



Commission Staff Report - *DRAFT*

November 29, 2016

COMMISSION MEETING DATE: January 19, 2017

SUBJECT: Nalco Company Water and Process Services (Nalco Company LLC) - First Amendment to the existing Multi-Task General Services Agreement for specialty chemicals and services; Applicable to all facilities owned and/or operated by NCPA.

AGENDA CATEGORY: Consent

FROM:	Ken Speer	METHOD OF SELECTION:
	Assistant General Manager	N/A
Division:	Generation Services	
Department:	Geothermal	

IMPACTED MEMBERS:			
All Members	<input checked="" type="checkbox"/>	City of Lodi <input type="checkbox"/>	City of Ukiah <input type="checkbox"/>
Alameda Municipal Power	<input type="checkbox"/>	City of Lompoc <input type="checkbox"/>	Plumas-Sierra REC <input type="checkbox"/>
Bay Area Rapid Transit	<input type="checkbox"/>	City of Palo Alto <input type="checkbox"/>	Port of Oakland <input type="checkbox"/>
City of Biggs	<input type="checkbox"/>	City of Redding <input type="checkbox"/>	Truckee Donner PUD <input type="checkbox"/>
City of Gridley	<input type="checkbox"/>	City of Roseville <input type="checkbox"/>	Other <input type="checkbox"/>
City of Healdsburg	<input type="checkbox"/>	City of Santa Clara <input type="checkbox"/>	<i>If other, please specify:</i>
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RECOMMENDATION:

Staff recommends the approval of a First Amendment to the existing five year Multi-Task General Services Agreement with Nalco Company Water and Process Services (Nalco Company LLC), increasing the not to exceed amount from \$1,000,000 to \$2,000,000 and revise the scope of work to include all facilities owned and/or operated by NCPA.

BACKGROUND:

On February 26, 2015 NCPA entered into a five year Multi-Task General Services Agreement with Nalco Company LLC for specialty chemicals and services as is needed at the various plant locations from time to time. Nalco Chemical LLC is a provider of these specialty chemicals and services. This amendment will increase the not to exceed amount of the agreement from \$1,000,000 to \$2,000,000 and will expand the scope of work to allow for use at any facility owned and/or operated by the Agency. Exhibit B will be modified to include language on pricing for services at the additional Agency locations.

FISCAL IMPACT:

Upon execution, the total cost of the agreement is not to exceed \$2,000,000 over five years to be used out of NCPA approved budgets as services are rendered. Purchase Orders referencing the terms and conditions of the Agreement will be issued following NCPA procurement policies and procedures. This enabling agreement does not commit NCPA to any expenditure of funds. At the time services are required, NCPA will bid the specific scope of work consistent with NCPA procurement policies and procedures. In addition to this agreement, NCPA has entered into enabling agreements with CellMark USA, LLC, Univar and GE Betz for similar services. NCPA will seek bids from as many qualified providers as possible. Bids are awarded to the lowest cost provider. NCPA will issue purchase orders based on cost and availability of the services needed at the time the service is required.

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.

Respectfully submitted,

RANDY S. HOWARD
General Manager

Attachments: (3)

- Resolution
- First Amendment with Nalco Company LLC
- Multi-Task General Services Agreement with Nalco Company LLC

RESOLUTION 17-XX - DRAFT

**RESOLUTION OF THE NORTHERN CALIFORNIA POWER AGENCY
APPROVING A FIRST AMENDMENT TO MULTI-TASK GENERAL SERVICES AGREEMENT
WITH NALCO COMPANY WATER AND PROCESS SERVICES (NALCO COMPANY LLC)**

(reference Staff Report #xxx:17)

WHEREAS, Northern California Power Agency (NCPA) will require specialty chemicals and services related to plant operations at its various facility locations; and

WHEREAS, Nalco Company LLC is a provider of these services; and

WHEREAS, on February 26, 2015, NCPA and Nalco Company LLC entered into a five year Multi-Task General Services Agreement for specialty chemicals and services for use at the NCPA Combustion Turbine Facility; and

WHEREAS, NCPA seeks to amend the agreement to increase the not to exceed amount from \$1,000,000 to \$2,000,000 over the five (5) year period of the agreement; and

WHEREAS, NCPA seeks to revise the agreement to allow for use at all facilities owned and/or operated by NCPA; and

WHEREAS, 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 of the California Environmental Quality Act. No environmental review is necessary; and

NOW, THEREFORE BE IT RESOLVED that the Commission of the Northern California Power Agency authorizes the General Manager or his designee to enter in a First Amendment to the Multi-Task General Services Agreement with Nalco Company Water and Process Services (Nalco Company LLC), with any non-substantial changes as approved by the NCPA General Counsel, increasing the not to exceed amount from \$1,000,000 to \$2,000,000 over the contract term and revising the agreement to allow for use at any facility owned and/or operated by NCPA.

PASSED, ADOPTED and APPROVED this ____ day of _____ 2017, by the following vote on roll call:

	<u>Vote</u>	<u>Abstained</u>	<u>Absent</u>
Alameda	_____	_____	_____
BART	_____	_____	_____
Biggs	_____	_____	_____
Gridley	_____	_____	_____
Healdsburg	_____	_____	_____
Lodi	_____	_____	_____
Lompoc	_____	_____	_____
Palo Alto	_____	_____	_____
Port of Oakland	_____	_____	_____
Redding	_____	_____	_____
Roseville	_____	_____	_____
Santa Clara	_____	_____	_____
Truckee Donner	_____	_____	_____
Ukiah	_____	_____	_____
Plumas-Sierra	_____	_____	_____

BOB LINGL
CHAIR

ATTEST:

CARY A. PADGETT
ASSISTANT SECRETARY



**FIRST AMENDMENT TO MULTI-TASK GENERAL SERVICES AGREEMENT BETWEEN
THE NORTHERN CALIFORNIA POWER AGENCY AND
NALCO COMPANY WATER AND PROCESS SERVICES (NALCO COMPANY LLC)**

This First Amendment ("Amendment") to the Multi-Task General Services Agreement between the Northern California Power Agency ("Agency") and Nalco Company LLC (a.k.a. Nalco Company Water and Process Services) ("Contractor") (collectively referred to as "the Parties") dated as of February 26, 2015 (the "Agreement"), is entered into this ____ day of _____, 201__, with reference to the following facts:

WHEREAS, the Parties entered into the Agreement for Contractor to provide specialty chemicals and services to Agency's Lodi Energy Center and CT2 STIG facilities; and

WHEREAS, the Parties now desire to amend the Agreement to increase the total compensation authorized by the Agreement, modify the Scope of Work to include other Agency facilities, modify the Compensation Schedule and Hourly Fees, and make such other changes as set forth below; and

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

NOW, THEREFORE, the Parties agree as follows:

1. The first paragraph of Section 1 of the Agreement is replaced in its entirety to read as follows:

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 and incorporated herein ("Work").

2. The first paragraph of Section 2 of the Agreement is replaced in its entirety with the following:

Section 2. COMPENSATION. Agency hereby agrees to pay Contractor an amount **NOT TO EXCEED TWO MILLION** dollars (\$2,000,000) 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 Exhibits B and B-1. 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.

3. The Agreement is amended to add the following as Section 4.2.4:

4.2.4 Pollution Insurance. If Contractor's Work involves its transporting hazardous materials, then Contractor shall obtain and maintain Contractors' Pollution Liability Insurance for sudden and accidental occurrences, which may be part of the Commercial General 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.

4. The Agreement is amended to add Exhibit A-1, (SCOPE OF WORK – Geothermal and Hydroelectric Facilities), attached hereto and incorporated herein.
5. The Agreement is amended to add Exhibit B-1 (COMPENSATION SCHEDULE AND HOURLY FEES – Geothermal and Hydroelectric Facilities), attached hereto and incorporated herein.
6. Except as specifically modified herein, no other provision in the Agreement is intended to be modified, and the Agreement, as amended, shall remain in full force and effect in its entirety.
7. This Amendment may be executed in multiple counterparts, each of which shall be an original and all of which together constitute one amendment to the Agreement.
8. Each signatory of this Amendment represents hereby that he or she has the authority to execute and deliver the same on behalf of the party hereto for which such signatory acts.

SIGNATURES ON FOLLOWING PAGE

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

NORTHERN CALIFORNIA POWER AGENCY

NALCO COMPANY LLC

Date: _____

Date: _____

RANDY S. HOWARD, General Manager

MATTHEW J. ROCCA, District Manager

Attest:

Assistant Secretary of the Commission

Approved as to Form:

Ruthann G. Ziegler, Assistant General Counsel

2722325.6

EXHIBIT A-1

SCOPE OF WORK – Geothermal and Hydroelectric Facilities

Nalco Company LLC ("Contractor") shall provide specialty chemicals and services as requested by Agency at the Geothermal and Hydroelectric facilities, as follows:

Water Treatment Chemicals: Biocide, Packaged in a 2000 lb. Tote (265 gal.) #90005.61 and other chemicals as needed. Incidental to the provision of chemicals, Contractor may also provide complimentary analytical work including chemical analysis of substances and water cooling tower analysis.

Contractor shall also provide additional products not listed above as requested in writing by NCPA. Pricing for products not specified in Exhibit B-1 will be quoted by Contractor at the time the product is requested.

EXHIBIT B-1

COMPENSATION SCHEDULE AND HOURLY FEES – Geothermal and Hydroelectric Facilities

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

1. Nalco 90005 Algaecide (Biocide), Delivered in 265 gallon IBC Totes
Price = \$6.00 / LB
2. Nalco H-130 Macro-fouling Biocide, Delivered in 265 gall IBC Totes
Price = \$4.50 / LB

Price includes shipping/freight costs but does not include State Sales Tax.

After July 30, 2017, Contractor may adjust the above prices one (1) time annually, and any adjustment shall be effective only upon thirty (30) days prior written notice to Agency.



**MULTI-TASK
GENERAL SERVICES AGREEMENT BETWEEN
THE NORTHERN CALIFORNIA POWER AGENCY AND
NALCO COMPANY WATER AND PROCESS SERVICES**

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 Nalco Company Water and Process Services, with its office located at 1601 W. DIEHL RD, NAPERVILLE, IL 60563 ("Contractor") (together sometimes referred to as the "Parties") as of 2/26/, 2015 ("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 Exhibit A 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 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.

Section 2. COMPENSATION. Agency hereby agrees to pay Contractor an amount **NOT TO EXCEED ONE MILLION** dollars (\$1,000,000) 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;
- 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.

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. 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.

4.4 All Policies Requirements.

4.4.1 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, adding the Agency as an additional insured to the extent of Contractor's indemnification

obligations and declaring such insurance primary in regard to work performed pursuant to this Agreement.

4.4.2 Notice of Reduction in or Cancellation of Coverage. Contractor shall provide at least thirty (30) days prior written notice to Agency of any cancellation of the policies referenced in Section 4.

4.4.3 [This section intentionally left blank.]

4.5 Waiver of Subrogation. Except to the extent prohibited by law or contrary to the indemnifications herein, 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.

4.6 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, agents and volunteers from and against all losses, liabilities, claims, demands, suits, actions, damages, expenses, penalties, fines, costs (including without limitation costs and fees of litigation), judgments and causes of action ("Liabilities") to the extent such Liabilities arise from the negligence, recklessness, or willful misconduct of, or violation of applicable laws by, Contractor, its officers, officials, agents, and employees, except to the extent such Liabilities are caused by the negligence of Agency. Notwithstanding, should this Agreement be construed as a construction agreement under

Civil Code section 2783, then the exception referenced above shall also be for the active negligence of Agency.

- 5.3 Notwithstanding anything to the contrary in this Agreement, Contractor's liability for any and all Liabilities under this Agreement shall not exceed the contract value under Section 2, or the amount of insurance under Section 4, whichever is greater.

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.

- 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.

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 Work Requiring Payment of Prevailing Wages.** If applicable, 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 these services are to be performed, and not less than the general prevailing rate of per diem wages for holiday and overtime work fixed as provided in the California Labor Code shall be paid to all workers engaged in performing the services under this Agreement.

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 to 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 the 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, 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. Conclusion of Agreement. Receiving Party shall return to Disclosing Party or destroy Confidential Information (including all copies thereof) upon termination of this Agreement, 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, Contractors, 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 Agency's operations and the operations of 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. Agency will not 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. Agency may assume that anything left on the Project site an unreasonable length of time after the Work is completed has been abandoned. Any transportation furnished by Agency shall be solely as an accommodation and Agency shall have no 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 Agency owned equipment and property provided by Agency for the performance of Work.

Section 11. WARRANTY.

- 11.1 Nature of Work.** 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. The water treatment program does not cover, and Contractor makes no warranties with respect to, water system biohazards from waterborne pathogens, including but not limited to Legionella bacteria. **CONTRACTOR DISCLAIMS ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, AND DISCLAIMS THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.**
- 11.2 Deficiencies in Work.** 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. Contractor's liability under this warranty is limited to replacement of nonconforming product, repair, or replacement of defective items, or, a refund of or invoice credit for the product price. Notwithstanding anything to the contrary in this Agreement, in no event shall either party be liable for any special, consequential or indirect damages. Contractor shall not be liable for any failure caused by Agency's failure to follow Contractor's written instructions.
- 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 Agency site programs.

- 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 to include diesel fuel used for trucks owned or leased by the Contractor.

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:

Nalco Company Water and Process Services
P. O. Box 188978
Sacramento, California 95818

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.

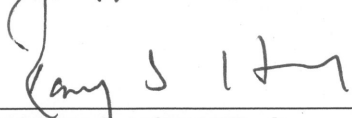
- 13.11.4** The mediation process shall provide for the selection within fifteen (15) days by both Parties of a disinterested third person as mediator, shall be commenced within thirty (30) days and shall be concluded within fifteen (15) days from the commencement of the mediation.
- 13.11.5** The Parties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

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

NORTHERN CALIFORNIA POWER AGENCY

Date

2/26/15



RANDY S. HOWARD, General Manager

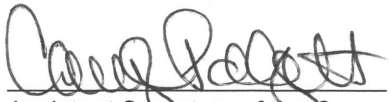
NALCO COMPANY WATER AND PROCESS SERVICES

Date FEBRUARY 23, 2015



[NAME, TITLE] JOSEPH MAZUR
VICE PRESIDENT - MARKETING

Attest:



Assistant Secretary of the Commission

Approved as to Form:



Assistant General Counsel

EXHIBIT A

SCOPE OF WORK

Nalco Company Water and Process Services ("Contractor") shall provide specialty chemicals and services as requested by the Northern California Power Agency ("Agency").

1. Analytical
2. Service Plan
3. Specialty Chemical Supply

Details for each item can be found on the following pages.

1 Services and Equipment

1.1 Inspections and Sampling

The Contractor will be expected to inspect the Boiler and Water systems during each outage and provide a written report of each inspection. Photographic documentation of the inspections by video or still camera may be required. LEC may also require the use of a fiber optics boroscope.

The Contractor service representative shall sample all water and steam systems and provide a certified analysis each quarter or as required by LEC for special circumstances. The sample streams listed in Exhibit B shall be analyzed for complete anions and cations, pH, and conductivity. Results shall be maintained in an Excel or similar data base. The database shall be updated at least quarterly.

1.2 Corrosion and Deposition Monitoring

The proposed treatments must provide protection from corrosion and deposition, which can adversely impact power plant efficiency and equipment life. The acceptable corrosion rates at LEC are as follows:

Carbon Steel/Cast Iron (Tower Circulating Water)	< 3.0 Mills per year (MPY) if corrosion inhibitor is used
Stainless Steel (Tower Circulating Water)	< 0.1 MPY
Titanium (Tower Circulating Water)	< 0.1 MPY
Carbon Steel/Cast Iron (Closed Loop Cooling Water)	< 1.0 Mills per year (MPY)
Stainless Steel (Closed Loop Cooling Water)	< 0.1 MPY
Titanium (Closed Loop Cooling Water)	< 0.1 MPY
Copper and Copper Alloys (Closed Loop Cooling Water)	<0.01 MPY

Two (2) corrosion coupon racks shall be provided for installation on the cooling tower circulating water and closed loop cooling water systems.

Additional corrosion coupon racks can be installed at other locations if recommended for supplemental monitoring. Comparable metallurgical coupons in each system monitored will be supplied and analyzed by the Contractor on a quarterly basis or more frequently as required by LEC for special circumstances.

1.3 Material Safety Data Sheets

LEC must be provided with a Material Safety Data Sheet (MSDS) for each product supplied. The MSDS will be kept on file at LEC. Chemical providers shall notify LEC of any changes, additions, or deletions on the MSDS prior to the shipment of any product following the change. Upon acceptance and approval, the new MSDS must precede product delivery by US Mail or accompany the product at the time of delivery. All product actives must be identified by its common chemical name, with the corresponding Chemical Abstract Service (CAS) number, in addition to the Contractor's identification on the respective MSDS.

1.4 Shipment and Storage of Chemicals

Freight charges shall be included in the cost to supply the proposed chemicals. LEC requests that treatment chemicals be supplied in reusable totes or drums where feasible. The base totes can be refilled by bulk truck or portable shuttle totes.

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If drums or barrels are supplied, the Contractor shall provide for removal and/or disposal of the empty container from the site. Any NCPA name and address stenciled on the container shall be removed prior to the removal of any such container from this site. Failure to comply with this provision may result in the discontinuation of any contract or agreement between LEC and the Contractor.

All totes, drums, or pails must be clearly labeled with the Contractor ID and product name. The labels must be able to withstand the environment for the time the container is on site and in use. The Contractor shall perform an annual audit of all labels and placards to ensure that text is legible and current.

1.5 Service Plan

The costs for water treatment chemicals are important to a power plant's overall costs. Of equal importance to these costs is the quality of support from the Contractor. The plant considers specialty chemicals and services as an investment. Expert oversight must be provided to provide an acceptable return on the plant's investment. Service must include a plan to provide value-added expertise, insight, and support to ensure that the specified chemicals are used optimally.

Full-day service visits to the site are required at least once week. More frequent site visits may be required in order to meet the service requirements detailed later in this section.

1.6 Service and Reporting Requirements

The general requirements of Section 1.5 shall be documented in weekly Contractor service visits and subsequent reports. A detailed description of the required services and their frequency appears in Table 1-1 on the following page. The required reports appear in Table 1-2 later in this section.

Table 1-1: Required Services and Frequencies

Description	Service Plan Activity and Frequency
Risk management services focused on worker and environmental safety.	Meet annually with plant contact, review chemicals used and associated personnel and environmental exposure risks. Review MSDS.
Safety, Health, and Environmental communications and Material Safety Data Sheets as required to ensure safe application of the chemicals provided	Provide hard and soft copies of MSDS and Product Bulletins for any chemical proposed or used on site. Verify that all MSDS and Product Bulletins are the most recent versions. MSDS and Product Bulletins shall be updated at least annually. Provide electronic and hard copies of any other Safety, Health, and Environmental communications. Review and update such communications as necessary.
Product application specifications to ensure safe application of the chemicals provided	For each product, provide electronic and hard copies of a written description of proper product dosage, method to calculate or monitor dosage, any environmental limits on product application, and other information requested by the plant contact to ensure safe application of chemicals provided. Review and update product application data at least annually.
Emergency response during chemical transit, chemical spills, or other events impacting worker and environmental safety	Provide no less than two emergency contacts and no less than one 24-hour emergency response phone number to plant contact. Review and update contact information as necessary.
System survey describing chemical application points, water treatment processes and uses, and water flow diagrams	Provide a one-line diagram of the whole-plant water system labeling all major equipment and chemical injection points. Provide this information to the plant contact. Review and update system survey at least annually.
People survey describing plant contacts, responsible reporting parties, and Contractor contacts	Provide list to plant contact describing who receives reports and who is responsible for implementing recommendations. Update list as necessary or at least annually.

Description	Service Plan Activity and Frequency
<p>Program administration manual including general chemical information, general process information, information on specific chemicals used or proposed for use, troubleshooting and test procedures, chemical feed system information, and information required to support operation, maintenance, and installation of any Contractor-provided equipment</p>	<p>Provide a written Chemical Program Overview for each treated system including a Chemical Program Description for the system and a Chemical Product Description for each chemical used.</p> <p>Provide Feed System Data Table for each chemical feed system including the Chemical Name, Storage Tank Volume, Metering Pump Capacity, Chemical Density, and Chemical Injection Point Location.</p> <p>Provide Chemical Limits and Troubleshooting information for each system. Include a table listing each system's chemical parameters, their control limits, and the action levels associated with each control limit. Also include a brief description of each system's chemical parameters, what causes the parameter to change, and recommendations for corrective action based on the different action levels. For each system, provide a General Troubleshooting Table listing each chemical parameter, the common causes or sources of high or low readings, the corrective actions for high or low readings, and the consequences of high or low readings.</p> <p>A printed and electronic copy of the Chemical Limits and Troubleshooting information shall be provided to the plant contact. Information shall be reviewed and updated at least annually. Format shall be reviewed with the plant contact at least annually and updated as directed by the plant contact.</p> <p>Provide written and electronic versions of all Program Administration Manual data to the plant contact. Review and update at least annually.</p>
<p>Service plan describing the specific services to be performed during each visit.</p>	<p>The service plan is contained in this document. Any additions, deletions, or changes must be approved by the plant contact. Review this document with the plant contact and obtain plant contact signature at least quarterly (unless Low Service Level is selected, in which case review is performed annually). Both Contractor and the plant contact shall maintain copies of the signed document.</p>

Description	Service Plan Activity and Frequency
Written service reports for each site visit describing services performed, problems found, action taken, recommendations for plant action, and planned follow-up.	Service reports for all site visits will normally be provided in a single monthly report.
Business review performed at least annually describing the total value of all goods and services consumed, the estimated expenditures for the coming year, projects or project work completed with supporting data for any cost savings achieved as a result of this work, and technical and financial goals for the coming year.	Provide printed and electronic versions of the business review to plant contact. Review business review format with plant contact at least annually. Change or update as directed by plant contact.
Inspection of water and steam systems during operation or during outages with a written report detailing equipment status and recommendations.	Meet with plant contact at least monthly to determine the need for inspections in the following month. Review inspection report format with plant contact at least annually. Provide a written report of inspection results within four working weeks of the inspection.
Water and deposit analyses performed at Contractor off-site laboratories provided that such water and deposit analyses are required to verify the proper operation of Contractor-provided goods and services.	Obtain water samples from Contractor-treated systems if required. Obtain deposit samples from Contractor-treated systems, if required, as they're available during outages or upsets. Contractor is responsible for providing sample containers. Provide written analysis and sample results within four working weeks of sample date.
Metallographic analyses performed at Contractor off-site laboratories provided that such metallographic analyses are required to verify the proper operation of Contractor-provided goods and services.	Obtain samples from Contractor-treated systems, if required, as they're available during outages or upsets. Contractor is responsible for providing packaging and shipping recommendations. Provide written analysis and sample results within four working weeks of sample date.

Description	Service Plan Activity and Frequency
Laboratory procedures training to ensure proper performance of those chemical tests required to ensure proper application of Contractor-provided goods and services	Provide laboratory procedures training annually. Training shall consist of single a pre-scheduled laboratory procedures demonstration in which the Contractor representative shall meet with available plant operators to perform wet chemistry and demonstrate the proper wet test procedure to the operators for each wet test performed. Document persons trained, date, and time. Provide training records to plant contact in electronic and printed format.
Monitor and provide a written report of chemical consumption versus budget consumption for any Contractor-provided chemical.	<p>Utilize spreadsheet to report actual chemical consumption (pounds or gallons) and actual chemical cost for each month for each Contractor-provided product. The written report shall compare chemical usage versus consumption for each product. The written report shall describe the reasons for deviation from target usage and corrective actions required (if any) to restore chemical usage to targets.</p> <p>Printed and electronic report shall be provided to plant contact at least monthly.</p> <p>Review report format with plant contact at least quarterly. Update or change as directed by plant contact.</p>
Report on condition and operation of chemical storage, feed, and control equipment	<p>Visually inspect each chemical feed system and each chemical feed control system at least annually. Provide recommendations for feed and control system improvements. Identify necessary repairs or safety issues. Verify that MSDS are stored at, on, or near each chemical storage tank. Verify that tank labels and placards are legible and in good condition. Correct any deficiencies.</p> <p>Summarize findings in a written report to the plant contact.</p> <p>Review report format with plant contact at least annually. Update or change as directed by plant contact.</p>

Description	Service Plan Activity and Frequency
Provide monitoring, control, and corrective actions for plant water systems.	<p>Review logsheets and trends for all plant water streams or systems (provided that the data is available to Contractor). Provide an analysis of each system describing chemistry issues and concerns, recommendations for corrective action, recommendations for control improvements, and a discussion of relationships between chemical control parameters. This monitoring program shall include normalized monitoring of demin system reverse osmosis units. Contractor shall perform the normalization calculations and retain them in the same database used to retain other plant chemistry data.</p> <p>Printed and electronic report shall be provided to plant contact at least monthly. The report shall include trends and an analysis of control capability for each parameter (percent in control, for example) with recommendations for improvement for any parameter with less than 80% of readings within the target range.</p> <p>Review report format with plant contact at least quarterly. Update or change as directed by plant contact.</p>
Provide detailed chemistry evaluation and recommendations for plant water systems	<p>Perform a detailed review and analysis of each system's chemical treatment program. Review the treatment program design, purpose, and efficacy. Compare chemical treatment program goals to results. Evaluate and propose alternative chemistries, including cost analysis.</p> <p>Printed and electronic report shall be provided to plant contact at least annually as part of the business review.</p> <p>Review report format with plant contact at least annually. Update or change as directed by plant contact.</p>

Description	Service Plan Activity and Frequency
Provide corrosion rate monitoring of once-through, recirculating, and closed loop cooling systems. Corrosion coupon results shall be maintained in a Contractor-provided database. Such database shall be updated and provided to PLANT at least quarterly. Both parties shall mutually agree upon corrosion coupon metallurgy.	<p>Report shall include both general and pitting corrosion rates (provided that corrosion monitoring equipment is installed and operable for the monitored system). Coupon exposure time for recirculating or once-through cooling systems shall be approximately 90 days. Corrosion analysis may be substituted for corrosion coupons if approved by plant contact.</p> <p>Printed and electronic report shall be provided to plant contact at least quarterly.</p> <p>Review report format with plant contact at least annually. Update or change as directed by plant contact.</p>
In-service inspections of evaporative cooling towers shall be performed at least twice per year. Such inspections shall include a visual inspection of cooling tower hardware.	<p>Printed and electronic report shall be provided to plant contact at least semi-annually.</p> <p>Review report format with plant contact at least annually. Update or change as directed by plant contact.</p>
Provide operator, supervisor, and manager training on basic water chemistry, cooling systems, HRSG systems, and pretreatment systems. Topics to be approved by plant management two weeks prior to date of training. Train personnel as directed by plant management. Schedule at least two different training sessions covering the same material to accommodate shift schedules.	Provide training annually. Document persons trained, date, and time. Training length shall be at the discretion of the plant contact, but will normally be designed to last approximately four hours. Provide training records to plant contact in electronic and printed format.
On-site emergency response during normal working hours	Provide no less than two Contractor emergency contacts and no less than one 24-hour emergency response phone number to plant contact. Review and update contact information at least annually.
Provide chemistry data trending software	Provide chemistry trending software. Software must be capable of importing existing plant database (Excel format) to ensure that previous historical data is retained.

Description	Service Plan Activity and Frequency
Provide once-through, recirculating, and closed loop cooling system biological control monitoring	<p>Provide sample sessile bacteria counts, bacteria metabolic residuals and bacteria speciation analysis at least quarterly. Reports shall include recommendations for improvement, cost analysis of biological treatment programs, and evaluation of current program efficacy.</p> <p>Printed and electronic report shall be provided to plant contact at least monthly. The speciation analysis shall be included in the monthly report.</p> <p>Review report format with plant contact at least annually. Update or change as directed by plant contact.</p>

The services of Table 1.1 shall be documented in accordance with the reporting requirements of Table 1-2.

Table 1-2: Required Reports and Frequencies

Description	Service Plan Activity and Frequency
Monthly reports include the following:	<p>The reports listed below will normally be included in the body of one monthly service report. The monthly service report will normally be divided into several sections including:</p> <p>Chemical Usage and Consumption Chemistry Monitoring and Control Cycle Chemistry Cooling Systems Pretreatment Systems BOP Water Systems</p> <p>Inspections (if any)</p>
Quarterly reports include the following:	<p>The reports listed below will normally be included in the body of one monthly service report.</p> <p>Corrosion Monitoring</p>
Semi-annual reports include the following:	<p>The reports listed below will normally be included in the body of one monthly service report.</p> <p>Chemical Storage, Feed, and Control Equipment Operational Review Cooling System In-Service Inspection</p>
Annual reports include the following:	<p>The reports listed below will normally be included in the body of one monthly service report with the exception of the Business Review which will be distributed separately.</p> <p>Business Review Chemistry Evaluation Chemical Safety Audit</p>
Special reports include the following:	<p>Outage inspections of water and steam systems Deposit samples Specially requested water samples Metallographic analysis Training presentations</p>

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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, above. The hourly rates and or compensation break down and an estimated amount of expenses is as follows:

1. Analytical Cost: \$31,020/year

Annual Sampling Program Costs					
Requirements from Section 3.2 and Appendix 7 of the RFP					
Sample Number	Samples per Year	Location	Code	Cost each	Annual Cost
1	4	Cycle Makeup Water (Demin Storage Tank)	STEAM	\$ 208	\$ 832
2	4	Condensate Polisher Effluent	STEAM	\$ 208	\$ 832
3	4	Condensate Polisher Effluent	STEAM	\$ 208	\$ 832
4	4	IP Feedwater BOP	STEAM	\$ 208	\$ 832
5	4	HP Feedwater HRSG	STEAM	\$ 208	\$ 832
6	4	LP Drum Water	BLR	\$ 355	\$ 1,420
7	4	IP Drum Water	BLR	\$ 355	\$ 1,420
8	4	HP Separator Water	STEAM	\$ 208	\$ 832
9	4	HP Main Steam	STEAM	\$ 208	\$ 832
10	4	LP Sat Steam	STEAM	\$ 208	\$ 832
11	4	IP Main Steam	STEAM	\$ 208	\$ 832
12	4	IP Sat Steam	STEAM	\$ 208	\$ 832
13	4	LP Main Steam	STEAM	\$ 208	\$ 832
14	4	Hot Reheat Steam	STEAM	\$ 208	\$ 832
15	4	IP Rotor Air Cooler Water	STEAM	\$ 208	\$ 832
16	4	LP Rotor Air Cooler Water	STEAM	\$ 208	\$ 832
17	4	Condensate Polisher #1 Effluent	STEAM	\$ 208	\$ 832
18	4	Condensate Polisher #2 Effluent	STEAM	\$ 208	\$ 832
19	4	LP Rotor Air cooler Steam	STEAM	\$ 208	\$ 832
20	4	IP Rotor Air Cooler Steam	STEAM	\$ 208	\$ 832
21	4	HP Feedwater BOP	STEAM	\$ 208	\$ 832
22	4	Condensate BOP	STEAM	\$ 208	\$ 832
23	4	Aux Boiler Steam	STEAM	\$ 208	\$ 832
24	4	Aux Boiler Drum Water	BLR	\$ 355	\$ 1,420
25	4	HP Separator Steam	STEAM	\$ 208	\$ 832
26	4	Circ Water	RICIRC	\$ 402	\$ 1,608
27	4	Service Water	MAKEUP	\$ 288	\$ 1,152
28	4	Raw Water	MAKEUP	\$ 288	\$ 1,152
29	4	Circ Water DMA	BIO	\$ 116	\$ 464
30	4	Closed Loop DMA	BIO	\$ 116	\$ 464
31	4	Evap Cooler 1 DMA	BIO	\$ 116	\$ 464
32	4	Evap Cooler 2 DMA	BIO	\$ 116	\$ 464
33	4	Circ Water Sessile	BIOSWB	\$ 168	\$ 672
34	4	Closed Loop Sessile	BIOSWB	\$ 168	\$ 672
35	4	Evap Cooler 1 Sessile	BIOSWB	\$ 168	\$ 672
36	4	Evap Cooler 2 Sessile	BIOSWB	\$ 168	\$ 672
37	4	Closed Loop: Mild Steel Coupon	BIOSWB	NC	NC
38	4	Closed Loop: Copper Steel Coupon	BIOSWB	NC	NC
39	4	Closed Loop: Titanium	BIOSWB	NC	NC
40	4	Closed Loop: Copper Steel Coupon	BIOSWB	NC	NC
41	4	Circ Water: Mild Steel Coupon	BIOSWB	NC	NC
42	4	Circ Water: Copper Steel Coupon	BIOSWB	NC	NC
43	4	Circ Water: Titanium	BIOSWB	NC	NC
Annual Sampling Program Cost					\$ 31,020

- Included at no additional charge:
 - o Use of Nalco's 3D Trasar controller, automated reporting, and a 24/7 monitoring and alarm package
 - o Use of Nalco's web based data management system for the collection and analysis of samples collected onsite.
 - o Continued technical support for issues like the RAC failure, Benson cycle chemistry support, clarifier operation, and others.

2. Service Plan Cost: \$30,000/year

3. Specialty Chemical Supply Cost: First year is based on rates in table below and is subject to escalation per the Price Adjustment Formula.

Current Chemical Price List:

Lodi Energy Center											
System	Chemical	Product Name	Product Number	Dosage (mg/l)	Target Residual (mg/l)	Container Size	\$/Lb (Firm)	Lb/Year (Based on Base Case)	\$/Year (Based on Base Case)	Container Provided By	Chemical Type
Auxiliary Boiler	Oxygen Scavenger	Nalco 1720	1720.12	50	30	55-gal MPF	\$2.94	1142	\$3,357	Vendor	Specialty
Auxiliary Boiler	Phosphate (for Drum)	BT-3400	BT-3400.36	2.0	2.0	55-gal MPF	\$3.80	492	\$1,870	Vendor	Specialty
Closed Loop	Corrosion Inhibitor	TRAC108	TRAC108.56	slug	3,000	55-gal drum	\$1.71	564	\$964	Vendor	Specialty
Cooling Tower Circ Water	Anti-foam	71D5 PLUS	71D5 PLUS.11	5	NA	5-gal pail	\$7.57	66	\$500	Vendor	Specialty
Cooling Tower Circ Water	Bicide (Sodium Bromide)	1318	1318.33	45	0.3	200-gal JPF	\$2.78	0	\$0	Vendor	Specialty
Cooling Tower Circ Water	Corrosion Inhibitor	3DT187	3DT187.33	45	NA	200-gal JPF	\$2.55	0	\$0	Vendor	Specialty
Cooling Tower Circ Water	Microbial Dispersant	73551	73551.56	5	NA	55-gal drum	\$2.17	0	\$0	Vendor	Specialty
Cooling Tower Circ Water	Mineral Dispersant	3DT187	3DT187.33	45	NA	200-gal JPF	\$2.55	5,220	\$13,311	Vendor	Specialty
Cooling Tower Circ Water	Non-Oxidizing Bicide	H-550	H-550.61	50	NA	250-gal tote	\$4.78	2,000	\$9,560	Vendor	Specialty
Demin Water Treatment	RO Low pH Cleaner	PC-77	PC-77.56	2%	NA	55-gal drum	\$1.80	551	\$992	Vendor	Specialty
Demin Water Treatment	RO Anti-scalant	PC-191T	PC-191T.36	5	NA	55-gal MPF	\$3.83	624	\$2,390	Vendor	Specialty
Demin Water Treatment	RO High pH Cleaner	PC-98	PC-98.56	2%	NA	55-gal drum	\$2.25	470	\$1,058	Vendor	Specialty
Raw Water Treatment	Polymer/Flocculant	7763	7763	2	NA	200-gal JPF	\$2.44	2,421	\$5,908	Vendor	Specialty
									\$39,908		

STIG Plant							
System	Chemical	Product Name	Product Number	Container Size	\$/Lb (Firm)	Container Provided By	Chemical Type
Cooling Tower Circ Water	One-Drum Treatment	3DT187	3DT187.36	55-gal MPF	4.40	Vendor	Specialty
Demin Water Treatment	Caustic (25%)	8735	8735.38	30-gal µPF	6.63	Vendor	Specialty
Demin Water Treatment	RO Low pH Cleaner	PC-77	PC-77.11	5-gal pail	4.91	Vendor	Specialty
Demin Water Treatment	RO Anti-scalant	PC-191T	PC-191T.56	55-gal drum	2.23	Vendor	Specialty
Demin Water Treatment	RO High pH Cleaner	PC-98	PC-98.11	5-gal pail	4.74	Vendor	Specialty
Main Steam Cycle	Amine	352	352	55-gal MPF	5.03	Vendor	Specialty
Main Steam Cycle	Oxygen Scavenger	Eliminox	Eliminox.36	55-gal MPF	4.00	Vendor	Specialty
Main Steam Cycle	Phosphate (for Drum)	1742	1742	200-gal JPF	2.20	Vendor	Specialty

- Items listed in **BOLD** are included as part of Nalco's Porta-Feed system. These chemicals are either supplied in 200 gallon stainless steel returnable tanks or are delivered by a Nalco Delivery Specialist to a designated base tank.
- Where practical, Base Tanks will be supplied by Nalco at no cost to LEC. For the SR Base Tanks LEC is responsible for the containment. Where the usage is low or slug fed periodically it may be more efficient to just switch out these containers. The 55 gallon drums and plastic Schutz Totes are returnable. 5 and 15 gallon pails are not returnable.

Chemical Price Adjustments:

Price Adjustment Formula

In December 2015 the product prices will be reviewed for increase or decrease. Any adjustments will become effective the following January 1st.

Any price increases or decreases will be based on a weighted average of the following Bureau of Labor Statistics Indices, comparing the most recent November values with November 2014 values:

Index	Weighting
WPU 061Chemicals and Allied Products Producer Price Index (PPI)	64%
CUUR0000SA0E Energy Series Consumer Price index (CPI-E)	16%
CUUR0000SA0 Urban Series Consumer Price Index (CPI-Urban)	20%

The price adjustment formula is:

$$0.64 * ((\text{PPI-061 [2]} - \text{PPI-061 [1]}) / \text{PPI-061 [1]}) + 0.16 * ((\text{CPI-E [2]} - \text{CPI-E [1]}) / \text{CPI-E [1]}) + 0.20 * ((\text{CPI Urban [2]} - \text{CPI Urban [1]}) / \text{CPI Urban [1]})$$

2 denotes index for November of the current year

1 denotes index for November 2014

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,

JOSEPH J. MAZUR, VICE PRESIDENT - MARKETING

(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

NALCO COMPANY

(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.



(Signature of officer or agent)

Dated this 23RD day of FEBRUARY, 20 15.

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.

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