hourly rates and or compensation break down and an estimated amount of expenses is as follows:

### **Bid Costs Breakdown:**

1. Completion of all items described above in under the following headings:
  - ✓ **Operations and Maintenance Field Activities: (Exhibit A-1)**
  - ✓ **Operations and Maintenance Compliance Activities: (Exhibit A-2)**
  - ✓ **Additional Operations and Maintenance Compliance Activities (Exhibit A-3)**
  - ✓ **Operator Qualification Compliance Activities: (Exhibit A-4)**
  - ✓ **Integrity Management Field and Compliance Activities: (Exhibit A-5)**
  - ✓ **PHMSA IMP Inspection Protocols per Pipeline and Hazardous Materials Safety Administration Office of Pipeline Safety, Gas Integrity Management Inspection Manual, Inspection Protocol with Results Forms, August 2013 (Exhibit A-6)**

### **Cost:**

1<sup>st</sup> Year - \$79,200 (\$6,600/month)  
2<sup>nd</sup> Year - \$80,400 (\$6,700/month)  
3<sup>rd</sup> Year - \$81,600 (\$6,800/month)  
4<sup>th</sup> Year - \$82,800 (\$6,900/month)  
5<sup>th</sup> Year - \$84,000 (\$7,000/month)

### Assumptions:

- The prices in this proposal are for a five year period. NCPA will be invoiced once per month.
  - Contractor may use subcontractors to complete some of the pipeline tasks. A list of subcontractors will be provided.
2. Time and material as needed for USA One Call excavation marking and onsite monitoring.  
**Cost - \$80/hour**
  3. Miscellaneous expenses, travel, and consulting beyond the scope of proposal.
    - **Travel Time = \$50/hour**
    - **Mileage = IRS mileage rate (\$0.54/mile in 2016)**
    - **Food = \$50/day**
    - **Lodging = At cost or IRS per diem rate (\$140/night for Alameda, Ca.)**
    - **Consulting Rate: \$125/hour**

4. Cost to complete Gas Integrity Management Program (IMP) Action Items as identified in Exhibit A-6 below. **Cost shown in table A-6 below**

Remedial measures and mitigation activities required by integrity assessments and risk analysis will be invoice at cost plus 15% but must be approved in writing and purchase order issued by NCPA before work begins.

Examples of remedial measures for IMP activities to be invoiced at cost plus 15%:

- 1) Pipe casing work
- 2) Work due to integrity assessment
- 3) Excavation, coating work, pipeline work due to integrity assessments
- 4) Work on pipeline due to a leak during pressure test

**TABLE A-6**  
**Integrity Management Program Action Items**

#	Description:	Target Date	Estimated Costs:
1	Provide data integration maps to satisfy IMP element #2 requirements. Maps must use GPS coordinates and meet ArcGIS industry standard.	Oct 2016	\$5,000
2	Conduct pressure test as required by IMP element #6.	May 2020	Cost plus 15% (\$80,000 Estimate Only)
3	Supervise and coordinate relocation of NCPA pipeline when required by city of Alameda for ongoing development project. Provide time and material rate.	?	Cost plus 15% (\$800,000 Estimate Only)
<b>Total Cost Table A-6</b>			<b>\$885,000 (estimate)</b>

***Pricing for any additional services to be performed at NCPA, NCPA Member or SCPPA locations will be quoted at the time services are requested.***

NOTE: As a public agency, NCPA shall not reimburse Contractor for travel, food and related costs in excess of those permitted by the Internal Revenue Service.



EXHIBIT C

CERTIFICATION

Affidavit of Compliance for Contractors

I, Andy Bradford

(Name of person signing affidavit)(Title)

do hereby certify that background investigations to ascertain the accuracy of the identity and employment history of all employees of

COMPLIANCE SERVICES, INC.

(Company name)

for contract work at:

LODI ENERGY CENTER, 12745 N. THORNTON ROAD, LODI, CA 95242

(Project name and location)

have been conducted as required by the California Energy Commission Decision for the above-named project.

Andy Bradford  
(Signature of officer or agent)

Dated this 19th day of February, 20 16.

THIS AFFIDAVIT OF COMPLIANCE SHALL BE APPENDED TO THE PROJECT SECURITY PLAN AND SHALL BE RETAINED AT ALL TIMES AT THE PROJECT SITE FOR REVIEW BY THE CALIFORNIA ENERGY COMMISSION COMPLIANCE PROJECT MANAGER.

**EXHIBIT D - NOT APPLICABLE**

**CERTIFICATION**

**Affidavit of Compliance for Hazardous Materials Transport Vendors**

I, \_\_\_\_\_,

(Name of person signing affidavit)(Title)

do hereby certify that the below-named company has prepared and implemented security plans in conformity with 49 CFR 172, subpart I and has conducted employee background investigations in conformity with 49 CFR 172.802(a), as the same may be amended from time to time,

\_\_\_\_\_

(Company name)

for hazardous materials delivery to:

LODI ENERGY CENTER, 12745 N. THORNTON ROAD, LODI, CA 95242

(Project name and location)

as required by the California Energy Commission Decision for the above-named project.

\_\_\_\_\_

(Signature of officer or agent)

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_.

THIS AFFIDAVIT OF COMPLIANCE SHALL BE APPENDED TO THE PROJECT SECURITY PLAN AND SHALL BE RETAINED AT ALL TIMES AT THE PROJECT SITE FOR REVIEW BY THE CALIFORNIA ENERGY COMMISSION COMPLIANCE PROJECT MANAGER.

**EXHIBIT E - NOT APPLICABLE**

**ATTACHMENT A [from MLA]  
AGREEMENT TO BE BOUND  
MAINTENANCE LABOR AGREEMENT ATTACHMENT  
LODI ENERGY CENTER PROJECT**

The undersigned hereby certifies and agrees that:

- 1) It is an Employer as that term is defined in Section 1.4 of the Lodi Energy Center Project Maintenance Labor Agreement ("Agreement" solely for the purposes of this Exhibit E) because it has been, or will be, awarded a contract or subcontract to assign, award or subcontract Covered Work on the Project (as defined in Section 1.2 and 2.1 of the Agreement), or to authorize another party to assign, award or subcontract Covered Work, or to perform Covered Work.
- 2) In consideration of the award of such contract or subcontract, and in further consideration of the promises made in the Agreement and all attachments thereto (a copy of which was received and is hereby acknowledged), it accepts and agrees to be bound by the terms and condition of the Agreement, together with any and all amendments and supplements now existing or which are later made thereto.
- 3) If it performs Covered Work, it will be bound by the legally establishes trust agreements designated in local master collective bargaining agreements, and hereby authorizes the parties to such local trust agreements to appoint trustees and successor trustee to administer the trust funds, and hereby ratifies and accepts the trustees so appointed as if made by the undersigned.
- 4) It has no commitments or agreements that would preclude its full and complete compliance with the terms and conditions of the Agreement.
- 5) It will secure a duly executed Agreement to be Bound, in form identical to this documents, from any Employer(s) at any tier or tiers with which it contracts to assign, award, or subcontract Covered Work, or to authorize another party to assign, award or subcontract Covered Work, or to perform Covered Work.

DATED: \_\_\_\_\_ Name of Employer \_\_\_\_\_

\_\_\_\_\_  
(Authorized Officer & Title)

\_\_\_\_\_  
(Address)  
\_\_\_\_\_

## EXHIBIT F

### Acknowledgement of Agreement

This Acknowledgement confirms the intent of \_\_\_\_\_, a \_\_\_\_\_ ("Member") to participate in and utilize the Multi-Task Agreement to which this Exhibit is attached, including all other Exhibits attached hereto, between the Northern California Power Agency ("Agency") and \_\_\_\_\_ ("Contractor") effective \_\_\_\_\_, 20\_\_ ("Agreement"). Member has reviewed the terms and conditions of the Agreement in detail and agrees to abide by them. It is understood and agreed that payments for Services by Contractor provided to Member shall be paid by Agency and funded by Member to Agency pursuant to a Support Services Program Agreement between Agency and Member. All invoices for Services for Member shall be addressed to Agency.

Further, Member agrees and acknowledges that the terms, conditions, and applicable Exhibits set forth in the Agreement will apply between Member and Contractor.

#### MEMBER

By: \_\_\_\_\_

Printed: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

#### CONTRACTOR

By: \_\_\_\_\_

Printed: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_