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**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

FROM: Waste Management Department

SUBMITTAL DATE:
June 30, 2009

SUBJECT: Agreement for the Construction, Operation, and Maintenance of the Upgraded Agua Mansa Liquefied Natural Gas (LNG) Fueling Facility

RECOMMENDED MOTION: That the Board:

1. Approve the Agreement for Operation and Maintenance of a Liquid Natural Gas (LNG) Fueling Facility; Delivery of LNG; Design, Construction, Operation and Maintenance of a Compressed Natural Gas (CNG) Fueling Facility; and
2. Authorize the Chairman of the Board to execute the Agreement on behalf of the department

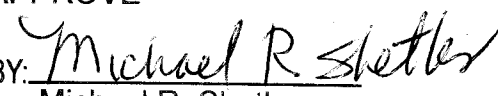
BACKGROUND: Since November 5, 2002, the Waste Management Department (WMD) has operated a LNG fuel station adjacent to the Agua Mansa Transfer Station on County owned land. On August 7, 2006, the WMD, through the Purchasing Department, issued a Request for Proposals to transfer the LNG operation to a private vendor that is more experienced in operating such specialized stations to allow for additional through-put, technologies, and economies of scale that will spur further usage of alternative fuels (such as CNG). (continued)



 Joseph McCann, Assistant Chief Engineer for
 Hans Kernkamp, General Manager-Chief Engineer

FINANCIAL DATA	Current F.Y. Total Cost:	\$ 0	In Current Year Budget:	Yes
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	No
	Annual Net County Cost:	\$ 0	For Fiscal Year:	2009/10

SOURCE OF FUNDS: Waste Management Department Enterprise Funds	Positions To Be Deleted Per A-30	<input type="checkbox"/>
	Requires 4/5 Vote	<input type="checkbox"/>

C.E.O. RECOMMENDATION: APPROVE
 BY: 
 Michael R. Shetler

County Executive Office Signature

FORM APPROVED COUNTY COUNSEL
 BY:  NEAL R. KIPNIS
 DATE: _____
 Departmental Concurrence

Policy Policy
 Consent Consent
 Dep't Recomm.: _____
 Per Exec. Ofc.: _____

Prev. Agn. Ref.: 10/29/07 (12.2) | District: 2 | Agenda Number:

12.5

On January 9, 2007, a total of 2 responses were received and Clean Energy (CE) was deemed to be the most responsive. Negotiations between the County and CE have resulted in the attached agreement, which provides for the following main items:

CE will:

- Upgrade the existing facility for distribution of CNG Fuel.
- Fully maintain and operate the existing LNG station and the upgraded CNG station.
- Provide the County with a discount for CNG and/or LNG consumed by WMD owned vehicles (\$0.10/gallon LNG; \$0.15/gallon CNG).
- Pay the County a royalty of \$0.10/gallon LNG and \$0.15/gallon CNG on third party fuel usage.

County will:

- Review and approve CE plans.
- Allow CE to construct, operate and maintain the LNG and CNG station.

The Agreement, upon full execution of the document by all parties, will be in effect for ten (10) years, with the option to renew for an additional five (5) consecutive years, unless the agreement is terminated sooner.

The current bulk LNG fuel delivery agreement has expired due to the length of negotiations with CE. Both parties have agreed to extend the pricing structure (index-based) in effect since expiration of the bulk delivery agreement and reconcile invoices to the effective date of the new turnkey agreement for station operation.

The site at which the CNG and LNG facility is being proposed has been previously assessed pursuant to the California Environmental Quality Act (CEQA) through Environmental Assessment (EA) No. 38038 for the Agua Mansa Clean Fuel Facility, which the Board of Supervisors adopted a Mitigated Negative Declaration on June 26, 2001.

It has also been determined by the Department that this lease agreement is exempt pursuant to CEQA Guidelines sections 15301, and 15303. If this project is approved, a Notice of Exemption will be recorded to document that no additional impacts beyond those assessed in EA No. 38038 will occur, within 72 hours of this action.

Staff recommends approval of the Agreement, as it will encourage and expand alternative fuels usage in the area.

AGREEMENT

For

**OPERATION AND MAINTENANCE OF A LIQUID NATURAL GAS (LNG) FUELING FACILITY;
DELIVERY OF LNG; DESIGN, CONSTRUCTION, OPERATION AND MAINTENANCE OF A
COMPRESSED NATURAL GAS (CNG) FUELING FACILITY**

Between

COUNTY OF RIVERSIDE

And

CLEAN ENERGY

A CALIFORNIA CORPORATION



1 This Agreement, is made and entered into this _____ day of _____, 2009, by and between (1)
2 Clean Energy and Clean Energy's wholly owned subsidiary, Clean Energy Construction, both California
3 corporations doing business at 3020 Old Ranch Parkway, Suite 400, Seal Beach, California 90704, (herein
4 referred to together as "CONTRACTOR"), and (2) the COUNTY OF RIVERSIDE, a political subdivision of
5 the State of California, (herein referred to as "COUNTY").

6 WHEREAS, the COUNTY is committed to improving the air quality in the South Coast air basin
7 consistent with the Board of Supervisors policy D – 2 encouraging the use of alternative fuels;

8 WHEREAS, the COUNTY owns a Liquefied Natural Gas (LNG) fueling facility located at 1810
9 Agua Mansa Road, Riverside, California;

10 WHEREAS, the COUNTY agrees to allow CONTRACTOR to design, construct, operate and
11 maintain a Compressed Natural Gas (CNG) station and operate and maintain the existing LNG Station at
12 1810 Agua Mansa Road, Riverside, California with the intention of CONTRACTOR procuring natural gas
13 and selling CNG and LNG fuel to COUNTY, other authorized users, and to the general public.

14 WHEREAS, Government Code Section 31000 et. seq. authorizes the COUNTY to contract for
15 services with a company who is trained and experienced, and who is competent to perform the services
16 required; and

17 WHEREAS, CONTRACTOR has the expertise, special skills, knowledge and experience to perform
18 the duties set out herein.

19 NOW THEREFORE, in consideration of the mutual covenants contained herein, the parties hereto agree as
20 follows:

21 **Definitions**

22 **Definitions:** As used in this Agreement, the following terms and expressions shall have the indicated
23 meanings:

24
25 "Agreement" means this document and any and all exhibits and schedules attached hereto.

26
27 "CECI" means Clean Energy Construction acting by and through its employees, officers and authorized
28 agents.

29
30 "The County" means a political subdivision of the State of California acting by and through its employees,
31 officers and authorized agents.
32

1 "CE" means Clean Energy acting by and through its employees, officers and authorized agents.

2
3 "Premises" means that portion of the real property owned by the County and located at 1810 Agua Mansa
4 Road, Riverside, California upon which the Station will be upgraded and operated as more fully described in
5 this Agreement.

6
7 "Station" means the facility for refueling LNG/CNG vehicles designed, constructed, operated and maintained
8 by CE and approved by COUNTY but such COUNTY approval does not diminish or alleviate
9 CONTRACTOR responsibility for safety, operational effectiveness or profitability of the Station.

10
11 "Third-party users" means non-County owned LNG and/or CNG vehicles purchasing fuel at the facility.

12
13 "LNG" means liquefied natural gas with an energy density of 82,000 British Thermal Units.

14
15 "CNG" means compressed natural gas with an energy density of 125,000 British Thermal Units.

16
17 "Product" means LNG fuel delivered exclusively by CONTRACTOR and retailed exclusively by
18 CONTRACTOR as either LNG or CNG fuel to the County and third party users.

19
20 "Upgraded Station" means the new constructed CNG facility.

21
22 "CONTRACTOR" means CE and its wholly owned subsidiary, CECI and successors and assigns.

23 "Improvements" Buildings, outbuildings, underground installations, slope and grade alterations, roads, curbs,
24 gutters, storm drains, utilities, driveways, parking areas, fences, gates, screening walls and barriers, retaining
25 walls, stairs, decks, windbreaks, plantings, planted trees and shrubs, sidewalks, poles, signs, loading areas,
26 docks, utility installations and all other grading, structures, landscaping, alterations or improvements of every
27 kind within the Premises.

28 "Equipment" means all equipment described in attachment "E" for the new CNG facility.

29 "Maintenance" includes inspection, cleaning, tightening, lubrication, and minor adjustments performed by
30 the equipment operator. It also includes replacement and repair of parts and assemblies.

31 "Commencement Date" means the date CONTRACTOR first sells CNG and/or LNG to Third Party Users or
32 the COUNTY. CONTRACTOR will notify COUNTY in writing of the Commencement Date.

33 "Effective Date" means the date this Agreement is fully executed by the COUNTY and CONTRACTOR.

34 **1. Description of Services and Work**

35 **1.1** CONTRACTOR shall provide all services and work as outlined and specified in Exhibit "A",
36 Scope of Services, consisting of five (5) pages and Exhibit "B", Payment Provisions, consisting of one (1)

1 page, Exhibit "C", Work Plan, consisting of three (3) pages, Exhibit "D", Operating and Maintenance
2 Services, consisting of one (1) page, Exhibit "E" Inventory Supply and Equipment, consisting of one (1)
3 page, Exhibit "F" Product Specifications, consisting of one (1) page, Exhibit "G" Conditions of
4 Construction, consisting of one (1) page, Exhibit "H" Landscape consisting of one (1) page, Exhibit "I"
5 Request for Proposal # WMARC 040 consisting of 19 pages attached hereto and incorporated herein by this
6 reference.

7 **1.2** In case of a conflict between the elements of this Agreement, the following order of governing
8 documents shall be followed:

- 9 a) Exhibit A – Scope of Services
- 10 b) Exhibit I – Request for Proposal #WMARC 040
- 11 c) Exhibit C – Workplan
- 12 d) Permits from other agencies
- 13 e) Exhibit G – Conditions of Construction
- 14 f) Exhibit D – Operating and Maintenance Services
- 15 g) Exhibit E - Inventory Supply and Equipment
- 16 h) Exhibit F – Product Specifications
- 17 i) Exhibit B – Payment Provisions
- 18 j) Exhibit H - Landscape

19 **1.3** CONTRACTOR represents and maintains that it is skilled to perform all services, work, duties and
20 obligations required by this Agreement to fully and adequately complete the project. CONTRACTOR shall
21 perform the services, work and duties in conformance to and consistent with the standards generally recognized as
22 being employed by professionals in the same discipline in the State of California. CONTRACTOR further
23 represents and warrants that it has all licenses, permits, qualifications and approvals of whatever nature is legally
24 required to practice its profession/service and perform the work. CONTRACTOR further represents that it shall
25 keep all such licenses and approvals in effect during the term of this Agreement. Contractor is not to perform
26 services or work outside of this Agreement.

27 **2. Period of Performance**

1 **2.1** This Agreement shall be effective on the Effective Date and continue in effect through the ten-year
2 anniversary of the Commencement Date, with the option to renew for five (5) consecutive years, unless terminated
3 as specified in Section 9 TERMINATION. CONTRACTOR shall commence performance of requested services
4 and work upon full execution of this Agreement and shall diligently perform such services and perform the work.

5 **2.2** Upon the Effective Date and commensurate with the execution of this Agreement, the parties
6 hereby agree that the LNG Supply Agreement between the parties dated November 5, 2002 (the "LNG
7 Agreement") shall be terminated; provided however, that any compensation due under the LNG Agreement
8 for deliveries or services rendered under the LNG Supply Agreement prior to the Effective Date shall remain
9 due and payable. All LNG sales at the Station from the Effective Date through the termination or expiration
10 of this Agreement will be pursuant to this Agreement.

11 **3. Compensation**

12 **3.1** The COUNTY shall pay the CONTRACTOR for product in accordance with the terms of
13 Exhibit B, Payment Provision, attached hereto and incorporated herein by this reference. CONTRACTOR
14 shall pay the COUNTY royalties in accordance with the terms of Exhibit B, Payment Provision, attached
15 hereto and incorporated herein by this reference. The COUNTY is not responsible for any fees or costs
16 incurred above or beyond the contracted amount and shall have no obligation to purchase any specified
17 amount of services, work or products.

18 **3.2** Said compensation shall be paid in accordance with an invoice submitted to COUNTY by
19 CONTRACTOR, and COUNTY shall pay the invoice within thirty (30) days from the date of receipt of the
20 invoice. Payment shall be made to CONTRACTOR only after product, services or work has been rendered.

21 **3.3** For this Agreement, invoices should be sent to:

22
23 Riverside County
24 Waste Management Department
25 14310 Frederick Street
26 Moreno Valley, CA 92553
27 Attn: Accounts Payable
28

29 **3.4** Each invoice shall contain a minimum of the following information: invoice number and date;
30 remittance address; "bill-to" and "ship-to" addresses of ordering department/division; contract number (to be
31 provided upon award); quantities; item descriptions, unit prices, extensions, sales/use tax if applicable, and
32 an invoice total. Each check shall contain a minimum of the following information: quarterly usage report ,
33 quantities; item descriptions, unit prices, extensions, sales/use tax if applicable, and check total. In the State

1 of California, government agencies are not allowed to pay excess interest and late charges, per Government
2 Codes, Section 926.10.

3 **4. Assignment**

4 CONTRACTOR shall not delegate or assign any interest in this Agreement, and shall not transfer any
5 interest in the same without the prior written consent of COUNTY (which consent shall not be unreasonably
6 withheld); provided that such consent shall not be necessary in the context of an acquisition of CE by asset
7 sale, merger, change in control or operation of law. Permitted assigns and successors in interest shall have
8 the benefit of, and shall be bound by, all terms and conditions of this Agreement.

9 **5. Hold Harmless/Indemnification**

10 **5.1** Except to the extent that liabilities arise from County or County's employees or agents
11 negligence or willful misconduct, CONTRACTOR shall indemnify and hold harmless COUNTY, its
12 Agencies, Districts, Special Districts and Departments,
13 their respective directors, officers, Board of Supervisors, elected and appointed officials, employees, agents
14 and representatives from any liability, claim, action, or damage whatsoever, based or asserted upon any
15 services or work of CONTRACTOR, its officers, employees, subcontractors, agents or representatives
16 arising out of or in any way relating to the negligent acts or omissions of Indemnitors in acting pursuant to
17 this Agreement, including but not limited to property damage, bodily injury, or death or any other element of
18 any kind or nature whatsoever arising from the performance of CONTRACTOR, its officers, employees,
19 subcontractors, agents or representatives from this Agreement. CONTRACTOR shall defend, at its sole
20 expense, all costs and fees including but not limited to attorney fees, cost of investigation, defense and
21 settlements or awards, the COUNTY, its Agencies, Districts, Special Districts and Departments, their
22 respective directors, officers, Board of Supervisors, elected and appointed officials, employees, agents and
23 representatives in any claim or action based upon such alleged acts or omissions.

24 **5.2** With respect to any action or claim subject to indemnification herein by CONTRACTOR,
25 CONTRACTOR shall, at its sole cost, have the right to use counsel of its own choice and shall have the right
26 to adjust, settle, or compromise any such action or claim without the prior consent of COUNTY; provided,
27 however, that any such adjustment, settlement or compromise in no manner whatsoever limits or
28 circumscribes CONTRACTOR'S indemnification to COUNTY as set forth herein.

1 **5.3** CONTRACTOR'S obligation hereunder shall be satisfied when CONTRACTOR has
2 provided to COUNTY the appropriate form of dismissal relieving COUNTY from any liability for the action
3 or claim involved.

4 **5.4** The specified insurance limits required in this Agreement shall in no way limit or
5 circumscribe CONTRACTOR'S obligations to indemnify and hold harmless the COUNTY herein from third
6 party claims.

7 **5.5** In the event there is conflict between this clause and California Civil Code Section 2782, this
8 clause shall be interpreted to comply with Civil Code 2782. Such interpretation shall not relieve the
9 CONTRACTOR from indemnifying the COUNTY to the fullest extent allowed by law.

10 **6. Waiver of Default**

11 Any waiver by COUNTY of any breach of any one or more of the terms of this agreement shall not
12 be construed to be a waiver of any subsequent or other breach of the same or of any other term hereof.
13 Failure on the part of COUNTY to require exact, full and complete compliance with any terms of this
14 agreement shall not be construed as in any manner changing the terms hereof, or stopping COUNTY from
15 enforcement hereof.

16 **7. Availability of Funding**

17 The COUNTY obligation for payment of any contract beyond the current fiscal year end is contingent
18 upon the availability of funding from which payment can be made. No legal liability on the part of the
19 COUNTY shall arise for payment beyond June 30 of the calendar year unless funds are made available for
20 such performance.

21 **8. Inspection of Service**

22 **8.1** All performance (which includes services, work, materials, supplies and equipment furnished
23 or utilized in the performance of this contract, and workmanship in the performance of services and work)
24 shall be subject to inspection and test by the COUNTY at all times during the term of the Agreement. The
25 CONTRACTOR shall provide reasonable cooperation to any inspector assigned by the COUNTY to permit
26 him/her to determine the CONTRACTOR'S conformity with the specifications submitted by Contractor as
27 required in Exhibit G and the adequacy of the services and work being contractually provided. All
28 inspections by the COUNTY shall be made in such a manner as to not unduly interfere with CONTRACTOR
29 performance. If any services or work performed hereunder are not in conformity with the specifications and

1 requirements of this Agreement, the COUNTY shall have the right to require the CONTRACTOR to perform
2 the services and work in conformity with said specifications and requirements.

3 **8.2** In the event the CONTRACTOR fails to perform the services promptly or to take necessary
4 steps to ensure future performance of the service is in conformity with specifications and
5 requirements of the contract, the COUNTY shall have the right to either: (A) have the services and
6 work performed in conformity with the specifications and charge the CONTRACTOR any cost
7 occasioned to the COUNTY that is directly related to the performance of such services and work; or
8 (B) terminate this Agreement for default as provided in the Termination Clause.

9 **9. Termination**

10 **9.1** COUNTY may, upon fifteen (15) days written notice and opportunity to cure, terminate this
11 agreement for CONTRACTOR's default, if CONTRACTOR unreasonably refuses or fails to comply with the
12 provisions of this Agreement or fails to make progress so as to endanger performance and does not cure such
13 failure or commence implementation of the cure within a reasonable period of time and proceed diligently
14 thereafter to cure such default. In the event of such termination, the COUNTY may proceed with the work in
15 any manner deemed proper to COUNTY.

16 **9.2** After receipt of the Notice of Termination pursuant to paragraph 9.1 above, CONTRACTOR
17 shall:

- 18 a.) Stop all work under this Agreement on the date specified in the Notice of Termination.
- 19 b.) Transfer to COUNTY and deliver in the manner, and to the extent, if any, as directed
20 by COUNTY, any equipment, data or reports which, if the Agreement had been
21 completed, would have been required to be furnished to COUNTY;

22 **9.3** After termination pursuant to paragraph 9.1 above, COUNTY and Contractor shall make
23 payment for all services and work performed in accordance with this Agreement to the date of termination,
24 according to the rates set forth in Exhibit B.

25 **9.4** Notwithstanding any of the provisions of this Agreement, CONTRACTOR's rights under this
26 Agreement shall terminate (except for fees accrued prior to the date of termination) upon dishonesty, or a
27 willful or material breach of this Agreement by CONTRACTOR; or in the event of CONTRACTOR's
28 unwillingness or inability for any reason whatsoever to perform the duties hereunder; or if the Agreement is

1 terminated pursuant to this Section 9. In such event, CONTRACTOR shall not be entitled to any further
2 compensation under this Agreement

3 **9.5** The rights and remedies of COUNTY provided in this section shall not be exclusive and are in
4 addition to any other rights and remedies provided by law or under this Agreement.

5 **10. Alteration**

6 The Board of Supervisors, the Riverside County Waste Management Department General Manager –
7 Chief Engineer and/or the Riverside County Purchasing Agent are the only authorized individuals who may
8 at any time, by written order, make alterations within the general scope of this Agreement, in the definition
9 of services and work to be performed, and the time (i.e. hours of the day, days of the week, etc.) and place of
10 performance thereof. If any such alteration causes an increase or decrease in the cost of, or the time required
11 for the performance of any part of the work under this Agreement, an equitable adjustment shall be made in
12 the Agreement price or delivery schedule, or both, and the Agreement shall be modified in writing
13 accordingly. Any claim by the CONTRACTOR for adjustment under this paragraph shall be assessed within
14 30 days of when the CONTRACTOR presents the claim to COUNTY in writing. Notwithstanding the
15 foregoing, if the COUNTY representative decides that the facts provide sufficient justification, he/she may
16 receive and act upon any claim, which is asserted by the CONTRACTOR at any time prior to final payment
17 under this Agreement. Failure to agree to any adjustment shall be a dispute concerning a question of fact
18 within the meaning of the clause of this Agreement entitled 'Disputes.'

19 **11. Independent Contractor**

20 **11.1** The CONTRACTOR is, for purposes arising out of this Agreement, an independent contractor
21 and shall not be deemed an employee of the COUNTY. It is expressly understood and agreed that the
22 CONTRACTOR shall in no event, as a result of this Agreement, be entitled to any benefits to which
23 COUNTY employees are entitled, including but not limited to overtime, any retirement benefits, worker's
24 compensation benefits, and injury leave or other leave benefits. CONTRACTOR hereby holds COUNTY
25 harmless from any and all claims that may be made against COUNTY based upon any contention by any
26 third party that an employer-employee relationship exists by reason of this Agreement.

27 **11.2** It is further understood and agreed by the parties hereto that CONTRACTOR in the
28 performance of its obligation hereunder is subject to the control or direction of COUNTY merely as to the
29 result to be accomplished by the services and work hereunder agreed to be rendered and performed and not
30 as to technically acceptable means and methods for accomplishing the results.

1 **12. Subcontract for Work or Services**

2 No contract shall be made by the CONTRACTOR with any party for furnishing any of the work or
3 services herein contained without the prior written approval of the COUNTY, which shall not be
4 unreasonably withheld. This provision shall not require the approval of contracts of employment between
5 the CONTRACTOR and personnel assigned for services and work there under.

6 **13. Interest of Contractor**

7 The CONTRACTOR covenants that it presently has no interest, including but not limited to, other
8 projects or independent contracts, and shall not acquire any such interest, direct or indirect, which would
9 conflict in any manner or degree with the performance of services and work required to be performed under
10 this Agreement. The CONTRACTOR further covenants that in the performance of this Agreement, no
11 person having any such interest shall be employed or retained by it under this Agreement.

12 **14. Conduct of Contractor**

13 **14.1** The CONTRACTOR agrees to inform the COUNTY of all the CONTRACTOR'S interests, if
14 any, which are or which the CONTRACTOR believes to be incompatible with any interest of the COUNTY.

15 **14.2** The CONTRACTOR shall not accept any gratuity or special favor from individuals or
16 organizations with whom the CONTRACTOR is doing business or proposing to do business, in
17 accomplishing the work under the Agreement.

18 **14.3** The CONTRACTOR shall not use for personal gain or make other improper use of privileged
19 information, which is acquired in connection with this contract. In this connection, the term 'privileged
20 information' includes, but is not limited to, unpublished information relating to technological and scientific
21 development; medical, personnel, or security records of the individuals; anticipated materials requirements or
22 pricing actions; and knowledge of selection of CONTRACTOR'S subcontractors in advance of official
23 announcement.

24 **14.4** The CONTRACTOR or employees thereof shall not offer gifts, gratuity, favors, and
25 entertainment directly or indirectly to COUNTY employees.

1 **15. Disallowance**

2 In the event the CONTRACTOR receives payment for services and work under this Agreement,
3 which is later disallowed for nonconformance with the terms and conditions herein by the COUNTY, the
4 CONTRACTOR shall promptly refund the disallowed amount to the COUNTY on request, or at its option,
5 the COUNTY may offset the amount disallowed from any payment due to the CONTRACTOR under any
6 contract with the COUNTY.

7 **16. Disputes**

8 **16.1** In the event of a dispute arising out of or relating to this Agreement, the parties shall attempt
9 to settle the matter amicably at the working level. If the parties are unable to resolve the dispute, the matter
10 shall be submitted to the senior management of the parties.

11 **16.2** The Parties agree to continue with performance of the Agreement during any such dispute
12 period and resolution thereof unless continued performance would cause irreparable harm to such party.

13 **17. Governing Law; Jurisdiction; Severability**

14 This Agreement shall be governed by the laws of the State of California. Any legal action related to
15 the performance or interpretation of this Agreement shall be filed only in the Superior Court of the State of
16 California located in Riverside, California, and the parties waive any provision of law providing for a change
17 of venue to another location. Prior to the filing of any legal action, the parties shall be obligated to attend a
18 mediation session with a third party mediator in an attempt to resolve the dispute. In the event any provision
19 in this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the
20 remaining provisions will nevertheless continue in full force without being impaired or invalidated in any
21 way.

22 **18. Insurance.**

23 Without limiting or diminishing the CONTRACTOR'S obligation to indemnify or hold the
24 COUNTY harmless, CONTRACTOR shall procure and maintain or cause to be maintained, at its sole cost
25 and expense, the following insurance coverages during the term of this Agreement.

26 **18.1 Workers' Compensation**

27 If the CONTRACTOR has employees as defined by the State of California, the CONTRACTOR shall
28 maintain statutory Workers' Compensation Insurance (Coverage A) as prescribed by the laws of the State of

1 California. Policy shall include Employers' Liability (Coverage B) including Occupational Disease with
2 limits not less than \$1,000,000 per person per accident. The policy shall be endorsed to waive subrogation in
3 favor of the County of Riverside, and, if applicable, to provide a Borrowed Servant/Alternate Employer
4 Endorsement.

5 **18.2 Commercial General Liability**

6 Commercial General Liability insurance coverage, including but not limited to, premises liability,
7 contractual liability, products and completed operations liability, personal and advertising injury, cross
8 liability coverage and employment practices liability, covering claims which may arise from or out of
9 CONTRACTOR'S performance of its obligations hereunder. Policy shall name the COUNTY, and shall
10 name all Agencies, Districts, Special Districts, and Departments of the COUNTY, their respective directors,
11 officers, Board of Supervisors, employees, elected or appointed officials, agents or representatives as
12 Additional Insured's. Policy's limit of liability shall not be less than \$2,000,000 per occurrence combined
13 single limit. If such insurance contains a general aggregate limit, it shall apply separately to this Agreement
14 or be no less than two (2) times the occurrence limit. Limits of insurance required herein can be evidenced
15 through an excess liability or umbrella insurance policy.

16 **18.3 Vehicle Liability**

17 If CONTRACTOR'S vehicles or mobile equipment are used in the performance of the obligations
18 under this Agreement, then CONTRACTOR shall maintain liability insurance for all owned, non-owned or
19 hired vehicles so used in an amount not less than \$1,000,000 per occurrence combined single limit. If such
20 insurance contains a general aggregate limit, it shall apply separately to this Agreement or be no less than
21 two (2) times the occurrence limit. Policy shall name all Agencies, Districts, Special Districts, and
22 Departments of the COUNTY of Riverside, their respective directors, officers, Board of Supervisors,
23 employees, elected or appointed officials, agents or representatives as Additional Insured's.

24 **18.5 Environmental Impairment Insurance:**

25 a.) Contractor shall maintain Environmental Impairment Insurance providing coverage for the
26 Contractor's performance of work included within this Agreement, with a limit of liability of not less than
27 \$1,000,000 per occurrence and \$1,000,000 annual aggregate.
28

29 **18.5 General Insurance Provisions - All lines**

1 a). Any insurance carrier providing insurance coverage hereunder shall be admitted to the State
2 of California and have an AM BEST rating of not less than A: VIII (A:8) unless such requirements are
3 waived, in writing, by the COUNTY Risk Manager. If the COUNTY'S Risk Manager waives a requirement
4 for a particular insurer, such waiver is only valid for that specific insurer and only for one policy term.

5 b). The CONTRACTOR'S insurance carrier(s) shall declare its insurance deductibles or self-
6 insured retentions. If such deductibles or self-insured retentions exceed \$500,000 per occurrence such
7 deductibles and/or retentions shall have the prior written consent of the COUNTY Risk Manager before the
8 commencement of operations under this Agreement. Upon notification of deductibles or self insured
9 retention's unacceptable to the COUNTY, and at the election of the County's Risk Manager,
10 CONTRACTOR'S carriers shall either; 1) reduce or eliminate such deductibles or self-insured retention's as
11 respects this Agreement with the COUNTY, or 2) procure a bond which guarantees payment of losses and
12 related investigations, claims administration, and defense costs and expenses.

13 c). CONTRACTOR shall cause CONTRACTOR'S insurance carrier(s) to furnish the COUNTY
14 of Riverside with either 1) a properly executed original Certificate(s) of Insurance. and certified original
15 copies of Endorsements effecting coverage as required herein, or 2) if requested to do so orally or in writing
16 by the COUNTY Risk Manager, provide original Certified copies of policies including all Endorsements and
17 all attachments thereto, showing such insurance is in full force and effect. Further, said Certificate(s) and
18 policies of insurance shall contain the covenant of the insurance carrier(s) that thirty (30) days written notice
19 shall be given to the COUNTY of Riverside prior to any material modification, cancellation, expiration or
20 reduction in coverage of such insurance. In the event of a material modification, cancellation, expiration, or
21 reduction in coverage, this Agreement shall terminate forthwith, unless the COUNTY of Riverside receives,
22 prior to such effective date, another properly executed original Certificate of Insurance and original copies of
23 endorsements or certified original policies, including all endorsements and attachments thereto evidencing
24 coverage's set forth herein and the insurance required herein is in full force and effect. ***CONTRACTOR shall***
25 ***not commence operations until the COUNTY has been furnished original Certificate (s) of Insurance and***
26 ***certified original copies of endorsements or policies of insurance including all endorsements and any and***
27 ***all other attachments as required in this Section. An individual authorized by the insurance carrier to do***
28 ***so on its behalf shall sign the original endorsements for each policy and the Certificate of Insurance.***

29 d). It is understood and agreed to by the parties hereto and the insurance company(s), that the
30 Certificate(s) of Insurance and policies shall so covenant and shall be construed as primary insurance, and the
31 COUNTY'S insurance and/or deductibles and/or self-insured retention's or self-insured programs shall not
32 be construed as contributory.

1 e). The COUNTY'S Reserved Rights--Insurance. If, during the term of this Agreement or any
2 extension thereof, there is a material change in the scope of services and work; or, there is a material change
3 in the equipment to be used in the performance of the scope of work (such as the use of aircraft or watercraft)
4 the COUNTY reserves the right to reasonably adjust the types of insurance required under this Agreement
5 and the monetary limits of liability for the insurance coverages currently required herein if, in the COUNTY
6 Risk Manager's reasonable judgment, the amount or type of insurance carried by the CONTRACTOR has
7 become inadequate.

8 f). CONTRACTOR shall pass down the insurance obligations contained herein to all tiers of
9 subcontractors working under this Agreement.

10 g). The insurance requirements contained in this Agreement may be met with a program(s) of
11 self-insurance acceptable to the COUNTY.

12 **19. Licensing and Permits**

13 **19.1** Attention is directed to the provisions of Chapter 9 of Division 3 of the Business and
14 Professions Code concerning the licensing of Contractors. All offerers and Contractors shall be licensed, if
15 required, in accordance with the laws of this State and any offerer or Contractor not so licensed is subject to
16 the penalties imposed by such laws. To the extent that this Agreement contemplates the construction of a
17 work of improvement or any related activity for which a license from the California Contractor's State
18 License Board is required, all such work will be performed by CECI as a general contractor.

19 **19.2** CONTRACTOR further warrants that it has all necessary permits, approvals, certificates,
20 waivers and exemptions necessary for the provision of services and work hereunder and required by the laws
21 and regulations of the United States, State of California, the COUNTY of Riverside and all other appropriate
22 governmental agencies, and shall maintain these throughout the term of this Agreement.

23 **20. Air, Water Pollution Control, Safety and Health**

24 CONTRACTOR shall comply with all air pollution control; water pollution, safety and health
25 ordinances and statues, which apply to the work performed pursuant to this Agreement, including any
26 requirements, specified in state government codes.

1 **21. OSHA Regulations**

2 CONTRACTOR hereby certifies awareness of the Occupational Safety and Health Administration
3 (OSHA) standards and codes as set forth by the U.S. Department of Labor, and the derivative Cal/OSHA
4 standards, laws and regulations relating thereto, and verifies that all performance under this Agreement shall
5 be in compliance therewith.

6 **22. Right to Acquire Equipment And Services**

7 Subject to Section 2.2(c) of Exhibit A, nothing in this Agreement shall prohibit the COUNTY from
8 acquiring the same type or equivalent equipment and/or service from other sources, when deemed by the
9 COUNTY to be in its best interest.

10 **23. Use by Political Entities**

11 During this Agreement between the COUNTY and the CONTRACTOR for the COUNTY'S
12 requirements of select item(s) of personal services, the CONTRACTOR agrees to extend the same pricing,
13 terms and conditions to the political entities, special districts, and related non-profit entities in Riverside
14 COUNTY as listed in Exhibit J (which may be amended by mutual written letter agreement of COUNTY and
15 CONTRACTOR). It is understood that political entities, special districts and related non-profit entities shall
16 make purchases in their own name, make direct payment, and be liable directly to the CONTRACTOR
17 holding the COUNTY harmless. The COUNTY may, at its option, charge an administrative fee to those
18 political entities, special districts and related non-profit entities that avail themselves use of this Agreement.
19 The CONTRACTOR(s) shall report annually or as otherwise requested by the COUNTY, usage and total
20 sales dollar amount information for each individual political entity, special district, and related non-profit
21 entity utilizing COUNTY awards.

22 **24. Contractor's Responsibility**

23 **24.1** It is understood that the CONTRACTOR has the skills, experience and knowledge necessary
24 to perform the services and work agreed to be performed under this Agreement, and that the COUNTY relies
25 upon the CONTRACTOR'S representations about its skills, experience and knowledge to perform the
26 CONTRACTOR'S services and work in a competent manner.

27 **24.2** It is further understood and agreed that the CONTRACTOR is apprised of the scope of the
28 work to be performed under this Agreement and the CONTRACTOR agrees that said work can and shall be
29 performed in a fully competent manner.

1 **25. Non-Discrimination**

2 CONTRACTOR shall not discriminate in the provision of services, work, allocation of benefits,
3 accommodation in facilities, or employment of personnel on the basis of ethnic group identification, race,
4 religious creed, color, national origin, ancestry, physical handicap, medical condition, marital status or sex in
5 the performance of this Agreement, and, to the extent they shall be found to be applicable hereto, shall
6 comply with the provisions of the California Fair Employment Practices Act (commencing with Section
7 1410 of the Labor Code), the Federal Civil Rights Act of 1964 (P.L. 88-352), and the Americans with
8 Disabilities Act of 1990 (42 U.S.C. §1210 et seq.).

9 **27. Assurances**

10 CONTRACTOR will materially comply with the COUNTY policies and procedures where
11 applicable. In the event that the policies and procedures promulgated by the COUNTY are more restrictive,
12 but not in conflict with Federal or State policies and procedures, those issued by the COUNTY will prevail.

13 **28. Records and Documents**

14 CONTRACTOR shall make available, upon written request by any duly authorized COUNTY
15 representative, a copy of this Agreement and such books, documents and records as are necessary to certify
16 the nature and extent of the costs of the services and work provided by CONTRACTOR. All such books and
17 records shall be maintained by CONTRACTOR for at least three years from the date of a transaction and
18 reasonably will be available for audit by the COUNTY. CONTRACTOR will provide COUNTY with reports
19 and information relative to this Agreement and in accordance with terms set forth herein, as reasonably
20 requested by COUNTY.

21 **29. Monitoring**

22 CONTRACTOR hereby agrees to establish procedures for self-monitoring and shall permit an
23 appropriate official of the COUNTY to reasonably monitor, assess or evaluate CONTRACTOR'S
24 performance under this Agreement upon reasonable notice to CONTRACTOR and at any reasonable time.

25 **30. Administration/Contract Liaison**

26 The Riverside County Purchasing Agent, or designee, shall administer this Agreement on behalf of
27 COUNTY. The Purchasing Agent is to serve as liaison with CONTRACTOR in connection with this
28 Agreement.

1 **31. Notices**

2 All correspondence and notices required or contemplated by this Agreement shall be delivered to the
3 respective parties at the addresses set forth below and are deemed submitted one day after their deposit in the
4 United States mail, postage prepaid:

5 **COUNTY OF RIVERSIDE**
6 Purchasing Department
7 2980 Washington Street
8 Riverside, CA 92504
9 Attn: Mark Seiler
10

CONTRACTOR
Clean Energy
3020 Old Ranch Parkway, Suite 400
Seal Beach, California 90704
Attn: James N. Harger

11 **32. Force Majeure**

12 **32.1** In the event CONTRACTOR is unable to comply with any provision of this Agreement due to
13 causes beyond their control such as acts of God, acts of war, civil disorders, or other similar acts,
14 CONTRACTOR shall not be held liable to COUNTY for such failure to comply.

15 **32.2** In the event COUNTY is unable to comply with any provision of this Agreement due to
16 causes beyond its control relating to acts of God, acts of war, civil disorders, or other similar acts, COUNTY
17 shall not be held liable to CONTRACTOR for such failure to comply.

18 **33. Mutual Cooperation**

19 The Parties agree to mutually cooperate with each other in the performance of this Agreement..

20 **34. EDD Reporting Requirements**

21 **34.1** In order to comply with child support enforcement requirements of the State of California, the
22 COUNTY of Riverside may be required to submit a Report of Independent Contractor(s) form **DE 542** to the
23 Employment Development Department. CONTRACTOR agrees to furnish the required CONTRACTOR
24 data and certifications to the COUNTY of Riverside within 10 days of notification when required by the
25 EDD.

26 **34.2** It is expressly understood that this data will be transmitted to governmental agencies charged
27 with the establishment and enforcement of child support orders and for no other purposes and will be held
28 confidential by those agencies. Failure of the CONTRACTOR to timely submit the data and/or certificates
29 required may result in this Agreement being terminated. If CONTRACTOR fails to materially comply with
30 all federal and state reporting requirements for child support enforcement or to comply with all lawfully

1 served Wage and Earnings Assignments Orders and Notices of Assignment shall constitute a material breach
2 of contract. Failure to cure such breach within 60 calendar days of notice from the COUNTY shall constitute
3 grounds for termination of the contract.

4 **34.3** If you have any questions concerning this reporting requirement, please call (916) 657-0529.
5 You may also contact your local Employment Tax Customer Service Office listed in your telephone
6 directory in the State Government section under "Employment Development Department," or you may
7 access their Internet site at www.edd.ca.gov.

8 **35. Entire Agreement**

9 This Agreement and its accompanying Exhibits, which are incorporated by reference herein constitute the
10 entire agreement of the parties hereto with respect to its subject matter and supersedes all prior and
11 contemporaneous representations, proposals, discussions and communications, whether oral or in writing.
12 This Agreement may be changed or modified only by a written amendment signed by authorized
13 representatives of both parties.

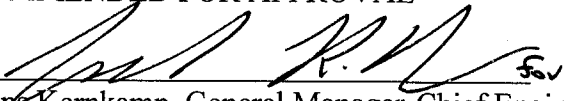
1 IN WITNESS WHEREOF, the parties hereto have caused their duly authorized representatives to
2 execute this Agreement.

3 **COUNTY:**

4
5 Waste Management Department
6 14310 Frederick Street
7 Moreno Valley, CA 92553
8

9
10 Dated: 6/30/09

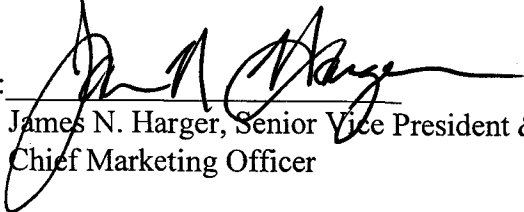
11 **RECOMMENDED FOR APPROVAL**

12
13 By: 
14 Hans Kernkamp, General Manager-Chief Engineer
15
16

CONTRACTOR:

Clean Energy
3020 Old Ranch Parkway, Suite 400
Seal Beach, California 90704

Dated: 7/2/09

By: 
James N. Harger, Senior Vice President &
Chief Marketing Officer

17
18
19 **COUNTY OF RIVERSIDE**

20
21 By: _____
22 Chairman, Board of Supervisors
23

24 **ATTEST:**

25
26 By: _____
27 Clerk of the Board
28 (Seal)
29

30 **COUNTY COUNSEL:**

31
32 Signature: 
33

34 Print Name: Neal Kipnis
35

36 Title: Deputy County Counsel
37

38 Dated: 6/30/09
39

40
41
42 [Add signature block for CECI]
43
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1
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3
4 **Exhibit "A"**
5 **Scope of Services and Work**
6

7 **1. Intent.**

8 This Exhibit to this Agreement between COUNTY and CONTRACTOR expresses the terms and
9 conditions pursuant to which the COUNTY agrees to authorize CONTRACTOR to design, construct,
10 operate, maintain the Station and retail both LNG and CNG at the Station on property owned by the
11 COUNTY located at 1810 Agua Mansa Road, Riverside, California for use by the COUNTY and Third-party
12 users. All capitalized terms not otherwise defined herein shall have the meaning ascribed to such term in this
13 Agreement.

14 **2. LNG/CNG Station**

15 (a) Construction of L/CNG upgrade of existing LNG Facility. CONTRACTOR shall design,
16 construct and own all components of the Upgraded Station and shall be responsible for obtaining, at its cost,
17 all permits relating to the design and construction of the Upgraded Station. The Upgraded Station shall
18 include the equipment as detailed in Exhibit "C" of this Agreement and will be situated on the Premises. To
19 the extent that this Agreement contemplates the construction of a work of improvement or any related
20 activity for which a license from the California Contractor's State License Board is required, all such work
21 will be performed by CECI as a general contractor.

22 (b) Maintenance. As of the Effective Date of this Agreement, CONTRACTOR shall provide
23 scheduled, routine maintenance service for the Station as detailed in Exhibit "D" of this Agreement for the
24 Term of this Agreement and shall repair, or replace, any defective parts or equipment at its expense.
25 CONTRACTOR shall also perform other necessary maintenance or repairs, including emergency repairs, at
26 its expense, in order to keep the Station operating. CONTRACTOR shall be available to provide emergency
27 repair service on a 24-hour, 7-day per week basis, and will provide emergency contact(s) telephone
28 number(s) to the COUNTY and at the station. In the event of an emergency at the Station, CONTRACTOR
29 shall respond but in no case shall the response time be longer than four (4) hours following notification by
30 the COUNTY or Third-party users, and will restore the operation of the Station as soon as is commercially
31 reasonable. CONTRACTOR has the obligation to determine their response time based upon the safety
32 concerns related to the call.

1 (g) Protection of CONTRACTOR Property. CONTRACTOR shall include in its design and
2 construction such storage and fencing as is necessary to provide a safe and secure facility for the storing and
3 protecting of CONTRACTOR property and the Station, including spare parts for the Station and the Station
4 itself. CONTRACTOR understands that the COUNTY shall have no obligation to insure the same.

5
6 **3. Licenses to Use Premises.**

7 (a) Permitted Use. To enable CONTRACTOR to fulfill its obligations set forth herein, the
8 COUNTY hereby permits CONTRACTOR, CONTRACTOR's agents, Third-party users and other
9 CONTRACTOR invitees to use the Premises for the purposes contemplated herein in accordance with the
10 terms and conditions of this Agreement. The COUNTY shall not, and shall not permit others to, levy any
11 rent, charge, lien or encumbrance not expressly provided for in this Agreement against CONTRACTOR for
12 the use of the Premises or the Station. CONTRACTOR is prohibited from interfering with or limiting access
13 to the Premises as granted to the current operator of the Robert A. Nelson Transfer Station and Material
14 Recovery Facility.

15
16 **4. Title**

17
18 CONTRACTOR shall be the owner of the Upgraded Station, and its parts and equipment. COUNTY
19 shall remain owner of the existing LNG Station and shall retain all real property ownership interests for the
20 entire Premises.

21
22 **5. Upgraded Station at the end/termination of the Agreement**

23
24 Unless otherwise agreed to by the Parties in writing, within sixty (60) days of termination or
25 expiration of this Agreement, CONTRACTOR shall, at CONTRACTOR's sole discretion, either:

26
27 (i) commence efforts to sell the components of the Upgraded Station to the COUNTY or a
28 firm acceptable to the COUNTY who will continue the CNG/LNG operations on mutually agreeable terms;

29
30 (ii) begin removal of components of the Upgraded Station at CONTRACTOR'S sole
31 expense (including any and all merchandise, equipment, furnishings, fixtures, machinery and tools relating to
32 the Station) from the Premises, which shall be restored in all material respects to its condition as of the date

1 and others exposed to the hazards posed by the CONTRACTOR'S storage and use of Product. By execution of
2 this Agreement, the CONTRACTOR acknowledges having on file at the Consuming Location a Material Safety
3 Data Sheet which describes Product.

4
5 (e) In performing their respective obligations under this Agreement, each party shall comply in all
6 material respects with all applicable federal, state and local laws, regulations, ordinances and rulings,
7 including (but not limited to) those pertaining to health, safety, employment and environmental matters.

8 (f) The Premises shall be clear of pre-existing underground hazards or soil contaminants that
9 materially impact the construction of the L/CNG Facilities and Upgraded Station. If it is determined that
10 underground hazards or soil contaminants exist that were not brought on to the Premises by
11 CONTRACTOR, and such underground hazards or soil contaminants either (a) require removal, replacement
12 and disposal of soils or materials, (b) require remediation or (c) deem the site unsuitable for the L/CNG
13 Facility construction or Station upgrade, CONTRACTOR shall not be financially or legally responsible for
14 such remediation, replacement or disposal. If COUNTY does not commence, within thirty days after
15 discovery of any such pre-existing underground hazard or soil contaminant, and thereafter to diligently
16 prosecute to completion the correction of such condition, CONTRACTOR may, without further obligation or
17 penalty, terminate the Professional Services Agreement for cause by written notice to COUNTY.

Exhibit "B"
Payment Provisions

This Exhibit B to this Agreement between County and CONTRACTOR expresses the payment terms pursuant to which (a) the COUNTY agrees to pay for CNG and LNG fuel purchased by the COUNTY at the Station and (b) the CONTRACTOR agrees to pay royalties to the COUNTY for LNG and CNG fuel sold by CONTRACTOR to Third party users at the Station. All capitalized terms not otherwise defined herein shall have the meaning ascribed to such term in this Agreement.

(a) COUNTY Vehicles COUNTY employees may refuel their LNG and CNG Vehicles and be charged in accordance with the provision below:

1. CONTRACTOR will provide the COUNTY with a preferential fuel price for CNG and/or LNG consumed by COUNTY owned vehicles. For CNG fuel purchased, the fuel price will be a discount off the posted retail price in the amount of \$0.15 per CNG gallon for CNG purchased. For LNG fuel purchased, the fuel price will be a discount off the posted retail price in the amount of \$0.10 per LNG gallon for LNG purchased.

(b) COUNTY'S Costs. Except as specified in this Exhibit, or as may be separately agreed to in writing by the COUNTY and CONTRACTOR, COUNTY shall not charge CONTRACTOR for the materials or labor utilized in providing services and work pursuant to this Agreement. The COUNTY shall be responsible for all real property taxes and assessments relating to the Premises. (c) CONTRACTOR'S Costs. Except as specified in this Exhibit, or as may be separately agreed to by the COUNTY and CONTRACTOR, CONTRACTOR shall not charge the COUNTY for other costs incurred in providing services pursuant to this Agreement.

(c) CONTRACTOR'S Costs. Except as specified in this Section, or as may be separately agreed to by the COUNTY and CONTRACTOR in writing, CONTRACTOR shall not charge the COUNTY for other costs incurred in providing the services and work described in this Agreement.

(d) Royalty. CONTRACTOR shall pay the COUNTY the amount of \$0.15 per CNG Gallon sold to Third party users at the Station's Public CNG Dispenser(s). CONTRACTOR shall pay the COUNTY the amount of \$0.10 per LNG Gallon sold to Third party users at the Station's Public LNG Dispenser(s). Royalty payments relating to this Section shall be made by CONTRACTOR on a quarterly basis within thirty (30) days following the end of each calendar quarter. For the purpose of clarity, no royalty payments shall be due

Exhibit "C"
Work Plan

1. Work Plan

CONTRACTOR'S engineering team will manage the project through the pre-construction, construction, and start-up phases. The following is a breakdown of the major phases of the construction project:

a. Pre-construction Phase

During this phase, CONTRACTOR will submit a detailed design and construction schedule showing a breakdown of work into activities and relationships to the extent required to effectively manage the work. Additionally, CONTRACTOR will meet with onsite personnel to review the proposed equipment layout and design approach to determine its compatibility with the COUNTY'S current and future operations. CONTRACTOR will furnish the engineering design of the project with drawings signed by the appropriate registered engineer in the state of California (if applicable) that includes:

- Civil, structural and foundation designs, including supporting calculations.
- Equipment plan.
- Piping plan.
- Piping and instrumentation diagram/mechanical flow schematic.
- Electrical one-line diagram, with load schedules, panel schedules and supporting calculations.
- Electrical plot plan, including conduit, cable and trench schedules, as well as a bill of materials.
- Hazardous area and equipment ground-bonding plan, if applicable.
- Facility safety and warning sign plan.

Proposed plans for all improvements, alterations or installation of fixtures by CONTRACTOR shall first be submitted to Riverside County Waste Management Department ("the Department") in writing in order to obtain its written consent to proceed. Requests for approval will be granted or denied in writing by the Department within twenty-one (21) days, and will not be unreasonably denied or delayed. Any denial shall be in writing and shall be accompanied by detailed reasons for the denial. Once approved by the Department, CONTRACTOR shall then submit the proposed plans to other COUNTY Departments for permit approval.

Once all permits have been secured, CONTRACTOR will finalize the schedule and scope of work for CONTRACTOR'S subcontractors and move into the Construction Phase of the project. Additionally, once the final plans are approved by the COUNTY, which shall be done on a timely basis, the remaining equipment and supplies necessary for the project will be ordered. CONTRACTOR will also continue the process of coordinating with the various utilities for the project. Construction will not begin until CONTRACTOR has met all the requirements listed in Exhibit G, Conditions of Construction.

b. Construction Phase

The project will be located on land already zoned for similar fueling purposes (i.e., LNG fueling), and the proposed use of the land complies with the zoning guidelines for this area. Construction will consist of the following steps:

1. Providing a detailed site safety plan, including emergency action plans, prior to commencement of construction for review and comment by the Department;

1 Once all of the civil work has been completed, inspected, and approved by a third party QA/QC consultant
2 (as specified in Exhibit G) and by County, CONTRACTOR will begin the process of installing the
3 equipment for the station. The equipment will begin to arrive on site towards the end of the civil
4 construction phase. Once the equipment is put in place, all of the high-pressure tubing and fittings must be
5 installed as well as the necessary electrical connections.

6
7 **d. Start-up**
8

9 Once all of the high-pressure fittings and tubing are installed as well as gas and electrical service turned on
10 by the respective utilities, CONTRACTOR will begin the start-up process. The start-up process involves a
11 series of tests and checks, including leak testing, emergency systems testing and pressure testing. This phase
12 will include a factory authorized service technician for all major components, and will likely last two to three
13 weeks. Once the start-up process is complete, CONTRACTOR will schedule the formal acceptance of the
14 fueling station.

15
16 **e. COUNTY Acceptance**
17

18 CONTRACTOR will schedule a date for the final acceptance of the equipment by the COUNTY. After
19 approval, the station will begin dispensing fuel to the COUNTY and the public.

20
21 **2. COUNTY and CONTRACTOR Interaction**
22

23 CONTRACTOR will interface with a designated COUNTY representative through each phase of the project
24 including pre-construction, construction, installation, start-up and acceptance. Meetings will be held weekly
25 during the construction phase to ensure ongoing communication and CONTRACTOR will attempt to be
26 available more frequently upon reasonable request from COUNTY. By serving as the Project Manager,
27 CONTRACTOR will have complete oversight on each phase of the project, which will minimize and/or
28 eliminate any potential delays or issues.

29
30 **3. Subcontracted Work**
31

32 CONTRACTOR'S common practice is to subcontract portions of the construction phase including civil and
33 mechanical work to qualified contractors. CONTRACTOR will select a subcontractor to perform portions of
34 the work. If at any time CONTRACTOR should change subcontractor, CONTRACTOR will notify the
35 COUNTY and receive approval to work with another qualified firm; approval shall not be unreasonably
36 withheld. CONTRACTOR will maintain responsibility and oversight on the project to ensure its successful
37 completion.

38
39 **4. Compliance with Federal and State Requirements**
40

41 CONTRACTOR will secure all required permits through the City, COUNTY, State and Federal jurisdictions.
42 CONTRACTOR realizes the importance of having a safe and efficiently managed construction work site and
43 has a construction safety plan. CONTRACTOR will only hire licensed contractors who have years of
44 experience in installing natural gas fueling stations. CONTRACTOR will conduct safety meetings with all
45 subcontractors in an effort to avoid job site related accidents. Meetings shall be held at a minimum of once
46 every two weeks and COUNTY shall be notified of the time and place of such meetings prior to them taking
47 place.

48
49 CONTRACTOR will maintain control of all aspects of project design, material selection, and construction
50 and installation phases of the project.

Exhibit "D"
Operating and Maintenance Services

a. Preventative Maintenance

- CONTRACTOR will use commercially reasonable efforts to follow all of the manufacturer's recommendations for preventative maintenance including all equipment inspections.
- CONTRACTOR will use commercially reasonable efforts to track station operations through a remote monitoring system that will monitor all major components (pressures, temperatures, etc).
- CONTRACTOR will use commercially reasonable efforts to hold quarterly maintenance meetings to discuss station performance and resolve operational issues.

b. Unscheduled/Emergency Maintenance

- A CONTRACTOR maintenance technician will be on call 24 hours a day, 7 days a week, 365 days a year.
- CONTRACTOR will use commercially reasonable efforts to respond no more than four hours from time of notification for unscheduled maintenance and repairs.
- All non-COUNTY customers will all have access to other CONTRACTOR fueling stations in its network.

Exhibit "E"
Inventory Supply and Equipment

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4 1. Station Maintenance Program

5 CONTRACTOR Computerized Maintenance Management System (CMMS) will be used at the
6 station to monitor equipment reliability and performance. The program's monthly maintenance reports shall
7 show maintenance tasks, major/minor repairs and hours logged in addition to the following:
8

- 9 • Management of inventory and orders parts
10 • Tracking hours and specific maintenance work orders
11 • Providing complete history profile of equipment
12 • Providing detailed reports on a monthly basis
13

14 The program shall track each major piece of equipment as its own entity within the system. For each piece
15 of equipment, CONTRACTOR shall develop a preventative maintenance program, which addresses all of
16 the equipment manufacturer's requirements, as well as any enhancements that CONTRACTOR feels are
17 required for special needs. The system shall automatically generate work orders for each piece of
18 equipment when a maintenance item becomes due. These work orders shall be issued to CONTRACTOR'S
19 maintenance personnel and when completed logged in to close off that particular preventative maintenance
20 task. Unscheduled maintenance, repairs, and call-outs shall also be tracked in the system, providing a
21 complete and detailed history on each piece of equipment, allowing identification of recurring issues so they
22 may be addressed proactively. Reports shall be made available to COUNTY upon request.
23

24 2. Spare Parts Inventory

25 CONTRACTOR will use commercially reasonable efforts to stock all major equipment parts at its
26 maintenance facility or in the trucks of its service technicians.
27

28 3. Equipment

29 Equipment at the proposed facility will include a single 4-gallon per minute L/CNG pump capable of
30 producing approximately 500 standard cubic feet (SCFM) of CNG. Also included will be an ambient air
31 high pressure heat exchanger to vaporize and warm the LNG into CNG, an odorant injection system and a
32 cascaded CNG storage with a total volume of 30,000 SCF, a dual-hose CNG dispenser (3000 psig and 3600
33 psig), and one card-reader. Training to fuel with CNG is possible either through CONTRACTOR'S
34 website, CONTRACTOR'S DVD or in person by certified CONTRACTOR staff members.
35

Exhibit "F"
Product Specifications

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5 1. Product delivered under this Agreement shall not be less than ninety-five
6 percent (95%) methane, contain not more than four percent (4%) ethane and one half
7 percent (1/2%) other hydrocarbons, with the balance to be inert gases delivered in a liquid form.
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4 **Exhibit "G"**
5 **Conditions Of Construction**
6

7 Before any work of construction, alteration or repair is commenced on the Land or the Premises, and before
8 any building materials have been delivered to the Land or the Premises by CONTRACTOR or under
9 CONTRACTOR's authority, CONTRACTOR shall comply with all the following conditions or procure
10 COUNTY's written waiver of the condition or conditions:
11

12 1. CONTRACTOR shall prepare final working plans and specifications conforming to preliminary plans
13 previously reviewed by the Department, and shall submit them concurrently to the Department and to the
14 appropriate governmental agencies for approval. Changes from the preliminary plans shall be considered to
15 be within the scope of the preliminary plans (a) if they are made to comply with suggestions, requests or
16 requirements of a governmental agency or official in connection with the application for permit or approval,
17 and (b) if they do not depart in size, utility, or value from the improvements described in the plans and
18 specifications heretofore submitted by CONTRACTOR to the Department.
19

20 The construction plans and specifications shall be prepared by an architect or engineer licensed to practice in
21 California, including but not limited to preliminary grading and drainage plans, soil tests, utilities, sewer and
22 service connections, locations of ingress and egress to and from public thoroughfares, curbs, gutters,
23 parkways, street lighting, designs and locations for outdoor signs, storage areas, architecture and
24 landscaping, all sufficient to enable potential contractors and subcontractors to make reasonably accurate bid
25 estimates. All improvements shall be constructed within the exterior property lines of the Premises; provided
26 that required work beyond the Premises on utilities, access, and conditional use requirements do not violate
27 this Provision. With the plans, CONTRACTOR shall deliver to the Department the certificate of the person
28 who prepared the plans and specifications certifying that CONTRACTOR has fully paid for them or waiving
29 payment and waiving any right to a Lien for preparing them and permitting COUNTY to use the plans
30 without payment for purposes relevant to and consistent with this Agreement.
31

32 CONTRACTOR shall also provide a third party QA/QC consultant, subject to the Department's approval,
33 that will verify all elements of field construction (grading, structural, electrical, mechanical, etc.) and prepare
34 a final report summarizing satisfactory compliance with industry standards and applicable laws, regulations,
35 and permits prior to station operation. CONTRACTOR will issue a copy of the QA/QC consultant's final
36 report summarizing satisfactory compliance with all applicable laws, regulations, permits and industry
37 standards to the COUNTY at no cost.
38

39 2. Notify COUNTY of CONTRACTOR's intention to commence a work of improvement at least
40 twenty (20) days before commencement of any such work or delivery of any materials in connection
41 therewith. The notice shall specify the approximate location and nature of the intended improvements.
42 COUNTY shall have the right to post and maintain on the Premises any notices of nonresponsibility
43 provided for under applicable law, and to inspect the Land and the Premises in relation to the construction at
44 all reasonable times.
45

46 3. Furnish the Department with a true copy of CONTRACTOR's contract with the general contractor
47 and with evidence of the general contractor's financial condition for COUNTY's approval. The contract
48 shall give DISTRICT the right but not the obligation to assume CONTRACTOR's obligations and rights
49 under that contract if CONTRACTOR should default.
50

Exhibit "H"
Landscape Maintenance

1. Contractor shall provide and maintain appropriate drought-tolerant landscaping, screening and irrigation system consistent with the existing landscaping of the Station.

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Exhibit "I"

Request for Proposal # WMARC 040

**Construction of Compressed Natural Gas Facility And
Operation and Maintenance of a Liquid Natural Gas
Facility**

Request for Proposal # WMARC 040

Construction of Compressed Natural Gas Facility
And
Operation and Maintenance of a Liquid Natural Gas Facility



By:
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2980 Washington Street
Riverside, CA 92504-4647
(951) 955-4937 BID FAX (951) 955-3730

Bid Issue Date: 11/07/2006
Buyer # 12 Phone # (951) 486-3333
Joseph Angelone

Return bid to address above:

INSTRUCTIONS TO BIDDERS

- I. Pre-Qualification - Unless stated elsewhere in this document, vendor must register online at www.purchasing.co.riverside.ca.us with all Vendor information, to be qualified.
- II. Prices/Notations - All prices/notations must be typewritten or written in ink. No erasures permitted. Mistakes shall be crossed out, corrections made adjacent and initialed by person signing document. Each item shall be bid separately.
- III. Format - Use the documents provided. If you decide to submit more than one bid, photocopy our documents.
- IV. Pricing/Terms/Tax - All pricing shall be quoted both F.O.B. shipping point and F.O.B. destination, (e.g., cash terms less than 20 days should be considered net) excluding applicable tax. The County pays California Sales Tax and is exempt from Federal excise tax. In the event of an extension error, the unit price shall prevail.
- V. Other Terms and Conditions - The terms and conditions as indicated in this document and/or attached are hereby included with full force and like effect as if set forth herein. Copies of the applicable Terms and Conditions may be obtained by contacting Riverside County Purchasing at the number shown above and requesting a copy be faxed or mailed to you.
- VI. Period of Firm Pricing - Unless stated otherwise elsewhere in this document, prices shall be firm for 45 days after the closing date.
- VII. Specification/Changes - Wherever brand names are used, the words "or equal" shall be considered to appear and be a part of the specification. If you are quoting another make or model, cross out our nomenclature and insert yours. If no make or model is stipulated, insert yours. Attach applicable specifications and/or brochures. Variations in manufacturers, design, etc., may be acceptable, bidders are encouraged to offer them as alternatives; however, the County reserves the right to reject those alternatives as non-responsive.
- VIII. Recycled Material - Wherever possible, the County of Riverside is looking for items made from, or containing in part, recycled material. Bidders are encouraged to bid items containing recycled material as an alternative for the items specified; however, the County reserves the right to reject those alternatives as non-responsive.
- IX. Method of Award - The County reserves the right to reject any or all offers, to waive any discrepancy or technicality and to split or make the award in any manner determined by the County to be most advantageous to the County. The County recognizes that prices are only one of several criteria to be used in judging an offer and the County is not legally bound to accept the lowest offer.
- X. Return of Bid/Closing Date/Return to - The bid response shall be delivered to the address above or may also FAX'ed to the dedicated Secure Bid FAX number listed above by 1:30 p.m. on the closing date listed above. Bid responses not received by County Purchasing by the closing date and time indicated above will not be accepted. The closing date and time and the R.F.Q./R.F.P. number referenced above shall appear on the outside of the sealed envelope or on the FAX cover sheet. A duly executed copy of the signature page of this bid document must accompany your response. The County will not be responsible for and will not accept late bids due to busy FAX lines, incomplete transmissions or delayed mail delivery or courier services.
- XI. Local Preference - The County of Riverside has adopted a local preference program for those bidders located within the County of Riverside. A five percent (5%) price preference may be applied to the total bid price during evaluation of the bid responses. To qualify as a local business, the business must have fixed offices within the geographical boundaries of Riverside County and must credit all sales taxes paid resulting from this RFQ/P to that Riverside County location.
- XII. Disabled Veteran Business Enterprise Preference - The County of Riverside has implemented a Disabled Veteran Owned Business preference policy. A three (3) percent preference shall be applied to the total bid price of all quotes/bids/proposals received by the County from **certified** disabled veterans owned businesses. If the bid is submitted by a non-Disabled Veteran owned business, but lists subcontractors that are identified and qualified as Disabled Owned Business, the total bid price will be adjusted by 3% of the value of that subcontractor's portion of the bid.
- XIII. Delivery Terms - All product shall be quoted F.O.B. destination prepay and add freight. Vendor shall provide all information in the area provided below. The County reserves the right to designate the carrier(s). Ship to address:

IF CHECKED, THE FOLLOWING DOCUMENTS HEREBY MADE PART OF THIS RFQ/P.

- | | | | |
|--|---|---|---|
| <input checked="" type="checkbox"/> APPENDIX "A" | <input type="checkbox"/> PLANS/DRAWINGS | <input type="checkbox"/> SAMPLES | <input checked="" type="checkbox"/> ATTACHMENTS "A" & "B" |
| <input type="checkbox"/> #116-110 | Special Conditions/Response | <input type="checkbox"/> 116-150 | Special Conditions RFP |
| <input checked="" type="checkbox"/> #116-140 | Special Conditions Personal/Professional Services RFP | <input checked="" type="checkbox"/> 116-130 | Equipment Information Sheet |

IF CHECKED, THE FOLLOWING GENERAL CONDITIONS ARE INCLUDED WITH FULL FORCE AND LIKE EFFECT AS IF SET FORTH HEREIN

- | | | | |
|--|--------------------------------|--|--|
| <input checked="" type="checkbox"/> #116-200 | General Conditions | <input checked="" type="checkbox"/> #116-210 | General Conditions Materials and/or Services |
| <input type="checkbox"/> #116-230 | General Conditions - Equipment | <input type="checkbox"/> #116-220 | General Conditions - Public Works |
| <input checked="" type="checkbox"/> #116-260 | Local Preference Affidavit | <input checked="" type="checkbox"/> #116-240 | General Conditions - Personal/Professional Service |

To access any of these General Conditions go to www.co.riverside.ca.us, located in Vendor Registration/Bidding Opportunities.

APPENDIX A
Construction of Compressed Natural Gas Facility
And Operation and Maintenance of a Liquid Natural Gas Facility

1.0 PURPOSE

In an era of environmental interest and concerns about fuel emissions', the public is actively seeking alternatives to gasoline. The County is committed to improving air quality in the South Coast air basin consistent with the Board of Supervisors policy D-2 encouraging the use of alternative fuels. The Riverside County Waste Management (WMD) already has constructed the LNG station using a combination of department funds available for environmental projects and various grant funds from the South Coast Air Quality Management District (SCAQMD), Riverside County Transportation Commission (RCTC) and California Energy Commission (CEC). The LNG station has 24-hour, seven day a week public access controlled through a card lock and gate system. The proposed CNG station will require similar public access and use the LNG in conversion technology as its raw inventory. The County of Riverside does not intend to fund the construction of the CNG station. The awarded company will be responsible for obtaining funding for the construction of the CNG Station and will be responsible for the design, construction of the CNG station, as well as the operation and maintenance of both the LNG and CNG stations, herein after referred to as the STATIONS. The STATIONS are to be located on property owned by the County of Riverside, at 1810 Agua Mansa Road in an unincorporated area at the north edge of the City of Riverside. All cost associated with this is the responsibility of the awarded contractor.

Burrtec Industries operates a transfer station and material recovery facility on a portion of the County property under a lease, which extends to March 10, 2021.

The County property would be leased to the awarded company.

2.0 SCOPE OF SERVICE

2.1. CNG Station

The CNG station would be a 24-hour operation with access to the public. The awarded company for the CNG station would assume all risks of operation including but not limited to injury, accident, failure to deliver, force majeure, maintenance, technology updates, and economic gain or loss.

2.2 LNG Station

In October 2002, the County of Riverside WMD opened the publicly accessible (through a card lock system) LNG station located adjacent to the Robert A. Nelson Transfer Station (RAN transfer station). To date the sole stable customer is Burrtec Waste Industries, Inc. who runs the RAN transfer station under lease from the County. There have been other intermittent users but they are not significant users in terms of LNG volume. The LNG station requires specific training to utilize and has presented a higher level of risk management to the County. All prior commitments made to Burrtec Inc. by the County related to delivery of LNG would need to remain as part of any third party operation in regard to the LNG station.

2.3 Site Infrastructure

Typical Street and utility improvements are available at this site; however, the County makes no warranty as to the adequacy of such improvements for the use of the land as a CNG facility. Each interested party must make its own determination in that regard. Access is as generally shown on the attached map (Exhibit A).

APPENDIX A (cont')

for the Stations and the Stations themselves. Bidder understands that the County shall have no obligation to insure the same or to indemnify Bidder for loss or damage thereof.

3.4 CNG/LNG Service

Provide the Stations with CNG and LNG and bill users at the rate determined by Bidder, provided however, that the County will be provided with a high-volume discount similar to other high-volume users.

3.5 Maintenance

Bidder shall maintain the CNG and LNG Stations and their ancillary equipment in accordance with the following requirements:

3.5.1 Routine Maintenance: Provide scheduled, routine maintenance service in accordance with a schedule as agreed upon with County for the term of Station ownership and shall repair or replace any defective parts or equipment at its expense.

3.5.2 Scheduling: Bidder and County shall mutually agree on times for maintenance to minimize Station downtime

3.5.3 Emergency Service Calls: Provide emergency repair service on a 24-hour, 7-day per week basis and provide the County with emergency contact telephone numbers. Be able to respond as soon as reasonably possible following notification of an emergency by either the County or the County's on-site lessee (i.e. Burrtec Waste, Inc.) but in no case shall the response time be longer than four (4) hours. Repairs shall be undertaken and completed with reasonable diligence.

3.5.4 Other Service Calls: In the event of other operational difficulties that could impair the user's ability to fuel and operate its vehicles, reasonable efforts to respond within four (4) hours following notification by County or County's lessee and repairs shall be undertaken and completed with reasonable diligence.

3.6 Training

Offer sufficient training to all users to assure the safe and efficient use of the Station as well as the protection of the general public, the surrounding parcels and areas, and the proximate business entities working in the area.

3.7 Marketing

Be responsible for the marketing and promotion of the Station and related services to users. Notify when marketing uses the name of the County's on-site lessee (i.e. Burrtec Waste, Inc.), the County of Riverside or the County Waste Management Department.

3.8 Compliance with Law

Obligations under this Agreement, shall comply with all applicable federal, state, and local laws, regulations, ordinances, and rulings, including, but not limited to, those pertaining to health, safety, employment, and environmental matters.

3.9 Abandonment

The County and the operators of the Stations agree to a minimum 120 days mutual written approval and published notice before terminating operations at the Stations.

3.10 Cost

Bidder shall not charge the County for other costs incurred in providing the services specified above.

APPENDIX A (cont'd)

4.6 Administration Fees

An administrative fee will be charged on all delinquent amounts sufficient to reimburse County for the recordkeeping involved in overdue accounts and additional correspondence.

4.7 Ownership of Facility

The County of Riverside will develop a long term lease for the land on which the CNG station would be located. All ownership and responsibility for the equipment brought onto land would remain with the awarded firm. All responsibility for risk management, marketing, delivery and public and environmental safety will remain with awarded firm as well as any economic risk. The County requires evidence of appropriate levels of insurance coverage naming the County as additional insured and performance surety before award a contract. The limits and amounts will be determined by the County during the contract negotiation process.

The awarded firm will be responsible for removing all improvements and restore the premise and leasehold to the prior conditions at no cost to the Lessor or may with written permission vacate the premises leaving some or all of the improvements, which become County property at that time.

5.0 TIMELINE	DATES:
1. RELEASE OF REQUEST FOR PROPOSAL	November 07, 2006 Viewable on County Web page http://www.co.riverside.ca.us
2. MANDATORY BIDDERS MEETING & JOB WALK	9:30 a.m. Tuesday December 05, 2006 14310 Frederick Street Moreno Valley CA 92553
3. DEADLINE FOR SUBMISSION OF QUESTIONS Email: jangelone@co.riverside.ca.us Fax: 951-486-3230 or Voice 951-486-3333 MANDATORY JOB WALK	Must be in the form of an Email or Fax by 10:00 a.m. December 12, 2006
4. DEADLINE FOR PROPOSALS	January 09, 2007 on or before 1:30 p.m. @ 2980 Washington Street, Riverside, CA 92504
5. TENTATIVE DATE FOR AWARDING CONTRACT	Approximately 30 to 90 days after the RFP closes. The County will contact all respondents.

6.0 PERIOD OF PERFORMANCE

The period of Performance shall be for an initial term of ten (10) years beginning on the date that the Chairman of the County of Riverside Board of Supervisors signs an Agreement and shall be renewable under the same terms and conditions for consecutive five (5) year terms unless notice of cancellation is provided in writing as follows:

- ❖ County gives notice by mutual written approval at a minimum of 120 days prior to renewal.

9.0 REQUIRED FORMAT OF PROPOSALS

Proposals must contain the following sections:

- A. Table of Contents
- B. Proposal Cover Page
- C. Company Profile
- D. Description of Construction project
- E. Description of Operating and Maintenance Services
- F. Description of Inventory Supply
- G. Evidence of Insurability/Insurance/Local Preference
- H. References
- I. Financial Information – last three years comparative audited financial statements with detailed operating statements and independent credit rating
- J. Clarification, Exceptions or Deviations

Section A - Table of Contents

This section must have a comprehensive table of contents of material identified by sequential page numbers and by section reference numbers.

Section B - Proposal Cover Page

This section must have a letter of introduction accompanied by the "Proposal Cover Page" that must be signed by an authorized representative.

Section C - Company Profile

This section of the proposal is designed to establish the bidder as an entity with the ability and experience to operate the program as specified in the RFP. The following information must be provided:

- a. **Company hierarchy**
 - o President, Vice President, Company Officers, etc.
- b. **Company overview of services or activities performed.**
 - o History of firm- Include a brief history of the firm
 - o Company size- staff and client base
- c. Location of the office from which the work under this contract will be provided and the staff allocation at that office.

Section D - Description of Proposed Services/Construction Plan

All proposals must include a detailed description of the services to be rendered, including but not limited to the following:

1. Describe recent similar projects. These experiences must show the qualifications of the bidder's team capabilities to complete the County's project. Provide a summary of the scope of services performed for these other projects, a chart clearly indicating the role and organizational relationships of the bidder to its client, and other firms performing work for the project.
2. Provide a work plan or description of how the work will be performed.
3. Describe a description of funding sources, and information about any prior CNG stations built and operated, including the number constructed and operated over time, and those currently operated.
4. Describe how the interaction between your company and the County will take place to ensure that the work is performed and reported in an accurate and timely manner including your company's approach to resolving problems that may be encountered in the field.
5. Indicate whether or not your firm will be subcontracting portion(s) of the work. If so, indicate the name of the subcontractor and the portion of the work, which will be subcontracted.

\$1,000,000 per person per accident. The policy shall be endorsed to waive subrogation in favor of The County of Riverside, and, if applicable, to provide a Borrowed Servant/Alternate Employer Endorsement.

B. Commercial General Liability:

Commercial General Liability insurance coverage, including but not limited to, premises liability, contractual liability, products and completed operations liability, personal and advertising injury covering claims which may arise from or out of BIDDER'S performance of its obligations hereunder. Policy shall name all Agencies, Districts, Special Districts, and Departments of the County of Riverside, their respective directors, officers, Board of Supervisors, employees, elected or appointed officials, agents or representatives as Additional Insured's. Policy's limit of liability shall not be less than \$2,000,000 per occurrence combined single limit. If such insurance contains a general aggregate limit, it shall apply separately to this agreement or be no less than two (2) times the occurrence limit.

C. Vehicle Liability:

BIDDER shall maintain automobile liability insurance for all owned, non-owned or hired vehicles so used in an amount not less than \$1,000,000 per occurrence combined single limit. If such insurance contains a general aggregate limit, it shall apply separately to this agreement or be no less than two (2) times the occurrence limit. Policy shall name all Agencies, Districts, Special Districts, and Departments of the County of Riverside, their respective directors, officers, Board of Supervisors, employees, elected or appointed officials, agents or representatives as Additional Insured's.

D. General Insurance Provisions - All lines:

- 1) Any insurance carrier providing insurance coverage hereunder shall be admitted to the State of California and have an A M BEST rating of not less than A: VIII (A:8) unless such requirements are waived, in writing, by the County Risk Manager. If the County's Risk Manager waives a requirement for a particular insurer such waiver is only valid for that specific insurer and only for one policy term.
- 2) The BIDDER'S insurance carrier(s) must declare its self-insured retentions. If such self-insured retentions exceed \$500,000 per occurrence such retentions shall have the prior written consent of the County Risk Manager before the commencement of operations under this Agreement. Upon notification of self insured retention's unacceptable to the COUNTY, and at the election of the Country's Risk Manager, BIDDER'S carriers shall either; 1) reduce or eliminate such self-insured retention's as respects this Agreement with the COUNTY, or 2) procure a bond which guarantees payment of losses and related investigations, claims administration, and defense costs and expenses.
- 3) BIDDER shall cause BIDDER'S insurance carrier(s) to furnish the County of Riverside with either 1) a properly executed original Certificate(s) of Insurance and certified original copies of Endorsements effecting coverage as required herein, or 2) if requested to do so orally or in writing by the County Risk Manager, provide original Certified copies of policies including all Endorsements and all attachments thereto, showing such insurance is in full force and effect. Further, said Certificate(s) and policies of insurance shall contain the covenant of the insurance carrier(s) that thirty (30) days written notice shall be given to the County of Riverside prior to any material modification, cancellation, expiration or reduction in coverage of such insurance. In the event of a material modification, cancellation, expiration, or reduction in coverage, this Agreement shall terminate forthwith, unless the County of Riverside receives, prior to such effective date, another properly executed original Certificate of Insurance and original copies of endorsements or certified original policies, including all endorsements and attachments thereto evidencing coverage's set forth herein and the insurance required herein is in full force and effect. ***BIDDER shall not commence operations until the COUNTY has been furnished original Certificate (s) of Insurance and certified original copies of endorsements or policies of insurance including all endorsements and any and all other attachments as required in this Section.***

adjustment, settlement or compromise in no manner whatsoever limits or circumscribes BIDDER'S indemnification to COUNTY as set forth herein.

11.3 BIDDER'S obligation hereunder shall be satisfied when BIDDER has provided to COUNTY the appropriate form of dismissal relieving COUNTY from any liability for the action or claim involved.

11.4 The specified insurance limits required in this Agreement shall in no way limit or circumscribe BIDDER'S obligations to indemnify and hold harmless the COUNTY herein from third party claims.

11.5 In the event there is conflict between this clause and California Civil Code Section 2782, this clause shall be interpreted to comply with Civil Code 2782. Such interpretation shall not relieve the BIDDER from indemnifying the COUNTY to the fullest extent allowed by law.

12.0 COMPENSATION

The County of Riverside will develop a long term lease for the land on which the CNG station would be located. All ownership and responsibility for the equipment brought onto land would remain with the awarded firm. All responsibility for risk management, marketing, delivery and public and environmental safety will remain with awarded firm as well as any economic risk. The County requires evidence of appropriate levels of insurance coverage naming the County as additional insured and performance surety before award a contract. The limits and amounts will be determined by the County during the contract negotiation process.

The awarded firm will be responsible for removing all improvements and restore the premise and leasehold to the prior conditions at no cost to the Lessor or may with written permission vacate the premises leaving some or all of the improvements, which become County property at that time.

13.0 INDEPENDENT CONTRACTOR STATUS

BIDDER and its employees and agents shall act at all times in an independent capacity with regard to performance of services or work rendered pursuant to this contract; and BIDDER and its employees and agents shall not act as, shall not be, and shall not in any manner be considered to be agents, officers or employees of County. There shall be no employer-employee relationship between County and BIDDER; and BIDDER and its employees and agents shall not be entitled to any benefits payable to County employees. BIDDER is responsible for payment and deduction of all employment-related taxes on Bidder's behalf and for Bidder's employees, including but not limited to all federal and state income taxes and withholdings. County shall not be required to make any deductions from compensation payable to BIDDER for these purposes. BIDDER shall indemnify County against any and all claims that may be made against County based upon any contention by a third party that an employer-employee relationship exists by reason of this contract; and BIDDER shall indemnify County for any and all federal or state withholding or retirement payments which County may be required to make pursuant to federal or state law.

14.0 CONFLICT OF INTEREST

Bidders will exercise reasonable care and diligence to prevent any actions or conditions that could result in a conflict with the best interest of the County.

This obligation will apply to Bidders' employees, agents, relatives, sub-tier contractors, and third parties associated with accomplishing the work herein.

It is expressly understood that this data will be transmitted to governmental agencies charged with the establishment and enforcement of child support orders and for no other purposes and will be held confidential by those agencies. Failure of the bidder to timely submit the data and/or certificates required may result in the contract being awarded to another bidder. In the event a contract has been issued, failure of the bidder to comply with all federal and state reporting requirements for child support enforcement or to comply with all lawfully served Wage and Earnings Assignments Orders and Notices of Assignment shall constitute a material breach of contract. Failure to comply within 60 calendar days of notice from the County shall constitute grounds for termination of the contract.

If you have any questions concerning this reporting requirement, please call (916) 657-0529. You may also contact your local Employment Tax Customer Service Office listed in your telephone directory in the State Government section under "Employment Development Department," or you may access their Internet site at www.edd.ca.gov.

20.0 CANCELLATION OF PROCUREMENT PROCESS

County may cancel the procurement process at any time. All proposals become the property of the County. All information submitted in the proposal becomes "public record" as defined by the State of California upon completion of the procurement process. If any proprietary information is contained in or attached to the proposal, it must be clearly identified by the bidder; otherwise the bidder agrees that any and all documents provided may be released to the public after contract award.

This Request for Proposal does not commit the County to award a contract or to pay any costs incurred in the preparation of a proposal on response to this request. The County reserves the right to accept or reject any or all proposals received as a result of this request, to negotiate with any qualified source or to cancel in part or in its entirety this Request for Proposal if it is in the best interest of the County.

Attachment "B"
Local Business Qualification Affidavit

The County of Riverside Local Business preference may be applied to this Request for Proposal. If your company qualifies for this preference, please submit this form along with your company's response to the above referenced RFP.

Definition of Local Business

A local business shall be defined as a company and/or firm with fixed offices located within the geographical boundaries of Riverside County, authorized to perform business activities within the county, and in doing so, credit all sales tax from sales generated within Riverside County to the county, and that provides product or performs contracted work using employees, of whom the majority are physically located in said local offices.

Local businesses shall have a Riverside County business street address. Post office box numbers, residential addresses or unstaffed sales offices shall not suffice to establish status as a "Local Business". To qualify as a "Local Business" the location must be open and staffed during normal business hours and the business must establish proof that it has been in its location and doing business in Riverside County for a minimum of six (6) months preceding its certification to the County as a local business.

Additional supporting documentation may be required to verify qualification including:

1. A copy of your current SS2 form (State, Local & District Sales and Use Tax Return form). This is what businesses submit to the State Board of Equalization when paying the sales tax to the State of California indicating the amount of the payment to be credited to each jurisdiction (i.e. Counties, Cities).
2. A current business licenses, if required, for the political jurisdiction the business is located.
3. Proof of the current business address. The local business needs to be operating from a functional office that is staffed with the company's employees, during normal business hours.

Business Name: _____

Physical Address: _____

Telephone: _____ Fax: _____ E-Mail: _____

Length of time at this location: _____ Number of employees at this address: _____

If less than six months,
List previous Riverside County location: _____

Business License # (where applicable): _____ Jurisdiction: _____

Hours of operation: _____

Primary function or location (i.e., sales, distribution, production, corporation, etc): _____

Signature of Company Official Date

Submittal of false data will result in disqualification of local preference and/or doing business with Riverside County.

Exhibit "I"

**Request for Proposal # WMARC 040 Addendum 1
Construction of Compressed Natural Gas Facility And
Operation and Maintenance of a Liquid Natural Gas
Facility**

**COUNTY OF RIVERSIDE
PURCHASING AND FLEET SERVICES**

2980 Washington Street
Riverside, CA 92505-4647

Phone (951) 955-4937
FAX (951) 955-3730

REQUEST FOR PROPOSAL ADDENDUM

**Construction of Compressed Natural Gas facility
And
Operation and Maintenance of a Liquid Natural gas Facility**

RFP # WMARC - 040 Addendum # 1 Addendum Issue Date 12/19/2006

This Addendum is intended to provide additional information and/or to change requirements in the above referenced RFQ. Any information contained herein will be considered part of the RFQ and as such will be used in the evaluation of the bid responses. If you have already submitted your bid, please review this addendum and re-submit your response should this addendum modify your response.

ADDENDUM DESCRIPTION

This addendum is being issued to inform you of the following:

Question #1. *Will the County provide "As Built" or record drawings for the existing LNG fueling infrastructure including: bills of materials as to valving, vacuum insulated/jackets pipe, foundation/anchoring hardware, tank specifications, pump/sump/metering detail, pipe isometrics/spools (if available), electrical diagrams (e.g. one line with terminations, conduit schedules), existing methane/flame detection systems, any modifications performed since station commissioning, information regarding existing automated fueling hardware and software.*

Answer #1. "As Built" Drawings, including civil, mechanical, and electrical were sent out via a next day service on December 13, 2006. If these specification drawings do not answer all of the above mentioned, please request further specification questions to Buyer noted on bid.

Question #2. *Please clarify provision of bulk LNG to the station with regard to current incumbent supplier and term of contract. What provision is there for the proponent of operation/maintenance to secure LNG if current provider is unable to supply? Can proponent negotiate volume discounts?*

Answer #2. The current County contract to supply LNG is currently held by Clean Energy and expires November 4, 2007. The County may terminate current contract upon written notification and if current provider is unable to supply product, the County at its discretion may procure product from another supplier.

Question #3. *Who will negotiate bulk LNG supply at the expiration of the current contract? Will the County undertake a bid process or RFP or will the proponent of this WMARC 040 become responsible for bulk LNG procurement?*

Answer #3. County Central Purchasing will negotiate bulk LNG at expiration of the current contract and accomplished through the Request for Proposal (RFP) process.

**COUNTY OF RIVERSIDE
PURCHASING AND FLEET SERVICES**

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Question #4. *Can the County supply information regarding total fuel volumes used for the past five years, and by station customer?*

Answer #4. **Burrtec is the current customer base with the following fuel volumes; 2003 - 105,488 / 2004 - 87,181 / 2005 - 138,487 / October 2006 - 139,180**

Question #5. *Will the evaluation process recognize and provide preference for LNG supply from other than conventional sources, i.e. landfill gas produced in southern California?*

Answer #5. **The Request for Proposal process is open to evaluation of proponent's submittals.**

Question #6. *Will the County allow bulk LNG filling of mobile fueling systems to fuel off site vehicles?*

Answer #6. **At this time No. After award of a County contract, this option may be discussed.**

Question #7. *Is the County requiring bid and performance bonds on the project?*

Answer #7. **At time of construction, Yes, performance bonds are required.**

ALL OTHER ITEMS REMAIN THE SAME

Buyer: Joseph T Angelone
jangelone@co.riverside.ca.us

Phone: (951) 486-3333

Exhibit "I"

**Request for Proposal # WMARC 040 Addendum 2
Construction of Compressed Natural Gas Facility And
Operation and Maintenance of a Liquid Natural Gas
Facility**

**COUNTY OF RIVERSIDE
PURCHASING AND FLEET SERVICES**

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REQUEST FOR PROPOSAL ADDENDUM

Construction of Compressed Natural Gas facility
And
Operation and Maintenance of a Liquid Natural Gas Facility

RFP # WMARC - 040 Addendum # 2 Addendum Issue Date 01/04/2007

Original Closing date: January 09, 2007 New Closing Date: January 17, 2007

This Addendum is intended to provide additional information and/or to change requirements in the above referenced RFQ. Any information contained herein will be considered part of the RFQ and as such will be used in the evaluation of the bid responses. If you have already submitted your bid, please review this addendum and re-submit your response should this addendum modify your response.

ADDENDUM DESCRIPTION
<p>This addendum is being issued to inform you of the following:</p> <p>THE DEADLINE FOR SUBMISSION OF PROPOSALS HAS BEEN EXTENDED TO JANUARY 17, 2007 @ 1:30 P.M.</p>

ALL OTHER ITEMS REMAIN THE SAME

Buyer: Joseph T Angelone
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Phone: (951) 486-3333

Exhibit "J"
Political Entities

Riverside County Agricultural Commissioner
Riverside County Animal Control
Riverside County Assessor-County Clerk-Recorder
Riverside County Auditor-Controller
Riverside County Board of Supervisors
Riverside County Building and Safety
Riverside County Career Development
Riverside County Child Support Services
Riverside County Clerk of the Board
Riverside County Commission for Women
Riverside County Community Action
Riverside County Community Facilities Districts
Riverside County Community Health Agency
Riverside County Cooperative Extension
Riverside County Coroner's Office
Riverside County Clerk
Riverside County Counsel
Riverside County District Attorney's Office
Riverside County Economic Development
Riverside County Environmental Health
Riverside County Facilities Management
Riverside County Fire Department
Riverside County Fleet Services
Riverside County Flood Control & Water Conservation District
Riverside County Housing Authority
Riverside County Human Resources
Riverside County Information Technology
Riverside County Law Library
Riverside County Library System
Riverside County Mental Health
Riverside County Office on Aging
Riverside County Park & Open Space District
Riverside County Planning
Riverside County Probation
Riverside County Public Defender
Riverside County Public Guardian
Riverside County Public Health
Riverside County Public Social Services
Riverside County Purchasing
Riverside County Recorder
Riverside County Regional Medical Center
Riverside County Registrar of Voters
Riverside County Sheriff
Riverside County Superior Court
Riverside County Transportation and Land Management
Riverside County Treasurer-Tax Collector
Riverside County Veteran's Services Office
Riverside County Workforce Development