

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



929

FROM: Community Action Partnership of Riverside County

SUBMITTAL DATE:
August 29, 2012

SUBJECT: Southern California Gas Company – Energy Savings Assistance Program (ESAP) Agreement #5660025401

RECOMMENDED MOTION: That the Board of Supervisors:

1. Ratify and authorize the Chairman of the Board to sign the attached Agreement #5660025401 between Southern California Gas Company (SCGC) and Community Action Partnership of Riverside County (CAP Riverside) for the term July 1, 2012 through January 24, 2013;
2. Approve and accept ESAP Monthly Work Authorizations issued by SCGC under Agreement #5660025401 beginning August 1, 2012 through January 24, 2013, not to exceed an aggregate amount of \$55,489;

(Continued – 2 pages total)

[Signature]

Maria Y. Juarez, CCAR Executive Director

FINANCIAL DATA	Current F.Y. Total Cost:	\$55,489	In Current Year Budget:	Yes
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	No
	Annual Net County Cost:	\$ 0	For Fiscal Year:	12/13

SOURCE OF FUNDS: 100% Southern California Gas Company	Positions To Be Deleted Per A-30	<input type="checkbox"/>
	Requires 4/5 Vote	—

C.E.O. RECOMMENDATION:

APPROVE

BY: *[Signature]*
Donna Shaw

County Executive Office Signature

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Tavaglione seconded by Supervisor Benoit and duly carried, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Buster, Tavaglione, Benoit and Ashley
Nays: None
Absent: Stone
Date: September 11, 2012
xc: CAP, Purchasing

Kecia Harper-Ihem
Clerk of the Board
By: *[Signature]*
Deputy

Prev. Agn. Ref.: 6/2/09 (#3.22), 5/1/10 (#3.16), 1/25/11 (#3.5) 2/7/12 (#3.4) **District:** All **Attachments Filed** **Agenda Number:**

3.10

FORM APPROVED COUNTY COUNSEL
 BY: NEAL R. KIPNIS
 Purchasing: Mark Seller, Assistant Director
 Departmental Concurrence:

Consent
 Policy
 Consent
 Policy

Dept's Recomm.:
 Per Exec. Ofc.:

FROM: Community Action Partnership
of Riverside County

DATE: August 29, 2012

SUBJECT: Southern California Gas Company -
Energy Savings Assistance Program
Agreement #5660025401

PAGE: 2 of 2

RECOMMENDED MOTION (Continued):

3. Authorize the Purchasing Agent to execute ESAP Monthly Work Authorizations not to exceed the Board authorized aggregate amount of \$55,489 beginning August 1, 2012 through January 24, 2013; and
4. Authorize the Executive Director of CAP Riverside or designee to administer the program and sign exhibits, assurances and reports made under the agreement.

BACKGROUND:

For many years, SCGC has provided funding to CAP Riverside to install weatherization measures in homes of eligible low-income residents of Riverside County.

Agreement #5660025401 provides the terms and conditions of the ESAP for the term of July 1, 2012 through January 24, 2013 and the initial allocation of \$7,927 for the term July 1, 2012 through July 31, 2012. SCGC will issue ESAP Monthly Work Authorizations, identified as Schedule K in the agreement, beginning August 1, 2012 and each month thereafter for the duration of the agreement. The ESAP Monthly Work Authorization will include the allocation, estimated to be \$7,927 per month, and the scope of work.


FINANCIAL IMPACT: No County General Funds will be required.

CONCUR/EXECUTE: Purchasing

MYJ:jb



WHEN DOCUMENT IS FULLY EXECUTED RETURN
CLERK'S COPY
 to Riverside County Clerk of the Board, Stop 1010
 Post Office Box 1147, Riverside, Ca 92502-1147
 Thank you.

A  Sempra Energy utility®

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

SERVICE TITLE:	ESAP Enrollment and Assessment (E&A)/Weatherization (Wx)	<i>MAIL ORIGINAL INVOICE TO:</i>
CONTRACTOR NAME:	Community Action Partnership of Riverside 2038 Iowa Ave Suite B102 Riverside, CA 92507	Southern California Gas Company Accounts Payable P.O. Box 30777 Los Angeles, CA 90030

This Standard Service Agreement ("Agreement") is made effective as of July 1, 2012 between Southern California Gas Company ("Company") and Community Action Partnership of Riverside ("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 D, SCHEDULE E and SCHEDULE F of the Agreement (collectively, the "Services" or "Program Services").

Service Type	Description
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

NOT-TO-EXCEED MONTHLY LIMITS

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. Company will provide Contractor with a monthly Not-To-Exceed ("NTE") amount for the period of July 2012 as described in SCHEDULE C. The funding on this Agreement will be allocated and distributed incrementally to Contractor in monthly installments based upon Company's written notification

to Contractor. Beginning on August 1, 2012 and every month thereafter, the Company Representative will notify Contractor of its monthly allocation and the parties shall execute a work authorization form as described in SCHEDULE K. Contractor shall not submit any monthly invoice for payment of Services that would cause the total monthly invoiced amount to be greater than the monthly allocation that was provided to Contractor. Any invoice or portion of said invoice submitted by Contractor that causes the amount of remuneration owed to Contractor to be greater than the monthly allotment shall be rejected and returned to Contractor.

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: Godwin Aimua

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 July 1, 2012 and shall be in full force and effect through January 24, 2013, 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.

See Contractor's authorized service schedule(s) for Documents/Forms Required for Invoicing.

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**
- SCHEDULE K – ESAP PROGRAM MONTHLY WORK AUTHORIZATION**

IN WITNESS WHEREOF, the parties have executed this Agreement as of July 1, 2012.

Southern California Gas Company

Community Action Partnership of Riverside

By: _____

Name:

Title:

By: 

Name: JOHN TAVAGLIONE

Title: CHAIRMAN, BOARD OF SUPERVISORS


FORM APPROVED COUNTY COUNSEL

BY:  NEAL R. KIPNIS

DATE 8/23/12

ATTEST:

KECIA HARPER-IHEM, Clerk

By:  DEPUTY

SCHEDULE A - GENERAL TERMS AND CONDITIONS

- 1 **PARTIES.** This Standard Service Agreement ("Agreement") is entered into between Company and Contractor. Contractor is the firm, person, corporation, or business entity performing the work specified in this Agreement.
- 2 **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 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 date on which it executes and returns the acknowledgment copy or (b) when it commences performance. No other form of acceptance shall be binding on Company.
- 3 **RESERVED.**
- 4 **INVOICING.** If Contractor's invoice price does not match the Agreement price, Company shall pay Contractor the lesser of the amount payable under the Order or the Invoice. Contractor will be notified of the reason for the adjustment. When Contractor is considered to be a retailer, 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.
- 5 **PERFORMANCE.** Contractor shall 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 failure to adhere to the Scope of Work.
- 6 **WARRANTIES.** Contractor expressly represents and warrants that all the Services performed hereunder shall be 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 furnished hereunder failing to meet such standards, and require Contractor to promptly repeat, correct or replace such defective 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 material to be furnished by Contractor and its subcontractors, if any, in the performance of the Scope of Work shall contain asbestos or asbestos-containing materials, unless feasible alternatives or commercially reasonable replacements do not exist or are not available.
- 7 **INSPECTION.** All Services performed by Contractor 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 Contractor's 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.
- 8 **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 any of Contractor's personnel, vehicles or equipment enter, move or be stored upon any area not authorized in writing by Company.
- 9 **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 published at <http://www.ferc.gov/whats-new/comm-meet/2009/101509/M-1.pdf> and ftp://ftp.cpsc.ca.gov/gopher-data/energy_division/affiliate/D9808035.doc.
10. **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, without limitation, *CPUC Decision ("D") 06-12-029*; FERC Order 697 (18 C.F.R. Section 35.39(g)); and FERC Order No. 2004. Contractor and its permitted subcontractors 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 understands and agrees, and shall cause its permitted subcontractors to understand and agree not to disclose or allow access to: (1) 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 (each, a "Sempra Subsidiary"); (2) any non-public electric or gas marketing, procurement or transmission-related information of any Sempra Subsidiary with any other Sempra Subsidiary; (3) 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 (4) 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.
- 10.1 Training. Contractor and permitted subcontractors understand and agree that they may be required to complete training regarding the foregoing at the Company's sole discretion.
- 11 **INDEPENDENT CONTRACTOR.** It is agreed that Contractor is an independent business separate from Company and shall perform the Services under this Agreement 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 its subcontractors, agents, and employees are properly licensed, 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. Contractor acknowledges that it is responsible for its debts and obligations. Subject to Section 38, 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. 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, its subcontractors, suppliers, agents, or employees. Contractor shall perform the Services in an orderly and professional manner in accordance with industry standards. Contractor shall not employ for the Services any personnel or subcontractor unskilled in the work assigned. Contractor shall use prudent business practices in its relationships with subcontractors, suppliers, agents, and employees. Contractor shall not hold itself or its employees out as employees or agents of Company. Prior to commencing Services and upon request of Company, Contractor will provide a list of employees and subcontractor's employees who will directly execute Services under this Agreement. The employee list will disclose any individuals who are former employees of Company or of any affiliate, parent or subsidiary of Company. Company has the right to disapprove the use of one or more of Contractor's or subcontractor's 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.
- 12 **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 subcontractor 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, including without limitation, Contractor's preliminary formulations and other work on which the copyrightable Invention is based on or derived from, shall constitute a "work made for hire". Contractor hereby assigns and grants to Company, and shall cause its subcontractors to assign to Company, without royalty or any further consideration, Contractor's and any subcontractor's entire right, title and interest in and to any such Inventions, including any work made for hire. At Company's request, Contractor shall execute, or cause its subcontractors to execute, an assignment or other document confirming such transfer upon the completion of any work made for hire.
- 12.1 Contractor hereby grants to Company, and shall promptly either cause its subcontractors 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 or any subcontractor that are part of any "Work Product" (defined below) furnished to Company under this Agreement.

12.2 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.

12.3 Any and all material and tangibly expressed information prepared, accumulated or developed by Contractor, any subcontractor or their respective employees or representatives, including, without limitation, documents, drawings, designs, calculations, maps, plans, workplans, text, filings, estimates, manifests, certificates, 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 (i) prepared or in process, in connection with the Services and (ii) whether or not delivered by Contractor. Contractor shall deliver the Work Product, or any portion thereof, to the 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.

13 INDEMNITY.

13.1 As between Company and Contractor, Contractor shall be solely responsible for and Contractor shall indemnify, defend and hold Company, and its current and future parent company, subsidiaries, affiliates and their respective directors, officers, shareholders, employees, agents, representatives, successors and assigns (collectively, including Company, the "Indemnitees") harmless from and against any and all claims, actions, suits, proceedings, losses, liabilities, penalties, fines, damages, costs or expenses including without limitation, reasonable attorneys fees (including fees and disbursements of in-house and outside counsel) of any kind whatsoever resulting from: (a) injuries to or death of any and all individuals, including, without limitation, 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, its subcontractor or any other person performing on behalf of Contractor, (b) damage to, loss, and/or destruction of property, including, without limitation, to, property of Company or Contractor arising out of or connected in any manner with the performance of Services by Contractor, its subcontractor or any other person performing on behalf of Contractor, or (c) third party claims of any kind, whether based upon negligence, strict liability or otherwise, arising out of or connected in any manner to Contractor's or any of its subcontractor'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.

13.2 Contractor shall indemnify, defend and hold the Indemnitees harmless from and against any and all claims, actions, suits, proceedings, losses, liabilities, penalties, fines, damages, costs or expenses, including reasonable attorneys' fees (including fees and disbursements of in-house and outside counsel), of any kind whatsoever arising from or in connection with: (a) actual or alleged infringement or misappropriation by Contractor or any subcontractor or other representative of any patent, copyright, trade secret, trademark, service mark, trade name, or other intellectual property right in connection with the Services, including without limitation, any deliverable or related "work product"; and (b) Contractor's violation of any third party license to use intellectual property in connection with the Services, including, without limitation, any deliverable or related "work product."

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

13.4 Contractor's obligation to indemnify Company 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 under any statutory scheme, including without limitation, any Workers Compensation Acts, Disability Benefit Acts or other Employee Benefit Acts.

14. INSURANCE.

GENERAL REQUIREMENTS. 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 14, constitutes the minimum insurance and requirements relating thereto.

14.1 **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 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) calendar 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.

14.2 **AS CONTRIBUTION FROM COMPANY.** 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

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

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

14.5 **ADDITIONAL INSURED.** , and its subsidiaries, affiliates and their respective officers, directors, employees, agents, representatives, successors and assigns shall be named as an additional insured for all policies listed below in 14.7.1 and 14.7.4. Commercial General Liability insurance listed in 14.6.1 shall provide a severability of interest or cross-liability clause.

14.6 **Waiver of Subrogation.** Each policy of insurance maintained by Contractor below in sections 14.7.1, 14.7.3 and 14.7.4 shall contain a waiver of subrogation in favor of Southern California Gas Company.

14.7 Types of insurance required to be provided by Contractor.

14.7.1 **Commercial General Liability Insurance.** 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 Work performed under this Agreement. There shall be no 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 twice the per occurrence limit.

14.7.2 **Commercial Automobile Liability Insurance.** Contractor shall maintain an automobile liability policy or policies insuring against liability for 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 Services, including loading or unloading of any of Contractor's automobiles (including owned, non-owned, leased, rented/or hired vehicles). Such coverage shall be in an amount of not less than \$1,000,000.00 combined single limit.

14.7.3 **Workers' Compensation & Employers' Liability Insurance.** In accordance with the laws of the State(s) in which the 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 shall be performed along with the required Employer's Liability insurance.

14.7.4 **Pollution Liability Insurance.** If applicable to scope of work under this Agreement, Contractor shall maintain pollution liability insurance or insurance policies insuring against liability arising out of activities contemplated under this Agreement or as might be required by federal, state, regional, municipal and local laws, in an amount of not less than \$1,000,000 per claim. If the policy maintains a policy aggregate, such aggregate shall not be less than twice the per claim limit.

14.7.5 **Professional Liability Insurance.** If the Contractor is providing professional design, engineering or other professional services (including Design-Build), Contractor shall maintain Professional Liability insurance covering liability arising out of error, omission, or negligent act in the performance, or lack thereof, of professional services contemplated under this Agreement in an amount of not less than \$1,000,000 per claim. If the policy maintains a policy aggregate, such aggregate shall not be less than twice the per claim limit.

14.8 **Contractor's Subcontractors.** In accordance with the Article of this Agreement entitled "SUBCONTRACTORS", Contractor shall accept total responsibility to require all other persons, firms and corporations engaged or employed by Contractor in connection with the performance of the Scope of Work 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 its subcontractors, sub-subcontractors, suppliers, and agents shall cause each subcontractor, sub-subcontractor, supplier, and agent 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 its subcontractors, sub-subcontractors, suppliers, and agents from performing work or services on the property of Company. Contractor will furnish original certificates of insurance with additional insured endorsements from all of its subcontractors, sub-subcontractors, suppliers, and agents as evidence thereof as Company may reasonably request.

14.9 **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 its consultants, subcontractors, sub-subcontractors, suppliers, agents 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 Contractor's 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 **SUPPLIER DIVERSITY.** It is the policy of Company to provide maximum opportunity for women; minority and service disabled veteran business enterprises, hereinafter referred to as DBE (Diverse Business Enterprises), to participate in the performance of contracts. Company expects as satisfactory performance to this Agreement, Contractor to utilize DBE subcontractors and suppliers 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.

16 **ASSIGNMENT.** Contractor shall give personal attention to the execution of the Services herein provided for, and shall not permit this Agreement to be assigned voluntarily, involuntarily or by operation of law; nor employ any subcontractor for the execution of the same or any part thereof, without the express prior written authorization of Company. 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.

17 **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.

18 **GOVERNING LAW.** The formation, interpretation, performance and enforcement of this Agreement shall be governed by and enforced under the laws of the State of California, without reference to principles of conflicts of laws.

19 **COMPLIANCE WITH LAWS.** Contractor and its subcontractors at all times during performance of the Services shall 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 furnished under this Agreement, as in effect from time to time, including, but not limited to, the Immigration Control Act of 1968 and the Foreign Corrupt Practices Act (15 USCS §§ 78A and 78m et seq).

20 **TERMINATION.** It is also expressly agreed that 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.

21 **LIENS.** Without limiting the generality of any other provisions herein, 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 harmless from and against any mechanics lien or stop notice claim against Company by Contractor, subcontractors, employees or agents pertaining to the Services specified in this Agreement. 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.

22 **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 completion as defined by California Civil Code Section 3260. Provided, however, the Company may require Contractor to provide conditional or unconditional lien releases, as a condition to withhold 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.

23 **AUDIT.** Company reserves 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 any Services performed under this Agreement. Any such audit or examination may be undertaken by Company or its contracted representative 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).

23.1 Contractor shall include a similar clause in its arrangements with its subcontractors 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.

23.2 Contractor shall be notified in writing of any exception taken as a result of an audit of Contractor or a subcontractor. 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 any 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.

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

24 **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 the equipment, materials, supplies or labor furnished hereunder, or the wages, salaries or other remunerations paid to individuals employed in connection with, the performance of the Services. Provided that the conditions of indemnification as set forth in this Agreement are satisfied, 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 harmless from and against any claim, liability, penalty, interest and expense arising by reason of Contractor's failure to pay such taxes, charges or contributions.

24.1 Without limiting the generality of this Article, Contractor agrees to treat all individuals performing the Services under this Agreement 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 under this Agreement. 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".

24.2 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 and shall provide Company with an original and a copy of Form 590, Certificate of Residence, 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 or withholding is authorized.

24.3 Contractor and Company shall make commercially reasonable efforts to cooperate with each other to minimize the tax liability of both parties to the extent legally permissible (and with no duty to increase either parties 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.

24.4 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 (i) 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 (ii) each Party (and each of its employees, representatives, or other agents) may disclose to any and all persons, 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.

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

26 **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 this Agreement.

26.1 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.

26.2 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 attorney's fees (including fees and disbursements of in-house and outside counsel) incurred therein by the prevailing party.

27 **CONFIDENTIALITY.** For purposes of this Agreement, the term "Confidential Information" means proprietary information concerning the business, operations and assets of Company its parent company(ies), subsidiaries and/or affiliates, including, without limitation, the terms and conditions of this Agreement or any related agreement, information or materials prepared in connection with the performance of Services under this Agreement, 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 who did not receive same, directly or indirectly, from Company; or (d) 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) and/or (d) of this provision.

27.1 Contractor hereby agrees that it shall use the Confidential Information solely for the purpose of performing Services under this Agreement and not in any way detrimental to Company, its parent company(ies), subsidiaries and/or affiliates. Neither Contractor nor its directors, officers, employees, agents or representatives shall use the Confidential Information for their own benefit.

27.2 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, employees, agents, representatives, subcontractors and suppliers to become familiar with, and abide by, the terms of this Agreement.

27.3 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 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.

27.4 Subject to Section 27.2, 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.

27.5 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.

27.6 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 GIS Data and Confidential Information regarding or attributable to Company's or its Affiliates' customers ("Confidential Customer Information"). Such term shall be perpetual for GIS Data and Confidential Customer Information. Moreover, Contractor represents, warrants, and covenants that security procedures and practices appropriate to the nature of the GIS Data and Confidential Customer Information involved are in place and will be used at all times with respect thereto to protect it 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.

27.7 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 parent company(ies), subsidiaries and/or affiliates, who 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 or affiliates.

28. ENVIRONMENTAL TERMS

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

28.1.1. **"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 affects. Hazardous Materials include, without limitation, 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 that term is defined below). "Hazardous Materials" shall also include oil or petroleum and petroleum products, asbestos, and any asbestos containing materials, radon, polychlorinated biphenyls (PCBs), urea formaldehyde insulation, lead paints and 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 (as that term is defined below). For purposes of this Agreement, the terms "encumbrance" and "encroachment" shall not be deemed to include the presence of any Hazardous Material contamination on, in or under the Property or its underlying groundwater.

28.1.2. **"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, without limitation, 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-Preasley-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.

28.1.3. **"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.

28.2. **Materials and Licenses.** Contractor agrees that all materials and equipment to be supplied or used by Contractor, its subcontractors, if any, in the performance of its obligations under this Agreement, including, but not limited to vehicles, loading equipment, and containers, shall be in good condition and fit for the use(s) for which they are employed by Contractor or its subcontractor, if any. Contractor further agrees that none of the materials to be supplied or used by Contractor and its subcontractors, if any, 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 applicable Environmental Laws as of its delivery and installation and Contractor shall comply with applicable provisions of Environmental Laws, including, but not limited to, providing any Proposition 65 warnings and Material Safety Data Sheets. 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 applicable Environmental Law. 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 or its subcontractors, if any, in the performance of any of Contractor's obligations under this Agreement.

28.3. **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.

28.4. **Indemnification.** Contractor hereby specifically agrees to indemnify, defend and hold the Indemnitees harmless from and against any and all claims, actions, suits, proceedings, losses, liabilities, penalties, fines, damages, demands, causes of action, costs and expenses including, but not limited to, all reasonable consulting, engineering, attorneys (in-house and outside counsel) or other professional fees including disbursements, 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, its subcontractor or any other person performing on behalf of Contractor, except to the extent the same were caused by the willful misconduct or sole negligence of the Indemnitees.

28.5. **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;
- (3) Clean up such release as required by the applicable Governmental Agency.

28.6. **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.
- (6) Any communication from any Governmental Agency that affects any of Company's contractor's, or any subcontractor's permits or licenses.

28.7. **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 subcontractor(s) 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.
- (7) A detailed description of all reports made to any Governmental Agency, and a description of the actions taken to respond to the release.

28.8. **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:

28.9. **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. Prior to transporting Company generated Hazardous Material in each case, 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 reserves the right at any time, in Company's sole discretion, to cancel its authorization of any TSDF by written notice to Contractor.

28.10. **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 of shipment.

28.11. **No Asbestos or Asbestos-Containing Materials (ACM).** Contractor shall not supply, sell, deliver or furnish to Company any Products or Goods, pursuant to this Agreement, that contain asbestos or ACM in any concentration or amount whatsoever, unless otherwise consented to in writing by Company, on the basis that no feasible replacement Products or Goods (that do not contain asbestos or ACM) are available.

29. **HAZARDOUS MATERIALS**

29.1. **Hazardous Materials and Toxic Chemicals.** Contractor shall provide the following to Company for each material which Contractor furnishes under this Agreement: (a) a completed Material Safety Data Sheet (MSDS) for each material which contains a *hazardous material* as defined above; 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 CAS (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, actions, suits, proceedings, losses, liabilities, penalties, fines, damages, administrative actions, judgments, costs or expenses including expert witness, consulting and attorneys' fees (including fees and disbursements of in-house and outside counsel) that Company suffers as a result of Contractor's failure to comply with these requirements.

29.2. **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 but not limited to members of the public, Company's employees, Contractor's employees, and any subcontractor's employees.

30. **USE OF COMPANY EQUIPMENT**

In the event Company loans Contractor any equipment for use under this Agreement, title to said property shall remain in Company. Notwithstanding the foregoing, Contractor shall be responsible for loss, damage, destruction, theft, maintenance, and repair of said property while in the possession of Contractor. Prior to use, Contractor shall have inspected said property and have satisfied Contractor that the property is in good repair and working condition. Contractor shall only allow qualified personnel to operate said equipment. Contractor shall surrender possession of said equipment upon demand by Company.

31. **REMEDIES.** Contractor agrees that if: (a) Contractor abandons the Services, or (b) Contractor shall become bankrupt or insolvent, or shall assign this Agreement, or sublet any part thereof, without the express prior written authorization of Company, or (c) Contractor, in the sole opinion of Company Representative, violates any of the provisions of this Agreement, or (d) Contractor executes this Agreement in bad faith, or (e) Contractor, 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 loss, penalties, fines, excess cost and consequential, special, incidental and indirect damages incurred by Company in completing the Services caused by 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, 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."

32. **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 loss, damage, expense or liability for Contractor's actual, alleged or reasonably probable failure, based on factual evidence, to comply with the terms and conditions of this Agreement.

33. **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 without limitation the following Articles, Warranty, Indemnity, Disputes, Confidentiality, and this Survival provision, shall survive completion of the Services or termination of the Agreement.

34. **EQUAL OPPORTUNITY.** This Agreement incorporates Executive Orders No. 11246, 11625, 11701, 11738 and 12138, the Vietnam Era Veterans Readjustment Act of 1974, the Vocational Rehabilitation Act of 1973, and the regulations thereunder, as amended from time to time, to the extent applicable. Contractor agrees not to discriminate in employment opportunities on the basis of race, color, religion, sex or national origin. Contractor further agrees to comply with applicable laws regarding environmental protection and with respect to affirmative action for qualified veterans and for qualified handicapped persons.

35. **NO PUBLICITY.** 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.

36. **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 both 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. None of the foregoing, however, shall require Company to grant any extension of time for completing the Services.

37. **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 or the Services and any corrective actions implemented.

38. **SUBCONTRACTORS.** Contractor must obtain Company's written consent prior to retaining subcontractor(s) to perform any of the Services. If Company authorizes Contractor to utilize any subcontractors under this Agreement, Contractor shall at all times be responsible for the acts and omissions of subcontractors and agents employed directly or indirectly by Contractor. Contractor shall be responsible for performance of all the Services, whether performed by Contractor or its subcontractors or agents. This Agreement shall not give rise to any contractual relationship between Company and any subcontractor or agent of Contractor. Company shall not undertake any obligation to pay or to be responsible for the payment of any sums to any subcontractor or agent of Contractor. Upon request of Company, Contractor shall furnish to Company copies of any executed subcontracts entered into between Contractor and any subcontractor or agent.

39. **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.

40 **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.

41 **INCORPORATION OF FAR AND DFARS CLAUSES.** The Federal Acquisition Regulation (FAR) and the Defense Federal Acquisition Regulation Supplement (DFARS) clauses, to the extent applicable, are incorporated herein by reference, with the same force and effect as if they were given in full text, including any notes following the clause citation, during the performance of this Agreement. The full text of the FAR clauses may be found at <https://www.acquisition.gov/FAR/>. The full text of the DFARS clauses may be found at <http://farsite.hill.af.mil/vdfara.htm>. The full text of the clause from the Department of Labor can be found at <http://edocket.access.gpo.gov/2010/pdf/2010-11639.pdf>, page 28399. Any reference to a "Dispute" or "Disputes" shall mean a dispute as provided in the Article of this Agreement entitled "Disputes".

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 both Parties. Company Representative is not the duly authorized representative for amendments to this Agreement. Representatives of both Parties internally authorized to execute such documents pursuant to its corporate policies shall sign any amendments to this Agreement.

43 **CAPTIONS.** 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.

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 their Party and that this Agreement is binding upon their Party in accordance with its terms and conditions.

46 **CONSTRUCTION OF AGREEMENT.** Both Parties have participated in the negotiating and drafting of this Agreement. Therefore, the terms and conditions of this Agreement shall not be construed against either Party as the drafting party.

47 **NOTICES.** All notices to be given under this Agreement shall be in writing and either sent by: (1) pre-paid U.S. first-class mail, in which case notice will be deemed delivered as of two business days after mailing; (2) 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; or (3) telecopy sent during business hours of the recipient, in which case notice shall be deemed delivered when transmitted provided that a transmission report is generated reflecting the accurate transmission of the notice. All correspondence shall reference the Agreement number. Notices shall be directed to the addresses of the parties on the front page of this Agreement.

48 **SEVERAL LIABILITY.** In the event that more than one legal entity acquires goods and 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 goods and/or Services provided by Contractor under this Agreement 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 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.

SCHEDULE B - DIVERSE BUSINESS ENTERPRISES

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 35% 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 **35%** 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):

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 with your bid.

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

**Yolanda Padilla
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):

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:

Job location, if applicable:

Job duration, if applicable:

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

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 and expenditures in connection with discharging any and all obligations in connection with the Services.

Contractor shall not initiate work that may result in Contractor exceeding the monthly allocated amount as described in the section titled "NOT-TO-EXCEED MONTHLY LIMITS". Contractor's monthly allocation for July 2012 is specified below and each month thereafter will be specified on the work authorization form as described in SCHEDULE K.

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

Minimum E&A/Wx Units for the period of July:	13
Maximum NTE amount for the period of July:	\$7,927

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.

Service Type		Unit	Reimbursement Total
Enrollment	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
Assessment	Assessment for all Gas Measures	One per home	\$20.00
High Efficiency (HE) Clothes Washer Assessment	Assessment for HE Clothes Washer- Complete clothes washer assessment form. Home must have an operational clothes washer and dryer.	One per home	\$5.00
Program Services Declined	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

Energy Education	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
Income Re-Certification	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
Admin/Program Support	Admin and program support services (includes processing, data entry, back office support and invoicing)	One per home	\$25.00
	Processing fee (administrative fee for processing enrollment and assessment paperwork.)	One per home	\$15.00

Company Potential Chargeback¹ Fees to Contractor		
Fee Name	Description	Reimbursement Total
Dispute Resolution	Fee charged to Contractor if Company determines that Contractor's original results were not correct	\$63.32
Processing Fee	Fee charged to Contractor for invoice errors that result in invoice rejection and/or changes that must be made by the Company	\$15.00
Significant Errors	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 ¹
Re-Inspection	Additional inspection(s) of a measure/or measures that failed the initial inspection.	Cost of Inspection
¹ 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.		

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.

Weatherization Fees	Unit	Reimbursement Total
Admin & Program Support Services - When Measures are Installed	Per Home- Weatherization measures must be installed.	\$20.00
Assessment - When Measures are Installed	Per Home- Weatherization measures must be installed.	\$15.00
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.	\$67.80
Crew Trip Fee- Applies only to dwellings that received water measures only	Per Home- Cannot be charged in conjunction with "Crew Trip Fee" above.	\$33.90
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
Air Conditioner Cover (Window/Wall)	Each			\$35.50
Appliance Closet Door Latch	Each			\$16.25
Appliance Closet Door Weatherstripping - Foam Tape	Each			\$10.75
Appliance Closet Door Weatherstripping - Rigid Gasket	Each			\$43.75
Attic Access Cover	Each			\$29.75
Attic Access New (includes cover)	Each			\$70.00
Attic Insulation	Per Square Feet	\$1.06 Per Square Feet		Varies
Caulking- (Maximum of 100' without Company)	Per Linear Feet	\$0.37 Per Linear Feet		Varies

approval)				
Combustion and Ventilation Air (CVA)	Each Appliance			\$58.25
Door - 24", 28", 30", 32", & 36" Solid Core	Each			\$101.00
Door - 34" & 42" Solid Core	Each			\$160.75
Door - Deadbolt	Each			\$33.50
Door - Louvered	Each			\$124.00
Door - Half lite	Each			\$160.75
Door handle	Each			\$5.25
Door - Hinge, locking pin	Each			\$12.00
Door - Hinge, loose pin	Each			\$9.75
Door - Hinge, spring	Each			\$16.75
Door jamb with caulking	Per Linear Feet	\$2.54 Per Linear Feet	\$25.42	Varies
Door - Lockset	Each			\$33.50
Door - Lockset Brace (1 per door)	Each			\$35.25
Door or window casing including caulking	Per Linear Feet	0.63 Per Linear Feet	\$16.95	Varies
Door shoe	Each			\$18.50
Door - Specialty	Each	Cost + 10%	\$33.90	Varies
Door stop including caulking	Per Linear Feet	\$0.51 Per Linear Feet	\$8.48	Varies
Door sweep	Each			\$18.50
Door threshold	Each			\$20.50
Double door slide bolt	Each			\$11.25
Dryer Venting - cut opening with vent	Each			\$58.25
Dryer Venting - Vent Only	Each			\$21.25
Duct Repair - in conjunction with attic insulation	Each			\$20.75
Evaporative Cooler Register Cover	Each			\$35.50
Exhaust Venting (Kitchen/Bath) - cut opening with vent	Each			\$58.25
Exhaust Venting (Kitchen/Bath) - vent only	Each			\$21.25

Exhaust Venting mobile home (Kitchen)	Per Home			\$58.25
Faucet Aerator (kitchen and bath)	Each			\$6.50
Faucet Aerator Adapter	Each			\$6.50
Flex Connector (done in conjunction with Standing Pilot Retrofit Kit)	Each			\$23.75
Furnace Clean and Tune	Each			\$56.50
Furnace Filter (done in conjunction with Furnace Clean and Tune)	Each			\$10.50
Glass - D.S. or S.S. including glazing compound. (Per sash)	Per Square Feet	2.54 Per Square Feet	\$42.38	Varies
Glass - Specialty	Each	Cost + 10%	\$42.38	Varies
Glass -Tempered or Polycarbonate including glazing compound. (Per sash)	Per Square Feet	\$4.00 Per Square Feet	\$42.38	Varies
Glass Replace - Louvered (jalousie) Windows (glass panel)	Each			\$10.00
Glazing Compound per window-from corner to corner (At least one entire edge)	Per Window			\$11.00
Hand Held Showerhead	Each			\$34.00
Line Valve (done in conjunction with Standing Pilot Retrofit Kit)	Each			\$23.75
Low Flow Showerhead	Each			\$16.75
Natural Gas Appliance Testing (NGAT)	Per Home			\$28.50
Natural Gas Appliance Testing (NGAT) – Leveraging Fee	Per Home			\$1.00
Roof Mastic (in conjunction with dormer or mushroom vents)	Per Home			\$12.25
Seal FAU Platform (Caulking Around Base)	Each			\$17.00
Shower Diverter Valve	Each			\$33.25
Showerhead Adapter	Each			\$5.25

Silicone Caulking (crack or bb hole)	Each			\$9.75
Standing Pilot Retrofit Kit (Requires C20 License)	Each			\$277.00
Hard Pipe forced air unit (in conjunction with Standing Pilot Retrofit Kit)	Each			\$5.00
Door - Striker plate, regular	Each			\$6.50
Door - Striker plate, safety/mag	Each			\$6.75
Switch & Outlet Gaskets & Covers	Per Home			\$9.00
Vent Screen	Each			\$9.75
Vent - Dormer/Gable/Mushroom	Each			\$55.50
Vent - Eave	Each			\$19.75
Wall Repair - Utility Penetration	Per Home			\$10.25
Wall Repair (stucco patch or plywood)	Per Home			\$40.25
Wall Repair (tape joint compound, plaster)	Per Home			\$37.75
Water Heater Blanket - Central	Each			\$85.75
Water Heater Blanket - Individual	Each			\$51.00
Water Heater Pipe Insulation	Each			\$19.75
Weatherstripping - Attic Access	Each			10.75
Weatherstripping & Caulking-rigid gasket	Each			\$43.75
Weatherstripping - Foam Tape/ V-Strip	Each			\$10.75
Window Assembly	Each	Cost + 10%	\$50.86	Varies
DUCT TESTING AND SEALING				
Duct Testing (includes Admin fee)	Per Appliance			\$133.00
Duct Sealing - 60 minutes or less	Per Appliance	Duct Sealing is limited to one fee per appliance and only if the duct system has been sealed.		\$113.00
Duct Sealing - 61-90 minutes				\$170.00

Duct Sealing - greater than 90 minutes				\$226.00
Duct Board Installation	Per Appliance			\$61.25

Company Potential Chargeback Fees to Contractor		
Fees Name	Description	Total
Dispute Resolution	Fee charged to Contractor if Company determines that Contractor's original results were not correct	\$63.32
Processing Fee	Fee charged to Contractor for invoice errors that result in invoice rejection and/or changes that must be made by the Company	\$10.00
Significant Errors	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
Re-Inspections	Additional inspection(s) of a measure/or measures that failed the initial inspection.	At Cost of Inspection

SCHEDULE D - GENERAL REQUIREMENTS

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

Definitions	
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

Definitions	
	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.
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.
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 shall possess a current and active Contractor State License Board (CSLB) Home Improvement Salesperson Registration (HISR)¹. Contractor shall provide Company with proof of HISR registration information for all Program Personnel that may engage in Customer contact activities per the terms of this agreement.
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 sub-contractor 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 a 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.

¹ All Weatherization, HVAC, and Inspection personnel with an ESAP ID badge will be required to obtain an HISR by November 30, 2012.

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.

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 and 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.
- 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 name, logos and/or trademarks, including The Gas Company and SoCalGasSM, 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 its 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) (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. 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 thirty (30) 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.

Timeline Summary	
Description/ Results	Requirements
Leads	Contractor shall address all leads within thirty (30) 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.

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 Customer enrollments:

- Customer Agreement*
- Assessment Worksheet
- Property Owner Authorization (POA)- for renters*
- High Efficiency Washer Pre-Assessment Worksheet (if applicant is eligible)*

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

Enrollment Services	Description	Additional Documents/Forms Required for Invoicing
Full Document Enrollments	Enrollments where eligibility must be determined by collecting income documentation from all household members.	None. See above.
Self-Certified/Categorical Enrollments	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.
Other IOU Enrollments	Contractors that jointly enroll Customers on behalf of Company and an electric IOU.	In lieu of the Household Income Worksheet (HIW), copy of the other IOU's agreement.
ESAP Program Services Declined*	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.		

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. 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.

Living Trust:

- On the line labeled, AUTHORIZED PROPERTY OWNER REPRESENTATIVE: Print the legal owner's name.
- On the line labeled, AUTHORIZED PROPERTY OWNER REPRESENTATIVE'S SIGNATURE: The person named as the trustee signs their name and writes "trustee" over or after their signature.
- Company is only requiring copies of the page(s) that show the 1) name of the trust and 2) trustees. The entire trust is not required.

Power of Attorney

- On the line labeled, AUTHORIZED PROPERTY OWNER REPRESENTATIVE: Print the legal owner's name.
- On the line labeled, AUTHORIZED PROPERTY OWNER REPRESENTATIVE'S SIGNATURE: The person with power of attorney signs their name and writes "POA" over or after their signature.

Management Agreement

- On the line labeled, AUTHORIZED PROPERTY OWNER REPRESENTATIVE: Print the legal owner's name.
- On the line labeled, AUTHORIZED PROPERTY OWNER REPRESENTATIVE'S SIGNATURE: The authorized representative of the property management company must sign their name and include the name of the property management company over or after their signature.

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

- 1) Contractor will be provided monitoring results via the HEAT system.
- 2) 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 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. Should a Contractor contact a Customer during the monitoring process, Contractor shall immediately forfeit all appeal rights and shall immediately reimburse Company for any outstanding monies owed. Additionally, no documentation will be accepted after

conclusion of the monitoring process. Company will provide appeal results to Contractor at the conclusion of the review.

- 3) 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.
- 4) 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.
- 5) 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

46	52	56	60	64
47	53	57	61	65
48	54	58	62	66
49	55	59	63	

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.

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.

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.
- 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.

Regular Paycheck Stub

A regular 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 dated within one month from sign date.
- 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

Non Regular Paycheck Stub

When the household member's income documentation does not meet the "REGULAR 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 1st through June 30th, 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.

Program	Documentation Needed
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 be dated within the previous twelve (12) months.
- 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 to the P&P manual.

Authorized Wx Services		
Wx Service Category	Wx Service Type	Description
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

Timeline Summary	
Description/Results	Requirements
Assigned Jobs	Contractor shall complete ¹ 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 ¹ all Wx installation jobs including NGAT ² 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.
¹ Complete means the job has been performed and the results data entered and processed into the HEAT system. ² 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.

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

91720	92320	92666
91752	92501	92667
92201	92503	92668
92203	92504	92669
92207	92505	92694
92210	92506	92809
92211	92507	92860
92220	92508	92862
92223	92509	92879
92225	92518	92880
92227	92530	92881
92230	92532	92882
92231	92543	92883
92233	92544	96662
92234	92545	
92236	92548	
92239	92551	
92240	92553	
92241	92555	
92243	92557	
92249	92562	
92250	92563	
92251	92567	
92253	92570	
92254	92571	
92256	92582	
92257	92583	
92258	92584	
92260	92585	
92262	92586	
92264	92587	
92270	92590	
92272	92591	
92273	92592	
92274	92595	
92276	92596	
92281	92637	
92282	92665	

SCHEDULE K – ESAP PROGRAM MONTHLY WORK AUTHORIZATION

TO BE USED STARTING AUGUST 1, 2012 FOR MONTHLY ALLOCATIONS

PROJECT: <u>ESAP Program</u>	WORK AUTHORIZATION NO. <u>TBD; i.e., No. 1, No. 2, etc.</u>	DATED <u>TBD FILL-IN</u>
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TBD
TBD
TBD

MAIL ORIGINAL AND DUPLICATE
INVOICE TO
SOUTHERN CALIFORNIA GAS COMPANY
ACCOUNTS PAYABLE
P.O. BOX 30777
LOS ANGELES, CA 90030

In accordance with Agreement No. **TBD** between Southern California Gas Company (Company) and **TBD** (Contractor), the below Work is authorized as follows:

Scope (TBD/FILL-IN/Type in work description/deliverables/quantities)

Example: Contractor shall provide labor, equipment, supervision and specified materials required for electric transmission and distribution facilities installation as requested by SCG.

In accordance with the above provisions, Contractor acknowledges and agrees that Contractor shall not perform any Work under this Work Authorization that would exceed the below referenced funding limitation:

Work Authorization No. 1 Not-to-Exceed Funding Limitation:	\$00.00
Incremental Monthly Funding Increase for Work Authorization No. TBD:	\$00.00 (N/A)
Total Not-to-Exceed Funding Limitation:	\$00.00

Term

The Work shall commence on July 1, 2012 and shall be completed by July 31, 2012.

Payment Terms

Payment terms shall be in accordance with Agreement No. **TBD** unless otherwise specified herein.

This Work Authorization shall be governed by the terms and conditions of Agreement No. **TBD**. No other terms and conditions shall be of force or effect except those referenced above.

SOUTHERN CALIFORNIA GAS COMPANY

TBD

By: _____
Name: _____
Title: _____
Date: _____

By: _____
Name: _____
Title: _____
Date: _____

