

# South Bay Cities Council of Governments

Sustainability Program Partnership between  
Southern California Gas Company  
And  
South Bay Cities Council of Governments

SCOPE of WORK  
in support of the Education, Training and Outreach Program

April 1, 2016 - March 31, 2017

This Scope of Work (SOW) covers the programs and activities that the South Bay Cities Council of Governments will conduct in support of Southern California Gas Company and the City of Los Angeles Department of Water and Power energy efficiency and water conservation programs, commencing on April 1, 2016. SBCCOG will perform the following core tasks for the total agreement amount of \$30,000 for the 12 month period.

## **Task 1: Community Outreach and Promotional Events**

SBCCOG will perform the following:

- A. Promote LADWP efficiency programs to businesses, residents, community groups and agencies in the San Pedro, Harbor City/Harbor Gateway, and Wilmington areas of Los Angeles (City Council District 15).
- B. Assist LADWP staff in disseminating existing educational and informational materials to promote energy efficiency and water conservation through SBCCOG marketing channels such as newsletter, e-blasts, and web postings; also make materials available at SBCCOG Board meetings and other special meetings, and at the Environmental Services Center (ESC).
- C. Exhibit or present at 6 to 10 targeted special events including, but not limited to, fairs, seasonal exhibits, neighborhood council meetings and farmers markets in the communities of San Pedro, Harbor City/Harbor Gateway, and Wilmington.
- D. Promote the value of the LADWP rebate and incentive programs, including low income services and energy assistance programs.
- E. Provide one training session on residential LADWP programs and services. Potential audiences include: Central San Pedro, Coastal San Pedro, Northwest San Pedro, Wilmington, Harbor City, Harbor Gateway North, and Harbor Gateway South Neighborhood Councils. Coordinate with LADWP to schedule the training.
- F. Train SBCCOG volunteers on LADWP programs to assist with events and act as ambassadors in the community.
- G. Provide assistance to LADWP customers of CD15 who visit the SBCCOG ESC, including assistance with reading utility bills, information on relevant energy and water efficiency programs, distribution of program collateral and selected

efficiency devices (as provided to SBCCOG by LADWP), and assistance with applying for LADWP residential rebate and incentive programs. LADWP's customers of CD15 areas may also participate in environmental workshops and events held at the ESC and/or staffed by SBCCOG/ESC.

- H. Create a data base specific to the San Pedro, Harbor City/Harbor Gateway, and Wilmington areas to be used for all outreach, marketing, and training activities.

**Task 2. Commercial Kitchen Water Assessments, Staff Training & Device**

SBCCOG will perform the following:

- A. SBCCOG staff will target 3 to 5 commercial kitchens for water assessments and conservation training within the communities of San Pedro, Harbor City/Harbor Gateway, and Wilmington.
- B. SBCCOG staff will coordinate with SCG to provide Customer Service Technicians (CSTs) to attend water assessment visits who are trained to clean and calibrate gas powered kitchen equipment in these areas.
- C. SBCCOG staff would refer kitchens needing lighting upgrades or other electric energy efficiency enhancements to LADWP trained representatives. LADWP would be invited to attend audits when schedules permit.
- D. SBCCOG staff will help facilitate distribution of LADWP-provided pre-rinse spray valves for the targeted qualifying kitchens.

**Task 3. Reporting and Documentation**

SBCCOG will perform the following:

- A. SBCCOG will provide quarterly invoicing and progress reports, including status of activities, accomplishments, events scheduled and held, and program metrics.
- B. SBCCOG will develop end-of-program documents, including a comprehensive list of events and activities completed, groups or individuals trained, contact database, and program metrics (number of events and participants, and other relevant information).

## SCHEDULE A - GENERAL TERMS AND CONDITIONS

1. **PARTIES.** This Agreement is entered into between Company and Contractor.
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 Effective Date of this Agreement shall be of no force and effect unless expressly agreed to in writing by Company. Contractor accepts and shall be bound by the terms and conditions of this Agreement upon the earlier of (a) the Effective Date of this Agreement or (b) when it commences performance of the Services. No other form of acceptance shall be binding on Company.
3. **CHANGE ORDERS.** Company may at any time, in writing, direct or authorize Contractor to make changes or modifications to the work within the general scope of this Agreement. All such changes must be agreed upon and duly authorized in writing by both parties prior to Contractor's implementation thereof. Company shall not be required to make any payment for any change or modification which is not authorized in writing.
4. **INVOICING.** If Contractor's invoice price does not match the Agreement price, Company shall pay Contractor the lesser of the amount payable under this Agreement or the invoice. When Contractor is considered to be a retailer under California law, Contractor's invoices shall properly identify California sales or use tax as a sales or use tax, and separately state the amount of such tax and any freight, installation, technical service or other charge which is excludable from such tax.
5. **PERFORMANCE.** Contractor shall, and shall cause its employees, and any agents, suppliers, subcontractors or other individuals or entities performing the Services on behalf of Contractor (each hereinafter, a "Contractor Party") to, perform the Services in accordance with established professional business standards and ethics and in conformity with each and every term of this Agreement. Contractor shall remedy any and all deficiencies in its Services that result from Contractor's or any Contractor Party's failure to adhere to the scope of work.
6. **WARRANTIES.** Contractor expressly represents and warrants that all the Services performed hereunder shall be performed in a good and workmanlike manner, and in compliance with the performance standards, drawings, specifications and any other description of services set forth in the scope of work, and the terms and conditions of this Agreement. Company may reject any Services failing to meet such standards, and require Contractor to promptly repeat, correct or replace such Services, at no charge to Company or, at Company's election, Company may hire a third party to complete the Services at Contractor's expense. Contractor further warrants and agrees that none of the materials to be furnished by Contractor or any Contractor Party in the performance of the Services contain asbestos or asbestos-containing materials, unless feasible alternatives or commercially reasonable replacements do not exist or are not available, and Company has approved of the same in writing.
7. **INSPECTION.** All Services performed by Contractor or any Contractor Party shall be subject to the inspection and approval of Company at all times, but such right of inspection of the Services shall not relieve Contractor of responsibility for the proper performance of the Services, nor shall such inspection waive Company's right to reject the Services at a later date. Contractor shall provide Company access to the facility or facilities where the Services are being performed and sufficient, safe and proper work conditions for such inspection. Contractor shall furnish Company such information concerning its operations and/or the performance of the Services as Company may request.
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 Contractor or any Contractor Party'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 codified at FERC Order 791 (18 C.F.R. pt. 40).
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 (a) CPUC Decisions ("D.") 06-12-029 and 98-03-073, and (b) FERC Orders 697 (18 C.F.R. Section 35.39(g)) and 717 (18 C.F.R. pt. 358). Contractor and any Contractor Party may be in receipt of or have access to non-public information which is subject to the foregoing rules. In accordance with those rules, Contractor agrees and shall cause each Contractor Party to agree not to disclose or allow access to: (a) any non-public information of San Diego Gas & Electric Company and/or Southern California Gas Company with any entity affiliated with such utilities by virtue of substantial, even if not majority, direct or indirect ownership, other than the ultimate parent company of both such entities, Sempra Energy, Inc. (each, a "Sempra Subsidiary"); (b) any non-public electric or gas marketing, procurement or transmission-related information of any Sempra Subsidiary with any other Sempra Subsidiary; (c) any non-public transmission-related information of any Sempra Subsidiary's transmission operations with persons participating in the performance of the same Sempra Subsidiary's or any other Sempra Subsidiary's electric and/or gas procurement, marketing or other merchant functions; or (d) any gas procurement, marketing or merchant information associated with Southern California Gas Company's merchant function with persons participating in the performance of Southern California Gas Company's and/or San Diego Gas & Electric Company's gas operations function.
  - 10.1. **Training.** Contractor agrees that it or any Contractor Party may be required to complete training regarding the foregoing at Company's sole discretion.
11. **CONTRACTOR.**
  - 11.1. It is agreed that Contractor is an independent business separate from Company and shall perform the Services as an independent contractor, and no principal-agent or employer-employee relationship or joint-venture partnership shall be created with Company.
  - 11.2. Contractor represents to Company that Contractor and each Contractor Party is properly licensed (including, to the extent required by law to perform or to subcontract the Services, all necessary and appropriate licenses from the Contractors' State License Board), fully experienced and qualified (including having all necessary authorizations) to perform the class and type of Services as specified in this Agreement, in addition to being properly insured, equipped, organized, staffed, and financed to handle such Services, and shall remain properly licensed, authorized, insured, equipped, organized, staffed and financed to handle the Services throughout the term of this Agreement. Contractor shall not employ for the Services any person or entity that is unskilled or unlicensed in the work assigned to such person or entity.
  - 11.3. Contractor acknowledges that it is responsible for its debts and obligations. Subject to and without limiting Contractor's obligation to perform as required under this Agreement, Contractor understands and agrees that Company has no authority to direct or control Contractor or any Contractor Party. Contractor shall perform the Services in an orderly and professional manner in accordance with industry standards. Contractor shall use prudent business practices in its relationships with each Contractor Party. Contractor shall not hold itself or its employees out as employees or agents of Company. Subject to the Article entitled "**CONTRACTOR PARTIES**" herein, Contractor acknowledges that it is free to contract with others for similar services. Contractor shall provide and maintain its own business premises, equipment, and supplies at its sole expense.
  - 11.4. Prior to commencing Services and at any time upon request of Company, Contractor will provide a list of its employees and each Contractor Party's employees who will execute the Services. The employee list will disclose any individuals who are former employees of Company or of any direct and indirect parent, affiliate and/or subsidiary of Company. Company has the right to disapprove the use of one or more of such employees who will be executing the Services, and upon such notice of disapproval, Contractor shall immediately cease the use of such individual(s) in executing the Services.
  - 11.5. Regardless of the nature or duration of any assignment with Company, no Contractor Party shall be eligible for or entitled to participate in any of Company's employee benefit plans, programs, policies or practices which may now or in the future be in effect, including any pension, retirement, or 401(k) plan; any profit sharing, stock option, bonus or incentive compensation plan; any life or health insurance plan; any vacation or holiday pay plan; or any separation payment plan. Contractor shall, or shall require that each Contractor Party is contractually obligated to treat individuals performing Services under this Agreement as its employees for the purposes of satisfying the requirements of the Patient Protection and Affordable Care Act of 2010, as amended (the "Affordable Care Act"), including the requirements of Internal Revenue Code section 4980H, Internal Revenue Code section 6056, and the requirements of Sections 18A and 18B of the Fair Labor Standards Act. Furthermore, Contractor shall, or shall require that each Contractor Party is contractually obligated to offer minimum essential coverage that is both affordable and of minimum value to all individuals (and their dependents) performing any part of the Services who are full-time employees in accordance with Internal Revenue Code section 4980H and the regulations issued thereunder, provided that Contractor or any such Contractor Party is a "large employer" subject to section 4980H.
12. **OWNERSHIP OF INTELLECTUAL PROPERTY.**
  - 12.1. Any idea, invention, work of authorship, drawing, design, formula, algorithm, utility, tool, pattern, compilation, program, device, method, technique,

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

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

12.3. 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.

12.4. Any and all material and tangibly expressed information prepared, accumulated or developed by Contractor or any Contractor Party, including documents, drawings, designs, calculations, maps, plans, workplans, text, filings, estimates, manifests, 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 (a) prepared or in process, in connection with the Services and (b) whether or not delivered by Contractor. Contractor shall deliver the Work Product, or any portion thereof, to Company on request, together with any other requested materials and/or equipment furnished to Contractor by Company hereunder, and, in any event, upon termination or expiration of this Agreement.

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

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

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

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

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

14. **INSURANCE.**

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

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

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

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. **Types of insurance required to be provided by Contractor:**

14.5.1. **Commercial General Liability** Contractor shall carry and maintain an "occurrence" form commercial general liability policy or policies, insuring against liability arising from bodily injury, death, property damage, personal and advertising injury, products/completed operations liability, contractual liability covering all operations of Contractor for Services and/or Work performed under this Agreement. The commercial general liability policy or policies shall provide severability of interest or cross liability clause. There shall be no wildfire, explosion, collapse or underground exclusion. Such coverage shall be in an amount of not less than \$1,000,000.00 per occurrence. If the policy maintains a policy aggregate, such aggregate shall not be less than \$2,000,000.00.

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

14.5.1.2. **Waiver of Subrogation** Each policy of insurance maintained by Contractor for Commercial General Liability shall contain a

waiver of subrogation in favor of Southern California Gas Company.

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

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

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

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

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

15. **RESERVED**

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

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

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

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

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

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

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

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

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

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

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

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

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

Indemnitee harmless from and against any and all Claims and Liabilities arising by reason of Contractor or any Contractor Party's failure to pay such taxes, charges or contributions.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

28.6. Notwithstanding the return or destruction of all or any part of the Confidential Information, the confidentiality provisions set forth in this Agreement shall nevertheless remain in full force and effect with respect to specific Confidential Information until the date that is five (5) years after the date of disclosure of such Confidential Information, except as to Geographical Information Systems Data ("GIS Data"), information relating to Company's or its affiliates' substation, compressor station, valve station, and/or pipeline pressure regulating station design (including design documents and drawings, security systems design and operation and similar information constituting critical energy infrastructure information as defined by 18 C.F.R. §388.113(c)(1)) ("CEI"), and Confidential Information about, regarding or attributable to Company's or its affiliates' customers ("Confidential Customer Information"). Such term shall be perpetual for GIS Data, CEI and Confidential Customer Information. Moreover, Contractor represents, warrants, and covenants that security procedures and practices appropriate to the nature of the GIS Data, CEI and Confidential Customer Information involved are in place on the Effective Date of this Agreement and will be used at all times during the term of this Agreement to protect the GIS Data, CEI and Confidential Customer Information from unauthorized access, destruction, use, modification, or disclosure. Without limiting the generality of the foregoing or any other provision of this Agreement, Contractor shall access, collect, store, use, and disclose the Confidential Customer Information under policies, practices and notification requirements no less protective than those under which Company operates.

28.7. The parties acknowledge that the Confidential Information is valuable and unique, and that damages would be an inadequate remedy for breach of this Agreement and the obligations of Contractor are specifically enforceable. Accordingly, the parties agree that in the event of a breach or threatened breach of this Agreement by Contractor, Company, its direct and indirect parent company(ies), subsidiaries and/or affiliates, which shall be third party

beneficiaries of this Agreement, shall be entitled to seek an injunction preventing such breach, without the necessity of proving damages or posting any bond. Any such relief shall be in addition to, and not in lieu of, monetary damages or any other legal or equitable remedy available to Company, its direct and indirect parent company(ies), subsidiaries and/or affiliates.

29. **ENVIRONMENTAL TERMS.**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- (1) Name and address of Contractor and any Contractor Party(ies) involved.
- (2) Name and address of Contractor's commercial and environmental liability insurance carrier.
- (3) Name and address of any injured or deceased persons, if applicable.
- (4) Name and address of any property damage, if applicable.
- (5) A detailed description of the release including the identification of the Hazardous Material, the date and time of the release, the volume released, and the nature of the any environmental contamination.
- (6) A determination of whether any of Company's personnel, equipment, tools or materials were involved; and.

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

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

39. **CONTRACTORS PARTIES**

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

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

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

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

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

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

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

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

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

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

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

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