

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



**SUBMITTAL DATE:**  
February 9, 2016

**FROM:** Riverside University Health System - Public Health/Community Action Partnership

**SUBJECT:** Ratify the Energy Savings Assistance Program Agreement #5660044787 with Southern California Gas Company for the performance period of January 1, 2016 – January 31, 2017. [District: All] [\$77,778] [100% funded by Southern California Gas Company]

**RECOMMENDED MOTION:** That the Board of Supervisors:

1. Ratify Agreement #5660044787 to the Energy Savings Assistance Program (ESAP) Agreement with Southern California Gas Company (SCGC) for the term of January 2016 through January 2017 in the amount of \$77,778;
2. Authorize the Director of Public Health to sign amendments and extensions to the Agreement that do not change the substantive terms of the agreement, as approved by County Counsel;
3. Authorize the Executive Director of Community Action Partnership to administer the program and sign all assurances, exhibits and reports made under the 2016 Energy Savings Assistance Program (ESAP) Agreement #5660044787; and
4. Approve and direct the Auditor Controller to make budget adjustment as specified on Schedule A attached.

**BACKGROUND:**

**Summary**

See page 2

BSF:lv

*Sarah S. Mack*

Sarah S. Mack, M.P.H.  
Interim Director

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost:	POLICY/CONSENT (per Exec. Office)
COST	\$ 77,778	\$ 0	\$ 77,778	\$ 0	Consent <input type="checkbox"/> Policy <input checked="" type="checkbox"/>
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0	

**SOURCE OF FUNDS:** 100% Southern California Gas Company

Budget Adjustment: yes

For Fiscal Year: 15/16-16/17

**C.E.O. RECOMMENDATION:**

APPROVE

BY:

*Donna Shaw*  
Donna Shaw

County Executive Office Signature

**MINUTES OF THE BOARD OF SUPERVISORS**

FORM APPROVED COUNTY COUNSEL  
DATE 2/29/16  
BY: GREGORY P. PRIAMOS  
FISCAL PROCEDURES APPROVED  
PAUL ANGULO, CPA, AUDITOR-CONTROLLER  
BY: Susana Garcia-Bocanegra 3/3/16 Departmental Concurrence

- ☐ A-30  
☒ 4/5 Vote  
☐ Positions Added  
☐ Change Order

Prev. Agn. Ref.:

District: All

Agenda Number:

**3-20**

**SUBMITTAL TO THE BOARD OF SUPERVISORS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**  
**FORM 11:** Ratify the Energy Savings Assistance Program Agreement #5660044787 with Southern California Gas Company for the performance period of January 1, 2016 – January 31, 2017. [District: All] [\$77,778]  
[100% funded by Southern California Gas Company]  
**DATE:** February 9, 2016  
**PAGE:** 2 of 3

**BACKGROUND:**

**Summary (continued)**

The Energy Savings Assistance Program (ESAP) Agreement #5660044787 in the amount of \$77,778 brings Southern California Gas Company funding to the County of Riverside for the term January 1, 2016 through January 31, 2017. Currently, this contract is under the California Public Utility Commission (CPUC) bridge funding. This Current contract dollar amount would last up to June 2016 with additional funds by July 2016. Community Action Partnership uses Energy Savings Assistance Program (ESAP) funding to educate and weatherize low-income households with energy efficiency measures such as Natural Gas Appliance Testing (NGAT), weatherstripping, caulking, attic insulation, and other energy efficient measures which help reduce energy impact and lower natural gas costs.

**Impact on Citizens and Businesses**

The Energy Savings Assistance Program (ESAP) will allow Community Action Partnership to install no-cost weatherization measures in homes of eligible low-income residents within Riverside County and conduct energy education to them. The fund in the amount of \$77,778.00 will serve 125 homes.

**SUPPLEMENTAL:**

**Additional Fiscal Information**

No County General Funds will be required

**ATTACHMENTS (if needed, in this order):**

**A. BUDGET ADJUSTMENT**

Schedule A

**SCHEDULE A**

Riverside University Health System – Public Health/Community Action Partnership

Budget Adjustment  
Fiscal Year 2015/2016

**INCREASE IN ESTIMATE REVENUE:**

CAARC-21050-5200200000-767200	Federal Block Grants	<u>\$77,778</u>
TOTAL		\$77,778

**INCREASE IN APPROPRIATIONS:**

CAARC-21050-5200200000-510040	Regular Salaries	\$ 2,185
CAARC-21050-5200200000-518100	Budgeted Benefits	\$ 940
CAARC-21050-5200200000-536240	Other Contract Agencies	<u>\$74,653</u>
TOTAL		\$77,778



**Southern California Gas Company Standard Service Agreement**  
**for**  
**Labor and/or Services**

<b>SERVICE TITLE:</b>	ESAP Enrollment and Assessment (E&A)/Weatherization (Wx)	
<b>CONTRACTOR:</b>	Community Action Partnership of Riverside County 2038 Iowa Avenue Suite B102 Riverside, CA 92507	Southern California Gas Company 555 West 5 <sup>th</sup> Street Los Angeles, CA 90013

This Standard Service Agreement ("Agreement") is made effective as of January 1, 2016 between Southern California Gas Company ("Company") and Community Action Partnership of Riverside County ("Contractor").

The Parties hereby agree as follows:

**SCOPE**

Contractor shall perform, at its own proper cost and expense, in the most substantial and skillful manner, to the satisfaction of Company, the services as more fully described in, SCHEDULE "E" and SCHEDULE "F" of the Agreement (collectively, the "Services" or "Program Services") and in accordance with the general requirements set forth on SCHEDULE "D".

Set forth below is a general description of the type of services that are set forth in further detail within SCHEDULE "E" and "F".

<b>Service Type</b>	<b>Description</b>
E&A	E&A services are performed to enroll qualified Customers into the program, assess the needs of the home and provide energy education
Wx	Installation of weatherization measures in accordance with ESAP requirements

**FUNDING AND SERVICE ADJUSTMENTS**

Company may, by written notification to Contractor, make changes to the Services or change the NTE funding limitation and/or unit goals described in SCHEDULE C on this Agreement. If such an event were to occur, Contractor shall immediately begin performing the Services under the new guidelines provided by Company.

**AUTHORIZED REPRESENTATIVES**

Company designates the individual or individuals named below as Company Representatives for all matters relating to the performance of the Services. The actions taken by the Company Representatives shall be deemed acts of the Company. Company may at any time upon written notice to Contractor or specific to a Release to change the designated Company Representative.

Company Representative: Mark Aguirre

Contractor designates the individual or individuals named below as Contractor Representative for all matters relating to the performance of Services. The actions taken by Contractor Representative shall be deemed acts of Contractor. Contractor Representative or designated superintendent shall be at the jobsite at all times during the Services. Contractor may at any time upon written notice to Company change the designated Contractor Representative.

Contractor Representative: Lin Vong

**COMPENSATION**

Contractor shall be compensated for the Services as more fully described in SCHEDULE C of the Agreement. Contractor hereby agrees to accept as full compensation for satisfactory performance of the Services the labor rates and factors described in SCHEDULE C of the Agreement.

**COMMENCEMENT AND COMPLETION OF SERVICES**

This Agreement shall commence as of January 1, 2016 and shall be in full force and effect through January 31, 2017, unless terminated earlier by Company in accordance with the terms of this Agreement. Contractor agrees to commence and perform the Services in accordance with the requests of Company Representative identified herein. The nature of the Services is such that timely performance is critical to the orderly progress of related work and to the operating schedule of Company.

**DIVERSE BUSINESS ENTERPRISES**

It is the policy of Company to provide maximum opportunity for women, minority and service disabled veteran business enterprises, hereafter referred to as Diverse Business Enterprises ("DBE") to participate in the performance of contracts. As part of Company's efforts toward achieving its DBE goals, Company requests and expects as performance under this Agreement, Contractor to utilize DBE subcontractors and suppliers as stated in Contractor's DBE Subcontracting Commitment and Reporting Policy, wherein Contractor agrees to achieve specified commitment, stated in DBE Subcontracting Commitment and Reporting Policy, for DBE participation in relation to the firm fixed price and periodically report to Company such participation attainment, which participation level may be amended from time to time.

**INVOICING INSTRUCTIONS**

Contractor shall invoice Company in accordance with the Compensation provisions of a specific Agreement Number and the rates for the specific measures that are indicated in the HEAT system at the time of service. All invoices submitted shall reference the Agreement Number and have complete support documentation of all charges incurred, including any data required to

calculate fees or variable rate changes plus support documentation for any authorized reimbursable expenses by category.

The Contractor shall send all invoices and supporting documents to the following address:

Billing Address: Southern California Gas Company  
ESAP  
ML GT 19A2  
P.O. Box 513249  
Los Angeles, CA 90051-1249

Invoices shall be submitted within ten (10) calendar days from the date the work flow step is processed in the HEAT system. Failure to submit invoices and supporting documentation within the time frame set forth above may result in non-payment by Company for Services provided by Contractor.

See Contractor's authorized service schedule(s) as described in Schedule E and Schedule F.

Company shall make payment Net thirty (30) days, after receipt and approval of an undisputed invoice to the following address:

2038 IOWA AVE SUITE B102  
RIVERSIDE, CA 92507

**COMPLETE AGREEMENT**

This Agreement, including all Schedules attached hereto and which are incorporated by reference, constitutes the complete and entire Agreement between the parties and supersedes any previous communications, representations or agreements, whether oral or written, with respect to the subject matter hereof. There are no additions to, or deletions from, or changes in, any of the provisions hereof, and no understandings, representations or agreements concerning any of the same, which are not expressed herein. **THE PARTIES HEREBY AGREE THAT NO TRADE USAGE; PRIOR COURSE OF DEALING OR COURSE OF PERFORMANCE UNDER THIS AGREEMENT SHALL BE A PART OF THIS AGREEMENT OR SHALL BE USED IN THE INTERPRETATION OR CONSTRUCTION OF THIS AGREEMENT.**

The following Schedules are attached hereto and incorporated herein by this reference:

**SCHEDULE A – GENERAL TERMS AND CONDITIONS**

**SCHEDULE B – DIVERSE BUSINESS ENTERPRISES SUBCONTRACTING PLAN  
AND REPORTING REQUIREMENTS**

**SCHEDULE C – COMPENSATION**

**SCHEDULE D – GENERAL REQUIREMENTS**

**SCHEDULE E – ENROLLMENT AND ASSESSMENT**

**SCHEDULE F – WEATHERIZATION**

**SCHEDULE G – INSPECTIONS**

**SCHEDULE H – HVAC**

**SCHEDULE I – HVAC/WEATHERIZATION**

**SCHEDULE J – CONTRACTOR SERVICE TERRITORY BY ZIP CODE**

**IN WITNESS WHEREOF**, the parties have executed this Agreement as of January 1, 2016.

**Southern California Gas Company**

**Community Action Partnership of Riverside  
County**

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

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

**Name:** Maria Cermenio

**Name:**

**Title:** Contracting Agent

**Title:**

1 ORANGE COUNTY COUNSEL  
BY: *Neal R. Kipnis* DATE: *1/13/16*



## SCHEDULE A

### Southern California Gas Company GENERAL TERMS AND CONDITIONS

**PARTIES.** This Agreement is entered into between Company and Contractor.

**CONTRACT FORMATION.** By this Agreement, Company offers to contract with Contractor solely upon the terms and conditions stated herein. Any additional or different terms and conditions proposed by Contractor prior to the execution of this Agreement are not agreed to, and hereby expressly rejected. Any additional or different terms and conditions proposed by Contractor after the Effective Date of this Agreement shall be of no force and effect unless expressly agreed to in writing by Company. Contractor accepts and shall be bound by the terms and conditions of this Agreement upon the earlier of (a) the Effective Date of this Agreement or (b) when it commences performance of the Services. No other form of acceptance shall be binding on Company.

**CHANGE ORDERS.** Company may at any time, in writing, direct or authorize Contractor to make changes or modifications to the work within the general scope of this Agreement. All such changes must be agreed upon and duly authorized in writing by both parties prior to Contractor's implementation thereof. Company shall not be required to make any payment for any change or modification which is not authorized in writing.

**INVOICING.** If Contractor's invoice price does not match the Agreement price, Company shall pay Contractor the lesser of the amount payable under this Agreement or the invoice. When Contractor is considered to be a retailer under California law, Contractor's invoices shall properly identify California sales or use tax as a sales or use tax, and separately state the amount of such tax and any freight, installation, technical service or other charge which is excludable from such tax.

**PERFORMANCE.** Contractor shall, and shall cause its employees, and any agents, suppliers, subcontractors or other individuals or entities performing the Services on behalf of Contractor (each hereinafter, a "Contractor Party") to, perform the Services in accordance with established professional business standards and ethics and in conformity with each and every term of this Agreement. Contractor shall remedy any and all deficiencies in its Services that result from Contractor's or any Contractor Party's failure to adhere to the scope of work.

**WARRANTIES.** Contractor expressly represents and warrants that all the Services performed hereunder shall be performed in a good and workmanlike manner, and in compliance with the performance standards, drawings, specifications and any other description of services set forth in the scope of work, and the terms and conditions of this Agreement. Company may reject any Services failing to meet such standards, and require Contractor to promptly repeat, correct or replace such Services, at no charge to Company or, at Company's election, Company may hire a third party to complete the Services at Contractor's expense. Contractor further warrants and agrees that none of the materials to be furnished by Contractor or any Contractor Party in the performance of the Services contain asbestos or asbestos-containing materials, unless feasible alternatives or commercially reasonable replacements do not exist or are not available, and Company has approved of the same in writing.

**INSPECTION.** All Services performed by Contractor or any Contractor Party shall be subject to the inspection and approval of Company at all times, but such right of inspection of the Services shall not relieve Contractor of responsibility for the proper performance of the Services, nor shall such inspection waive Company's right to reject the Services at a later date. Contractor shall provide Company access to the facility or facilities where the Services are being performed and sufficient, safe and proper work conditions for such inspection. Contractor shall furnish Company such information concerning its operations and/or the performance of the Services as Company may request.

**ADHERENCE TO COMPANY'S RULES.** Contractor shall conduct its operations in strict observation of access routes, entrance gates or doors, parking and temporary storage areas as designated by Company. Under no circumstances shall Contractor or any Contractor Party's personnel, vehicles or equipment enter, move or be stored upon any area not authorized in writing by Company.

**COMPANY AND REGULATORY SECURITY PROCEDURES.** Contractor shall abide by all Company security procedures, rules and regulations and shall cooperate with Company security personnel whenever on Company's property, whether owned or leased. Contractor shall comply with and observe all applicable regulatory security procedures and requirements, including applicable Federal Energy Regulatory Commission Critical Infrastructure Protection Reliability Standards codified at FERC Order 791 (18 C.F.R. pt. 40).

**PROHIBITION ON NON-PUBLIC INFORMATION SHARING.** Contractor understands that the California Public Utilities Commission ("CPUC") and the Federal Energy Regulatory Commission ("FERC") have issued certain Affiliate Rules, including (a) CPUC Decisions ("D.") 06-12-029 and 98-03-073, and (b) FERC Orders 697 (18 C.F.R. Section 35.39(g)) and 717 (18 C.F.R. pt. 358). Contractor and any Contractor Party may be in receipt of or have access to non-public information which is subject to the foregoing rules. In accordance with those rules, Contractor agrees and shall cause each Contractor Party to agree not to disclose or allow access to: (a) any non-public information of San Diego Gas & Electric Company and/or Southern California Gas Company with any entity affiliated with such utilities by virtue of substantial, even if not majority, direct or indirect ownership, other than the ultimate parent company of both such entities, Sempra Energy, Inc. (each, a "Sempra Subsidiary"); (b) any non-public electric or gas marketing, procurement or transmission-related information of any Sempra Subsidiary with any other Sempra Subsidiary; (c) any non-public transmission-related information of any Sempra Subsidiary's transmission operations with persons participating in the performance of the same Sempra Subsidiary's or any other Sempra Subsidiary's electric and/or gas procurement, marketing or other merchant functions; or (d) any gas procurement, marketing or merchant information associated with Southern California Gas Company's merchant function with persons participating in the performance of Southern California Gas Company's and/or San Diego Gas & Electric Company's gas operations function.

**Training.** Contractor agrees that it or any Contractor Party may be required to complete training regarding the foregoing at Company's sole discretion.

#### **CONTRACTOR**

It is agreed that Contractor is an independent business separate from Company and shall perform the Services as an independent contractor, and no principal-agent or employer-employee relationship or joint-venture partnership shall be created with Company.

Contractor represents to Company that Contractor and each Contractor Party is properly licensed (including, to the extent required by law to perform or to subcontract the Services, all necessary and appropriate licenses from the Contractors' State License Board), fully experienced and qualified (including having all necessary authorizations) to perform the class and type of Services as specified in this Agreement, in addition to being properly insured, equipped, organized, staffed, and financed to handle such Services, and shall remain properly licensed, authorized, insured, equipped, organized, staffed and financed to handle the Services throughout the term of this Agreement. Contractor shall not employ for the Services any person or entity that is unskilled or unlicensed in the work assigned to such person or entity.

Contractor acknowledges that it is responsible for its debts and obligations. Subject to and without limiting Contractor's obligation to perform as required under this Agreement, Contractor understands and agrees that Company has no authority to direct or control Contractor or any Contractor Party. Contractor shall perform the Services in an orderly and professional manner in accordance with industry standards. Contractor shall use prudent business practices in its relationships with each Contractor Party. Contractor shall not hold itself or its employees out as employees or agents of Company. Subject to the Article entitled "**CONTRACTOR PARTIES**" herein, Contractor acknowledges that it is free to contract with others for similar services. Contractor shall provide and maintain its own business premises, equipment, and supplies at its sole expense.

Prior to commencing Services and at any time upon request of Company, Contractor will provide a list of its employees and each Contractor Party's employees who will execute the Services. The employee list will disclose any individuals who are former employees of Company or of any direct and indirect parent, affiliate and/or subsidiary of Company. Company has the right to disapprove the use of one or more of such employees who will be executing the Services, and upon such notice of disapproval, Contractor shall immediately cease the use of such individual(s) in executing the Services.

Regardless of the nature or duration of any assignment with Company, no Contractor Party shall be eligible for or entitled to participate in any of Company's employee benefit plans, programs, policies or practices which may now or in the future be in effect, including any pension, retirement, or 401(k) plan; any profit sharing, stock option, bonus or incentive compensation plan; any life or health insurance plan; any vacation or holiday pay plan; or any separation payment plan. Contractor shall, or shall require that each Contractor Party is contractually obligated to treat individuals performing Services under this Agreement as its employees for the purposes of satisfying the requirements of the Patient Protection and Affordable Care Act of 2010, as amended (the "Affordable Care Act"), including the requirements of Internal Revenue Code section 4980H, Internal Revenue Code section 6056, and the requirements of Sections 18A and 18B of the



Fair Labor Standards Act. Furthermore, Contractor shall, or shall require that each Contractor Party is contractually obligated to offer minimum essential coverage that is both affordable and of minimum value to all individuals (and their dependents) performing any part of the Services who are full-time employees in accordance with Internal Revenue Code section 4980H and the regulations issued thereunder, provided that Contractor or any such Contractor Party is a "large employer" subject to section 4980H.

#### OWNERSHIP OF INTELLECTUAL PROPERTY.

Any idea, invention, work of authorship, drawing, design, formula, algorithm, utility, tool, pattern, compilation, program, device, method, technique, process, improvement, enhancement, modification, development or discovery, whether or not patentable, or copyrightable, or entitled to legal protection as a trade secret or otherwise, that Contractor or any Contractor Party may conceive, make, develop, create, reduce to practice, or work on, in whole or in part, in the course of performing the Services (hereinafter, collectively, "Invention") shall be owned by Company and shall be delivered to Company upon completion of the Services. Contractor agrees that any copyrightable Invention shall constitute a "work made for hire." Contractor hereby assigns to Company, and shall cause each Contractor Party to assign to Company, without royalty or any further consideration, its entire right, title and interest in and to any such Inventions. At Company's request, Contractor shall execute and cause each Contractor Party to execute an assignment confirming such action upon the completion of any work made for hire.

Contractor hereby grants to Company, and shall promptly either cause each Contractor Party to grant to Company or shall promptly sublicense to Company, an irrevocable, assignable, nonexclusive royalty-free unrestricted license to use, copy, distribute and make derivatives of any proprietary rights or specialized knowledge of Contractor that are part of any "Work Product" (defined below) furnished by Contractor to Company under this Agreement.

If requested by Company, Contractor agrees to take all actions necessary, at Company's sole cost and expense, to obtain, maintain or enforce patents, copyrights, trade secrets and other proprietary rights in connection with any Invention, and Contractor agrees that its obligations under this Article shall survive termination or expiration of this Agreement.

Any and all material and tangibly expressed information prepared, accumulated or developed by Contractor or any Contractor Party, including documents, drawings, designs, calculations, maps, plans, workplans, text, filings, estimates, manifests, books, specifications, sketches, notes, reports, summaries, analyses, data models and samples, including summaries, extracts, analyses and preliminary or draft materials developed in connection therewith (hereinafter, collectively "Work Product"), shall become the sole property of Company without any further consideration to be provided therefore when (a) prepared or in process, in connection with the Services and (b) whether or not delivered by Contractor. Contractor shall deliver the Work Product, or any portion thereof, to Company on request, together with any other requested materials and/or equipment furnished to Contractor by Company hereunder, and, in any event, upon termination or expiration of this Agreement.

#### INDEMNITY.

As between Company, and Contractor, Contractor shall be solely responsible for and Contractor shall indemnify, defend and hold Company, and its current and future direct and indirect parent company(ies), subsidiaries, affiliates and their respective directors, officers, shareholders, employees, agents, representatives, successors and assigns (collectively, including Company, the "Indemnitees") harmless for, from and against any and all claims, actions, suits, proceedings (collectively, "Claims"), losses, liabilities, penalties, fines, damages, demands, costs and/or expenses, including all reasonable consulting and attorneys' fees (including fees and disbursements of in-house and outside counsel) of any kind whatsoever (collectively, "Liabilities") resulting from: (a) injuries to or death of any and all individuals, including members of the general public, or any employee, agent, independent contractor or consultant or affiliate of either Company or Contractor, arising out of or connected in any manner with the performance of Services by Contractor or any Contractor Party, (b) damage to, loss, and/or destruction of property, arising out of or connected in any manner with the performance of Services by Contractor or any Contractor Party, (c) Contractor or any Contractor Party's failure to comply with the Article entitled "COMPLIANCE WITH LAWS" herein, or (d) other third party Claims and Liabilities of any kind, whether based upon negligence, breach of contract, strict liability or otherwise, arising out of or connected in any manner with Contractor's or a Contractor Party's acts or omissions in breach of this Agreement. This indemnification obligation shall not apply to the extent that injuries, death, loss, damage or destruction is caused by either the willful misconduct of Company or Company's sole negligence.

Contractor shall indemnify, defend and hold the Indemnitees harmless for, from and against any and all Claims and Liabilities arising from or in connection with: (a) actual or alleged infringement or misappropriation by Contractor or any Contractor Party of any patent, copyright, trade secret, trademark, service mark, trade name, or other intellectual property right in connection with the Services, including any deliverable or related "work product"; and (b) Contractor or any Contractor Party's violation of any third party license to use intellectual property in connection with the Services, including any deliverable or related "work product."

If any Claim is brought against an Indemnitee arising out of or related to this Agreement or the Services, then Contractor shall assume the defense of such Claim with counsel reasonably acceptable to such Indemnitee, unless in the opinion of counsel for such Indemnitee a conflict of interest between such Indemnitee and Contractor may exist with respect to such Claim. If a conflict precludes Contractor from assuming the defense of such Indemnitee, then Contractor shall reimburse such Indemnitee on a monthly basis for such Indemnitee's defense costs through separate counsel of such Indemnitee's choice. If Contractor assumes the defense of such Indemnitee with acceptable counsel, such Indemnitee, at its sole option and expense, may participate in the defense with counsel of such Indemnitee's own choice without relieving Contractor of any of its obligations hereunder.

Contractor shall, and shall require that all Contractor Parties are contractually obligated to, indemnify, defend and hold Indemnitees harmless from and against all Claims and Liabilities: (a) asserted by or on behalf of any individual performing any Services alleging that, in connection with the Services, he or she is entitled to participate in any Indemnitee's employee benefit plans, programs, policies or practices which may now or in the future be in effect, including any pension, retirement, 401(k), profit sharing, stock option, bonus, incentive compensation, life insurance, health insurance, vacation, holiday, or separation payment plan; and (b) arising out of any assertion by the IRS that an individual performing any Services is a common law employee of any Indemnitee, including any Claims and Liabilities for taxes owed under Internal Revenue Code section 4980H.

Contractor's obligation to indemnify the Indemnitees under this Article shall not be limited in any way by any limitation on the amount or type of damages, compensation, penalty or benefits payable by or for Contractor or any Contractor Party under any statutory scheme, including any Workers Compensation Acts, Disability Benefit Acts or other Employee Benefit Acts.

#### INSURANCE.

**GENERAL REQUIREMENTS.** Contractor's insurance requirements are set forth as follows, but shall not in any way limit the amount or scope of liability of Contractor under this Agreement. This Article constitutes the minimum insurance and requirements relating thereto.

##### EFFECTIVENESS, CERTIFICATES, NOTICE OF CANCELLATION.

On or before the Effective Date of this Agreement, and thereafter during its term, Contractor shall provide Company with original, current certificates of insurance, and renewal certificates of insurance, including applicable endorsements, thereafter, executed by a duly authorized representative of each insurer, or by the insurance agent or broker authorized to do so, as evidence of all insurance policies required under this Article. Contractor shall not commence Services until Contractor has obtained all insurance required by this Article and has provided acceptable certificates of insurance. No insurance policy may be canceled, materially revised, or subject to non-renewal without at least thirty (30) days prior written notice being given to Company, ten (10) days for non-payment of premium. Contractor shall provide Company with renewal certificates of insurance or binders within five (5) business days prior to or after such expiration. Insurance shall be maintained without lapse in coverage during the term of this Agreement. Company shall also be given certified copies of Contractor's policies of insurance, upon request.

##### PRIMARY AND NON CONTRIBUTORY.

The required policies, and any of Contractor's policies providing coverage excess of the required policies, shall provide that the coverage is primary for all purposes and Contractor shall not seek any contribution from any insurance or self-insurance maintained by Company.

##### RATING.

All required policies of insurance shall be written by companies having an A. M. Best rating of "A - ,VII" or better, or equivalent.

##### DEDUCTIBLE.

Contractor shall be solely responsible for any deductible or self-insured retention on insurance required hereunder.

##### Types of insurance required to be provided by Contractor:

**Commercial General Liability** Contractor shall carry and maintain an "occurrence" form commercial general liability policy or policies, insuring against liability arising from bodily injury, death, property damage, personal and advertising injury, products/completed operations liability, contractual liability covering all operations of Contractor for Services and/or Work performed under this Agreement. The commercial general liability policy or policies shall provide severability of interest or cross liability clause. There shall be no wildfire, explosion, collapse or underground exclusion. Such coverage shall be

in an amount of not less than \$1,000,000.00 per occurrence. If the policy maintains a policy aggregate, such aggregate shall not be less than \$2,000,000.00.

**Additional Insured** Southern California Gas Company and its parent company, and its subsidiaries, affiliates and their respective officers, directors, employees, agents, representatives, successors and assigns shall be named as an additional insured by endorsement or blanket endorsement for the Commercial General Liability Insurance Policy.

**Waiver of Subrogation** Each policy of insurance maintained by Contractor for Commercial General Liability shall contain a waiver of subrogation in favor of Southern California Gas Company.

**Commercial Automobile Liability** Contractor shall maintain an automobile liability policy or policies insuring against all risks and liabilities arising from damages because of bodily injury, death, or damage to property, (including loss of use thereof), and occurring in any way related to the use by or on behalf of Contractor, in pursuit of the Work and/or Services, including loading or unloading of any of Contractor's automobiles (including owned, non-owned, leased, rented and/or hired vehicles). Contractor's automobile liability insurance coverage shall contain appropriate no-fault insurance provisions or other endorsements in accordance with applicable laws. Coverage shall be at least as broad as the Insurance Services Office Business Auto Coverage form covering Automobile Liability, code 1 "any auto. Such coverage shall be in an amount of not less than \$1,000,000.00 combined single limit.

**Workers Compensation Liability** In accordance with the laws of the State(s) in which the Services and/or Work shall be performed, Contractor shall maintain in force workers compensation insurance for all of its employees. If applicable, Contractor shall obtain U.S. Longshoremen's and Harbor Workers compensation insurance, separately, or as an endorsement to workers compensation insurance. Contractor shall also maintain Employer's Liability coverage in an amount of not less than \$1,000,000.00 per accident and per employee for disease. In lieu of such insurance, Contractor may maintain a self-insurance program meeting the requirements of the State(s) in which the Services and/or Work shall be performed along with the required Employers' Liability insurance.

**Waiver of Subrogation** Each policy of insurance maintained by Contractor for Workers Compensation Liability shall contain a waiver of subrogation in favor of Southern California Gas Company.

**Contractor's Subcontractors.** In accordance with the Article of this Agreement entitled "**CONTRACTOR PARTIES**", Contractor shall accept total responsibility to require all Contractor Parties to carry and maintain coverage with limits not less than those required in this Article. Contractor shall incorporate insurance requirement by reference within any contract executed by Contractor and any Contractor Party, and shall cause each Contractor Party to comply with the terms of this Agreement. Contractor will obtain and verify accuracy in their entirety of certificates of insurance evidencing required coverage prior to permitting any Contractor Party to perform the Services on the property of Company. Contractor will furnish original certificates of insurance with applicable endorsements from every Contractor Party as evidence thereof as Company may reasonably request.

**Reports.** Contractor shall immediately report to Company, and promptly thereafter confirm in writing, the occurrence of any injury, loss or damage incurred by Contractor or any Contractor Party or Contractor's receipt of notice or knowledge of any claim by a third party of any occurrence that might give rise to such a claim over \$100,000. Upon completion of the Services, Contractor shall submit to Company a written summary of all such injuries, losses, damage, notices or third party claims and occurrences that might give rise to such claims. Nil reports are required.

15. **RESERVED.**

16. **SUPPLIER DIVERSITY.** It is the policy of Company to provide maximum opportunities for women, minority and service disabled veteran business enterprises ("DBEs"), to participate in the performance of contracts. Company expects as satisfactory performance to this Agreement, Contractor to utilize DBE Contractor Parties when feasible and to use good faith efforts to set and attain goals in parity with Company goals when contracting for work with Company. Contractor shall submit on a timely basis any documentation required by Company to report Contractor's DBE expenditures in connection with this Agreement.

17. **ASSIGNMENT.** Contractor shall give personal attention to the execution of the Services, and shall not permit this Agreement to be assigned voluntarily, involuntarily or by operation of law. No such written authorization, however, shall be construed as discharging or releasing Contractor in any way from the performance of the Services or the fulfillment of any obligation specified in this Agreement. Contractor shall remain jointly and severally liable with any permitted assignee for any failure to comply fully with all applicable obligations hereunder this Agreement. Company may assign in whole or in part its rights and obligations under this Agreement at any time without the consent of Contractor.

18. **TIME.** Time is expressly agreed to be of the essence in any performance related to this Agreement and each, every and all of the terms, conditions and provisions herein.

19. **GOVERNING LAW.** The formation, interpretation, performance and enforcement of this Agreement, and all Claims relating to or arising out of this Agreement, or the breach thereof, arising under any theory of law, shall be governed by and enforced under the laws of the State of California, without reference to conflicts of laws principles.

20. **COMPLIANCE WITH LAWS.** At all times during performance of the Services, Contractor shall, and shall cause each Contractor Party to comply with and observe, all applicable federal, state, regional, municipal and local laws, ordinances, rules, codes, regulations, executive orders, applicable employment, safety and environmental orders and any applicable orders or decrees of administrative agencies, courts or other legally constituted authorities having jurisdiction or authority over Contractor, Company or the Services, as in effect from time to time, including the Immigration Reform and Control Act of 1986 and the Foreign Corrupt Practices Act of 1977, both as amended respectively from time to time, and all applicable federal, state and local wage and hour laws.

21. **TERMINATION.** Company shall have the right to terminate this Agreement, or any part thereof, at any time for its sole convenience upon two (2) business days' written notice to Contractor. Contractor shall fully justify and document to Company in writing any termination charges claimed by Contractor (which shall not exceed 110% of the reasonable and actual cost already incurred of direct labor, materials and overhead). In no event shall Contractor be entitled to payment for any Services which has not been authorized by Company, or is not yet performed, or any anticipated profits for any Services that have not been authorized or performed. Any payment of termination charges shall occur within thirty (30) days of receipt of Contractor's written submittal of charges and justification to Company's satisfaction. Company shall have the right to review and verify by independent audit, any termination charges claimed by Contractor prior to payment.

22. **LIENS.** Without limiting the generality of any other provisions herein, Contractor shall indemnify, defend, and hold each Indemnatee harmless from and against any mechanic's lien or stop notice claim against Company by Contractor or any Contractor Party pertaining to the Services. If Contractor fails to remove or discharge by bond, payment or otherwise any lien or claim within five (5) business days after Company's written demand to do so, Company may offset the compensation otherwise payable to Contractor under this Agreement or any other agreement in order to pay such lienors directly.

23. **RETENTION.** Company shall have the right to withhold a retention from payments due Contractor. The amount of the retention shall be paid within 45 days after the "date of completion," as defined by California Civil Code Section 8180; provided, however, Company may require Contractor to provide conditional or unconditional lien releases as a condition to release of the retention and such additional amounts due Contractor as necessary until such liens have been satisfied by Contractor. In addition, Company may use the retention to satisfy directly the claim of any lienor.

24. **AUDIT.** Company shall have the right to designate its own employee representative(s) or its contracted representative(s) with a certified public accounting firm, who shall have the right to audit and to examine any cost, payment, settlement or other supporting documentation resulting from the Services. Any such audit or examination may be undertaken by Company or its contracted representative(s) at reasonable times during normal business hours and in conformance with generally accepted auditing standards. Contractor agrees to fully cooperate with any such audit(s).

24.1 Contractor shall include a clause similar to the one immediately above in its arrangements with each Contractor Party reserving the right to designate Contractor's own employee representative(s), its contracted representative(s) from a certified public accounting firm, and/or representative(s) from Company, who shall have the right to audit and to examine any cost, payment, settlement or other supporting documentation resulting from any item related to the Services.

24.2 Contractor shall be notified in writing of any exception taken as a result of an audit of Contractor or a Contractor Party. Contractor shall refund the amount of any exception to Company within ten (10) days. If Contractor fails to make such payment, Contractor shall pay interest on any unpaid portion of such payment, accruing monthly, at a rate equal to the lesser of ten percent (10%) per annum or the maximum lawful rate. Interest shall be computed from the date of written notification of exception(s) to the date Contractor reimburses Company in full for such exception(s). In the event an audit in accordance with this Article discloses an overcharge of five percent (5%) or greater, then Contractor shall reimburse Company for the cost for the performance of such audit.

24.3 Company's right to audit shall extend for a period of five (5) years following the date of final payment under this Agreement. Contractor shall and shall require each Contractor Party to retain all necessary records and documentation for the entire length of this audit period.

25. **TAXES.** Contractor assumes exclusive liability for and shall pay before delinquency, all federal, state, regional, municipal or local sales, use, excise and other taxes, charges or contributions imposed on, or with respect to, or measured by (i) the equipment, materials, supplies or labor furnished hereunder, (ii) the wages, salaries or other remunerations paid to individuals employed in connection with, the performance of the Services, or (iii) any failure of Contractor or any Contractor Party to comply with the Affordable Care Act with respect to individuals performing any part of the Services. Contractor shall indemnify, defend and hold each Indemnitee harmless from and against any and all Claims and Liabilities arising by reason of Contractor or any Contractor Party's failure to pay such taxes, charges or contributions.

25.1. Without limiting the generality of this Article, Contractor agrees to treat all individuals performing the Services as employees of Contractor for purposes of federal and state income taxes, Social Security and Medicare taxes, unemployment and disability insurance premiums. No exceptions shall be permitted under this Article without a written amendment to this Agreement prior to any individual performing any required Services. Contractor agrees that, at any time during the performance of this Agreement, Company shall have the right to audit Contractor's compliance with this provision in accordance with the Article entitled "AUDIT".

25.2. To the extent any portion of the Services are performed in the State of California, either (a) Contractor represents that Contractor is a California resident or registered with the California Secretary of State and shall provide Company with an original and a copy of Form 590, Withholding Exemption Certificate, in accordance with California Revenue and Taxation Code Section 18662 and regulations thereunder; or (b) seven percent (7%) of all compensation payable to Contractor for Services performed in California shall be withheld in accordance with applicable California Franchise Tax Board ("FTB") or successor regulations, unless Company has been notified in writing by FTB that withholding is waived or a lower rate of withholding is authorized.

25.3. Contractor and Company shall make commercially reasonable efforts to cooperate with each other to minimize the tax liability of the parties to the extent legally permissible (and with no duty to increase either party's tax liability), including separately stating taxable charges on Contractor's invoices and supplying resale and exemption certificates, if applicable, and any other information as reasonably requested.

25.4. Notwithstanding anything to the contrary set forth herein or in any other written or oral understanding or agreement to which the parties are parties or by which they are bound, the parties acknowledge and agree that: (a) any obligations of confidentiality contained herein and therein do not apply and have not applied from the commencement of discussions between the parties to the tax treatment and tax structure of any transaction related to the Services or any other transactions or arrangements; and (b) each party (and each of its employees, subcontractors, suppliers, representatives, or other agents) may disclose to any and all persons or entities, without limitation of any kind, the tax treatment and tax structure of any transaction and all materials of any kind (including opinions or other tax analyses) that are provided to such party relating to such tax treatment and tax structure, all within the meaning of Treasury Regulations Section 1.6011-4; provided, however, that the foregoing is not intended to affect any privileges that each party is entitled, in its sole discretion, to maintain, including with respect to any confidential communications with its attorney or any confidential communications with a federally authorized tax practitioner under Section 7525 of the Internal Revenue Code.

26. **VALIDITY.** The invalidity, in whole or in part, of any provisions hereof shall not affect the validity of any other provisions hereof.

27. **DISPUTES.** Any dispute that cannot be resolved between Contractor Representative and Company Representative shall be referred to Company Director - Supply Management and an officer of Contractor for resolution. If Company and Contractor cannot reach an agreement within a reasonable period of time, Company and Contractor shall have the right to pursue litigation as provided for herein. In no event shall the litigation of any controversy or the settlement thereof delay the performance of the Services.

27.1. In the event of any litigation to enforce or interpret any terms of this Agreement, unless the parties agree in writing otherwise, such action shall be brought in a Superior Court of the State of California located in either the County of San Diego or the County of Los Angeles (or, if the federal courts have exclusive jurisdiction over the subject matter of the dispute, in either the U.S. District Court for the Southern or Central District of California), and the parties hereby submit to the exclusive jurisdiction of said courts.

27.2. In any action in litigation to enforce or interpret any of the terms of this Agreement, the prevailing party shall be entitled to recover from the unsuccessful party all costs, expenses (including expert testimony) and reasonable attorneys' fees (including fees and disbursements of in-house and outside counsel) incurred therein by the prevailing party.

28. **CONFIDENTIALITY.** For purposes of this Agreement, the term "Confidential Information" means proprietary information concerning the business, operations and assets of Company, its direct and indirect parent company(ies), subsidiaries and/or affiliates, including the terms and conditions of this Agreement or any related agreement, information or materials prepared in connection with the performance of Services, or any related subsequent agreement, designs, drawings, specifications, techniques, models, data, documentation, source code, object code, diagrams, flow charts, research, development, processes, procedures, know-how, manufacturing, development or marketing techniques and materials, development or marketing timetables, strategies and development plans, customer, supplier or personnel names and other information related to customers, suppliers or personnel, pricing policies and financial information, and other information of a similar nature, whether or not reduced to writing or other tangible form, and any other trade secrets. Confidential Information shall not include: (a) information known to Contractor prior to obtaining the same from Company; (b) information in the public domain at the time of disclosure by Contractor; (c) information obtained by Contractor from a third party which did not receive same, directly or indirectly, from Company; (d) information developed independently by Contractor without use of reference to the Confidential Information or (e) information approved for release by express prior written consent of an authorized officer of Company. Contractor shall have the burden of proof in establishing that its use of Company information is permitted by (a), (b), (c), (d) or (e) of this provision.

28.1. Contractor hereby agrees that it shall use the Confidential Information solely for the purpose of performing Services and not in any way detrimental to Company, its direct and indirect parent company(ies), subsidiaries and/or affiliates. Contractor shall not, and shall not permit its directors, officers or any Contractor Party to use the Confidential Information for their own benefit.

28.2. Contractor agrees to use at least the same degree of care Contractor uses with respect to its own proprietary or confidential information, which in any event shall result in a reasonable standard of care, to prevent unauthorized use or disclosure of the Confidential Information. Except as otherwise provided herein, Contractor shall keep confidential and not disclose the Confidential Information. Contractor shall cause each of its directors, officers, and Contractor Parties to become familiar with, and abide by, the terms of this Agreement.

28.3. Notwithstanding any other provisions of this Article, Contractor may disclose any of the Confidential Information in the event, but only to the extent, that, based upon reasonable advice of counsel, Contractor is required to do so by the disclosure requirements of any law, rule, regulation or any order, decree, subpoena or ruling or other similar process of any court, governmental agency or regulatory authority. Prior to making or permitting any such disclosure, Contractor shall provide Company with prompt written notice of any such requirement so that Company (with Contractor's assistance if requested by Company) may seek a protective order or other appropriate remedy.

28.4. Except in the event Contractor is required to disclose any Confidential Information in accordance with the foregoing provisions, Contractor shall not, without the prior written consent of Company, disclose to any third party the fact that such Confidential Information has been made available to Contractor.

28.5. At any time upon the request of Company, Contractor shall promptly deliver to Company or destroy if so directed by Company (with such destruction to be certified to Company) all documents (and all copies thereof, however stored) furnished to or prepared by Contractor that contain Confidential Information and all other documents in Contractor's possession that contain or that are based on or derived from Confidential Information.

28.6. Notwithstanding the return or destruction of all or any part of the Confidential Information, the confidentiality provisions set forth in this Agreement shall nevertheless remain in full force and effect with respect to specific Confidential Information until the date that is five (5) years after the date of disclosure of such Confidential Information, except as to Geographical Information Systems Data ("GIS Data"), information relating to Company's or its affiliates' substations, compressor station, valve station, and/or pipeline pressure regulating station design (including design documents and drawings, security systems design and operation and similar information constituting critical energy infrastructure information as defined by 18 C.F.R. §388.113(c)(1)) ("CEII"), and Confidential Information about, regarding or attributable to Company's or its affiliates' customers ("Confidential Customer Information"). Such term shall be perpetual for GIS Data, CEII and Confidential Customer Information. Moreover, Contractor represents, warrants, and covenants that security procedures and practices appropriate to the nature of the GIS Data, CEII and Confidential Customer Information involved are in place on the Effective Date of this Agreement and will be used at all times during the term of this Agreement to protect the GIS Data, CEII and Confidential Customer Information from unauthorized access, destruction, use, modification, or disclosure. Without limiting the generality of the foregoing or any other provision of this Agreement, Contractor shall access,



collect, store, use, and disclose the Confidential Customer Information under policies, practices and notification requirements no less protective than those under which Company operates.

28.7. The parties acknowledge that the Confidential Information is valuable and unique, and that damages would be an inadequate remedy for breach of this Agreement and the obligations of Contractor are specifically enforceable. Accordingly, the parties agree that in the event of a breach or threatened breach of this Agreement by Contractor, Company, its direct and indirect parent company(ies), subsidiaries and/or affiliates, which shall be third party beneficiaries of this Agreement, shall be entitled to seek an injunction preventing such breach, without the necessity of proving damages or posting any bond. Any such relief shall be in addition to, and not in lieu of, monetary damages or any other legal or equitable remedy available to Company, its direct and indirect parent company(ies), subsidiaries and/or affiliates.

29. ENVIRONMENTAL TERMS.

29.1. Definitions. For purposes of this Agreement, the following terms shall have the following meanings:

29.1.1. "Hazardous Materials" means any chemical, substance, material, controlled substance, object, product, by-product, residual, condition, solid, gas or waste or combination thereof, which is hazardous to human health or safety or the environment due to its ignitability, corrosivity, reactivity, toxicity, or other harmful or potentially harmful properties or effects. Hazardous Materials include any flammable explosives, radioactive materials, hazardous wastes, toxic substances or related materials, and substances defined as "hazardous substances," "hazardous material," "hazardous wastes," or "toxic substances" in, under or pursuant to any Environmental Law (as defined below). Hazardous Materials shall also include oil or petroleum and petroleum products, asbestos, and/or any asbestos containing materials, radon, polychlorinated biphenyls (PCBs), urea formaldehyde insulation, lead paints and/or coatings, and all of those chemicals, substances, materials, controlled substances, objects, conditions and waste or combinations thereof which now are, or become in the future, listed, defined or regulated in any manner by any Environmental Law.

29.1.2. "Environmental Law" means applicable federal, state, regional, county or local law, regulation, decision of the courts, ordinance, rule, code, order, directive, guideline, permit, or permit conditions which, now or in the future, relate in any way to worker or workplace safety, environmental conditions, environmental quality or policy, or health and safety issues or concerns (including product safety). Environmental Law includes the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (42 USC, §§9601 et seq.), the Resource Conservation and Recovery Act (42 USC, §§6901 et seq.), the Federal Water Pollution Control Act (33 USC §§ 1251 et seq.), the Safe Drinking Water Act (42 USC §§300 et seq.), the Hazardous Materials Transportation Act (49 USC §§ 1801 et seq.), the Carpenter-Presley-Tanner Hazardous Substance Account Act (California Health and Safety Code, §§25300 et seq.), the Toxic Substance Control Act (15 USC §§2601, et seq.), the California Hazardous Waste Control Law (California Health & Safety Code, §§25100 et seq.), the Occupational Safety and Health Act (29 USC §§651 et seq.), the Safe Drinking Water and Toxic Enforcement Act (California Health & Safety Code §§25249.5, et seq.), the California Occupational Safety and Health Act (California Labor Code §§6300 et seq.), the Porter-Cologne Water Quality Control Act (California Water Code §§ 13000 et seq.), and applicable regulations or rules promulgated thereunder.

29.1.3. "Governmental Agency" shall mean any federal, state regional, municipal or local governmental agency or other public or political body having the jurisdiction, mandate, authority or power to regulate, implement, coordinate, administer or enforce any Environmental Law.

29.2. Materials and Licenses. Contractor agrees that all materials and equipment to be supplied or used by Contractor and/or any Contractor Party in the performance of its obligations under this Agreement, including vehicles, loading equipment, and/or containers, shall be in good condition and fit for the use(s) for which they are employed by Contractor or such Contractor Party. Contractor further agrees that none of the materials to be supplied or used by Contractor or a Contractor Party in the performance of its obligations under this Agreement shall contain asbestos or asbestos-containing materials, unless feasible alternatives or commercially reasonable replacements do not exist or are not available. The materials, equipment and Services shall comply with all Environmental Laws as of its delivery and installation and Contractor shall comply with Environmental Laws, including providing any Proposition 65 warnings and Material Safety Data Sheets ("MSDS"). All materials and equipment used in the Services (including any warranty re-installation) shall at all times be maintained, inspected and operated as required by Environmental Laws. Contractor further agrees that all licenses, permits, registrations and certificates or other approvals required by any Environmental Law or Governmental Agency shall be procured and maintained for such materials and equipment at all times during the use of the same by Contractor and/or any Contractor Party in the performance of any of Contractor's obligations under this Agreement.

29.3. Duty to Comply with Laws. Contractor specifically agrees that in the performance of its obligations under this Agreement, Contractor shall at all times fully comply with and cause each of its subcontractors, if any, to fully comply with all applicable Environmental Laws. Contractor further agrees that Contractor shall have and cause its subcontractors, if any, to have and keep in effect all licenses, permits, registrations, certificates, training, and approvals required by any Environmental Law or by any Governmental Agency for the Services undertaken by Contractor or its subcontractors, if any, in the performance of Contractor's obligations under this Agreement.

29.4. Indemnification. Contractor hereby agrees to indemnify, defend and hold the Indemnitees harmless for, from and against any and all Claims and Liabilities, which Indemnitees, or any of them, may incur or suffer by reason of:

- (1) any unauthorized release of a Hazardous Material;
- (2) any enforcement or compliance proceeding commenced by or in the name of any Governmental Agency because of an alleged, threatened or actual violation of any Environmental Law;
- (3) any action reasonably necessary to abate, remediate or prevent a violation or threatened violation of any Environmental Law; and/or
- (4) any other cause of whatsoever nature;

arising out of or in any way connected with the performance under this Agreement by Contractor or any Contractor Party, except to the extent the same were caused by the willful misconduct or sole negligence of the Indemnitees.

29.5. Release. In the event of any unauthorized release of a Hazardous Material, Contractor shall perform the following actions:

- (1) Take all reasonable steps necessary to stop and contain said release;
- (2) Make any report of such release as required under Environmental Law, and;
- (3) Clean up such release as required by the applicable Governmental Agency and to the satisfaction of Company in the event such release occurs at or on Company or third party property.

29.6. Notification. Contractor shall immediately notify Company Representative of the following upon the occurrence of any unauthorized release of Hazardous Material in connection with the Services:

- (1) A description of the release;
- (2) The identification of the Hazardous Material and the volume released;
- (3) Death of any person;
- (4) Property damage;
- (5) Any communication from any Governmental Agency that alleges that Contractor is not acting in compliance with Environmental Law; and/or
- (6) Any communication from any Governmental Agency that affects any of Company's contractors' or subcontractors' permits or licenses.

29.7. Reports. Contractor shall submit within 36 hours of the unauthorized release to Company Representative a written report, in a format required by Company describing in detail any event of any unauthorized release of a Hazardous Material which shall include the following information:

- (1) Name and address of Contractor and any Contractor Party(ies) involved.
- (2) Name and address of Contractor's commercial and environmental liability insurance carrier.
- (3) Name and address of any injured or deceased persons, if applicable.

- (4) Name and address of any property damage, if applicable.
- (5) A detailed description of the release including the identification of the Hazardous Material, the date and time of the release, the volume released, and the nature of the any environmental contamination.
- (6) A determination of whether any of Company's personnel, equipment, tools or materials were involved; and.
- (7) A detailed description of all reports made to any Governmental Agency, and a description of the actions taken to respond to the release.
- 29.8. No Transportation of Company's Hazardous Material. Contractor shall not (a) transport any Hazardous Material that Company generated for purposes of treatment, storage, recycling and/or disposal; or (b) conduct any treatment, storage, recycling and/or disposal of any Company generated Hazardous Material unless specifically authorized by Company to perform such activities in writing. If Contractor is authorized by Company to perform such activities then the following terms and conditions shall apply:
- 29.8.1. Authorized Treatment Facility. Contractor shall not transport any Company-generated Hazardous Material to any treatment, storage, recycling and/or disposal facility (hereinafter called "TSDF") not authorized by Company in writing. Each time Contractor prepares to transport Company-generated Hazardous Material, Contractor shall confirm that the TSDF has procured and maintained in effect all licenses, permits, registrations, certificates or other authorizations required by any Environmental Law or Governmental Agency to lawfully receive, handle, transport, store, treat, recycle, incinerate, dispose of, or otherwise manage or use such Hazardous Material. Contractor shall not transport any Company-generated Hazardous Material to any TSDF which is unable or fails to provide such confirmation and Contractor shall immediately notify Company. Company shall have the right at any time, in Company's sole discretion, to cancel its authorization of any TSDF by written notice to Contractor.
- 29.8.2. Hazardous Waste Manifest. Company shall, when required by Environmental Law, provide Contractor with a complete and executed Hazardous Waste Manifest or other shipping documentation for Company-generated Hazardous Material to be transported for treatment, storage, recycling and/or disposal. Contractor's transportation, recycling, treatment, storage, and/or disposal of any such Hazardous Material in accordance with this Agreement shall be documented by Contractor utilizing, among other things, the Hazardous Waste manifest tracking system or other records as required by Environmental Law, copies of which shall be provided to Company within ten (10) days after shipment.
30. HAZARDOUS MATERIALS.
- 30.1. Hazardous Materials and Toxic Chemicals. Contractor shall provide the following to Company for each material which Contractor furnishes under this Agreement: (a) a completed MSDS for each material which contains a Hazardous Material; and (b) a written statement for each material that is a Mixture or Trade Name Product which contains a toxic chemical subject to the reporting requirements of Section 313 or EPCRA (40 CFR section 372 et seq.) including: (1) the name and associated Chemical Abstract Services Registry number of the toxic chemical; (2) the specific concentration at which each such toxic chemical is present in each such Mixture or Trade Name Product; and (3) the weight of each such toxic chemical in each such Mixture or Trade Name Product. Contractor shall indemnify, defend and hold Indemnitees harmless from and against any and all Claims and Liabilities that Company suffers as a result of Contractor's failure to comply with these requirements.
- 30.2. Proposition 65. If any part of the Services would require that a warning pursuant to Proposition 65 (California Health & Safety Code sections 25249.5 et seq.) be provided to exposed individuals, then Contractor shall provide such warning to those individuals, including members of the public, Company's employees, Contractor's employees, and any Contractor Party employees.
31. USE OF COMPANY EQUIPMENT
- In the event Company loans Contractor any equipment or other personal property for use under this Agreement, title to said equipment or other personal property shall remain with Company. Notwithstanding the foregoing, Contractor shall be responsible for loss, damage, destruction, theft, maintenance, and repair of said equipment or other personal property while in the possession of Contractor. Prior to use, Contractor shall have inspected said equipment or other personal property and have satisfied Contractor that said equipment or other personal property is in good repair and working condition. Contractor shall only allow qualified personnel to operate said equipment or other personal property. Contractor shall surrender possession of said equipment or other personal property upon demand by Company.
32. REMEDIES. Contractor agrees that if (a) Contractor abandons the Services, (b) Contractor becomes insolvent, however so evidenced, (c) Contractor assigns this Agreement (whether voluntarily, involuntarily or by operation of law), or sublets any part thereof, without the express prior written authorization of Company, (d) Contractor or any Contractor Party, in the sole opinion of Company Representative, violates any of the provisions of this Agreement, (e) Contractor executes this Agreement in bad faith, and/or (f) Contractor, or any Contractor Party, in the sole opinion of the Company Representative, is not performing the Services in accordance with the terms of this Agreement, Company may notify Contractor to discontinue all or any part of the Services, and Contractor shall thereupon discontinue the Services or such parts thereof. Company shall thereupon have the right to continue and complete the Services or any part thereof, by contract or otherwise, and Contractor shall be liable to Company for any and all losses, penalties, fines, excess costs and/or consequential, special, incidental and/or indirect damages arising from Contractor's failure to execute the requirements of this Agreement. The remedies herein shall be inclusive and additional to any other rights or remedies in law or equity of Company, and no action by Company shall constitute a waiver of any such other rights or remedies. If it is determined for any reason by a tribunal of competent jurisdiction that Contractor was not in default, the parties' rights and obligations shall be the same as if notice of termination had been issued pursuant to the Article entitled "TERMINATION."
33. OFFSET. Company may, upon written notice to Contractor, setoff any amount due from Contractor, whether or not under this Agreement, against any amount due Contractor or claimed to be due by Contractor under this Agreement. In addition, Company may withhold from Contractor any amount sufficient to reimburse Company for any losses, liabilities, penalties, fines, damages, demands, costs and/or expenses for Contractor's actual, alleged or reasonably probable failure, based on factual evidence, to comply with the terms and conditions of this Agreement.
34. SURVIVAL. The obligations imposed on Contractor pursuant to each Article of this Agreement, which by its terms contains subject matter which relates to time periods subsequent to the term of this Agreement, including the following Articles: WARRANTY, OWNERSHIP OF INTELLECTUAL PROPERTY, INDEMNITY, DISPUTES, CONFIDENTIALITY, and this SURVIVAL Article, shall survive completion of the Services or termination of the Agreement.
35. EQUAL OPPORTUNITY. Company is an equal opportunity employer and federal contractor or subcontractor. Consequently, the parties agree that, as applicable, they will abide by the requirements of 41 CFR 60-1.4(a), 41 CFR 60-300.5(a) and 41 CFR 60-741.5(a) and that these laws are incorporated herein by reference. These regulations prohibit discrimination against qualified individuals based on their status as protected veterans or individuals with disabilities, and prohibit discrimination against all individuals based on their race, color, religion, sex, or national origin. These regulations require that covered prime contractors and subcontractors take affirmative action to employ and advance in employment individuals without regard to race, color, religion, sex, national origin, protected veteran status or disability. The parties also agree that, as applicable, they will abide by the requirements of Executive Order 13496 (29 CFR Part 471, Appendix A to Subpart A), relating to the notice of employee rights under federal labor laws.
36. NO PUBLICITY: EX PARTE COMMUNICATIONS. Contractor shall not, without Company's prior written consent, engage in advertising, promotion or publicity related to this Agreement, or make public use of any Company identification in any circumstances related to this Agreement or otherwise. "Identification" means any corporate name, trade name, trademark, service mark, insignia, symbol, logo or any other product, service or organization designation, or any specification or drawing owned by Company or its affiliates or any representation thereof. Contractor also acknowledges that Company is subject to ex parte communications rules which apply to its communications with the regulatory bodies having jurisdiction over it, including the CPUC and FERC. Contractor shall not, in the course of or with respect to any regulatory proceeding under which such rules apply, engage in any communication with a government official relating to Company or this Agreement without Company's prior written approval.
37. EXCUSABLE DELAYS. Contractor shall notify Company in writing immediately of any delay or anticipated delay in Contractor's performance of this Agreement due to causes or circumstances beyond the reasonable control of Contractor. Notice shall include the reason for and anticipated length of the delay. Company may determine, in its sole judgment, to extend the date of performance for a period equal to the time lost by reason of the delay. Contractor shall not be eligible under any circumstances for additional compensation due to any such extension of time. Any extension of time pursuant to this Article shall be documented by a written amendment to this Agreement signed by the parties. Examples of such possibly excusable delays are natural calamities, strikes and boycotts, war or civil

unrest or governmental actions and other events that are commonly deemed force majeure events. None of the foregoing, however, shall require Company to grant any extension of time for completing the Services.

38. **REPORTS.** Contractor shall provide periodic status reports as requested by Company Representative. The status reports shall make periodic comparisons of the Services rendered to date against the scope of work, including any milestones and costs. Such reports shall include an explanation of any significant variations, an identification of any potential or known developments that may impact Company, Contractor or the Services and any corrective actions implemented.

39. **CONTRACTORS PARTIES**

39.1 The terms of this Agreement shall be incorporated by reference within any contract executed by Contractor and any Contractor Party, and Contractor shall cause each Contractor Party to comply with the terms of this Agreement. Company reserves the right to disapprove of any Contractor Party, in its sole discretion, for the following reasons: 1) Company deems such Contractor Party unqualified to perform the Work, 2) the Contractor Party has a conflict of interest with Company or any of its parent companies or affiliates, 3) Company determines that the Contractor Party has an unacceptable safety or quality history, record, or number of incidents, or 4) the Contractor Party is unable or unwilling to follow Company's security procedures. In the event Company disapproves of a Contractor Party, Contractor shall promptly remove such Contractor Party from the jobsite and find a replacement Contractor Party to perform the Services. If this Agreement (including any Schedule or other document attached hereto) contains a list of Contractor Parties approved by Company for the performance of some or all of the Services, then Contractor shall not retain any other Contractor Party to perform those specific Services without obtaining the prior written consent of Company.

39.2 In all instances where Contractor retains a Contractor Party to perform any portion of the Services, Contractor shall be responsible for the acts and omissions of all such Contractor Parties employed directly or indirectly by Contractor, which shall include holding all necessary licenses and other authorizations to subcontract the Services. Contractor shall be personally responsible for performance of all the Services, whether performed by Contractor or any Contractor Party. This Agreement shall not give rise to any contractual relationship between Company and any Contractor Party. Company shall not undertake any obligation to pay or to be responsible for the payment of any sums to any Contractor Party. Upon request of Company, Contractor shall furnish to Company copies of any subcontracts entered into between Contractor and any Contractor Party.

40. **SUSPENSION OF SERVICES.** Company may, at any time, by written notice, require Contractor to stop all, or any portion, of the Services for a period of up to ninety (90) days ("Suspension Period") and any further period to which the parties agree. Upon receipt of notice, Contractor shall immediately cease performance under this Agreement for the entire Suspension Period. Prior to the expiration of the Suspension Period, Company shall either: (a) cancel the Suspension Period; (b) permit the Suspension Period to expire whereupon Contractor shall resume its performance of the Services; or (c) terminate this Agreement pursuant to the provisions of the Article entitled "TERMINATION". If the suspension is canceled or permitted to expire, Contractor shall be granted a corresponding adjustment to all time periods and completion dates. Company shall not be liable for any payments to Contractor for expenses incurred during the Suspension Period.

41. **NO WAIVER.** The failure of Company to insist upon or enforce, in any instance, strict performance by Contractor of any of the terms or conditions of this Agreement, or to exercise any rights herein conferred shall not be construed as a waiver or relinquishment to any extent of its right to assert, or rely upon any such terms or rights on any future occasion. No waiver shall be valid unless stated in a written notice issued pursuant to this Agreement.

42. **NO ORAL MODIFICATIONS.** No modification of any provisions of this Agreement shall be valid unless in writing and signed by duly authorized representatives of the parties. Company Representative is not the duly authorized representative for amendments to this Agreement. Representatives of the parties internally authorized to execute such documents pursuant to its corporate policies shall sign any amendments to this Agreement.

43. **CAPTIONS; INTERPRETATION.** The captions in this Agreement are for convenience and reference only and the words contained therein shall in no way be held to explain, modify, amplify or aid in the interpretation, construction or meaning of the provisions of this Agreement. The term "including" when used in this Agreement is by way of example only and will not be considered in any way to be in limitation. Whenever this Agreement specifically refers to any law, tariff, or government department or agency, such reference also refers to any successor to such law, tariff or organization. Unless otherwise specified in this Agreement, all days shall be calendar days.

44. **COUNTERPARTS.** This Agreement may be executed in counterparts which, taken together, shall constitute a single instrument.

45. **AUTHORITY.** Each individual executing this Agreement on behalf of the parties represents and warrants that he or she is duly authorized to execute and deliver this Agreement on behalf of his or her party and that this Agreement is binding upon his or her party in accordance with its terms and conditions.

46. **CONSTRUCTION OF AGREEMENT.** The parties have participated in the negotiating and drafting of this Agreement. Therefore, the terms and conditions of this Agreement shall not be construed against a party as the drafting party.

47. **NOTICES.** All notices to be given under this Agreement shall be in writing and either sent by: (a) pre-paid U.S. first-class mail, in which case notice will be deemed delivered as of two (2) business days after mailing; or (b) a nationally recognized pre-paid overnight courier service, in which case notice shall be deemed delivered as of the date shown on the courier's delivery receipt. All notices shall reference the Agreement number. Notices shall be directed to the address and the authorized representative of the applicable party, each of which is set forth on the front pages of this Agreement.

48. **SEVERAL LIABILITY.** In the event that more than one legal entity acquires goods and/or Services hereunder from Contractor and is a party to this Agreement, compensation payable or other obligations owed by each such entity with respect to any such goods and/or Services shall be exclusively the obligation of the entity that acquires such goods and/or Services. No such entity shall have any liability whatsoever (whether by direct payment, offset or otherwise) in connection with such goods and/or Services acquired by any other such entity. Each such entity is severally and not jointly liable to Contractor hereunder, and each such entity disclaims any and all financial or other responsibility, except with respect to goods and/or Services that are furnished and invoiced to such entity. If Contractor is comprised of more than one entity, all such entities shall be jointly and severally liable for all obligations of Contractor under this Agreement.

49. **INCORPORATION OF FAR/DFARS CLAUSES.** To the extent included in any attachments, exhibits or schedules to this Agreement, the Federal Acquisition Regulation (FAR) clauses and Defense Federal Acquisition Regulation Supplement (DFARS) clauses referenced therein are incorporated herein by reference, with the same force and effect as if they were given in full text, to the extent they are applicable, including any notes following the clause citation. If the date or substance of any such clauses is different from the date or substance of the clause actually incorporated into the Prime Contract referenced by number herein, the date or substance of the clause incorporated by said Prime Contract shall apply instead. The Contracts Disputes Act shall have no application to this Agreement. Any reference to a "Disputes" clause in such attachments, exhibits or schedules shall mean the DISPUTES clause of this Agreement.

**SCHEDULE B - DIVERSE BUSINESS ENTERPRISES SUBCONTRACTING PLAN  
AND REPORTING REQUIREMENTS**

**Diverse Business Enterprise Commitment and Reporting Policy**

In accordance with the California Public Utilities Commission ("CPUC") General Order 156, Contractor shall submit all documentation required by Company to report such verified Minority, Women, and Service-Disabled Veteran Business Enterprise (hereinafter called "DBE") expenditures in support of or subcontracted under this Agreement.

**1. SUBCONTRACTING COMMITMENT**

In an effort to meet and exceed Company and CPUC goals, Company is committed to a minimum goal of 40% of total Company procurement utilizing DBEs. Company's goal is achieved by direct contracting with CPUC Clearinghouse certified DBEs and by Contractor's utilization of certified DBE subcontractors.

As part of Company's effort toward achieving these goals, Company expects Contractor to utilize DBE subcontractors during the performance of work under any contract that may result from this RFP ("Agreement"). Accordingly, Contractor agrees to use its best efforts to carry out this policy in the award of subcontracts to certified DBE subcontractors to the fullest extent consistent with the performance of this Agreement.

The attached DBE subcontracting plan ("Subcontracting Commitment") will be a part of any Agreement. Company expects Contractor to subcontract in accordance with the requirements of the Agreement with the certified DBE subcontractors identified in the Subcontract Commitment. However, if Contractor changes its subcontractors, Contractor shall award subcontracts to certified DBE subcontractors at approximately the same estimated total dollars and percentage value (or higher) as stated in the Subcontracting Commitment

Contractor shall confirm that DBE subcontractors proposed to perform work under this Agreement are certified through the CPUC Supplier Clearinghouse ("Clearinghouse"):

<http://www.cpuc.ca.gov/PUC/SupplierDiversity/clearing.htm>

Or, for Service Disabled Veteran-owned companies, that they are certified by the California DGS Office of Small Business & Disabled Veteran Business Enterprise Services ("OSDS"):

<http://www.dgs.ca.gov/pd/Programs/OSDS.aspx>

For any other certifications, please see CPUC website.

Monthly Reporting Requirements



If Contractor is awarded an Agreement, Contractor shall provide to Company reports on payments to certified DBE Subcontractors in accordance with the Subcontracting Commitment using the Internet on-line subcontracting reporting system listed below. During performance of work and through the term of this Agreement, Contractor shall provide to Company monthly "Subcontract Reports" by the tenth of each month, 5:00 pm PST.

<http://dbespendreporting.sempra.com/>

The DBE subcontract dollars and statistics reported by Contractor will be included in Company's Annual DBE Report to the CPUC filed every March 1st.

## **2. DBE DEFINITIONS**

### **MINORITY-OWNED BUSINESS ENTERPRISE**

"Minority-owned business enterprise" ("MBE") means (1) a business enterprise (a) that is at least 51% owned by a minority individual or group(s) or (b) if a publicly owned business, at least 51 % of the stock of which is owned by one or more minority groups, and (2) whose management and daily business operations are controlled by one or more of those individuals. The contracting utility shall presume that minority includes, but is not limited to, Black Americans, Hispanic Americans, Native Americans, Asian Pacific Americans, and other groups, as defined herein.  
**Note:** Foreign-owned companies operating in or out of the U.S. are *not* included.

### **WOMEN-OWNED BUSINESS ENTERPRISE**

"Women-owned business enterprise" ("WBE") means (1) a business enterprise (a) that is at least 51% owned by a woman or women or (b) if a publicly owned business, at least 51% of the stock of which is owned by one or more women; and (2) whose management and daily business operations are controlled by one or more of those individuals.  
**Note:** Foreign-owned companies operating in or out of the U.S. are *not* included.

### **SERVICE DISABLED VETERAN-OWNED BUSINESS ENTERPRISE**

"Service Disabled Veteran Business Enterprise" ("SDVBE") means a business concern certified by the administering agency as meeting all of the following requirements: (1) It is a sole proprietorship at least 51 percent owned by one or more disabled veterans or, in the case of a publicly owned business, at least 51 percent of its stock is owned by one or more disabled veterans; a subsidiary which is wholly owned by a parent corporation, but only if at least 51 percent of the voting stock of the parent corporation is owned by one or more disabled veterans; or a joint venture in which at least 51 percent of the joint venture's management and control and earnings are held by one or more disabled veterans. (2) The management and control of the daily business operations are by one or more disabled veterans. The disabled veterans who exercise management and control are not required to be the same disabled veterans as the owners of the business concern. (3) It is a sole proprietorship, corporation, or partnership with its home office located in the United States, which is not a branch or subsidiary of a foreign corporation, foreign firm, or other foreign-based business.

3. **SUBCONTRACT PROGRAM**

Company is committed to 40% of its total procurement with MBEs, WBEs, and SDVBEs. Company strongly encourages all Contractors to meet or exceed this goal.

As a requirement of this RFP, Contractor must submit its Diverse Business Enterprise Subcontracting Commitment. In addition to the Subcontracting Commitment, Contractor should also submit (separately) any historical information on subcontracting compliance (procurement) performance on other contracts.

In addition to Company's commitment to increasing DBE business opportunities, Federal and State regulations call for Diverse Business Enterprise efforts on all contracts for services over \$500,000, and construction contracts over \$1 million, or whenever there is an opportunity to subcontract.

Company also encourages Contractor's consideration of creative, value-added solutions on all or parts of work under this Agreement with DBEs, i.e. joint ventures, partnerships or any other legal entity that can meet or exceed the Company's DBE goal.

The DBE Subcontracting Commitment will be an evaluative factor in the award of any work to Contractor under this RFP. The DBE Subcontract Commitment outlines Contractor's DBE subcontracting goals established for work under this Agreement for products and/or services specifically produced or performed for Company.

Company expects that Contractor's subcontracting spend will consistently meet or exceed the commitment goal throughout the life of this Agreement.

Note: If Contractor is unable to identify DBE subcontractors for any work under this RFP and would like Company to assist in identifying DBEs as potential subcontractors, please complete and submit the enclosed Subcontractor Identification Assistance page with your Subcontract Commitment.

**4. SUBCONTRACT COMMITMENT FORM**

Contractor Name: \_\_\_\_\_

Phone: \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_

Zip: \_\_\_\_\_

RFP #, if applicable: \_\_\_\_\_

Description of Goods and/or Services:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Contact information for person responsible for Contractor's monthly DBE reporting:

Contact Name: \_\_\_\_\_

Phone: \_\_\_\_\_

Email: \_\_\_\_\_

San Diego Gas & Electric or Southern California Gas Company's Agreement  
Manager:

Department: \_\_\_\_\_

Phone: \_\_\_\_\_

**1) What is your firm's DBE subcontracting commitment?**

Estimated total dollar value of this Agreement:

\$

Estimated total dollars and percentage of this Agreement planned with DBEs\*:

\$

%

Estimated dollars and percentage breakdown :

MBEs (minorities, male and female):

\$

%

WBEs (non-minority female)

\$

%

SDVBEs (service disabled-veteran)

\$

%

**\* NOTE:** The estimated total dollars will be adjusted using the percentage for any change in Agreement value.

2) Principal goods or services to be subcontracted to DBEs for this proposal (attach additional sheet if necessary):

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3) For each DBE subcontractor under your bid, attach a *Subcontractor Information page* (Section N.4.1)

4) Read and initial each of the following statements:

☐

If awarded the resulting Agreement, Contractor agrees to maintain all necessary documents and records to demonstrate efforts to achieve its estimated DBE subcontracting goals.

☐

Contractor acknowledges responsibility for identifying, soliciting, and qualifying appropriate certified DBE subcontractors.

5) The Subcontracting Commitment must be completed and returned with your bid. In addition to the Subcontracting Commitment, Contractor should also submit (separately) any

historical information on subcontracting compliance (*procurement*) performance on other contracts.

**"I hereby certify that the above information is true and correct."**

Contractor's Manager or DBE  
Coordinator

Contractor's Owner/CEO

Signature: \_\_\_\_\_

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

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

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

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

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

**Reminder:** Mail/email this plan to:

**For Questions or Assistance on the Subcontracting Commitment, Contact:  
Diverse Business Enterprises**

**Yolanda Padilla**  
[ypadilla@semprautilities.com](mailto:ypadilla@semprautilities.com)

**(213) 244-5627**

**4.1 Subcontractor Information**

**Duplicate this section for EACH prospective DBE Subcontractor.**

Subcontractor Company: \_\_\_\_\_

Phone: \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Description of Goods or Services to be provided:

\_\_\_\_\_  
\_\_\_\_\_

Name & Title of Owner(s):

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**DBE Owner 1**

- ☐ Male      ☐ Female
- ☐ Non-Minority Female
  - ☐ African American
  - ☐ Asian Pacific American
  - ☐ Hispanic American
  - ☐ Native American
  - ☐ Other
  - ☐ Service Disabled Veteran

**DBE Owner 2 (if applicable)**

- ☐ Male      ☐ Female
- ☐ Non-Minority Female
  - ☐ African American
  - ☐ Asian Pacific American
  - ☐ Hispanic American
  - ☐ Native American
  - ☐ Other
  - ☐ Service Disabled Veteran

**Certifications:**

Minority Male or Female or Non-Minority Female

California Public Utilities Commission Utility Supplier Diversity Program

Verification Number: \_\_\_\_\_ Expiration Date: \_\_\_\_\_

Service Disabled Veteran

California DGS Office of Small Business & Disabled Veteran Business Enterprise Services (OSDS)

Verification Number: \_\_\_\_\_ Expiration Date: \_\_\_\_\_

**4.2 Subcontractor Identification Assistance**

If you would like Company to help you identify potential DBEs as subcontractors, please provide the information requested below:

Submitted By:

Contractor Name: \_\_\_\_\_

Phone: \_\_\_\_\_

Address: \_\_\_\_\_

Email: \_\_\_\_\_

Services or materials to be provided:

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Job location, if applicable:

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Job duration, if applicable:

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Any other requirements (number of employees, specific types/quantity of equipment, nonstandard insurance, union requirements, etc.):

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### **SCHEDULE C - COMPENSATION**

Contractor shall be compensated for the Services as specified below. The compensation shall be deemed to be all-inclusive and comprehensive, and having covered all representative factors and components of Contractor's liabilities, costs, fees, taxes, and expenditures in connection with discharging any and all obligations in connection with the Services.

Contractor acknowledges and agrees that Services performed under this Agreement, such as delivery of specific units, are ESAP goals only and do not require or obligate Company to guarantee any total amount of remuneration to Contractor under this Agreement. Contractor shall not submit any invoice for payment of Services that would cause the total invoiced amount for the 2016 calendar year to be greater than the NTE allocation provided to Contractor as described below. Any invoice or portion of said invoice submitted by Contractor that causes the amount of remuneration owed to Contractor to be greater than the annual allotment described below shall be rejected by the Company and returned to Contractor.

Expenses incurred are deducted from the Program Year in which they are paid.

Minimum E&A/Wx Unit Goals for the period of <b>2016:</b>	125 / 125
Maximum Not-To-Exceed ("NTE") amount for the period of <b>2016:</b>	*\$77,778.00

\*Total NTE amount includes \$3,028.00 for NGAT services.

Contractor shall use the HEAT system for the most current ESAP pricing/reimbursement rates. New or updated materials and/or pricing changes will be communicated through ESAP Program Updates.

**Pricing is valid from January 1, 2016 – June 30, 2016** unless such pricing is otherwise extended by a Program Update or by amendment to this SCHEDULE "C".

Service Type		Unit	Reimbursement Total
<b>Enrollment</b>	Customer is enrolled into the ESA Program by another Investor Owned Utility (IOU) or other Company approved program and no income documentation is required for the SCG enrollment	One per home	\$26.00
	Customer is enrolled in ESAP through the Self Certification/Categorical process		\$42.00
	Customer is enrolled in ESAP through the Full Documentation process		\$46.00
<b>Assessment</b>	Assessment for all Gas Measures	One per home	\$20.00

<b>Program Services Declined</b>	Program services declined- Document and data entry of customer unwilling or unable to participate	One per home and only when customer is NOT enrolled	\$4.00
<b>Energy Education</b>	Reimbursement is provided only if contractor is not billing another IOU for the same service (Standard)	One per home	\$15.00
	Reimbursement for homes where customer is enrolled in ESAP by another IOU at the same time (Leveraged)		\$7.50
<b>Income Re-Certification</b>	Admin and program support services (includes processing, data entry, back office support and invoicing)	One per Home	\$20.00
	Customer is enrolled in ESAP through the Full Documentation process	One per Home	\$42.00
	Customer is enrolled in ESAP through the Self Certification/Categorical process	One per Home	\$26.00
<b>Admin/Program Support</b>	Admin and program support services (includes processing, data entry, back office support and invoicing)	One per home	\$27.00
	Processing fee (administrative fee for processing enrollment and assessment paperwork)	One per home	\$15.00

<b>Company Potential Chargeback<sup>1</sup> Fees to Contractor</b>		
<b>Fee Name</b>	<b>Description</b>	<b>Reimbursement Total</b>
<b>Dispute Resolution</b>	Fee charged to Contractor if Company determines that Contractor's original results were not correct	\$63.32
<b>Processing Fee</b>	Fee charged to Contractor for invoice errors that result in invoice rejection and/or	\$15.00

	changes that must be made by the Company	
<b>Significant Errors</b>	Errors that result in the Company determining that the job cannot be paid by Company (e.g. misrepresentation of services that were provided to the customer)	Cost of Entire Job <sup>1</sup>
<b>Re-Inspection</b>	Additional inspection(s) of a measure/or measures that failed the initial inspection	Cost of Inspection
<sup>1</sup> Company reserves the right to request reimbursement for entire enrollment(s) from the Contractor for any work performed and invoiced (including but not limited to work performed by other contractors) in which the customer is ineligible for ESAP or for any work performed outside the scope of this Agreement.		

<b>Weatherization Fees</b>	<b>Unit</b>	<b>Reimbursement Total</b>
Admin & Program Support Services - When Measures are Installed	Per Home-Weatherization measures must be installed.	\$22.00
Assessment - When Measures are Installed	Per Home-Weatherization measures must be installed.	\$15.00
Attic Permit Fee	Per Home - Copy of permit, which includes the permit fee, must be sent in with invoice.	Cost of Permit

Crew Trip Fee - Applies only to work orders enrolled by a different contractor where weatherization services are not feasible	Per Home- Cannot be charged in conjunction with "Crew Trip Fee" below.	\$36.44
Processing Fee - (Administrative fee for processing weatherization paperwork. Weatherization measures must be installed.)	Per Home	\$10.00

WEATHERIZATION MEASURE/SERVICE				
Description	Unit	Material	Labor	Reimbursement Total
Water Measure Only Fee	Per Home			\$36.44
Air Conditioner Cover (Window/Wall)- (Clip On)	Each			\$38.16
Air Conditioner Cover (Window/Wall)- (Magnetic)	Each			\$9.47
Appliance Closet Door Latch	Each			\$11.76
Appliance Closet Door Weatherstripping - Foam Tape	Each			\$11.55
Appliance Closet Door Weatherstripping - Rigid Gasket	Each			\$47.03
Attic Access Cover	Each			\$31.98
Attic Access New (includes cover)	Each			\$75.24
Attic Insulation	Per Square Foot	\$1.16 Per Square Foot		Varies
Attic Insulation- R13- Knee Wall	Per Square Foot	\$0.67 Per Square Foot		Varies

Attic Insulation – Permit Fee	Per Home	Actual Cost		Varies
Caulking- (Maximum of 100' without Company approval)	Per Linear Foot	\$0.40 Per Linear Foot		Varies
Combustion and Ventilation Air (CVA)	Each Appliance			\$56.44
Door - 24", 28", 30", 32", & 36" Solid Core	Each			\$108.58
Door - 34" & 42" Solid Core	Each			\$172.81
Door - Deadbolt	Each			\$32.98
Door - Louvered	Each			\$176.44
Door - Half lite	Each			\$172.81
Door handle	Each			\$8.07
Door - Hinge, locking pin	Each			\$11.69
Door - Hinge, loose pin	Each			\$9.27
Door - Hinge, spring	Each			\$16.79
Door jamb with caulking	Per Linear Foot	\$2.73 Per Linear Foot	\$27.33	Varies
Door - Lockset	Each			\$32.98
Door - Lockset Brace (1 per door)	Each			\$28.78
Door or window casing including caulking	Per Linear Foot	0.68 Per Linear Foot	\$18.22	Varies
Door shoe	Each			\$19.89
Door - Specialty	Each	Cost + 10%	\$36.44	Varies
Door stop including caulking	Per Linear Foot	\$0.55 Per Linear Foot	\$12.15	Varies
Door - Striker Plate	Each			\$9.42
Door sweep	Each			\$16.85
Door threshold	Each			\$22.04
Double door slide bolt	Each			\$9.05
Dryer Venting - cut opening with vent	Each			\$62.62
Dryer Venting - Vent Only	Each			\$22.84

Duct Repair – in conjunction with attic insulation	Each			\$22.31
Evaporative Cooler Register Cover- (Clip On)	Each			\$35.13
Evaporative Cooler Register Cover- (Magnetic)	Each			\$9.47
Exhaust Venting (Kitchen/Bath) - cut opening with vent	Each			\$62.62
Exhaust Venting (Kitchen/Bath) - vent only	Each			\$22.84
Exhaust Venting mobile home (Kitchen)	Per Home			\$62.62
Faucet Aerator (kitchen and bath)	Each			\$7.00
Faucet Aerator Adapter	Each			\$7.00
Flex Connector (done in conjunction with Standing Pilot Retrofit Kit)	Each			\$25.54
Furnace Clean and Tune	Each			\$46.50
Furnace Filter (done in conjunction with Furnace Clean and Tune)	Each			\$14.32
Glass - D.S. or S.S. including glazing compound. (Per sash)	Per Square Foot	\$2.73 Per Square Foot	\$36.44	Varies
Glass - Specialty	Each	Cost + 10%	\$36.44	Varies
Glass -Tempered or Polycarbonate including glazing compound. (Per sash)	Per Square Foot	\$4.30 Per Square Foot	\$36.44	Varies
Glass Replace - Louvered (jalousie) Windows (glass panel)	Each			\$12.26
Glazing Compound per window-from corner to corner (At least one entire edge)	Per Window			\$8.78
Hand Held Showerhead	Each			\$33.51

Hard Pipe forced air unit (in conjunction with Standing Pilot Retrofit Kit)	Each			\$8.41
Line Valve with Connector (done in conjunction with Standing Pilot Retrofit Kit)	Each			\$39.00
Low Flow Showerhead	Each			\$18.11
Natural Gas Appliance Testing (NGAT)	Per Home			\$28.50
Natural Gas Appliance Testing (NGAT) – Leveraging Fee	Per Home			\$1.00
Seal FAU Platform (Caulking Around Base)	Each			\$18.27
Shower Diverter Valve	Each			\$25.57
Showerhead Adapter	Each			\$11.07
Silicone Caulking (crack or bb hole)	Each			\$8.07
Standing Pilot Retrofit Kit (Requires C20 License)	Each			\$298.00
Switch & Outlet Gaskets & Covers	Per Home			\$9.67
Thermostatic Shower Valve	Each			\$42.59
Vent Screen	Each			\$13.53
Vent- Dormer	Each			\$66.44
Vent - Eave	Each			\$21.23
Vent- Gable/Mushroom	Each			\$59.66
Wall Repair - Utility Penetration	Per Home			\$11.03
Wall Repair (stucco patch or plywood)	Per Home			\$25.05
Wall Repair (tape joint compound, plaster)	Per Home			\$22.36
Water Heater Blanket – Central	Each			\$83.07
Water Heater Blanket – Individual	Each			\$54.83
Water Heater Pipe Insulation	Each			\$21.23



Weatherstripping - Attic Access	Each			\$11.55
Weatherstripping & Caulking-rigid gasket	Each			\$47.03
Weatherstripping - Foam Tape/ V-Strip	Each			\$11.57
Weatherstripping - Sliding Glass Door Pile	Each			\$13.72
Window Assembly	Each	Cost + 10%	\$54.66	Varies
<b>DUCT TESTING AND SEALING</b>				
Duct Testing (includes Admin fee)	Per Appliance			\$100.00
Duct Sealing	Per Appliance			\$170.00
Duct Board Installation	Per Appliance			\$53.60

<b>COMPANY POTENTIAL CHARGEBACK FEES TO CONTRACTOR</b>		
<b>Fee Name</b>	<b>Description</b>	<b>Total</b>
<b>Dispute Resolution</b>	Fee charged to Contractor if Company determines that Contractor's original results were not correct	\$63.32
<b>Processing Fee</b>	Fee charged to Contractor for invoice errors that result in invoice rejection and/or changes that must be made by the Company	\$10.00
<b>Significant Error</b>	Errors that result in the Company determining that the job cannot be paid by Company (e.g. misrepresentation of services that were provided to the customer)	Cost of Entire Job
<b>Re-Inspection</b>	Additional inspection(s) of a measure/or measures that failed the initial inspection	Cost of Inspection

In the event changes to existing laws create certain rebates, incentives, credits or exemptions for sales taxes imposed on contractors due to the purchase of high efficiency clothes' washers, furnaces or other appliances included within the Weatherization Measures/Services or otherwise within the scope of this Agreement, Company may reduce the reimbursement total set forth above in an amount equal to the value of the rebate, incentive, credit or exemption, on a per unit basis. If changes in existing laws create rebates, incentive credits or exemptions that are retroactive, then Contractor shall refund to Company a sum equal to the total value of the rebates, incentives credits or exemption up to the effective date of this Agreement.

## SCHEDULE D - GENERAL REQUIREMENTS

The Services are generally described in the SCOPE and more fully described below:

<b>Definitions</b>	
Appliance Diagnostic	Assessment and diagnosis of appliance. Includes minor adjustment, and cleaning as required as well as Flue CO Test & repair/replacement observations.
Appliance Post Inspection	Includes verification the appliance was installed or serviced properly and is operating safely.
Applicant	Person requesting and filling out program forms.
Canvassing	Promotion of ESAP through door-to-door customer visits performed by the Contractor.
CARE	California Alternative Rates for Energy established by the CPUC in 1989 that provides a 20% rate discount to income-qualified ratepayers. Qualifying income guidelines are established annually by the CPUC.
CARE PEV	CARE Post Enrollment Verified. SCG customers whose income eligibility has been documented post enrollment within the last 12 months are also considered income eligible for Program Services.
Contractor	The organization contracted by Company to perform Program Services.
CPUC or Commission	California Public Utilities Commission, the regulatory agency that oversees public utilities operating within the State of California.
CSLB	Contractors State License Board (California)
Customer	The Company's residential ratepayer who receives gas and/or electric services through an individual meter, master meter or sub-meter. Customer must be at least 18 years of age, or married or legally emancipated minor under 18 years of age.
Duplicate Measure Research Inquiry (DMRI)	DMRI is performed on all leads that are data entered into the HEAT system to determine if the home has been previously serviced by ESAP.
E&A	Enrollment and Assessment services are performed to enroll qualified Customers into the program, assess the needs of the home and provide energy education.
ESAP	Energy Savings Assistance Program
Furnace	Natural gas space heating appliance where gas is provided by Southern California Gas Company.
Gas	Natural Gas provided by Southern California Gas Company.
Gas Appliance Technician	An employee of the Contractor who performs gas appliance diagnostics, inspections, repairs and replacements under Company's Energy Savings Assistance Program.
HEAT system	Company database used to track required program data, customer demographic data, program activity, and cost information.
HE Washers	High Efficiency Washers
HISR	Home Improvement Salesperson Registration
Household	A group of related or non-related individuals living as one economic group sharing living expenses.
Heating, Ventilation, and Air Conditioning (HVAC) Contractor	Contractor licensed by the Contractors State License Board to perform Heating, Ventilation, and Air Conditioning work. (Furnace services require an active C-20 HVAC license. Water heater services require an active C-36 Plumbing license.
Installation Standards (IS) manual	California Conventional & Mobile Home Installation Standards (IS) manual
IOU	Investor Owned Utility – SoCalGas, SDG&E, PG&E, and SCE
Medical Baseline Program	A program offered by Company for customers who use specified life-support equipment or who permanently require increased air conditioning or heating usage due to their medical condition. A doctor's certification is required to qualify and customer receives an increased baseline allowance that provides additional energy at the lowest rate for residential customers. It is not a rate discount or rebate program.
NGAT	Natural Gas Appliance Testing as defined in Policy and Procedures manual and Installation Standards manual.

Definitions	
Not To Exceed (NTE)	Specifies a set amount of dollars or units allocated to Contractor that cannot be exceeded unless approved prior by Company.
Outreach Specialist	Contractor employees and/or independent contractors, whose primary responsibility is to perform ESAP canvassing, verify customer income and dwelling eligibility, provide in-home energy education, and measure assessment.
Outreach Supervisor	Contractor personnel who supervise and/or oversee Outreach Specialist activities authorized by this Agreement.
Policy and Procedures (P&P) manual	Low Income Energy Efficiency Program Statewide Policy and Procedures ("P&P") manual.
Permanent Household Member	Any household member who establishes his or her primary residence as the same as that of the applicant per guidelines specified in the P&P manual.
Program Personnel	Any employee of Contractor, or subcontractor assigned to Company's ESAP.
Program Requirements	Dictated by Installation Standards manual (IS), Policies & Procedures (P&P) manual, the CPUC, and the Company.
Program Services	Any of the approved services installed and/or provided to households meeting eligibility requirements as defined by the P&P manual.
Property Owner	Legal owner of the real property on which Program Services are performed.
Program Update	Change to a policy, procedure or requirements in the Program Requirements or Program Services.
Resident	The occupant or tenant of a residential dwelling unit.
Unwilling or Unable Customers	Likely income eligible customers who have face-to-face contact with Outreach Specialist and choose not to participate ("unwilling") or are unable to participate in ESAP.
Weatherization (Wx)	Installation of weatherization measures in accordance with ESAP requirements.

### **Program Personnel Requirements**

Contractor shall qualify employees in accordance with the following standards:

1. Contractor shall employ its best efforts to ensure that a minimum of two (2) previous employment reference checks have been completed for Program Personnel.
2. Program Personnel shall be screened for use of drugs identified by the Substance Abuse and Mental Health Administration (generally; Cannabinoids, Cocaine, Opiates, Phencyclidine, Amphetamines) or as otherwise requested by Company.
3. Program Personnel who work as Outreach Specialists shall possess a current and active Contractor State License Board (CSLB) Home Improvement Salesperson Registration (HISR). Contractor shall provide Company with proof of HISR registration information for all Program Personnel who may engage in Customer contact activities per the terms of this Agreement. All Weatherization, HVAC, or Inspection personnel with an ESAP ID badge are required to undergo a criminal background check.
4. Company shall provide Program Personnel with an ESAP photo ID badge that must be worn so that it is plainly visible. All Contractor and/or subcontractor personnel who engage in Customer contact activities for ESAP shall present their valid ESAP photo identification badge to the Customer

upon arrival. Contractor is responsible for ensuring ESAP ID badges are current and shall request renewal at least thirty (30) days prior to expiration date. Contractor shall immediately notify ESAP management (by e-mail) when any Program Personnel who have been issued an ESAP ID badge are no longer working on behalf of ESAP. Contractor shall secure the ESAP ID badge of these personnel and immediately return it to ESAP management.

#### **De-certification**

De-certified individual(s) are not permitted to work in ESAP in any capacity. During the de-certification process Company will notify Contractor of de-certification of Program Personnel. Contractor shall immediately notify Program Personnel of de-certification obtain their ESAP identification badge and return it to the Company office within forty-eight (48) hours of notification from Company.

### **CONTRACTOR'S RESPONSIBILITY**

#### **General Requirements**

Contractor shall provide sufficient field and office personnel to complete all Services as authorized; ~~paperwork, data entry, invoicing etc. in a timely manner in accordance with this~~ Agreement. Contractor shall warrant the accuracy and completeness of all ESAP documents and any such records and information required by or supplied to Company.

Contractor shall conduct all work in a manner that will maintain good public relations by minimizing inconvenience to any Customers or affected neighbors.

Contractor must receive written approval by Company for any subcontractor to perform Program Services under ESAP.

Contractor shall be solely responsible for, and shall pay, reimburse, or replace any and all Customer claims, losses, expenses, or liabilities resulting from all acts of Program Personnel.

Contractor shall not provide Program Services to ineligible Customers or dwellings.

Contractor shall keep a record of all complaints and inquiries and how they were resolved. Contractor shall contact Customer within twenty-four (24) hours of notification of complaint. In general, all complaints shall be resolved to Company's satisfaction within ten (10) business days.

Contractor represents that it has the expertise, training, licensing and/or certification(s) to address situations where there is a possibility of disturbing asbestos and/or lead based paint. Prior to any work being done, Contractor shall determine if Program Services may disturb asbestos and/or lead based paint. Without proper training, licensing, and/or certification, no work shall be performed under this Agreement at any site where asbestos and/or lead based paint may be disturbed during any part of the work.

Contractor's employees and subcontractors assigned to perform Program Services will be exposed to substances known to the State of California to cause cancer or reproductive

toxicity. Contractor warrants that it has advised or will advise its personnel and subcontractors of the risks of exposure cited above.

Contractor will refer to the most updated version of the P&P Manual, Weatherization Installation Standards (WIS) Manual and Program Updates for overall guidance.

### **Insurance**

Certificates of Insurance (COI) shall be provided per Section 9.2 of the P&P manual.

The Contractor will submit the following immediately upon renewal of the COI to SoCalGas:

- **FAX** their Certificate(s) directly to Ebix BPO via FAX at 1-888-745-2492.  
**Important: do not mail the Certificate(s) of Insurance**
- **EMAIL** a copy of Certificate(s) the following addresses:  
[SM-InsAdmin@semprautilities.com](mailto:SM-InsAdmin@semprautilities.com) and [ESAPcontracts@semprautilities.com](mailto:ESAPcontracts@semprautilities.com)
- Contractor will have three (3) business days to submit their COI to the personnel stated above. Failure to comply may result in the Contractor being "locked-out" of the HEAT system.

### **Advertising/Promotion Policy**

- No unauthorized use of the Company or ESAP name and/or logo is permitted. The Company and ESAP name and logo are registered trademarks, protected under trademark laws, and all rights are reserved by the trademark owner. ESAP Program Brand Name and Logo Guidelines must be followed as per the Company Contractor Usage Manual for the Energy Savings Assistance Program Brand Name and Logo.
- Use of the Company identity is strictly prohibited, in order to prevent potential misrepresentation or the perception of implied endorsement.
- Contractor is prohibited from selling other services to the Customer or charging the Customer for any other service.
- Only promotional materials provided by the Company may be used to promote ESAP.
- Any unauthorized use of the Southern California Gas Company and ESAP name, logos and/or trademarks, including The Gas Company and SoCalGas<sup>SM</sup>, may lead to the Contractor's termination from ESAP and possible legal action.

### **Key Performance Indicators**

Company will periodically generate and distribute Key Performance Indicator (KPIs) reports to assess Contractor's performance. The various elements included in the KPI report will provide a variety of indicators that measure quality of work and progress. Contractors are expected to review their results and use them as a guide to improve on any deficient areas. Overall performance goals will be specified in the KPI report. Failure on the part of the Contractor, as determined by Company, in its sole discretion, to attain quality performance based on KPI metrics may result in reduction in Unit Goals and/or the NTE funding limitation, or overall removal from ESAP.

### **Re-inspections**

Contractor may be billed for the cost of re-inspection as described in SCHEDULE C – Compensation Schedule, where applicable.

### **COMPANY RESPONSIBILITIES**

Company shall establish and provide Contractor with ESAP standards and guidelines. Company will inspect the ESAP documents and work performed per the guidelines specified in the P&P and Installation Standards manual to ensure compliance with ESAP standards and guidelines. In addition, Company reserves the right to observe Program Services conducted by Contractor as required by this Agreement. Contractor shall provide Company with schedules of its activities upon request.

Company shall be responsible for the developing, maintaining, training and providing technical support for the HEAT system.

#### **Chargebacks**

Company reserves the right to receive reimbursement from the Contractor for any Program Services that were incorrectly billed or for any work performed outside the scope of this Agreement.

#### **Rejections**

Invoices received by Company that have enrollments/work orders with documentation or data entry errors may result in a loss of the processing fee payable to Contractor and/or invoice rejection.

#### **Administration**

Contractor shall retain copies of all invoices, back-up documentation, subcontractor invoices, itemization of approved materials etc. for a minimum of ten (10) years after termination of this Agreement. Contractor must at all times secure all documents containing Customer information. Company has the right to monitor that documents are secure. Failure to secure documents may result in suspension or termination of this Agreement.

The Contractor agrees that any breach or any other security incident, internal or external that has the potential to compromise multiple data sources must be reported to the Sempra Energy Security Operations Center ([SOC@sempra.com](mailto:SOC@sempra.com)) (858) 613-3278) within twenty-four (24) hours of knowledge of the breach followed by a seventy-two (72) hour remediation time frame, and two (2) business weeks from the initial notification for completion of the investigation.

Contractor shall complete and submit an access request form for all new users to the HEAT system or when requesting access modification of existing users. The request will be sent to [ESAPSystemAdministrator@semprautilities.com](mailto:ESAPSystemAdministrator@semprautilities.com). Contractor shall notify Company by email of any user that is terminated or no longer employed with the Contractor within seven (7) calendar days of last day of employment. Contractor employees shall not share usernames to access the HEAT system. Each individual user must have a unique username. Sharing usernames to access the HEAT system is strictly prohibited. Contractor will review their employees' database access when requested by Company. Failure to perform the review by the date requested will result in the removal of Contractor's invoicing access in the HEAT system.

## **SCHEDULE E - ENROLLMENT AND ASSESSMENT**

Contractor shall provide all labor, materials, tools, uniforms, and equipment to perform E&A services that are assigned by Company. In addition, Contractor shall perform all work in accordance with the P&P manual.

### **Timelines**

The table below identifies the timelines and requirements for addressing E&A services authorized by this Agreement. Company reserves the right to reassign any Customer leads or enrollments exceeding ten (10) calendar days. Failure to address Company assigned leads or to complete enrollments within thirty (30) calendar days may result in a decrease of enrollment referrals and/or termination of this Agreement.

<b>Timeline Summary</b>	
<b>Description/ Results</b>	<b>Requirements</b>
Leads	Contractor shall address all leads within ten (10) calendar days from the date the lead was created in the HEAT system.
Data Entry	Contractor has ten (10) calendar days from applicant sign date to data enter and process the agreement workflow in the HEAT system.
Invoices	Invoices shall be submitted within ten (10) calendar days from the date the work flow is closed in the HEAT system.

### **Hazardous Condition**

If a gas leak or any other hazardous condition exists at a gas appliance, Contractor shall immediately notify the Company at 1-800-427-2200.

### **Forms**

Contractor agrees to use all Company required forms. All forms will be completed in blue or black ink only.

**Assessment Form** (or Company approved Contractor Assessment Form) is used to identify Program Services which may be feasible for installation. The non-feasible code for all measures which are not feasible to be installed must be included on the form.

**Energy Education and Resource Guide (or Company approved alternative)** is distributed to each qualified applicant at the time of ESAP enrollment. Outreach Specialist must review the Energy Education and Resource Guide with the applicant at the time the applicant is signed up for ESAP as stipulated in the P&P manual.

**ESAP welcome letter** is distributed to each qualified applicant at the time of ESAP enrollment. Outreach Specialist must review the welcome letter with the applicant at the time the applicant is signed up for ESAP.

**Household Income Worksheet (HIW)** is used by Outreach Specialist to record the number of household members and calculate the total household income. Applicant and Outreach Specialist must sign and date the worksheet. It must be completely filled out and attached to the Customer Agreement.



**Customer Agreement** is used to enroll Customer into ESAP and shall be completely filled out, including the statistical data section. The owner or tenant (if applicable), must sign and date this document. The Outreach Specialist shall also sign and date this document.

**New Joint Utility Customer Agreement**

Effective January 1, 2016, the new ESA Program Joint Utility Customer Agreement developed jointly by Edison and SoCalGas will be implemented. Please note:

- The new Joint Utility Customer Agreement is required for **all** SoCalGas ESA Program contractors enrolling customers into the program whether they are an Edison contractor or not.
- All customers enrolled on or after January 1, 2016 into the SoCalGas ESA Program are required to be enrolled via the new form.
- Enrollments reviewed through the contractor monitoring process where customers are enrolled on or after January 1, 2016 using an old version of the Customer Agreement may be charged back.
- Invoices of customers enrolled on or after January 1, 2016 using an old version of the Customer Agreement may be rejected and not processed for payment.

**Property Owner Agreement** must be signed and dated by the owner or an authorized representative for renter occupied dwellings where the owner approval is not provided on another Company approved form. Payment for all Program Services associated with Property Owner's Agreement will be charged back to the Contractor if missing signatures, per Section 2.7 of the P&P manual.

**Invoicing Requirements**

The following forms must be included when invoicing for E&A:

- Customer Agreement
- Property Owner Authorization - When required
- Copy of new joint IOU Property Owner Authorization form\*
- Income documentation\*\*
- Assessment Worksheet
- High Efficiency Washer Pre-Assessment Worksheet (if applicant is eligible)\*
- New Joint Utility Customer Agreement\*\*\*

\* For enrollments leveraging income and/or measures

\*\* Not required for customer enrolled via full income documentation method

\*\*\* The new Joint Utility Customer Agreement is required for **all** SoCalGas ESA Program contractors enrolling customers into the program. Enrollments reviewed through the contractor monitoring process where customers are enrolled on or after January 1, 2016 using an old version of the Customer Agreement may be charged back. Invoices of customers enrolled on or after January 1, 2016 using an old version of the Customer Agreement may be rejected and not processed for payment

In addition, the table below lists documents that must be submitted with the invoice package to prove eligibility:

Enrollment Services	Description	Documents/Forms Required for Invoicing
<b>Full Document Enrollments</b>	Enrollments where eligibility must be determined by collecting income documentation from all household members.	See above. The new Joint Utility Customer Agreement is required for <b>all</b> SoCalGas ESA Program contractors enrolling customers into the program.
<b>Self-Certified/Categorical Enrollments</b>	Enrollments where eligibility is determined by confirming receiving proof of a household member's participation in an authorized categorical program and/or where customers certify household income using the self-certification process described in the P&P manual.	Provide ESAP approved documentation showing participation of the categorical program as specified in the P&P manual; current DMRI print out showing participation in either CARE PEV or eligible Prizm code.
<b>Other IOU Enrollments</b>	Contractors that jointly enroll Customers on behalf of Company and an electric IOU.	Copy of new joint IOU Property Owner Authorization form; current DMRI print out
<b>Other Utility "Edison-DST" Enrollment Policy */**</b>	Contractors that enroll customers into the ESA Program when a customer has been enrolled in Southern California Edison's ESA Program within the past 12 months.	Income documentation is not required to be collected for Customers income-qualified by Edison's ESA Program as long as the Customer was enrolled in the previous 12 months; A copy of the DMRI will be required to be submitted with the invoice.
<b>ESAP Program Services Declined***</b>	Form is completed to document leads that do not turn into enrollments.	LIEE Program Services Declined form.

\*\*\*For Tablet PC enrollments these documents must be submitted with the invoice.

\*The only Enrollment Service Type reimbursement fee the Program will process for payment on these enrollments will be the "Other IOU" enrollment fee. All other Service Type reimbursement fees such as Assessment, Energy Education, Administration, etc., should be invoiced as applicable per Schedule C - Compensation.

\*\*A customer who has participated in Edison's ESA Program where the enrollment date is over 1 year old, or where the home has not been serviced by either utility cannot be qualified using Other Utility "Edison - DST" and must be enrolled via another method listed in 2014 "Schedule E - Enrollment And Assessment" of the Southern California Gas Company Standard Service Agreement for Labor and/or Services.

In addition to chargebacks identified in SCHEDULE - D (General Requirements), Company also reserves the right to receive reimbursement from the Contractor for any work performed and invoiced (including but not limited to work performed by other Contractors) in which the Customer is determined to be ineligible for ESAP participation.

ESAP consists of the following components, which the Contractor shall be responsible to implement:

**Program Enrollment**

The Contractor shall be responsible for determining the Customers' eligibility for ESAP. As part of its efforts to enroll Customers into ESAP, the Contractor shall inform Customers about Company's Customer assistance programs (including the CARE program) and shall provide assistance to those potentially eligible households by completing applicable forms.

If a contact telephone number is left with the Customer, it must be the Contractor's office number or a number fully dedicated to ESAP. If a fully dedicated ESAP number is used, it must have voicemail stating the Outreach Specialist's name and the program/agency for which they are providing Program Services.

**Training**

Contractor agrees to utilize only Company trained outreach personnel to perform outreach services. Training shall include a review of the P&P manual including policies related to the initial application process, certification of eligibility, home assessment, post-enrollment verification procedures, and installation standards.

**Outreach Specialist Training Requirements**

A student shall have received or completed one of the following prior to attending E&A training.

- 1) Active HISR (Home Improvement Sales Registration)  
OR
- 2) Completed "Request for Live Scan Service form" with ATI number (number issued after fingerprinting has been done)  
AND
- 3) Completed "Specialist Profile" form signed by Contractor's hiring supervisor

**Optional Requirements**

An Outreach Specialist may still enroll for E&A training provided the following requirements are met:

- A copy of the HISR application that was submitted to the CSLB  
AND
- Contractor has performed background check and drug test prior to class enrollment  
AND
- Completed "Specialist Profile" form signed by Contractor's hiring supervisor

*Approval to attend E&A Training will be confirmed once required documents and/or information has been received by ESAP training personnel.*

It is the Contractor's responsibility to ensure that their Outreach Specialist's CSLB HISR is current. Contractor shall notify the Company of relevant changes in the status of an Outreach Specialist's HISR.

Company will only issue an ESAP ID badge to Outreach Specialist who have an active HISR.

### **Management**

Contractor shall ensure that all information about ESAP be provided by Program Personnel to Customers is true and accurate. This may include, but is not limited to, ensuring that all Program Personnel are timely informed of changes in ESAP eligibility requirements that the Commission may make from time to time and through Program Updates issued by Company. Contractor shall develop an early warning, self-evaluation process to identify problems and/or take corrective actions to ensure that ESAP policies and procedures are followed and ESAP goals are met. Company may make unannounced visits during the course of the work to any site where training is being conducted, or where ESAP data or documents are stored. The following requirements must be met if an Outreach Specialist changes affiliation from one Contractor to another:

- The current Outreach Supervisor must notify Company (by e-mail) of the change and indicate the last day agreements will be submitted bearing the name of the Outreach Specialist.
- The new Outreach Supervisor must notify Company of the change (by e-mail) and indicate the first day agreements will be submitted bearing the name of the Outreach Specialist. Changes will not take effect until the first business day of the following month.
- The Outreach Specialist must register with the CSLB under the new Contractor's license number and must possess a ESAP ID badge under the new Contractor's name prior to enrolling any Customers in ESAP.

### **Enrollment Process/Requirements**

#### **Overview**

In-home visits performed by Outreach Specialists will consist of the following in accordance with the P&P manual: (1) income qualification of applicant and/or another Permanent Household Member (2) assessment of the structure for all feasible measures (3) providing energy education (4) providing Customer information about Company's other customer assistance programs including, but not limited to CARE, Medical Baseline and Level Pay Plan and any other programs that are identified in the Energy Education Guide (5) enrolling Customer for CARE program using the applicable section on the ESAP Customer Agreement.

It is the responsibility of the Contractor's outreach staff to instruct ESAP applicants in energy efficiency and conservation practices and measures once eligibility has been established. Following the energy education script, the Outreach Specialist presents the information contained in the Energy Education and Resource Guide. The Outreach Specialist's signature on the agreement verifies he/she has provided energy education and an ESAP Welcome Letter to the applicant.

If the Customer is not the Property Owner, the Contractor shall obtain the Property Owner's written authorization to perform the work by obtaining the Property Owner signature on the Customer Agreement (or other applicable form) or Property Owner Agreement form prior to performing the work. The Contractor shall be responsible for advising the Property Owner of the following:

- Scope of work to be performed
- The limitations of the program
- The potential that an inspection of some gas appliances may require the gas service to the appliance or to the entire structure to be shut-off if a hazardous or unsafe condition is identified (which may require additional repairs by the Property Owner at the Property Owner's expense) and cannot be repaired under the constraints of the program.

Once the income eligibility/ownership documents have been viewed, copied and/or digitally photographed and stored, and energy education and assessment have been completed, the Outreach Specialist shall advise the Customer of the recommended work to be performed.

For dwelling units where a required minimum measures cannot be installed, ESAP will allow Contractors to combine both gas and electric measures to meet the required minimum measure.

#### **Unwilling or Unable Customers**

Contractors shall document those instances when an Outreach Specialist makes **face-to-face** contact with a likely income eligible Customer who chooses not to participate ("unwilling") or is unable to participate in ESAP. The Outreach Specialist or workshop instructor shall document this information on the **ESAP Non-Participation** sheet and this information shall be entered into the HEAT system.

#### **Reasons for Non-Participation:**

- Customer Refused
- Moving
- Property Owner Refused- Renter occupied for single family homes only.
- Over Income
- Does not meet minimum measure requirement
- Unable to provide income documentation
- Unable to provide home ownership documentation

#### **Tablet PC**

As part of the Company's "Go Green" initiative, the Company may require Contractor's Outreach Personnel to utilize Tablet PC to enroll Customers in ESAP. Any fraudulent activity conducted on company issued Table PCs may lead to Contractor termination and decertification.

#### **Service Eligibility**

##### **General**

In order to qualify a home for Program Services the following specific criteria must be met:

- The home must receive service from an active SoCalGas account (except vacant units qualified under the 80/20 rule)
- The active SoCalGas account must have an eligible rate code (as listed below)
- The home must be a full time residential dwelling
- The home must have a kitchen with running water, and a bathroom with a sink, toilet, and running hot water

All group living facilities must be classified as non-profit and a copy of their 501(c) (3) status must be maintained in the Contractor's Customer file.

### **Gas Accounts**

A gas account that serves a common facility such as a swimming pool, laundry room, recreation room etc., or a small commercial/industrial account which serves non-residential Customers is not eligible for Program Services. Contractors are responsible for ensuring that gas accounts are active at the time of qualification. If gas account is not active at the time of installation, Contractor must contact Company for further instructions. Agreements received with ineligible gas accounts will be returned unpaid.

### **Eligible Gas Account Rate Codes**

Eligible gas accounts can be identified by the rate code, which is located on the gas bill. Rate codes are listed below:

- GR, GRL, GME (only if master metered), GS, GSL, GTR, GTRL, GTS, GTSL - Eligible for Program Services
- GME (Only if central living facility also serves as master meter), GN10L, GTNL, GTM - May be eligible for Program Services (requires pre-approval)
- GMC, GN10, GTN - Ineligible for Program Services

~~Master meter and central facility accounts are not the same.~~ Master meter accounts are defined as one meter supplying gas to two or more residential dwelling units. Central facility accounts are defined as one or more meters supplying gas for water heating, space heating, and/or cooking to residential dwelling units, that are also individually metered. There may be instances where one of the dwelling units may be served by the central facility meter. Pre-approval will be required.

Prior to completing a DMRI and creating a site for a master meter account, it is the responsibility of the Contractor to run a master meter report in the HEAT system to determine the units that have been weatherized. If the Contractor invoices for Program Services for duplicate sites they have created, those Program Services and all fees will be charged back.

### **Home Ownership**

In addition to those listed in the P&P manual, DataQuick® and approved deeds are accepted as proof of home ownership. DMV registration is accepted for mobile homes registered as vehicles. HCD (Housing and Community Development) registration website may be used to verify mobile home ownership. The printout must include the name of the Property Owner, the property address, a current registration date, and a registration expiration date. All home ownership documentation must be accurate and current based on the type of documentation provided (ex: mortgage statement is monthly while property tax is every six months).

A spouse whose name does not appear on property ownership documentation may sign as the Property Owner if the Contractor has verified that the person signing the agreement is married to the person listed on the property ownership document. Verification may include viewing a copy of the marriage certificate or confirming that the Customers share the same last name.

It is the responsibility of the Contractor to review the documents and ensure proof of home ownership. Acceptable property ownership documentation such as, mortgage loan documents (monthly statements), property tax bills, home owner property insurance (fire insurance),



mortgage payment book, deeds or DataQuick® or similar title search, must be maintained by the Contractor for ten (10) years.

Documentation such as, Power of Attorney (POA), Life Estate/Living Trusts, Property Management Agreements or other approved documentation used to prove the authority of the "Property Owner Representative" to sign on behalf of the "Property Owner" must be retained by Contractor for Customer's file and for auditing purposes.

### **Mobile/Manufactured Homes**

The following mobile units are not eligible for Program Services:

- Mobile units used as offices
- Travel trailers or mobile units that are used for vacations rather than full-time residency
- Motor homes
- A travel trailer parked at a home and used as an extra bedroom.
- Mobile homes with less than 320 square feet of floor area.

A "travel trailer" in a mobile home park that is used as a full time residence may be weatherized only with prior approval from the ESAP representative.

### **ESAP Signature Requirements**

The applicant and Outreach Specialist must sign and date the Customer Agreement and the Household Income Worksheet where indicated. An Outreach Specialist's signature verifies that he/she has asked for, reviewed, and documented all household income from all household members. His/her signature also verifies that the applicant has received an ESAP Welcome Letter, an Energy Education and Resource Guide, and has received in-home energy education from Outreach Specialist. Additionally, the Outreach Specialist's signature verifies that all Customer interaction has been conducted by the ESAP certified Outreach Specialist signing the paperwork. Payment for Customer Agreements with missing signatures will be disallowed or charged back.

All applicants' signatures must be witnessed if printed, illegible, or an "X" or other mark is used. If printed or illegible signature, one witness is required (Outreach Specialist can be the witness). If an "X" or other mark is used, two witnesses are required (Outreach Specialist can be one witness, and a neutral party must be the other witness). Witnesses must print and sign their full names (initials are not acceptable). All witnesses and applicants must be at least 18 years of age or older.

Signing an applicant's name or allowing someone other than the applicant to sign applicant's name on any ESAP document is considered forgery and will result in immediate de-certification of the individual(s) involved. Stamped signatures are not allowed.

### **Additional Requirements**

When a Property Owner is an entity or is not available to sign required ESAP forms and or Property Owner Authorized Representative will be signing on their behalf, a copy of the Home Ownership document must be submitted along with any additional documentation that may help establish relationship between owner and representative.

Supporting home ownership documentation or documentation linking the representative to the owner, such as a business card, is no longer required to be submitted at the time of invoice. It is the responsibility of the Contractor to review the documents, ensure proof of home ownership and maintain copies of any supporting documentation in the Customer's file. Property Owner Agreement to be signed by Property Owner or Property Owner authorized representative will be accepted via mail, scanned, faxed, or emailed if the following requirements are met:

1. Property Owner or Property Owner authorized representative does not reside in property address.
2. Contact with Property Owner or Property Owner authorized representative is made by an ESAP certified Outreach Specialist.
3. Acceptable Ownership documentation is provided directly by Property Owner or Property Owner authorized representative.

While signatures do not have to be witnessed in the situations identified above, the Outreach Specialist and Contractor shall ensure the Property Owner or Property Owner Authorized Representative signs required ESAP forms.

***Life Estate/Living Trust:***

- On the line labeled, AUTHORIZED PROPERTY OWNER REPRESENTATIVE: The Authorized Property Owner Representative must print: "John Smith for XYZ Trust".
- On the line labeled, AUTHORIZED PROPERTY OWNER REPRESENTATIVE'S SIGNATURE: The Authorized Property Owner Representative must sign their name.

The Contractor must review and verify that the individual signing the enrollment forms is authorized to do so within the Life Estate or Living Trust. The Owner/Authorized Representative's signature on the Customer Agreement or Property Owner Authorization will document their statement that they are authorized to sign for the home to participate in the ESA Program. The Outreach Specialist's signature acknowledges that the Contractor has reviewed and verified that the individual signing the enrollment forms is authorized to do so within the documents.

Please note that for enrollment review purposes and to maintain the integrity of the program, SoCalGas may contact customers for the purpose of verifying proper property owner/authorized representative authorization. This may apply to verification of household income as well.

***Power of Attorney***

- On the line labeled, AUTHORIZED PROPERTY OWNER REPRESENTATIVE: The Authorized Property Owner Representative must print: "John Smith POA for Jane Smith".
- On the line labeled, AUTHORIZED PROPERTY OWNER REPRESENTATIVE'S SIGNATURE: The Authorized Property Owner Representative must sign their name.

The Contractor shall review and verify that the individual signing the enrollment forms is authorized to do so from a current Power of Attorney. The Authorized Representative's signature on the Customer Agreement or Property Owner Authorization will document their statement that they are authorized to sign to participate in the ESA Program. The Outreach Specialist's signature acknowledges that the Contractor has reviewed and verified that the individual signing the enrollment forms has Power of Attorney to do so.

***Management Agreement***

- On the line labeled, AUTHORIZED PROPERTY OWNER REPRESENTATIVE: The Authorized Property Owner Representative must print: "John Smith authorized representative for Smith Inc."
- On the line labeled, AUTHORIZED PROPERTY OWNER REPRESENTATIVE'S SIGNATURE: The Authorized Property Owner Representative must sign their name.

***Property Owned by a Company or Corporation***

If the property is owned by a company or corporation, a letter (on company letterhead) stating the person signing the agreement has authority to sign for the company/corporation is required. A business card with the company/corporation name and the name of the person signing the agreement is also acceptable.

**Personalized Name Stamps**

**The use of a personalized name stamp in the "print name" section of a form is not allowed.** When a printed name is required on an ESAP form, Outreach Specialist's, Installation Crews, etc. must print their name and shall not use a name stamp.

Forms received by the ESAP office that have a stamped name in the "print name" section will be rejected and payment for that enrollment will be disallowed. The form(s) will not be returned for correction and Contractor will not be allowed to re-invoice.

**Quality Assurance & Inspection**

**General**

Contractor shall develop quality control procedures to ensure high quality workmanship practices for enrolling Customers and to ensure quality Program Services have been provided to the Customer. Company reserves the right, after notification to the Contractor, to modify procedures to ensure effectiveness and quality of ESAP.

**Monitoring**

Monitoring is the quality control process used to ensure that CPUC authorized ratepayer funds are properly utilized and that all eligibility requirements have been met and that only eligible households should receive Program Services.

**Contractor Monitoring**

Contractors are responsible for monitoring and approving all Customer eligibility documentation prior to submitting enrollments to Company for payment. Contractor staff members assigned to monitor and approve Customer eligibility documentation are required to attend outreach training.

**Company Monitoring**

Company regularly monitors enrollments to ensure ESAP integrity. The number of enrollments monitored may be adjusted according to Contractor and/or outreach performance or to address specific quality issues. In all cases, previous results, records of problems, corrective actions required, and other historical information may be considered in determining sample size. Monitoring may be conducted at Company office and/or Contractor facility. When monitoring is conducted at Contractor's facility, Company will give Contractor twenty-four (24) hour notice.

**Monitoring Results/Enrollment Review Process**

- 1) Monitoring list is generated in the SoCalGas HEAT system.
- 2) Email attached with list of enrollments to be reviewed detailing appointment time is sent to contractors 48 hours in advance, prior to Monitoring date.
- 3) ESAP Outreach Management has 2 weeks to enter Monitoring findings into HEAT system once Monitoring is completed.
- 4) Contractor will be provided monitoring results via the HEAT system and via email to the Contractor Representative listed on the SoCal Gas contract through the [ESAPAudit@semprautilities.com](mailto:ESAPAudit@semprautilities.com) inbox.
- 5) If Contractor contests monitoring results, they must do so within ten (10) calendar days from the date the results are available to Contractor in the HEAT system.
  - a. Contractor must submit an on-line appeal to the ESAP Audit inbox within the timeframe listed above for review by the Company.
  - b. Company will review and resolve all appealed results within a reasonable amount of time.
  - c. Contractor shall not contact Customers during any phase of the monitoring process unless explicitly stated in the findings for each enrollment.
  - d. Should a Contractor contact a Customer during the monitoring process, other than when authorized by SoCalGas, Contractor shall immediately forfeit all appeal rights and shall immediately reimburse Company for any outstanding monies owed.
  - e. No documentation will be accepted after conclusion of the monitoring process.~~Company will provide appeal results to Contractor at the conclusion of the review.~~
- 6) Contractor will be invoiced for all results requiring reimbursement and not appealed within the specified time frame and for results appealed and resolved by Company, if applicable.
- 7) Any Contractor owing monies will be required to reimburse the Company. The reimbursement will appear on the Contractors invoice to the Company through the HEAT system as a debit if applicable.

Contractor is responsible for notifying each Outreach Specialist of monitoring results. Outreach Specialist may be required to attend refresher training.

**De-certification**

Activities such as forging signatures, using non-existent household members, using wage stubs not belonging to the Customer, outreaching with non-certified helpers, outreaching without proper ESAP identification, using another Outreach Specialist's name or badge, signing an agreement as the Outreach Specialist who qualified the Customer when someone else did the qualifying, attempting to obtain income documentation or signatures from a Customer after Program Services have been performed, signing agreements without Outreach Specialist certification or any activity intended to circumvent the policies and procedures of ESAP may result in the immediate de-certification of the individual(s) involved.

De-certified individual(s) are not permitted to work in ESAP in any capacity. During the de-certification process the Company will notify Contractor of de-certification of Outreach Specialist. All outstanding agreements bearing the decertified Outreach Specialist's name must be re-qualified at Contractors' expense. The Contractor shall immediately notify individual of de-certification, obtain Outreach Specialist's ESAP identification badge and return it to the Company office within forty-eight (48) hours of notification from Company.

**Contractor Service Territory By Zip Code**

Contractor is responsible for implementing ESAP under the guidelines established by the Company and approved by the Commission within its assigned service territory listed in the

HEAT system. Contractor will not be allowed to work outside of assigned zip code area without prior written approval of ESAP management. Contractor is required to service all areas in all zip codes of their service territory.

### **Income Qualification Methods**

#### **Methods for Income Qualification**

Outreach Specialists shall use the most appropriate income qualification method when enrolling Customers. The methods for qualifying Customers are discussed below.

#### **1). Self-Certification**

##### ***PRIZM Codes***

The HEAT system contains demographic/census type information for each account and Customer in the form of a PRIZM Code. The Company provides the Contractor the ability to use these codes to identify low income Customers in specific areas of the service territory and allowing those Customers to enroll into ESAP by self-certifying their income.

The Company will accept self-certification documentation for accounts having the following PRIZM Codes:

32	38	44	48	51	55	58	61
33	42	46	49	52	56	59	62
37	43	47	50	53	57	60	63
64							

Contractor is responsible for identifying those dwelling units that meet the criteria using the HEAT system. The PRIZM Code can be found on the "Lead" workflow step before the DMRI is created.

#### **2). CARE Post Enrollment Verified (PEV) Accounts**

Customer accounts showing a "CARE Certified/Verified" date in the HEAT system within the past twelve (12) months of the applicant sign date do not require income documentation/calculations as income verification was done within the past twelve (12) months by another low-income IOU program.

For one-person households, program eligibility shall be based on two-person household guideline levels. One-person households may not be qualified for the ESA Program via the CARE PEV Self Certification method if the CARE PEV date is on or after January 1, 2014. They must be qualified using another enrollment method.

#### **3). Income Qualified by An Overlapping IOU**

Income documentation is not required for Customers income-qualified for an overlapping electric IOU as long as the Customer is jointly enrolled during the same visit.

### **I. Other Utility "Edison-DST" Enrollment Policy**

1. **Income Documentation** – Income documentation is not required to be collected for Customers income-qualified by Edison's ESA Program as long as the Customer was enrolled in the previous 12 months.
2. **Customer Enrollment File** – The following documentation must be maintained in the customer's file for enrollment review purposes:
  - a. A DMRI from the HEAT System demonstrating Edison's enrollment date is within a year.
  - b. The customer must certify that their income still meets the ESA Program income requirements. The total number of household members, names, income and total household income must be documented on the Customer Agreement.
  - c. Copy of Joint IOU Property Authorization Form.
3. A customer who has participated in Edison's ESA Program where the enrollment date is over 1 year old, or where the home has not been serviced by either utility cannot be ~~qualified using Other Utility "Edison-DST" and must be enrolled via another method~~ listed in 2016 "Schedule E – Enrollment And Assessment" of the Southern California Gas Company Standard Service Agreement for Labor and/or Services.

### **4). Categorical Eligibility**

See below for Categorical Eligibility requirements.

### **5). Full Income Documentation**

Outreach Specialist will use Income Calculation method for participants who do not qualify for self-certification.

**Housing Subsidies** – Housing subsidies are no longer considered as income for purposes of ESA Program enrollment and shall be removed from the current list of income sources. For the customers being enrolled via the Full Documentation method, it is no longer necessary to annualize the household's rental assistance payment amount and add the amount to the calculated yearly household income.

The Income Calculation method is determined by the income documentation, not the income source (i.e.: "wages" are an income source and there are multiple ways to calculate income based check stub frequency). All check stubs, bank statements, and rental receipts must be dated within two months from Customer sign date. If a pay period is not printed on the payroll check stub(s), Customer must certify the pay period with a signed and dated statement written on the copy of the payroll check stub(s). Example: "I, John Smith, certify that this check stub covers a pay period of one week".



*Original eligibility documents (check stubs, bank statements, award letters, mortgage statements etc.) are not to be collected. Only copies of eligibility documents should be collected with personal information concealed.*

**Instructions:**

Based on household member's income documentation you must first determine their payment frequency and if payment is considered REGULAR or IRREGULAR. Then you select the formula which you will use to calculate the household member's annual gross income.

**Consistent Paycheck Stub**

**A consistent pay check stub must include the following:**

- Beginning and ending pay periods (NO CERTIFICATIONS)
- Weekly paycheck stub must represent a minimum of thirty-five (35) or more hours.
- Bi-weekly and Semi-monthly stubs must represent a minimum of seventy (75) or more hours.
- If the number of hours is not displayed, the paycheck stub must have hourly rate and must calculate using the hourly method.
- Paycheck stubs must be the most current.
- No overtime earnings

**If the above criteria are met, income must be calculated using the methodologies below:**

**HOURLY:**

- Hourly rate is multiplied by 2080 hours

**WEEKLY:**

- Obtain ONE check stub dated within ONE month from sign date
- Multiply gross amount by 52

**BI-WEEKLY:**

- Obtain ONE check stub dated within ONE month from sign date
- Multiply by 26

**SEMI-MONTHLY:**

- Obtain ONE check stub dated within ONE month from sign date
- Multiply by 24

**MONTHLY:**

- Obtain one check stub dated within two months from sign date
- Multiply total gross amount by 12

**Inconsistent Paycheck Stub**

When the household member's income documentation does not meet the "CONSISTENT PAYCHECK STUB" criteria, income must be calculated using the methodologies below:

**WEEKLY:**

- Obtain two consecutive check stubs dated within two months from sign date
- Add total gross amount
- Multiply by 26

**BI-WEEKLY:**

- Obtain two consecutive check stubs dated within two months from sign date
- Add total gross amount
- Multiply by 13

**SEMI-MONTHLY:**

- Obtain two consecutive check stubs dated within two months from sign date
- Add total gross amount
- Multiply by 12

**MONTHLY:**

- Obtain one check stub dated within two months from sign date
- Multiply total gross amount by 12

**STATE OF CALIFORNIA UNEMPLOYMENT AND/OR DISABILITY BENEFITS:**

- Obtain one check stub dated within two months from sign date
- Multiply weekly rate by 52

**CALCULATING INCOME WHEN CUSTOMER PROVIDES YEARLY DOCUMENTATION (ONLY ACCEPTED FROM JAN 1 – JUNE 30):**

- Obtain current tax year's filing and any 1099, W-2, Schedule C, etc.
- Obtain current tax year's filing including any supporting forms and schedules
- Use gross income for wages, salaries, and commissions
- Use net profit amount for self-employed Customers

**Additional Income Documentation**

In addition to the income documentation requirements in Table 2-3 of the Policy and Procedures Manual, the following documentation will also be accepted:

- Alimony or child support payments- Affidavit from recipient
- Disability benefits, foster care payments, unemployment benefits, VA benefits, or specialist's compensation- Bank statement showing direct deposit.
- Food stamps- Notice of Action
- Pension or 401k payments or withdrawals- Bank statement showing direct deposit
- Social Security payments- Copy of un-cashed check or current 1099
- Bank statements must show source of all deposits

Affidavits must be hand written (pre-printed forms are not allowed) by the person receiving the income and must include the following:

- Name of household member receiving income
- Contact telephone number
- Date affidavit was written

- Type of business (Including business name and address)
- Amount of income
- Frequency of income
- Printed name and signature of self-employed household member (or employer, if affidavit is for cash employee)

Affidavits documenting cash wages from one employer cannot be used if the employee receives a paycheck stub.

Although YTD (year to date) is not a calculation method, YTD earnings must be considered when calculating income. For example: If YTD income (from check stub) exceeds the income allowance, Customer does not qualify.

If income tax returns are used, a copy of the current signed and dated federal income tax filing showing gross annual income, and copies of any 1099's, W-2's, Schedule C's etc. are required. Additionally, federal income tax filings and 1099's are only accepted from January 1<sup>st</sup> through June 30<sup>th</sup>, and only for the current tax year.

It is the responsibility of the Contractor to ensure that only approved income and or ownership documentation is used to determine Customer eligibility. In the event that unapproved income, ownership documentation is submitted, payment may be disallowed.

### **Categorical Eligibility**

#### **Description**

Customers may be eligible to participate in ESAP under categorical eligibility. With proof of current participation of a household member, in any one of the following Local, State, or Federal assistance programs the Customer is eligible for ESAP enrollment.

<b>Program</b>	<b>Documentation Needed</b>
TANF (AFDC) or Cal-Works	Award letter, notice of action or letter from welfare office and/or ID card. Or, with Customer's approval, a screen print from the issuing agency showing current benefits or the caseworker will fax information as designated by the Customer (to the outreach entity or the utility).
LIHEAP	Proof of direct payment to the utility (from CSD, CBO or line item on monthly bill) or a copy of CSD Energy Intake Form (CSD 43) showing Customer has been qualified for LIHEAP services (from CSD or CBO).
WIC	WIC Authorization Folder (WAF) with ID Number - The authorization folder must have a future dated appointment or an appointment for the current month (the month the Customer is enrolled) OR WIC Voucher - enrollment date must be within valid use date range on voucher.
Food Stamps	Award letter, notice of action or letter of eligibility. Or, with Customer's approval, a screen print from the issuing agency showing current benefits or the caseworker will fax information as designated by the Customer (to the outreach entity or the utility).

Medi-Cal	Letter of eligibility and/or ID card. Or, with Customer's approval, a screen print from the issuing agency showing current benefits or the caseworker will fax information as designated by the Customer (to the outreach entity or the utility).
Healthy Families A and B <u>Note:</u> Plan "C" does not qualify for categorical enrollment	Current welcome letter and program ID card. The welcome letter should have a date of when the program participation began.

**Policy:**

- Proof of current participation must be the most current document from the issuing agency and must meet the "Maximum Age of Documentation" per Categorical Program.
- Default to other enrollment method if proof of participation in the program(s) listed above is not the most current or is unavailable.
- The DMRI process still applies to these Customers.

**SCHEDULE F - WEATHERIZATION**

Contractor shall provide all labor, materials, tools, uniforms, and equipment to perform Wx services that are assigned by Company. In addition, Contractor shall perform all work in accordance with the IS manual and all applicable requirements from the P&P manual.

<b>Authorized Wx Services</b>		
<b>Wx Service Category</b>	<b>Wx Service Type</b>	<b>Description</b>
Wx Services	Installation of Wx Measures and Minor Home Repairs	Installation of all feasible ESAP measures and minor home repairs.
	Natural Gas Appliance Testing (NGAT)	NGAT evaluation, verification, and testing when applicable per installation standards.

Contractor shall contact each Customer referred by Company to schedule an appointment. Should Contractor be unable to reach a Customer to schedule an appointment, Contractor shall be responsible for documenting contact attempts in the HEAT system. Three attempts will be made to schedule an appointment within thirty (30) calendar days from the date the job was generated in the HEAT system. After three such attempts, Contractor shall mark the job "CGI" in the HEAT system. Contractor shall input all contact attempts and applicable notes in the HEAT system.

Should Contractor contact a Customer and schedule an appointment, but be unable to access Customer's home to complete the scheduled job, Contractor shall be responsible for leaving a company issued "Sorry We Missed You" door hanger with Contractor's contact information. Contractor shall be responsible for updating the HEAT system with the "CGI" reason, scheduled appointment, date, and time. Upon request by Company, Contractor shall provide status of all jobs referred by Company.

**Timelines**

The table below identifies the timelines and requirements for addressing Wx. Company reserves the right to reassign any jobs exceeding thirty (30) calendar days. Failure to complete jobs within thirty (30) calendar days may result in a decrease of job referrals and/or termination of this Agreement

<b>Timeline Summary</b>	
<b>Description/Results</b>	<b>Requirements</b>
Assigned Jobs	Contractor shall complete <sup>1</sup> all Wx installation jobs including NGAT within thirty (30) calendar days from the date the workflow was generated in the HEAT system.
Self-Generated Jobs	Contractor shall complete <sup>1</sup> all Wx installation jobs including NGAT <sup>2</sup> within thirty (30) calendar days from Customer sign date.

Hazardous Condition	Contractor representative must immediately notify the Company. Please see details in the Hazardous Condition Section below.
Non-Hazardous Fails	All non-hazardous fail corrections and on-line postings of fail corrections must be completed within fourteen (14) calendar days from the date the inspection results were data entered in the HEAT system.
Hazardous Fails	Contractors must address hazardous fails within twenty-four (24) hours even if the inspector has ensured that the hazard poses no immediate threat to the Customer.
Complaints	Contractor shall contact Customer within twenty-four (24) hours of notification of complaint. In general, all complaints shall be resolved within ten (10) business days.
Invoices	Invoices shall be submitted within ten (10) calendar days from when the work flow step is closed in the HEAT system.
<sup>1</sup> Complete means the job has been performed and the results data entered and processed into the HEAT system. <sup>2</sup> For homes with natural gas appliances, post-weatherization-NGAT-protocols are conducted after Wx. Post-Wx NGAT shall be conducted within five (5) working days from the date that infiltration reduction measures are installed.	

### **Hazardous Condition**

Contractor must mitigate any condition that poses an *immediate danger* to persons or property at the time condition is discovered. In addition, the following steps must be taken:

1. If a gas leak or other hazardous condition exists at a gas appliance that cannot be corrected, or if the hazard to the Customer or Customer's property cannot be corrected, the Contractor shall immediately report the condition to an ESAP representative at 1800-331-7593.
2. If hazardous condition is discovered after 5:00pm or on weekends;
  - If a gas leak or any other hazardous condition exists at a gas appliance, Contractor shall shut-off the appliance at the line valve and immediately notify the Company at 1-800-427-2200.

When applicable, Contractor will complete a "Notice of Unsatisfactory Condition Form" that is used to notify a Customer when a hazardous and/or unsatisfactory condition is encountered on gas appliances, equipment, or facilities. Contractor will also install an "Appliance Caution Tag" to indicate an appliance should not be used until it has been serviced by a qualified technician.

### **Quality Assurance**

Contractor shall develop internal quality control procedures to ensure high quality workmanship practices in the installation of ESAP measures have been provided to the Customer.

### **Inspections**

Wx installations are inspected according to the appropriate *Installation Standards (IS) manual*. The purpose of these inspections is to ensure that all installations are completed according to



ESAP requirements. Contractor is obligated to make any appropriate corrections regardless of inspection date up to one (1) year after the installation.

If Contractor fails to complete any fail corrections within the specified timeframes above, Company reserves the right to cease assigning additional jobs until Contractor completes corrections on existing jobs. Contractor may be billed for the cost of re-inspections.

Contractors are required to make all necessary repairs however, in situations such as emergencies, imminent hazards, fails not corrected within the specified timeframes above, Company reserves the right to have any corrections made by a third party and bill the original Contractor for actual costs of materials plus labor.

#### **Non-Hazardous Fails**

If an installation does not meet ESAP requirements and/or installation standards and does not create a hazardous condition, it will be considered a non-hazardous fail. All non-hazardous fail corrections and on-line postings of fail corrections must be completed within fourteen (14) calendar days from the date the inspection results were data entered in the HEAT system. The posting of the failed inspection in the HEAT system will serve as notice of failure to the Contractor. No additional notification will be provided. Contractor is responsible for checking inspection status in the HEAT system.

Once Contractor has corrected the non-hazardous fail, a re-inspection may be performed. If the correction passes re-inspection, it will be counted as a second inspection pass. If the correction fails re-inspection, it will be counted as a second inspection fail. Contractor must correct a re-inspected fail within three (3) calendar days from notification of re-inspected fail.

#### **Hazardous Fails**

If an installation does not meet ESAP requirements (which includes the standards included in the IS manual) and creates a hazardous condition, such as but not limited to: property damage, health or safety issues etc., it will be counted as a hazardous fail. Contractors are required to correct hazardous fails within twenty-four (24) hours of notification of the hazardous fail by the Company and/or its inspector even if the inspector has ensured that the hazard poses no immediate threat to the Customer.

Contractor must make the appropriate corrections within twenty-four (24) hours from the original notification of the hazardous fail, in addition to posting correction results and comments in the HEAT system.

If Contractor is unable to contact the Customer and make corrections within twenty-four (24) hours, Contractor must document all contact attempts in the HEAT system and send a registered letter to the Customer within forty-eight (48) hours from original notification of hazardous fail. When Contractor receives the return receipt, a copy of that receipt must be retained in the Customer's file. Contractor must also post the overall result to CGI (Could not Get In for any reason) in the HEAT system and enter appropriate comments. All first inspection hazardous fails will be re-inspected after Contractor has made all necessary corrections. If the installation fails re-inspection, Contractor must make corrections immediately.

#### **Failed Inspection Dispute Resolution - (Contested Fails)**

Contractors may only contest the results of a first inspection failure. Contractor may be charged a fee for disputing a fail where they are found to be at fault.

#### **Non-Hazardous Fails**

Contractor may contest a non-hazardous fail within fourteen (14) calendar days of notification by contacting Company and documenting in the HEAT system that the fail is being contested. Contractor must include detailed comments supporting the reason for the contest. Company will review the contested fail request and notify Contractor of outcome. If the fail is upheld, Contractor must make necessary repairs immediately.

#### **Hazardous Fails**

Contractor may contest a hazardous fail within twenty-four (24) hours of notification by contacting Company and documenting in the HEAT system that the hazardous fail is being contested. Contractor must include detailed comments supporting the reason for the contest. Company will review the contested fail request and notify Contractor of outcome.

If the fail is upheld, Contractor must make necessary repairs immediately.

#### **Forms**

- a. **Weatherization Work Order** is used to identify Wx services installed in the home. Any measures not installed require a Non-Feasibility code.
- b. **Notice of Unsatisfactory Condition** form is used to notify a Customer when a hazardous and/or unsatisfactory condition is encountered on gas appliances, equipment, or facilities.
- c. **Appliance Caution Tag** is used to indicate an appliance should not be used until it has been serviced by a qualified technician.

#### **Invoicing Requirements**

Services	Description	Forms Required for Invoicing
Wx	See definition of Wx in Schedule D.	Approved Wx Work Order and any additional documentation to support specialty items.

#### **Enrollment & Assessment Invoicing**

- Customer Agreement
- Property Owner Authorization - When required
- Copy of other IOU Program Application/Agreement\*
- Income documentation\*\*
- Assessment Worksheet

#### **Weatherization Invoicing**

- Weatherization Work Order
- Duct Testing and Sealing Work Order – When required
- Specialty item invoice – When applicable
- Attic Insulation Permit Fee – A copy of the permit, which includes the permit fee, must be sent in with the invoice – When applicable

### **Management**

Contractor shall ensure that all information about ESAP provided by Program Personnel to Customers is true and accurate. This may include, but is not limited to, ensuring that all Program Personnel are timely informed of changes in ESAP eligibility requirements that the Commission may make from time to time and ESAP updates issued by Company. Contractor shall develop an early warning, self-evaluation process to identify problems and/or take corrective actions to ensure that ESAP policies and procedures are followed and ESAP goals are met. Company may make unannounced visits during the course of the work to any site where training is being conducted, or where ESAP data or documents are stored.

Contractor shall be solely responsible for, and shall pay, reimburse, or replace any and all Customer claims, losses, expenses, or liabilities resulting from all acts of Program Personnel.

### **Mobile/Manufactured Homes**

The following mobile units are not eligible for Program Services:

- Mobile units used as offices
- Travel trailers or mobile units that are used for vacations rather than full-time residency
- Motor homes
- A travel trailer parked at a home and used as an extra bedroom.
- Mobile homes with less than 320 square feet of floor area.

A "travel trailer" in a mobile home park that is used as a full time residence may be weatherized only with prior approval from Company.

### **Wx Process**

All Wx performed by the Contractor shall be in accordance with the P&P manual and shall include all feasible measures for which the dwelling qualifies.

Contractor shall provide sufficient equipment and personnel to meet the demand for all Wx.

Under no circumstances shall the Contractor perform Program Services in areas deemed to be potentially hazardous including but not limited to: exposed knob and tube wiring, exposed asbestos insulation or other asbestos materials, or deteriorated wiring. Upon encountering hazardous conditions, Contractor shall notify the Customer and Owner, in writing of such condition(s) and only complete the installation of measures in areas deemed safe by Contractor. Contractor shall document the hazardous condition(s) on the work order and in the HEAT system.

Contractor shall review the recommendations with the Customer prior to the installation of measures. The Contractor shall also provide the Customer with the name and contact information of the Contractor installing the measures.

Contractor shall have the Customer sign the work order and leave a copy for the Customer as an acknowledgment that the Measures have been installed.

Contractor shall, at all times during the performance of the Program Services, maintain Company's, and/or the Customers' premises free from accumulation of waste material or debris

and shall remove and dispose of it in accordance with all applicable laws at the Contractor's expense.

**Natural Gas Appliance Testing**

Natural Gas Appliance Testing (NGAT) shall be performed on all applicable gas appliances in accordance with the P&P manual.

For homes with natural gas appliances, post-Wx NGAT protocols are conducted after Wx. Post-Wx NGAT shall be conducted within five (5) working days from the date that infiltration reduction measures are installed.

When a hazardous condition is observed on a gas appliance, Contractor shall follow the "Hazardous Condition" requirements stated above.

Contractor shall only perform NGAT in conjunction with the installation of infiltration measures.

Contractor shall notify the Property Owner in writing of any required NGAT corrections that are not covered under ESAP.

In the event Contractor installs infiltration measures and infiltration measures are not feasible due to an uncorrectable NGAT issue, Contractor shall mitigate the hazardous condition.

**Performance Criteria**

Company reserves the right to observe, assessment and installation activities conducted by Contractor. Contractor shall provide Company with schedules of the above activities upon request.

**Dispute Resolution**

If Contractor contests failed work results, and Company determines that Contractor's original work results were not correct, Contractor agrees to pay a dispute resolution fee as described in the SCHEDULE C (Compensation Schedule), where applicable.

**SCHEDULE G - INSPECTIONS**

**RESERVED**

**SCHEDULE H - HVAC**

**RESERVED**



**SCHEDULE I - HVAC/WX**

**RESERVED**

**SCHEDULE J - CONTRACTOR SERVICE TERRITORY BY ZIP CODE**

Working outside of a contractor's assigned zip code area will not be allowed except in special cases as approved by SCG Management. Prior to any contractor gaining approval to work outside of its assigned zip code area, all impacted parties will be consulted. Contractor is required to service all areas in all zip codes of their Service Territory.

91752	MIRA LOMA	92562	MURRIETA
92220	BANNING	92563	MURRIETA
92223	BEAUMONT	92567	NUEVO
92225	BLYTHE	92570	PERRIS
92256	MORONGO VALLEY	92571	PERRIS
92282	WHITE WATER	92582	SAN JACINTO
92320	CALIMESA	92583	SAN JACINTO
92501	RIVERSIDE	92584	MENIFEE
92503	RIVERSIDE	92585	SUN CITY
92504	RIVERSIDE	92586	SUN CITY
92505	RIVERSIDE	92587	SUN CITY
92506	RIVERSIDE	92590	TEMECULA
92507	RIVERSIDE	92591	TEMECULA
92508	RIVERSIDE	92592	TEMECULA
92509	RIVERSIDE	92595	WILDOMAR
92518	MARCH AIR FORCE BASE	92596	WINCHESTER
92530	LAKE ELSINORE	92694	LADERA RANCH
92532	LAKE ELSINORE	92809	ANAHEIM
92543	HEMET	92860	NORCO
92544	HEMET	92862	ORANGE
92545	HEMET	92879	CORONA
92548	HOMELAND	92880	CORONA
92551	MORENO VALLEY	92881	CORONA
92553	MORENO VALLEY	92882	CORONA
92555	MORENO VALLEY	92883	CORONA
92557	MORENO VALLEY		