CITY OF PALO ALTO CONTRACT NO. C08125145

AGREEMENT BETWEEN THE CITY OF PALO ALTO AND
CALIFORNIA CENTER FOR SUSTAINABLE ENERGY
FOR PROFESSIONAL SERVICES
(Solar Water Heating Incentive Program)

This AGREEMENT is entered into ___________, by and between the CITY OF
PALO ALTO, a charter city and a municipal corporation of the State of California ("CITY"), and
California Center for Sustainable Energy, a California corporation located at 8690 Balboa Avenue,
Suite 100, San Diego, CA 92123 ("CONSULTANT").

RECITALS

The following recitals are a substantive portion of this Agreement.

A. CITY intends to provide a comprehensive solar water heating incentive program (SWH)
(“Project”) and desires to engage a consultant to design, administer and implement the program in
connection with the Project (“Services”).

B. CONSULTANT has represented that it has the necessary professional expertise,
qualifications, and capability, and all required licenses and/or certifications to provide the Services.

C. CITY in reliance on these representations desires to engage CONSULTANT to provide the
Services as more fully described in Exhibit “A”, attached to and made a part of this Agreement.

NOW, THEREFORE, in consideration of the recitals, covenants, terms, and
conditions, this Agreement, the parties agree:

AGREEMENT

SECTION 1. SCOPE OF SERVICES. CONSULTANT shall perform the Services described in
Exhibit “A” in accordance with the terms and conditions contained in this Agreement. The
performance of all Services shall be to the reasonable satisfaction of CITY.

SECTION 2. TERM. The term of this Agreement shall be from the date of its full execution
through “completion of the services in accordance with the Schedule of Performance attached as
Exhibit “B” unless terminated earlier pursuant to Section 19 of this Agreement.

SECTION 3. SCHEDULE OF PERFORMANCE. Time is of the essence in the performance of
Services under this Agreement. CONSULTANT shall complete the Services within the term of this
Agreement and in accordance with the schedule set forth in Exhibit “B”, attached to and made a part
of this Agreement. Any Services for which times for performance are not specified in this Agreement
shall be commenced and completed by CONSULTANT in a reasonably prompt and timely manner
based upon the circumstances and direction communicated to the CONSULTANT. CITY’s
agreement to extend the term or the schedule for performance shall not preclude recovery of damages for delay if the extension is required due to the fault of CONSULTANT.

SECTION 4. NOT TO EXCEED COMPENSATION. The compensation to be paid to CONSULTANT for performance of the Services described in Exhibit “A”, including both payment for professional services and reimbursable expenses, shall not exceed Seven Hundred Thirty Thousand Dollars ($730,000). In the event Additional Services (separate from Exhibit C – Compensation Price Schedule) are authorized, the total compensation for services and reimbursable expenses shall not exceed Seven Thousand Three Hundred Dollars ($7,300). The applicable rates and schedule of payment are set out in Exhibit “C”, entitled “COMPENSATION,” which is attached to and made a part of this Agreement.

Additional Services, if any, shall be authorized in accordance with and subject to the provisions of Exhibit “C”. CONSULTANT shall not receive any compensation for Additional Services performed without the prior written authorization of CITY. Additional Services shall mean any work that is determined by CITY to be necessary for the proper completion of the Project, but which is not included within the Scope of Services described in Exhibit “A”.

SECTION 5. INVOICES. In order to request payment, CONSULTANT shall submit monthly invoices to the CITY describing the services performed and the applicable charges (including an identification of personnel who performed the services, hours worked, hourly rates, and reimbursable expenses), based upon the CONSULTANT’s billing rates (set forth in Exhibit “C”). If applicable, the invoice shall also describe the percentage of completion of each task. The information in CONSULTANT’s payment requests shall be subject to verification by CITY. CONSULTANT shall send all invoices to the City’s project manager at the address specified in Section 13 below. The City will generally process and pay invoices within thirty (30) days of receipt.

SECTION 6. QUALIFICATIONS/STANDARD OF CARE. All of the Services shall be performed by CONSULTANT or under CONSULTANT’s supervision. CONSULTANT represents that it possesses the professional and technical personnel necessary to perform the Services required by this Agreement and that the personnel have sufficient skill and experience to perform the Services assigned to them. CONSULTANT represents that it, its employees and subconsultants, if permitted, have and shall maintain during the term of this Agreement all licenses, permits, qualifications, insurance and approvals of whatever nature that are legally required to perform the Services.

All of the services to be furnished by CONSULTANT under this agreement shall meet the professional standard and quality that prevail among professionals in the same discipline and of similar knowledge and skill engaged in related work throughout California under the same or similar circumstances.

SECTION 7. COMPLIANCE WITH LAWS. CONSULTANT shall keep itself informed of and in compliance with all federal, state and local laws, ordinances, regulations, and orders that may affect in any manner the Project or the performance of the Services or those engaged to perform Services under this Agreement. CONSULTANT shall procure all permits and licenses, pay all charges and fees, and give all notices required by law in the performance of the Services.
SECTION 8. ERRORS/OMISSIONS. CONSULTANT shall correct, at no cost to CITY, any and all errors, omissions, or ambiguities in the work product submitted to CITY, provided CITY gives notice to CONSULTANT. If CONSULTANT has prepared plans and specifications or other design documents to construct the Project, CONSULTANT shall be obligated to correct any and all errors, omissions or ambiguities discovered prior to and during the course of construction of the Project. This obligation shall survive termination of the Agreement.

SECTION 9. COST ESTIMATES. If this Agreement pertains to the design of a public works project, CONSULTANT shall submit estimates of probable construction costs at each phase of design submittal. If the total estimated construction cost at any submittal exceeds ten percent (10%) of the CITY’s stated construction budget, CONSULTANT shall make recommendations to the CITY for aligning the PROJECT design with the budget, incorporate CITY approved recommendations, and revise the design to meet the Project budget, at no additional cost to CITY.

SECTION 10. INDEPENDENT CONTRACTOR. It is understood and agreed that in performing the Services under this Agreement CONSULTANT, and any person employed by or contracted with CONSULTANT to furnish labor and/or materials under this Agreement, shall act as and be an independent contractor and not an agent or employee of the CITY.

SECTION 11. ASSIGNMENT. The parties agree that the expertise and experience of CONSULTANT are material considerations for this Agreement. CONSULTANT shall not assign or transfer any interest in this Agreement nor the performance of any of CONSULTANT’s obligations hereunder without the prior written consent of the city manager. Consent to one assignment will not be deemed to be consent to any subsequent assignment. Any assignment made without the approval of the city manager will be void.

SECTION 12. SUBCONTRACTING. CONSULTANT shall not subcontract any portion of the work to be performed under this Agreement without the prior written authorization of the city manager or designee.

CONSULTANT shall be responsible for directing the work of any subconsultants and for any compensation due to subconsultants. CITY assumes no responsibility whatsoever concerning compensation. CONSULTANT shall be fully responsible to CITY for all acts and omissions of a subconsultant. CONSULTANT shall change or add subconsultants only with the prior approval of the city manager or his designee.

SECTION 13. PROJECT MANAGEMENT. CONSULTANT will assign Annie Henderson as the project director to have supervisory responsibility for the performance, progress, and execution of the Services to represent CONSULTANT during the day-to-day work on the Project. If circumstances cause the substitution of the project director, project coordinator, or any other key personnel for any reason, the appointment of a substitute project director and the assignment of any key new or replacement personnel will be subject to the prior written approval of the CITY’s project manager. CONSULTANT, at CITY’s request, shall promptly remove personnel who CITY finds do not perform the Services in an acceptable manner, are uncooperative, or present a threat to the adequate or timely completion of the Project or a threat to the safety of persons or property.
The City's project manager is Amanda Cox, Utilities Department, Customer Support Division, Palo Alto, CA 94303, Telephone: 650.329-2417. The project manager will be CONSULTANT's point of contact with respect to performance, progress and execution of the Services. The CITY may designate an alternate project manager from time to time.

SECTION 14. OWNERSHIP OF MATERIALS. Upon delivery, all work products, including without limitation, all writings, drawings, plans, reports, specifications, calculations, documents, other materials and copyright interests developed under this Agreement shall be and remain the exclusive property of CITY without restriction or limitation upon their use. CONSULTANT agrees that all copyrights which arise from creation of the work pursuant to this Agreement shall be vested in CITY, and CONSULTANT waives and relinquishes all claims to copyright or other intellectual property rights in favor of the CITY. Neither CONSULTANT nor its contractors, if any, shall make any of such materials available to any individual or organization without the prior written approval of the City Manager or designee. CONSULTANT makes no representation of the suitability of the work product for use in or application to circumstances not contemplated by the scope of work.

SECTION 15. AUDITS. CONSULTANT will permit CITY to audit, at any reasonable time during the term of this Agreement and for three (3) years thereafter, CONSULTANT's records pertaining to matters covered by this Agreement. CONSULTANT further agrees to maintain and retain such records for at least three (3) years after the expiration or earlier termination of this Agreement.

SECTION 16. INDEMNITY.
16.1. To the fullest extent permitted by law, CONSULTANT shall protect, indemnify, defend and hold harmless CITY, its Council members, officers, employees and agents (each an "Indemnified Party") from and against any and all demands, claims, or liability of any nature, including death or injury to any person, property damage or any other loss, including all costs and expenses of whatever nature including attorneys fees, experts fees, court costs and disbursements ("Claims") resulting from, arising out of or in any manner related to performance or nonperformance by CONSULTANT, its officers, employees, agents or contractors under this Agreement, regardless of whether or not it is caused in part by an Indemnified Party.

16.2. Notwithstanding the above, nothing in this Section 16 shall be construed to require CONSULTANT to indemnify an Indemnified Party from Claims arising from the active negligence, sole negligence or willful misconduct of an Indemnified Party.

16.3. The acceptance of CONSULTANT's services and duties by CITY shall not operate as a waiver of the right of indemnification. The provisions of this Section 16 shall survive the expiration or early termination of this Agreement.

SECTION 17. WAIVERS. The waiver by either party of any breach or violation of any covenant, term, condition or provision of this Agreement, or of the provisions of any ordinance or law, will not be deemed to be a waiver of any other term, covenant, condition, provisions, ordinance or law, or of any subsequent breach or violation of the same or of any other term, covenant, condition, provision, ordinance or law.
SECTION 18. INSURANCE.

18.1. CONSULTANT, at its sole cost and expense, shall obtain and maintain, in full force and effect during the term of this Agreement, the insurance coverage described in Exhibit "D". CONSULTANT and its contractors, if any, shall obtain a policy endorsement naming CITY as an additional insured under any general liability or automobile policy or policies.

18.2. All insurance coverage required hereunder shall be provided through carriers with AM Best’s Key Rating Guide ratings of A-:VII or higher which are licensed or authorized to transact insurance business in the State of California. Any and all contractors of CONSULTANT retained to perform Services under this Agreement will obtain and maintain, in full force and effect during the term of this Agreement, identical insurance coverage, naming CITY as an additional insured under such policies as required above.

18.3. Certificates evidencing such insurance shall be filed with CITY concurrently with the execution of this Agreement. The certificates will be subject to the approval of CITY’s Risk Manager and will contain an endorsement stating that the insurance is primary coverage and will not be canceled, or materially reduced in coverage or limits, by the insurer except after filing with the Purchasing Manager thirty (30) days’ prior written notice of the cancellation or modification, CONSULTANT shall be responsible for ensuring that current certificates evidencing the insurance are provided to CITY’s Purchasing Manager during the entire term of this Agreement.

18.4. The procuring of such required policy or policies of insurance will not be construed to limit CONSULTANT’s liability hereunder nor to fulfill the indemnification provisions of this Agreement. Notwithstanding the policy or policies of insurance, CONSULTANT will be obligated for the full and total amount of any damage, injury, or loss caused by or directly arising as a result of the Services performed under this Agreement, including such damage, injury, or loss arising after the Agreement is terminated or the term has expired.

SECTION 19. TERMINATION OR SUSPENSION OF AGREEMENT OR SERVICES.

19.1. The city manager may suspend the performance of the Services, in whole or in part, or terminate this Agreement, with or without cause, by giving ten (10) days prior written notice thereof to CONSULTANT. Upon receipt of such notice, CONSULTANT will immediately discontinue its performance of the Services.

19.2. CONSULTANT may terminate this Agreement or suspend its performance of the Services by giving thirty (30) days prior written notice thereof to CITY, but only in the event of a substantial failure of performance by CITY.

19.3. Upon such suspension or termination, CONSULTANT shall deliver to the City Manager immediately any and all copies of studies, sketches, drawings, computations, and other data, whether or not completed, prepared by CONSULTANT or its contractors, if any, or given to CONSULTANT or its contractors, if any, in connection with this Agreement. Such materials will become the property of CITY.
19.4. Upon such suspension or termination by CITY, CONSULTANT will be paid for the Services rendered or materials delivered to CITY in accordance with the scope of services on or before the effective date (i.e., 10 days after giving notice) of suspension or termination; provided, however, if this Agreement is suspended or terminated on account of a default by CONSULTANT, CITY will be obligated to compensate CONSULTANT only for that portion of CONSULTANT’s services which are of direct and immediate benefit to CITY as such determination may be made by the City Manager acting in the reasonable exercise of his/her discretion.

19.5. No payment, partial payment, acceptance, or partial acceptance by CITY will operate as a waiver on the part of CITY of any of its rights under this Agreement.

SECTION 20. NOTICES.

All notices hereunder will be given in writing and mailed, postage prepaid, by certified mail, addressed as follows:

To CITY: Office of the City Clerk
          City of Palo Alto
          Post Office Box 10250
          Palo Alto, CA 94303

With a copy to the Purchasing Manager
To CONSULTANT: Attention of the project director
                at the address of CONSULTANT recited above

SECTION 21. CONFLICT OF INTEREST.

21.1. In accepting this Agreement, CONSULTANT covenants that it presently has no interest, and will not acquire any interest, direct or indirect, financial or otherwise, which would conflict in any manner or degree with the performance of the Services.

21.2. CONSULTANT further covenants that, in the performance of this Agreement, it will not employ subconsultants, contractors or persons having such an interest. CONSULTANT certifies that no person who has or will have any financial interest under this Agreement is an officer or employee of CITY; this provision will be interpreted in accordance with the applicable provisions of the Palo Alto Municipal Code and the Government Code of the State of California.

21.3. If the Project Manager determines that CONSULTANT is a “Consultant” as that term is defined by the Regulations of the Fair Political Practices Commission, CONSULTANT shall be required and agrees to file the appropriate financial disclosure documents required by the Palo Alto Municipal Code and the Political Reform Act.

SECTION 22. NONDISCRIMINATION. As set forth in Palo Alto Municipal Code section 2.30.510, CONSULTANT certifies that in the performance of this Agreement, it shall not discriminate in the employment of any person because of the race, skin color, gender, age, religion,
disability, national origin, ancestry, sexual orientation, housing status, marital status, familial status, weight or height of such person. CONSULTANT acknowledges that it has read and understands the provisions of Section 2.30.510 of the Palo Alto Municipal Code relating to Nondiscrimination Requirements and the penalties for violation thereof, and agrees to meet all requirements of Section 2.30.510 pertaining to nondiscrimination in employment, including completing the form furnished by CITY and set forth in Exhibit "E."

SECTION 23. MISCELLANEOUS PROVISIONS.

23.1. This Agreement will be governed by the laws of the State of California.

23.2. In the event that an action is brought, the parties agree that trial of such action will be vested exclusively in the state courts of California in the County of Santa Clara, State of California.

23.3. The prevailing party in any action brought to enforce the provisions of this Agreement may recover its reasonable costs and attorneys' fees expended in connection with that action. The prevailing party shall be entitled to recover an amount equal to the fair market value of legal services provided by attorneys employed by it as well as any attorneys' fees paid to third parties.

23.4. This document represents the entire and integrated agreement between the parties and supersedes all prior negotiations, representations, and contracts, either written or oral. This document may be amended only by a written instrument, which is signed by the parties.

23.5. The covenants, terms, conditions and provisions of this Agreement will apply to, and will bind, the heirs, successors, executors, administrators, assignees, and consultants of the parties.

23.6. If a court of competent jurisdiction finds or rules that any provision of this Agreement or any amendment thereto is void or unenforceable, the unaffected provisions of this Agreement and any amendments thereto will remain in full force and effect.

23.7. All exhibits referred to in this Agreement and any addenda, appendices, attachments, and schedules to this Agreement which, from time to time, may be referred to in any duly executed amendment hereto are by such reference incorporated in this Agreement and will be deemed to be a part of this Agreement.

23.8. This Agreement is subject to the fiscal provisions of the Charter of the City of Palo Alto and the Palo Alto Municipal Code. This Agreement will terminate without any penalty (a) at the end of any fiscal year in the event that funds are not appropriated for the following fiscal year, or (b) at any time within a fiscal year in the event that funds are only appropriated for a portion of the fiscal year and funds for this Agreement are no longer available. This Section 24.8 shall take precedence in the event of a conflict with any other covenant, term, condition, or provision of this Agreement.

Professional Services
Revised 10/18/07
23.9. The individuals executing this Agreement represent and warrant that they have the legal capacity and authority to do so on behalf of their respective legal entities.

IN WITNESS WHEREOF, the parties hereto have by their duly authorized representatives executed this Agreement on the date first above written.

CITY OF PALO ALTO

__________________________
Assistant City Manager

APPROVED AS TO FORM:

__________________________
Senior Asst. City Attorney

APPROVED:

__________________________
Director of Administrative Services

CALIFORNIA CENTER FOR
SUSTAINABLE ENERGY

By: _______________________
Name: Irene Stillings
Title: Executive Director

Taxpayer Identification No.

33-0931344

Attachments:
- EXHIBIT "A": SCOPE OF WORK
- EXHIBIT "B": SCHEDULE OF PERFORMANCE
- EXHIBIT "C": COMPENSATION
- EXHIBIT "D": INSURANCE REQUIREMENTS
- EXHIBIT "E": CERTIFICATION OF NONDISCRIMINATION
1. **CITY Responsibilities** shall include but are not limited to:

1.1. **Customer Utility Data.** City of the Palo Alto Utilities (CPAU) shall provide Contractor with the necessary utility data to calculate savings realized by participants in the Solar Water Heating (SWH) Program.

1.2. **Marketing, Media and Advertising Roles**

1.2.1 City shall retain a designated advertising agency, or City staff personnel to procure marketing materials, collateral and print media not provided by Contractor under Additional Services.

1.2.2 City shall provide Contractor with current customer mailing address information to use for direct mail pieces.

1.2.3 City shall provide marketing materials and information about the SWH Program to walk-in customers and through City sponsored outreach events. City will also field phone call inquiries and questions using the “Quick Reference Card” developed by the Contractor.

1.3 **Training and Program Integration.** City shall host locations for training sessions for City staff, SWH contractors, City building inspectors and homeowners. City will also engage its Customer Service Managers and Utility Marketing Services staff to support internal infrastructure around customer service calls or inquiries.

1.4 **Incentive Payments.** Payments to incentive recipients shall be made by City upon receipt by City from Contractor of certification that applicant has completed the installation and verification process.

2. **CONTRACTOR Responsibilities** shall include, but are not limited to:

2.1. **SWH Program Design & Material**

2.1.1. **Basic Program Design.** Contractor shall work with City staff to identify and recommend modifications to the San Diego pilot program handbook and forms that are relevant for Palo Alto and comply with AB1470 requirements.

2.1.2. **Community Feedback Meeting.** Prior to finalizing the SWH program design, contractor will conduct a public meeting to describe the proposed program and solicit feedback and suggestions from the public.

2.1.3. **SWH Handbook and Forms.** Contractor will create a Palo Alto Solar Water Heating Handbook and application forms that incorporate the modifications approved by the City Contract Manager.

2.1.4. **Low Income Program Elements.** Based on subsequent direction from state agencies, Contractor shall work with City staff to identify and recommend modifications to Palo Alto Solar Water Heating Program handbook and forms that address low income provisions of AB1470 and are relevant for Palo Alto. Contractor will revise the Palo Alto Solar Water Heating Handbook and application forms that incorporate the modifications approved by the City Contract Manager.

2.2. **Training & Education.** Contractor shall provide training classes for City staff, City building inspectors, SWH contractors, and CPAU customers.

2.2.1. **City Staff and Building Inspectors.** Contractor will provide on-site training and provide an overview of the SWH Program process, equipment and installation requirements, review of SRCC standards and other relevant information. Contractor shall provide two such training sessions in the first year and one per year thereafter. Additional sessions may be provided as requested by the City Contract Manager.

2.2.2. **SWH Contractors and CPAU Customers.** Contractor will provide training to contractors and
residential and commercial customers interested in SWH and/or participating in the SWH Program. Contractor will review SWH Program process, equipment and installation requirements, review of SRCC standards and other relevant information. Classes will be held periodically throughout the year or as requested by CPAU. Contractor shall provide four such training sessions in the first year and two per year thereafter. Additional sessions may be provided as requested by the City Contract Manager.

2.3. SWH Program Implementation

2.3.1. Application Processing. Contractor shall process applications from SWH contractors for eligibility in the program. Contractor shall also process all program applications from CPAU customers participating in the SWH Program.

2.3.1.1. Contractor Applications. Contractor shall process all contractor applications, and maintain and provide an updated list of qualified contractors under the program to the City.

2.3.1.2. Program Applications. Contractor shall process all program applications from incentive reservation to incentive payment approval. Applications will receive an initial reservation review which includes investigation of climate zone, freeze protection, fuel sources, SRCC compliance and other relevant program requirements.

2.3.2. Inspection. Contractor shall inspect all SWH Program installations in accordance with the SWHEA and the CPAU SWH Program Guidelines.

2.3.2.1. Inspection Reports. Contractor shall provide a supplemental inspection report attesting to the validity of the installations for each program participant.

2.3.3. Program Reporting. Contractor shall provide CPAU with access to a reporting page of the SWH Program database, including a log-on and password. The reporting database will provide information on application status, total incentives, system type, energy saved and other information as requested by CPAU.

2.3.3.1. Monthly Reports. Contractor shall provide a budget summary of incentives paid, estimated energy savings, processing costs, installation costs, system size, location, and status for all new, pending and completed applications.

2.3.3.2. Quarterly Reports. Contractor shall provide quarterly updates on program management, training sessions (if any), installation progress, program projections and regulatory and policy updates. Year-to-date totals and projections shall be provided for both calendar year and fiscal year (July-June).

2.3.3.3. Regulatory and Policy Updates. Contractor will track progress of SWHEA and provide regular reports on the development of requirements for the statewide program. Any additional and relevant legislation or regulatory activity will be included in these additional reports. These updates may be included in the Quarterly Reports.

2.3.3.4. Independent Verification Data Requests. Contractor shall provide program data necessary to comply with data requests imposed by local, state or federal agencies, including the California Energy Commission and the US Department of Energy, in order to comply with independent verification or reporting requirements of AB1470 or other applicable statutory requirements as a may apply during the term of the contract.

2.3.4. Proprietary or Confidential Information of the City. Contractor understands and agrees that, in the performance of the work or services under this Agreement or in contemplation thereof, Contractor may have access to private or confidential information, which may be owned or controlled by City, and that such information may contain proprietary of confidential details, the disclosure of which to third parties may be damaging to City. Contractor agrees that all information disclosed by City to Contractor shall be held in confidence and used only in performance of the Agreement. Contractor shall exercise the same standard of care to protect such information as a reasonably prudent contractor would
2.4. **Marketing Support**

2.4.1. **Customer Service.** Contractor shall provide a dedicated toll-free hotline and e-mail address to assist CPAU customers with questions, program information and process and any forms or materials.

2.4.1.1. **Direct Sales to Business, Civic Organizations, and Neighborhood Associations.** Customer contact will be managed by City personnel. City shall engage its Account Managers to develop direct sales in a joint effort with Contractor to win business from local area businesses and non-profits. Contractor shall not directly call or initiate contact with CPAU customers to market the SWH Program, but rather use marketing collateral to promote the program in response to customer inquiries or as requested by the City.

2.4.2. **Design of Program Materials and Collateral.** Contractor shall provide design of all outreach and marketing materials including revision to the SWH Handbook, forms, brochures, bill inserts and web content. All collateral (print and web based) materials will meet and adhere to CPAU’s logo standard and will be subject to CPAU’s approval prior to distribution and implementation. CPAU retains the right to select and approve ALL logos, trademarks, and identifiers for use in marketing the program.

2.4.2.1. **Brochures and Bill Inserts.** Contractor shall provide a proposed design of a unique, Palo Alto-specific mail insert/brochure consistent with CPAU logo and marketing standards. Contractor will present design and text concept alternatives and work in partnership with CPAU and its advertising agency in designing these materials. Contractor will also provide examples of bill inserts and promotional materials used by Contractor in the past. If CPAU chooses to use any of the available advertisements referenced in Contractor’s proposal, Contractor will design bill insert(s) consistent with the ad(s). Contractor will present recommendations on material placement and frequency for bill inserts, brochure placement, and direct sales and marketing handouts.

2.4.2.2. **Quick Reference Card.** Contractor shall provide CPAU staff with a “quick reference card” that can be used to answer general questions about the SWH Program. Contractor shall update the card as necessary to match program changes.

2.4.2.3. **CPAU Web Site.** Contractor shall provide text, frequently-asked questions, and design content for the SWH program page to be hosted on the CPAU website (www.cityofpaloalto.org/utilities) Contractor will work with CPAU’s design agency in these efforts to assure that the SWH Program reinforces the broader CPAU marketing and branding initiatives. Actual website development will be executed by CPAU’s designated advertising agency or CPAU staff.

2.4.3. **Earned Media.** Contractor will review content for various media sources, in partnership with CPAU public relations and marketing staff to develop articles, news briefs, and attention for the Palo Alto program. Mechanisms for obtaining earned media include, but are not limited to use of town leaders (celebrities, officials, business heads) to promote the program launch and cultivation of symbolic local spokesperson.

2.4.4. **Procured Media.** Contractor will review design concepts and content for print media procurement, for up to two per year.

2.4.5. **Press Releases.** Contractor will work directly and in partnership with CPAU public relations and marketing staff to execute a highly effective press release campaign. Contractor will review content for press releases and make recommendations to ensure accuracy and improve marketing impact as outlined below:

- Release 1: Program Launch
Exhibit A
Scope of Services

On approval from City, Contractor may distribute these press releases to its proprietary database of residential, non-profit and corporate customers, renewable energy marketplace participants, environmental organizations, and press agents throughout the Bay Area and across the country.

2.5. **Additional Services.** Additional optional services may be provided by Contractor at City’s request. Contractor may proceed with such services only upon written authorization from City. Such services include, but are not limited to, additional training, direct mailing services and postage, printing or procurement of marketing materials and collateral, additional database functionality, additional marketing support, or supplemental reports. Potential Additional Services linked directly to other tasks in this Scope of Work are detailed below.

2.5.1. **Low Income Program Implementation.** These activities may include revisions to the Palo Alto Solar Water Heating Handbook and application forms that incorporate the modifications identified under Task 2.1.4., and additional special work needed to implement those program modifications.

2.5.2. **Production and Mailing of Program Materials and Collateral.** City may request Contractor to print and/or mail outreach and marketing materials including the SWH Handbook, forms, brochures, and direct mail items developed under Task 2.4.2.

2.5.3. **Additional Press Releases.** If additional events are newsworthy and merit a formal release, City may request Contractor to prepare and/or review content for press releases and make recommendations to ensure accuracy and improve marketing impact.

2.5.4. **Additional Analysis for Large Commercial Installations.** For large commercial installations, City may direct Contractor to provide additional review for commercial applications which includes analyzing load calculations, preliminary design, and engineering of the SWH system.
Deliverables and Estimated Schedule are listed below in Table 1. Schedule is based on Late March 2008 contract start date.

<table>
<thead>
<tr>
<th>Task</th>
<th>Deliverables</th>
<th>Schedule</th>
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<td><strong>Task 1. Design of SWH Program</strong></td>
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<td>Program Materials (labor)</td>
<td>CPAU SWH Program Handbook and Forms content</td>
<td>May 2008</td>
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<tr>
<td>Training Plan</td>
<td>Document listing training requirements and schedule</td>
<td>June 2008</td>
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<td>Community Feedback Meeting</td>
<td>Written meeting report summarizing findings.</td>
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<tr>
<td>Database Expansion</td>
<td>Demonstrate functional database including reporting capability for CPAU projects and resulting energy savings.</td>
<td>June 2008</td>
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<tr>
<td>Low Income Program Elements</td>
<td>Document detailing recommendations for Low Income Program Elements (Date depends on regulatory process)</td>
<td>January 2009</td>
</tr>
</tbody>
</table>

| Task 2. SWH Program Training | | |
| City Staff Training | Complete class | 2 in year one 1 per year after |
| Contractor Training | Complete class | (4 per year) |
| Inspector Training | Complete class | (2 per year) |
| Homeowner/Customer Training | Complete class | 2 in year one 1 per year after |

| Task 3. SWH Program Implementation | | |
| Ongoing Program Management | Processing of Applications & Inspections - progress can be viewed on database | Ongoing |
| Application Processing - Contractors | | |
| Application Processing - Projects | | |
| Compliance Inspections | | |
| Customer Service | Program Customer Service Phone # Customer Service data provided in monthly reports. | May 2008 Ongoing |
| Reporting | Monthly & Quarterly Reports | | |
| Database Maintenance | Demonstrate functional database including reporting capability for CPAU projects and resultant energy savings. | June 2008 |

| Task 4. Marketing Support | | |
| Program Collateral (labor) | Brochure, Bill Insert, and Web content (electronic) | Ongoing |

| Task 5. Additional Services | | |
| Program Materials (direct cost) | CPAU SWH Program Handbook and Forms (printed) | As Needed |
| Additional/Updates to Program Collateral (labor) | Brochure, Bill Insert, and Web content (electronic) | As Needed |
| Additional/Updates to Program Collateral (direct cost) | Printed brochures and materials | As Needed |
| Updates to Program Materials (labor) | Revised Handbook content | As Needed |
| Updates to Program Materials (direct cost) | Revised Handbook (printed) | As Needed |
| Additional Training | Complete Class | As Needed |
| Additional Analysis required for large commercial installations | Technical Report detailing analysis results. | As Needed |
1. **Contract Term.** The term of this agreement shall be for twelve (12) months period from the date of award, and may be extended by mutual agreement for up to four 12-month periods for a maximum of 60 consecutive months, subject to the City of Palo Alto’s annual approval of each current year’s budget and appropriation of funds. Notwithstanding the foregoing, either Party may terminate the agreement as specified in Section 10 of the Contract.

2. **Overall Project Schedule** is listed below in Table 2. Schedule is based on Late April 2008 contract start date.

<table>
<thead>
<tr>
<th>Task/Milestone</th>
<th>Schedule/Completion Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contract Start</td>
<td>Late April 2008</td>
</tr>
<tr>
<td>Kickoff Meeting</td>
<td>Late April 2008</td>
</tr>
<tr>
<td>Draft Program Design</td>
<td>Late April 2008</td>
</tr>
<tr>
<td>Community Feedback Meeting</td>
<td>May 2008</td>
</tr>
<tr>
<td>Final Program Design</td>
<td>Early May 2008</td>
</tr>
<tr>
<td>Program Launch</td>
<td>Mid-May 2008</td>
</tr>
<tr>
<td>Marketing Collateral Design</td>
<td>Late April 2008</td>
</tr>
<tr>
<td>Quick Reference Card</td>
<td>May 2008</td>
</tr>
<tr>
<td>Customer Service Line Launch</td>
<td>May 2008</td>
</tr>
<tr>
<td>Low Income Elements Design</td>
<td>January 2009 (estimated)</td>
</tr>
<tr>
<td>Database Expansion</td>
<td>June 2008</td>
</tr>
<tr>
<td>Database Reports Design</td>
<td>July 2008</td>
</tr>
<tr>
<td>Program Training Plan</td>
<td>May 2008</td>
</tr>
<tr>
<td>City Training #1</td>
<td>Early May 2008</td>
</tr>
<tr>
<td>Contractor Training #1</td>
<td>May 2008</td>
</tr>
<tr>
<td>Inspector Training #1</td>
<td>May 2008</td>
</tr>
<tr>
<td>Customer/Homeowner Training #1</td>
<td>Mid-May 2008</td>
</tr>
<tr>
<td>Additional Training</td>
<td>Per Program Training Plan</td>
</tr>
<tr>
<td>Monthly Reports</td>
<td>Monthly, due with invoice</td>
</tr>
<tr>
<td>Quarterly Reports</td>
<td>Due with invoice one month following the end of each quarter</td>
</tr>
<tr>
<td>Program Implementation</td>
<td>Ongoing, beginning with Program Launch</td>
</tr>
</tbody>
</table>
COMPENSATION

The CITY agrees to compensate the CONTRACTOR for professional services performed in accordance with the terms and conditions of this Agreement, and as set forth in the budget schedule below. Compensation shall be calculated based on the hourly rate schedule as below in Table 3 up to the not to exceed budget amount for each task set forth below.

The compensation to be paid to CONTRACTOR under this Agreement for all services described in Exhibit “A” (“Scope of Services”) and reimbursable expenses shall not exceed $730,000. CONTRACTOR agrees to complete all Scope of Services, including reimbursable expenses, within this amount. Any work performed or expenses incurred for which payment would result in a total exceeding the maximum amount of compensation set forth herein shall be at no cost to the CITY.

CONTRACTOR shall perform the tasks and categories of work as outlined and budgeted below. The CITY’s Project Manager may approve in writing the transfer of budget amounts between any of the tasks or categories listed below provided the total compensation for Scope of Services, including reimbursable expenses, does not exceed $730,000.

CONTRACTOR shall provide the City with the services described in Exhibit A, partly as a fixed price monthly charge, and partly on a per-applicant charge, and partly on a time-and-material basis. The total NTE amount for the contract shall be $730,000.00 over the duration of the contract. Table 1 shows the five-year estimated costs based on an average participation rate of 100 SWH installations per year.

Table 1. SWH Program Contract Cost Estimates

<table>
<thead>
<tr>
<th>Basis</th>
<th>Task Area</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
<th>Year 4</th>
<th>Year 5</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>T&amp;M</td>
<td>Task 1. Program Design</td>
<td>$25,000</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$25,000</td>
</tr>
<tr>
<td>T&amp;M</td>
<td>Task 2. Program Training</td>
<td>$10,000</td>
<td>$11,000</td>
<td>$11,000</td>
<td>$12,000</td>
<td>$12,000</td>
<td>$56,000</td>
</tr>
<tr>
<td>T&amp;M</td>
<td>Task 4. Marketing Support</td>
<td>$9,000</td>
<td>$9,000</td>
<td>$9,000</td>
<td>$10,000</td>
<td>$10,000</td>
<td>$47,000</td>
</tr>
<tr>
<td>T&amp;M</td>
<td>Task 5. Additional Services</td>
<td>$29,000</td>
<td>$30,000</td>
<td>$31,000</td>
<td>$32,000</td>
<td>$34,000</td>
<td>$156,000</td>
</tr>
<tr>
<td>T&amp;M</td>
<td>TRAVEL</td>
<td>$12,000</td>
<td>$13,000</td>
<td>$13,000</td>
<td>$14,000</td>
<td>$14,000</td>
<td>$66,000</td>
</tr>
<tr>
<td></td>
<td>T&amp;M NTE Subtotal</td>
<td>$85,000</td>
<td>$63,000</td>
<td>$64,000</td>
<td>$68,000</td>
<td>$70,000</td>
<td>$350,000</td>
</tr>
<tr>
<td>Fee</td>
<td>Management, Database Maintenance, Other Costs</td>
<td>$30,000</td>
<td>$31,000</td>
<td>$32,000</td>
<td>$34,000</td>
<td>$35,000</td>
<td>$162,500</td>
</tr>
<tr>
<td>Per Unit</td>
<td>Application Processing, Inspections, Variable Mgt.</td>
<td>$40,000</td>
<td>$41,600</td>
<td>$43,500</td>
<td>$45,000</td>
<td>$46,800</td>
<td>$217,500</td>
</tr>
<tr>
<td>Task 3. Implementation</td>
<td>$70,000</td>
<td>$73,000</td>
<td>$76,000</td>
<td>$79,000</td>
<td>$82,000</td>
<td>$380,000</td>
<td></td>
</tr>
<tr>
<td>TOTAL Contract NTE</td>
<td>$155,000</td>
<td>$136,000</td>
<td>$140,000</td>
<td>$147,000</td>
<td>$152,000</td>
<td>$730,000</td>
<td></td>
</tr>
</tbody>
</table>

Monthly Fee:

A monthly fee of $2,500 ($30,000 per year) shall be paid upon receipt of each monthly report, (and a quarterly report in each month in which a quarterly report is due), and the accompanying invoice. This fee covers all Task 3 program management, database maintenance, reporting, contractor application processing, and other direct and indirect Contractor costs.

Per-Unit Charges

Costs of Application Processing and Compliance Inspections shall be paid on a per-unit basis. All program applications will be processed by the Contractor as described in Section 2.3.1 of Exhibit A. Compliance Inspections of all SWH installations will be performed by the Contractor as described in Section 2.3.2 of Exhibit A. Payment to Contractor per unit shall be paid in accordance with Table 2. City may approve payment in excess of the maximum allowable cost for large commercial inspections under
Exhibit C
Compensation Price Schedule – SWH Incentive Program

Additional Services, subject to prior approval by City. Commercial systems are distinguished by the applicable Solar Rating and Certification Corporation (SRCC) rating: residential systems fall under SRCC-OG300 and commercial systems fall under SRCC-OG100. Payment for commercial system inspections shall be paid based on the SRCC therm savings as described in the SRCC OG100 rating system methodology.

Table 2. SWH Program Application and Inspection Payment Schedule – Year 1. Fees escalate at 4% per year.

<table>
<thead>
<tr>
<th>Installation Type</th>
<th>Per Application</th>
<th>Per Final Inspection</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential (SRCC OG300 Rating)</td>
<td>$100</td>
<td>$300</td>
<td>$400</td>
</tr>
<tr>
<td>Commercial (SRCC OG100 Rating)</td>
<td>$150</td>
<td>$2.00 per SRCC therm savings NTE $850</td>
<td>Maximum $1,000</td>
</tr>
</tbody>
</table>

Time & Material Charges:

Task 1, Task 2, Task 4, Task 5, and Additional Services shall be paid on a Time & Material Basis in accordance with the following rate schedule. Additional Services are subject to prior approval by City and shall be paid on a time and material basis. Travel Expenses shall be reimbursed based on actual costs, subject to prior approval by City.

Table 3. Labor Rates for Time & Material Charges

<table>
<thead>
<tr>
<th>Title</th>
<th>Hourly Rate</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
<th>Year 4</th>
<th>Year 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Director of Programs</td>
<td>$155</td>
<td>$191</td>
<td>$168</td>
<td>$174</td>
<td>$181</td>
<td></td>
</tr>
<tr>
<td>Program Manager</td>
<td>$95</td>
<td>$99</td>
<td>$103</td>
<td>$107</td>
<td>$111</td>
<td></td>
</tr>
<tr>
<td>Energy Engineer</td>
<td>$95</td>
<td>$99</td>
<td>$103</td>
<td>$107</td>
<td>$111</td>
<td></td>
</tr>
<tr>
<td>Associate Marketing Manager</td>
<td>$60</td>
<td>$62</td>
<td>$65</td>
<td>$67</td>
<td>$70</td>
<td></td>
</tr>
<tr>
<td>Marketing Assistant</td>
<td>$55</td>
<td>$57</td>
<td>$59</td>
<td>$62</td>
<td>$64</td>
<td></td>
</tr>
<tr>
<td>Accountant</td>
<td>$90</td>
<td>$94</td>
<td>$97</td>
<td>$101</td>
<td>$105</td>
<td></td>
</tr>
<tr>
<td>Database Developer</td>
<td>$60</td>
<td>$62</td>
<td>$65</td>
<td>$67</td>
<td>$70</td>
<td></td>
</tr>
<tr>
<td>Inspector</td>
<td>$50</td>
<td>$52</td>
<td>$54</td>
<td>$56</td>
<td>$58</td>
<td></td>
</tr>
</tbody>
</table>

Reimbursable Expenses

The administrative, overhead, secretarial time or secretarial overtime, word processing, photocopying, in-house printing, insurance and other ordinary business expenses are included within the scope of payment for services and are not reimbursable expenses. CITY shall reimburse CONTRACTOR for the following reimbursable expenses at cost. Expenses for which CONTRACTOR shall be reimbursed are listed in Table 1 above.

A. Travel outside the San Francisco Bay area, including transportation, will be reimbursed at actual cost subject to the City of Palo Alto's policy for reimbursement of travel expenses for City of Palo Alto employees per Table 1.

B. Postage charges are reimbursable at actual cost.

All requests for payment of expenses shall be accompanied by appropriate backup information. Any expense anticipated to be more than $500.00 shall be approved in advance by the CITY's project manager.

Exhibit C - Compensation.doc
Page 2 of 3
Additional Services

The CONTRACTOR shall provide additional services only by advanced, written authorization from the CITY. The CONTRACTOR, at the CITY’s project manager’s request, shall submit a detailed written proposal including a description of the scope of services, schedule, level of effort, and CONTRACTOR’s proposed maximum compensation, including reimbursable expense, for such services based on the rates set forth in Table 3 above. The additional services scope, schedule and maximum compensation shall be negotiated and agreed to in writing by the CITY’s Project Manager and CONTRACTOR prior to commencement of the services. Payment for additional services is subject to all requirements and restrictions in this Agreement.
EXHIBIT "D"
INSURANCE REQUIREMENTS

The City of Palo Alto (City), at their sole expense, shall for the term of the contract, obtain and maintain insurance in the amounts for the coverage specified below, afforded by companies with a Best's Key Rating of A-:VII, or higher, licensed or authorized to transact insurance business in the State of California.

Award is contingent on compliance with City's insurance requirements, as specified, below:

<table>
<thead>
<tr>
<th>REQUIRED</th>
<th>TYPE OF COVERAGE</th>
<th>REQUIREMENT</th>
<th>MINIMUM LIMITS</th>
</tr>
</thead>
<tbody>
<tr>
<td>YES</td>
<td>Worker's Compensation</td>
<td>Statutory</td>
<td></td>
</tr>
<tr>
<td>YES</td>
<td>Automobile Liability</td>
<td>Statutory</td>
<td></td>
</tr>
<tr>
<td>YES</td>
<td>Comprehensive General Liability, including personal</td>
<td>Bodily Injury</td>
<td>Each occurrence $1,000,000</td>
</tr>
<tr>
<td></td>
<td>injury, broad form property damage, blanket</td>
<td>Property Damage</td>
<td>Aggregate $1,000,000</td>
</tr>
<tr>
<td></td>
<td>contractual, and fire legal liability</td>
<td>Bodily Injury &amp; Property Damage</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Combined</td>
<td></td>
</tr>
<tr>
<td>YES</td>
<td>Comprehensive automobile liability, including, owned,</td>
<td>Bodily Injury</td>
<td>Each occurrence $1,000,000</td>
</tr>
<tr>
<td></td>
<td>hired, non-owned</td>
<td>- Each Person</td>
<td>Aggregate $1,000,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Each Occurrence</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Property Damage</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Bodily Injury and Property</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Damage, Combined</td>
<td></td>
</tr>
<tr>
<td>NO</td>
<td>Professional Liability, including, errors and</td>
<td>All Damages</td>
<td>$1,000,000</td>
</tr>
<tr>
<td></td>
<td>omissions, malpractice (when applicable), and</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>negligent performance</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The City of Palo Alto is to be named as an additional insured. Proposer, at its sole cost and expense, shall obtain and maintain, in full force and effect throughout the entire term of any resultant agreement, the insurance coverage herein described, insuring not only Proposer and its subconsultants, if any, but also, with the exception of Workers' Compensation, Employer's Liability, and Professional Insurance, naming as additional insurees City, its Council Members, Officers, Agents, and Employees.

I. Insurance Coverage must include:

A. A provision for a written thirty day advance notice to City of change in coverage or of coverage cancellation; and

B. A contractual liability endorsement providing insurance coverage for Contractor's agreement to indemnify City – see, sample agreement for services.

II. Submit certificate(s) of insurance evidencing required coverage, or complete this section and IV through V, below.

A. Name and address of company affording coverage (not agent or broker):

B. Name, address, and phone number of your insurance agent/broker:

C. Policy number(s):
EXHIBIT "D"
INSURANCE REQUIREMENTS

D. DEDUCTIBLE AMOUNT(S) (DEDUCTIBLE AMOUNTS IN EXCESS OF $3,000 REQUIRE CITY'S PRIOR APPROVAL):

III. AWARD IS CONTINGENT ON COMPLIANCE WITH CITY'S INSURANCE REQUIREMENTS, AND PROPOSER'S SUBMITTAL OF CERTIFICATES OF INSURANCE EVIDENCING COMPLIANCE WITH THE REQUIREMENTS SPECIFIED HEREIN.

IV. ENDORSEMENT PROVISIONS, WITH RESPECT TO THE INSURANCE AFFORDED TO "ADDITIONAL INSURES"

A. PRIMARY COVERAGE

WITH RESPECT TO CLAIMS ARISING OUT OF THE OPERATIONS OF THE NAMED INSURED, INSURANCE AS AFFORDED BY THIS POLICY IS PRIMARY AND IS NOT ADDITIONAL TO OR CONTRIBUTING WITH ANY OTHER INSURANCE CARRIED BY OR FOR THE BENEFIT OF THE ADDITIONAL INSURES.

B. CROSS LIABILITY

THE NAMING OF MORE THAN ONE PERSON, FIRM, OR CORPORATION AS INSURES UNDER THE POLICY SHALL NOT, FOR THAT REASON ALONE, EXTINGUISH ANY RIGHTS OF THE INSURED AGAINST ANOTHER, BUT THIS ENDORSEMENT, AND THE NAMING OF MULTIPLE INSURED, SHALL NOT INCREASE THE TOTAL LIABILITY OF THE COMPANY UNDER THIS POLICY.

C. NOTICE OF CANCELLATION

1. IF THE POLICY IS CANCELED BEFORE ITS EXPIRATION DATE FOR ANY REASON OTHER THAN THE NON-PAYMENT OF PREMIUM, THE ISSUING COMPANY SHALL PROVIDE CITY AT LEAST A THIRTY (30) DAY WRITTEN NOTICE BEFORE THE EFFECTIVE DATE OF CANCELLATION.

2. IF THE POLICY IS CANCELED BEFORE ITS EXPIRATION DATE FOR THE NON-PAYMENT OF PREMIUM, THE ISSUING COMPANY SHALL PROVIDE CITY AT LEAST A TEN (10) DAY WRITTEN NOTICE BEFORE THE EFFECTIVE DATE OF CANCELLATION.

V. PROPOSER CERTIFIES THAT PROPOSER'S INSURANCE COVERAGE MEETS THE ABOVE REQUIREMENTS:

THE INFORMATION HEREIN IS CERTIFIED CORRECT BY SIGNATURE(S) BELOW. SIGNATURE(S) MUST BE SAME SIGNATURE(S) AS APPEAR(S) ON SECTION II, ATTACHMENT A, PROPOSER'S INFORMATION FORM.

Firm: California Center for Sustainable Energy
Signature: Irene Stilling
Name: Irene Stilling
(Print or type name)
Signature: 
Name: 
(Print or type name)

NOTICES SHALL BE MAILED TO:

PURCHASING AND
CONTRACT ADMINISTRATION
CITY OF PALO ALTO
P.O. BOX 10250
PALO ALTO, CA 94303.
# Certificate of Insurance

**Issue Date (MM/DD/YY)**: 3/21/08

**Producer**

Alliant Insurance Services, Inc.
1301 Dove St., Suite 200
Newport Beach, CA 92660

(800) 821-9283 Ext. 190 • Fax (949) 758-2713

License No. 0C56681

**Insured Special Liability Insurance Program (SLIP) Member:**

California Center for Sustainable Energy
8590 Balboa Ave., Suite 100
San Diego, CA 92123

---

**Companies Affording Coverage**

<table>
<thead>
<tr>
<th>Company Letter</th>
<th>Company Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>Everest Indemnity Insurance Co</td>
</tr>
<tr>
<td>B</td>
<td></td>
</tr>
<tr>
<td>C</td>
<td></td>
</tr>
<tr>
<td>D</td>
<td></td>
</tr>
<tr>
<td>E</td>
<td></td>
</tr>
</tbody>
</table>

---

**Coverages**

This certificate is issued as a matter of information only and confers no rights upon the certificate holder. This certificate does not amend, extend or alter the coverage afforded by the policies below.

**Limits**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
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<tbody>
<tr>
<td>NA</td>
<td>$2,000,000</td>
<td>$2,000,000</td>
<td>$2,000,000</td>
<td>$1,000,000</td>
<td>N/A</td>
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**Insurance**

<table>
<thead>
<tr>
<th>LTR</th>
<th>Type of Insurance</th>
<th>Policy Number</th>
<th>Policy Effective Date (MM/DD/YY)</th>
<th>Policy Expiration Date (MM/DD/YY)</th>
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<tbody>
<tr>
<td>A</td>
<td>General Liability</td>
<td>71S20400000</td>
<td>10/29/07</td>
<td>09/29/08</td>
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</tbody>
</table>

**Automobile Liability**

<table>
<thead>
<tr>
<th>LTR</th>
<th>Type of Insurance</th>
<th>Policy Number</th>
<th>Policy Effective Date (MM/DD/YY)</th>
<th>Policy Expiration Date (MM/DD/YY)</th>
<th>Limits</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>Any Auto</td>
<td>71S20400000</td>
<td>10/29/07</td>
<td>09/29/08</td>
<td>$2,000,000</td>
</tr>
<tr>
<td></td>
<td>All Owned Autos</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Scheduled Autos</td>
<td></td>
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<td></td>
</tr>
<tr>
<td></td>
<td>Hired Autos</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Non-Owned Autos</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Garage Liability</td>
<td></td>
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<td></td>
<td></td>
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<tr>
<td></td>
<td>Auto Ded: $1,000</td>
<td></td>
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<td></td>
<td></td>
</tr>
</tbody>
</table>

**Umbrella Form**

Other than Umbrella Form

**Worker's Compensation and Employer's Liability**

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**Certificate Holder**

City of Palo Alto
Office of the City Clerk
PO Box 10250
Palo Alto, CA 94303

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**Cancellation**

Should any of the above described policies be cancelled before the expiration date thereof, the issuing company will endeavor to mail...

30 days written notice to the certificate holder named to the left, but failure to mail such notice shall impose no obligation or liability of any kind upon the company, its agents or representatives.

**Authorized Representative**

[Signature]
# ACORD. CERTIFICATE OF LIABILITY INSURANCE

**DATE (MM/DD/YYYY):** 3/7/2008

**PRODUCER:** (619) 683-9990  FAX: (619) 683-9999  
Michael Ehrenfeld Company  
2655 Camino Del Rio North  
San Diego  CA  92108

**INSURED:**  
California Center for Sustainable Energy  
8690 Balboa Avenue  
Suite 100  
San Diego  CA  92123

**INSURERS AFFORDING COVERAGE:**  
INSURER A: Republic Indemnity

<table>
<thead>
<tr>
<th>COVERAGE</th>
<th>LIMITS</th>
</tr>
</thead>
<tbody>
<tr>
<td>GENERAL LIABILITY</td>
<td>EACH OCCURRENCE</td>
</tr>
<tr>
<td>COMMERCIAL GENERAL LIABILITY</td>
<td>DAMAGE TO RENTED PREMISES (EA occurrence)</td>
</tr>
<tr>
<td>CLAIMS MADE OCCUR</td>
<td>MED EXP (Any one person)</td>
</tr>
<tr>
<td>GENL AGGREGATE LIMIT APPLIES PER</td>
<td>PERSONAL &amp; ADV INJURY</td>
</tr>
<tr>
<td>POLICY</td>
<td>GENERAL AGGREGATE</td>
</tr>
<tr>
<td>PROJ LOC</td>
<td>PRODUCTS - COMPOUND AGG</td>
</tr>
<tr>
<td>AUTOMOBILE LIABILITY</td>
<td>COMBINED SINGLE LIMIT (EA accident)</td>
</tr>
<tr>
<td>ANY AUTO</td>
<td>BODILY INJURY (Per person)</td>
</tr>
<tr>
<td>ALL OWNED AUTOS</td>
<td>BODILY INJURY (Per accident)</td>
</tr>
<tr>
<td>SCHEDULED AUTOS</td>
<td>PROPERTY DAMAGE (Per accident)</td>
</tr>
<tr>
<td>HIRED AUTOS</td>
<td>AUTO ONLY - EA ACCIDENT</td>
</tr>
<tr>
<td>NON-OWNED AUTOS</td>
<td>OTHER THAN EA ACCIDENT</td>
</tr>
<tr>
<td>GARAGE LIABILITY</td>
<td>AUTO ONLY - AGG</td>
</tr>
<tr>
<td>ANY AUTO</td>
<td>EXCESS/UMBRELLA LIABILITY</td>
</tr>
<tr>
<td>OCCUR CLAIMS MADE</td>
<td>EACH OCCURRENCE</td>
</tr>
<tr>
<td>DEDUCTIBLE RETENTION</td>
<td>AGGREGATE</td>
</tr>
<tr>
<td>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</td>
<td>WC STATutory FORT LIMITS OTHER</td>
</tr>
<tr>
<td>ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED?</td>
<td>E.L. EACH Accident</td>
</tr>
<tr>
<td>If yes, describe under SPECIAL PROVISIONS below</td>
<td>E.L. DISEASE - EA EMPLOYEES</td>
</tr>
<tr>
<td>17452501</td>
<td>E.L. DISEASE - POLICY LIMIT</td>
</tr>
</tbody>
</table>

**DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/EXCLUSIONS ADDED BY ENDORSEMENT/SPECIAL PROVISIONS**

**CERTIFICATE HOLDER:**  
City of Palo Alto  
Purchasing & Contract Administration  
PO Box 10250  
Palo Alto, CA  94303

**CANCELLATION:**  
SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

**AUTHORIZED REPRESENTATIVE:**  
William Gordon/Map

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IMPORTANT

If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

DISCLAIMER

The Certificate of Insurance on the reverse side of this form does not constitute a contract between the issuing insurer(s), authorized representative or producer, and the certificate holder, nor does it affirmatively or negatively amend, extend or alter the coverage afforded by the policies listed thereon.
Endorsement. No. 3

ADDITIONAL INSURED - DESIGNATED PERSON OR ORGANIZATION

IT IS AGREED THAT THE FOLLOWING ARE ADDED AS ADDITIONAL INSURED (S) HEREUNDER BUT ONLY AS RESPECTS LIABILITY ARISING OUT OF THE OPERATIONS OF THE NAMED INSURED, AND FURTHER PROVIDED THAT THE INCLUSION OF SUCH ADDITIONAL INSURED SHALL NOT SERVE TO INCREASE THE COMPANY’S LIMIT OF LIABILITY AS SPECIFIED IN THE DECLARATIONS OF THE POLICY.

SCHEDULE

NAMED INSURED:  CALIFORNIA CENTER FOR SUSTAINABLE ENERGY
                 8690 BALBOA AVE. #100
                 SAN DIEGO, CA  92123

NAME OF PERSON OR ORGANIZATION/CERTIFICATE HOLDER:  CITY OF PALO ALTO
                                                      OFFICE OF THE CITY CLERK
                                                      PO BOX 10250
                                                      PALO ALTO, CA  94303

THE CITY OF PALO ALTO, ITS COUNCIL MEMBERS, OFFICERS, AGENTS AND EMPLOYEES SHALL BE NAMED ADDITIONAL INSUREDS AS RESPECTS TO CONTRACT #C08125145: SOLAR WATER HEATING INCENTIVE PROGRAM; AGREEMENT FOR CONSULTANT SERVICES TO THE CITY OF PALO ALTO TO DESIGN, ADMINISTER AND IMPLEMENT THE PROGRAM.

PER CERTIFICATES OF INSURANCE APPROVED BY THE COMPANY, AND ON FILE WITH THE COMPANY

EFFECTIVE DATE OF THIS ENDORSEMENT:  10/29/07

ATTACHED TO AND FORMING A PART OF POLICY NO.:  71S2040000

All other terms and conditions remain unchanged.

Insurer:  EVEREST INDEMNITY INSURANCE COMPANY
          Special Liability Insurance Program (SLIP)
          Effective October 29, 2007 to September 29, 2008

DATE ISSUED:  3/14/08
EXHIBIT “E”
Certification of Nondiscrimination

As suppliers of goods or services to the City of Palo Alto, the firm and individuals listed below certify that they do not discriminate in employment of any person because of race, skin color, gender, age, religion, disability, national origin, ancestry, sexual orientation, housing status, marital status, familial status, weight or height of such person; that they are in compliance with all Federal, State and local directives and executive orders regarding nondiscrimination in employment.

1. If Proposer is INDIVIDUAL, sign here:

Date: __________________________

Proposer’s Signature

Proposer’s typed name and title

2. If Proposer is PARTNERSHIP or JOINT VENTURE, at least (2) Partners or each of the Joint Venturers shall sign here:

Partnership or Joint Venture Name (type or print)

Date: __________________________

Member of the Partnership or Joint Venture signature

Date: __________________________

Member of the Partnership or Joint Venture signature

3. If Proposer is a CORPORATION, the duly authorized officer(s) shall sign as follows:

The undersigned certify that they are respectively:

Executive Director and

Title

Title

Of the corporation named below; that they are designated to sign the Proposal Cost Form by resolution (attach a certified copy, with corporate seal, if applicable, notarized as to its authenticity or Secretary’s certificate of authorization) for and on behalf of the below named CORPORATION, and that they are authorized to execute same for and on behalf of said CORPORATION.

California Center for Sustainable Energy

Corporation Name (type or print)

By: __________________________

Date: 3/14/08

Title: Executive Director

By: __________________________

Date: __________________________

Title: __________________________

City of Palo Alto – C08125145