



City of Palo Alto

City Council Staff Report

(ID # 5067)

Report Type: Consent Calendar

Meeting Date: 11/17/2014

Summary Title: Risk Assessment Study PVC/PE Materials in the City of Palo Alto Natural Gas Distribution System

Title: Approval of a Utilities Enterprise Fund Contract with Jana Corporation In the Amount of \$107,768 for a Risk Assessment Study of Piping Material in the City's Natural Gas Distribution System, Capital Improvement Program GS-11002, Gas System Improvement

From: City Manager

Lead Department: Utilities

Recommendation

Staff recommends that Council approve and authorize the City Manager or his designee to execute the attached contract with Jana Corporation (Attachment A) in a not to exceed amount of \$107,768 for the Capital Improvement Program (CIP) GS-11002, Gas System Improvement (Risk Assessment Study of PVC and PE Gas Piping Material in the City of Palo Alto's natural gas distribution system).

Staff also recommends that Council approve and authorize the City Manager or his designee to negotiate and execute changes to the contract with Jana Corporation for related additional but unforeseen work (additional services), which may develop during the project, the total value of which shall not exceed \$10,777, or 10% of the proposal cost (RFP #152453).

Background

In the early 1990s, Palo Alto performed an assessment of the age and condition of the materials in the natural gas distribution system. Based on this assessment, in 1991, City Council approved an accelerated Capital Improvement Program (CIP) to replace the City's aging utility infrastructure. The CIP natural gas distribution system program targeted replacement of acrylonitrile butadiene styrene (ABS) mains and services as the highest priority. Over the past 20 years the City concentrated on replacing ABS mains and services, and expects that all known ABS material, including ABS services connected to mains with materials other than ABS, will be replaced with polyethylene (PE) by March 2015.

The City of Palo Alto has implemented a Distribution Integrity Management Plan (DIMP) for its gas distribution system, in compliance with Federal gas pipeline safety regulations, to ensure

that the gas distribution system is managed safely. One of the functions of the DIMP is to establish relative risk of various pipe materials in the system. As a result, the City has identified polyvinyl chloride (PVC), located in business districts, as a material in need of replacement. The City's remaining ABS piping, also flagged in the DIMP as a higher risk material, is currently being replaced on Gas Main Replacement (GMR) Project 19A, 20 and 21.

The City's natural gas distribution system currently has approximately 37.0 miles of PVC piping comprised of 2" through 6" diameter mains installed mostly in early to late '70s.

Staff also wants to evaluate the distribution system's polyethylene (PE) materials to determine its life expectancy. The City's analysis considers that older PE materials could eventually pose a failure risk. One of the early PE piping types prone to failure was Aldyl A. All known sections of Aldyl A piping in the City's distribution system are being replaced on the current GMR Project.

There are approximately 99.5 miles of PE piping comprising of 2" through 8" diameter mains installed since the mid-70s in the City, with the majority of PE piping installed since mid-90s.

Discussion

The scope of this contract includes a comprehensive assessment of the condition of the PVC and PE materials in the City's natural gas distribution system, evaluation of risks associated with the materials, and determination of PVC annual infrastructure replacement rate.

The work to be performed under the contract includes the following:

- Comprehensive assessment study of the condition of PVC and PE material in the City's natural gas distribution system including:
 - evaluation of risks associated with the material leak rate for the next 5 years,
 - evaluation of performance during an earthquake and other disruptive operating conditions,
 - life expectancy analysis, and
 - guidelines for development of a replacement program that prioritizes the replacements and recommends an annual replacement rate (PVC).

The term of this Agreement shall be from the date of its full execution through December 31, 2015.

Selection Process

Requests for Proposals for this project were sent out to four consultants on May 19, 2014. The proposal period was 16 calendar days. One consultant, Jana Corporation, submitted a proposal of \$107,768.

A staff committee reviewed the proposal and determined that Jana Corporation has the ability to provide the services needed under this contract. Staff is recommending that this contract be

awarded to Jana Corporation because they have the required expertise in plastics analysis and utility experience to perform the work specified and because Jana Corporation is the lowest responsible, responsive bidder (and the only bidder).

Resource Impact

Funds for this capital project are available in the Gas System Improvement project (GS-11002).

Policy Implications

The approval of this contract is consistent with existing City policies including the Council approved Utilities Strategic Plan-Strategic Objectives: BP1. Ensure a reliable supply of utility resources, BP2. Operate the utility systems safely, BP3. Replace infrastructure before the end of its useful life, and PT4. Investigate and adopt innovative technologies.

Environmental Review

Approval of the contract with Jana Corporation does not meet the California Environmental Quality Act's (CEQA) definition of "project" under California Public Resources Code Section 21065, thus no environmental review is necessary.

Attachments:

- Attachment A: Jana Agreement (PDF)

CITY OF PALO ALTO CONTRACT NO. C15152453

**AGREEMENT BETWEEN THE CITY OF PALO ALTO AND JANA CORPORATION
FOR PROFESSIONAL SERVICES**

This Agreement is entered into on this 17th day of November, 2014, (“Agreement”) by and between the CITY OF PALO ALTO, a California chartered municipal corporation (“CITY”), and JANA CORPORATION, a corporation in the Canadian province of Ontario, located at 280B Industrial Parkway S, Aurora, ON L4G 3T9 (“CONSULTANT”).

RECITALS

The following recitals are a substantive portion of this Agreement.

A. CITY intends to conduct a Risk Assessment Study of PVC/PE materials in CAP Natural Gas Distribution System (“Project”) and desires to engage a consultant to provide professional services 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, in 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 December 31, 2015 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 one hundred seven thousand, seven hundred sixty-eight dollars (\$107,768.00). In the event Additional Services are authorized, the total compensation for Basic Services, Additional Services and reimbursable expenses shall not exceed one hundred eighteen thousand five hundred forty-five dollars (\$118,545.00). The applicable rates and schedule of payment are set out in Exhibit “C-1”, entitled “HOURLY RATE SCHEDULE,” 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-1”). 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.

Notwithstanding Section 11 above, CITY agrees that subconsultants may be used to complete the Services. The subconsultants authorized by CITY to perform work on this Project are:

NSF Janalab 280B Industrial Pkwy. S., Aurora, ON L4G3T9

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 Sarah Chung, as the Project Supervisor to have supervisory responsibility for the performance, progress, and execution of the Services and 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 Aleksandr Pishchik, Utilities Department, Engineering Division, Telephone: (650) 566-4521. 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 product, 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.

[Option A applies to the following design professionals pursuant to Civil Code Section 2782.8: architects; landscape architects; registered professional engineers and licensed professional land surveyors.] 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") that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of the CONSULTANT, its officers, employees, agents or contractors under this Agreement, regardless of whether or not it is caused in part by an Indemnified Party.

[Option B applies to any consultant who does not qualify as a design professional as defined in Civil Code Section 2782.8.] 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. If the insurer cancels or modifies the insurance and provides less than thirty (30) days' notice to CONSULTANT, CONSULTANT shall provide the

Purchasing Manager written notice of the cancellation or modification within two (2) business days of the CONSULTANT's receipt of such notice. 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. The following Sections will survive any expiration or termination of this Agreement: 14, 15, 16, 19.4, 20, and 25.

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 supervisor
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.

SECTION 23. ENVIRONMENTALLY PREFERRED PURCHASING AND ZERO WASTE REQUIREMENTS. CONSULTANT shall comply with the City’s Environmentally Preferred Purchasing policies which are available at the City’s Purchasing Department, incorporated by reference and may be amended from time to time. CONSULTANT shall comply with waste reduction, reuse, recycling and disposal requirements of the City’s Zero Waste Program. Zero Waste best practices include first minimizing and reducing waste; second, reusing waste and third, recycling or composting waste. In particular, Consultant shall comply with the following zero waste requirements:

- All printed materials provided by Consultant to City generated from a personal computer and printer including but not limited to, proposals, quotes, invoices,

reports, and public education materials, shall be double-sided and printed on a minimum of 30% or greater post-consumer content paper, unless otherwise approved by the City's Project Manager. Any submitted materials printed by a professional printing company shall be a minimum of 30% or greater post-consumer material and printed with vegetable based inks.

- Goods purchased by Consultant on behalf of the City shall be purchased in accordance with the City's Environmental Purchasing Policy including but not limited to Extended Producer Responsibility requirements for products and packaging. A copy of this policy is on file at the Purchasing Office.
- Reusable/returnable pallets shall be taken back by the Consultant, at no additional cost to the City, for reuse or recycling. Consultant shall provide documentation from the facility accepting the pallets to verify that pallets are not being disposed.

SECTION 24. NON-APPROPRIATION

24.1. 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 shall take precedence in the event of a conflict with any other covenant, term, condition, or provision of this Agreement.

SECTION 25. MISCELLANEOUS PROVISIONS.

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

25.2. 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.

25.3. 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.

25.4. 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.

25.5. 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.

25.6. 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.

25.7. 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.

25.8 If, pursuant to this contract with CONSULTANT, City shares with CONSULTANT personal information as defined in California Civil Code section 1798.81.5(d) about a California resident (“Personal Information”), CONSULTANT shall maintain reasonable and appropriate security procedures to protect that Personal Information, and shall inform City immediately upon learning that there has been a breach in the security of the system or in the security of the Personal Information. CONSULTANT shall not use Personal Information for direct marketing purposes without City’s express written consent.

25.9 All unchecked boxes do not apply to this agreement.

25.10 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.

25.11 This Agreement may be signed in multiple counterparts, which shall, when executed by all the parties, constitute a single binding agreement

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

JANA CORPORATION

City Manager

DocuSigned by:
Wayne Bryce
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Wayne Bryce

APPROVED AS TO FORM:

President & CEO

Senior Asst. City Attorney

Attachments:

- EXHIBIT “A”: SCOPE OF WORK
- EXHIBIT “B”: SCHEDULE OF PERFORMANCE
- EXHIBIT “C”: COMPENSATION
- EXHIBIT “C-1”: SCHEDULE OF RATES
- EXHIBIT “D”: INSURANCE REQUIREMENTS

EXHIBIT “A” SCOPE OF SERVICES

City of Palo Alto Natural Gas Distribution System and Capital Improvement Program

The City of Palo Alto natural gas distribution system is comprised of 2” through 12” diameter mains of various materials including acrylonitrile butadiene styrene (ABS), polyethylene of medium density (PE), polyvinyl chloride (PVC), and Schedule 40 Grade B Steel (coated, wrapped and cathodically protected) totaling 209.5 miles.

The distribution system’s Maximum Allowable Operating Pressure is 25 PSIG; however, Palo Alto has approximately 2200 ft. of 6” PVC and 2500 ft of 6” PE mains, dedicated to a single customer, and run at MAOP of 40 PSIG.

In the early 1990’s, Palo Alto performed an assessment of the age and condition of the materials in the natural gas distribution system. Based on this assessment, in 1991 City Council approved an accelerated Capital Improvement Program (CIP) to replace the City aging utility infrastructure. The CIP program targeted replacement of ABS mains and services as the highest priority. Over 20 years the City concentrated on replacing ABS mains and services and expects that all known ABS material including individually located services will be replaced with PE by 2015.

The City of Palo Alto natural gas Distribution System Integrity Management Plan identified PVC, located in business districts, as a threat with the second highest probability score only exceeded by remaining ABS material. Following completion of the current gas main replacement project by 2015, PVC will become material with the highest probability score.

The City’s natural gas distribution system currently has approximately 37.0 miles of PVC piping comprised of 2” through 6” diameter mains installed mostly in early to late-70^s making this portion of the system approximately 40 years old.

According to the Distribution Integrity Management Plan, the City of Palo Alto plans to develop accelerated Capital Improvement Program to replace the existing PVC infrastructure with Polyethylene (PE) material.

The City’s natural gas distribution system also contains approximately 99.5 miles of medium density polyethylene (PE) piping comprised of 2” through 8” diameter mains installed since mid-70^s with majority of piping installed since mid-90^s, making bulk of the PE system approximately 25 year old or younger. The pipes are joined by butt and electro fusion; the services are connected to the mains with electro fused tapping tees.

The polyethylene system also contains approximately 3,000 feet of Aldyl A installed in early 70th, but this portion of the system is a part of a different project and will be replaced with PE by 2015.

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Minimum Requirements for Risk Assessment Study:

a.) PVC Piping:

Perform a comprehensive assessment study of condition of the PVC material in the City’s natural gas distribution system to evaluate risks associated with the material and determine the appropriate annual

replacement rate.

The risk assessment shall include the following Work:

1. Analysis of available leak data associated with a PVC portion of the City's gas distribution system
2. Review of GIS data including:
 - o Natural gas distribution system map
 - o PVC material locations and associated installation time map
 - o Business Districts locations map
3. Suggestion of locations within the PVC portion of the distribution system where actual sample shall be obtained.
4. Performance of physical property testing on the obtained samples min. including:
 - o Density
 - o Specific Heat Capacity
 - o Glass Transition Temperature
 - o Weight Average Molecular Mass
 - o Impact Testing
 - o Flattening Testing
 - o Tensile Strength Testing
 - o Elasticity Testing
 - o Burst Pressure Testing
 - o Suggesting MAOP pressure for piping based on test
 - o Other tests that may be necessary in the opinion of the Consultant
5. Performance of failure modes analysis considering material and operating conditions:
 - o Brittle failure
 - o Joint failure
 - o Rapid crack propagation
 - o Earthquake resistance
 - o Third party damage
6. Generation of a written report containing at a minimum:
 - o Analysis of historical PVC material performance in the natural gas distribution industry in general based on summarizing publically available data
 - o Specific analysis of PVC material performance in the City of Palo Alto natural gas distribution system reflecting at minimum above stated requirements in items 1 through 5
 - o Comparison of performance PVC material versus ABS and PE in the City's distribution system
 - o Leakage rate forecast of PVC piping for the next 5 years
 - o Expected performance of PVC portion of distribution system during earthquake
 - o Guidelines for development of an accelerated replacement program including location prioritizing and suggesting annual replacement rate.

b.) PE Piping:

Perform a relative risk assessment of the polyethylene material in the City's natural gas distribution system.

The risk assessment shall include the following Work:

1. Review of provided information on PE resins and pipe material installed
2. Analysis of available leak data associated with a PE portion of the City's gas distribution system
3. Review of GIS data including:
 - o Natural gas distribution system map
 - o PE material locations and associated installation time map
 - o Business Districts locations map

4. Performance of physical property testing on the submitted samples. **The City of Palo Alto will not extract PE samples from the active distribution piping network. The City will provide samples available as a result of third party damage or extracted during tie-ins.** The test shall include:
 - Density
 - Tensile Strength Testing
 - Elasticity Testing
 - Burst Pressure Testing
 - Suggesting MAOP pressure for piping based on test
 - Other tests that may be necessary in the opinion of the Consultant
5. Performance of failure modes analysis considering material and operating conditions:
 - Brittle failure
 - Joint failure
 - Rapid crack propagation
 - Earthquake resistance
 - Third party damage
6. Generation of a written report containing at a minimum:
 - Analysis of historical PE material performance in the natural gas distribution industry in general based on summarizing publically available data
 - Specific analysis of PE material performance in the City of Palo Alto natural gas distribution system reflecting at minimum above stated requirements in items 1 through 5
 - Comparison of performance PE material versus ABS and PVC in the City's distribution system
 - Leakage rate forecast for PE piping for the next 5 years
 - Expected performance of PE portion of distribution system during earthquake

The City will provide:

1. A project contact person
2. Natural gas distribution map in PDF format
3. PVC material locations and associated installation time map in PDF format
4. PE material locations and associated installation time map in PDF format
5. Business districts locations map in PDF format
6. Leak data 2005 through 2013 in PDF or Excel format
7. Available or excavated PVC samples for testing
8. Available PE samples
9. Summary PE resin and pipe installed and associated footage
10. Other information that may be necessary for completion of the study

Project Duration

The final report is expected to be submitted within **Six (6) months** from Consultant receiving all required data including samples for analysis.

Work Plan Proposed by Consultant

Overview

As part of their overall asset management program, the City of Palo Alto is proactively assessing the risk associated with an identified aging asset group – PVC and PE piping. Jana's overall Project Management approach, along with the scope of work as detailed in the Items below, will enable a clear, data-supported characterization of the piping asset situation that will prove acceptable to the City of Palo Alto. **The work plan items described below in Item A (PVC Piping Assessment) and Item B (PE Piping Assessment) provide a more detailed discussion of the Consultant's responsibilities under this Agreement.**

Item A: PVC Piping Assessment

The purpose of Item A is to provide a risk assessment of the PVC piping in the City of Palo Alto's gas distribution system in comparison to ABS and PE piping to facilitate the determination of an appropriate replacement rate. The intent of this assessment is: (1) a leak rate projection and (2) a comparative assessment to provide a basis for a recommended replacement rate and (3) to enable efficient and effective direction of resources in prioritizing replacement decisions to minimize overall pipeline risk.

Jana's assessment will encompass the following steps:

1. Literature Review

The general performance of PVC piping in gas distribution piping will be summarized based on a comprehensive literature review, publically reported failure incidents and publically available data/information of other gas utilities' replacement programs.

2. Failure Modes Analysis

A failure modes analysis will be conducted to identify and characterize the potential PVC piping failure modes and their associated consequences. This analysis will include the review of reported incidents from PHMSA, City of Palo Alto, etc. Failure modes that will be considered include leakage, rupture, third party damage, repair, Rapid Crack Propagation (RCP), etc.

3. Leak Rate Projections

The performance history of PVC piping in the City's system will be analyzed and leak rate projections through the next five (5) years will be developed, as possible, based on the available data and installation records. The City of Palo Alto will provide all available GIS data including the natural gas distribution system map, PVC piping samples, and associated installation time map and Business Districts' location map.

4. Physical Property Testing

Samples of PVC piping from the City's distribution network will be identified for collection/exhumation and tested to assess the general performance properties of the piping. Physical Property testing will be conducted on two (2) PVC pipe samples and may include:

- Visual Assessment
- Density
- Specific Heat Capacity
- Glass Transition Temperature
- Weight Average Molecular Mass
- Impact Testing by Falling Tup
- Flattening

- Tensile Strength and Modulus of Elasticity
- Burst Pressure Testing

The following physical property testing will also be conducted on up to five (5) additional PVC samples and may include:

- Visual Assessment
- Flattening
- Burst Pressure Testing

An assessment of the MAOP for the piping based on testing will be conducted.

5. *Engineering Assessment*

A relative risk assessment of the PVC piping in the City of Palo Alto's gas distribution system compared to ABS and PE piping will be conducted based on the data and information collected during Steps 1 to 4. The assessment will be structured to facilitate the City's development of a replacement program. The assessment will consider, as a minimum, the potential for brittle failure, joint failure, third party damage, earthquake resistance and rapid crack propagation as a function of pipe installation and operating conditions.

6. *Final Report*

The report will include, but is not limited to, the following:

- Analysis of historical PVC material performance in the natural gas distribution industry in general based on summarizing publically available data
- Specific analysis of PVC material performance in the City of Palo Alto's natural gas distribution system as outlined in Steps 1-5 above
- Comparison of performance of PVC material versus ABS and PE in the City's distribution system
- Leakage rate forecast of PVC piping for the next 5 years
- Expected performance of PVC portion of distribution system during earthquake
- Guidelines for development of an accelerated replacement program, including suggested annual replacement rate

Item B: PE Piping Assessment

The purpose of Item B is to provide a relative risk assessment of the City of Palo Alto's gas distribution system MDPE piping compared to PVC, ABS and other installed PE piping materials. The resulting risk ranking will provide the City with a technical basis to manage the replacement of the MDPE piping in its system.

Jana's assessment will encompass the following steps:

1. *Preliminary Investigation*

A preliminary investigation will be conducted to ensure that all relevant information will be brought to bear on the finalization of the Assessment for the City of Palo Alto. The investigation will start with identification of the specific MDPE piping asset and associated joining methods, fittings, etc. The Jana Pipe Performance Database (a historical log of PE pipe performance compiled over the last

decade) and a combination of external sources, conference proceedings and interviews with industry personnel, will be used to identify all available performance information regarding these materials.

2. *Knowledge Consolidation*

Existing data on MDPE pipe will be gathered from the City of Palo Alto. The City will provide information on the PE resins and pipe material used in their gas distribution system, available leak data and GIS data (including the natural gas distribution system map, PE material locations and associated installation time map and Business District locations map). Jana will review all provided information. Any gaps in data will be identified. In addition, Jana Proprietary Data will be reviewed for relevance and appropriately incorporated in the MDPE Assessment. This data will be combined with Jana's Proprietary Modeling Methodology to develop an assessment of the MDPE in the City of Palo Alto gas network.

3. *Material Performance Data Collection*

Leak survey data and other performance information will be employed in the overall assessment. Ultimately, a projection of near term performance will be developed in support of a preliminary risk assessment.

4. *Physical Property Testing*

Samples of PE piping from the Palo Alto distribution network may be identified for collection and tested to assess the general performance properties of the piping. The City has noted that only samples available as a result of third party damage or extracted during tie-ins will be provided. Testing of up to five (5) MDPE pipe samples will be performed, as available.

Physical Property testing, as deemed appropriate, may include:

- Density
- Tensile Strength and Modulus of Elasticity
- Burst Pressure Testing
- Elevated temperature sustained pressure testing to assess Slow Crack Growth (SCG) resistance

An assessment of the MAOP for the piping based on testing will be conducted.

5. *Engineering Assessment*

A relative risk assessment of the City of Palo Alto's MDPE gas pipe compared to PVC, ABS and other installed PE piping materials will be conducted based on the data and information from Steps 1 to 4. The assessment will be structured to facilitate the City's development of a replacement program. The assessment will consider, as a minimum, the potential for brittle failure, joint failure, third party damage, earthquake resistance and rapid crack propagation as a function of pipe installation and operating conditions.

6. *Final Report*

The report will include, but is not limited to, the following:

- Analysis of historical PE material performance in the natural gas distribution industry in general based on summarizing publically available data
- Specific analysis of PE material performance in the City of Palo Alto's natural gas distribution system as outlined in Steps 1-5 above
- Comparison of performance of PE material versus PVC and ABS in the City's distribution system
- Leakage rate forecast of PE piping for the next 5 years
- Expected performance of PE portion of distribution system during earthquake

Proposed Innovations

The technology underlying the proposed assessment is based on proprietary pipeline performance forecasting methodologies developed and validated by Jana for risk assessment of gas distribution pipelines. The approach is based on state-of-the-art reliability engineering techniques using Weibull Proportional Hazards modeling of historical leak data combined with a detailed understanding of the physical mechanisms of failure. This approach has been successfully applied to performance forecasting and risk assessments for a broad range of gas distribution system components including plastic pipe, fittings, joints and components, steel piping systems and specific system components.

Coupled with this technology is Jana's database of plastic gas distribution piping performance data and Jana's specific expertise in performance validation of PVC and PE piping systems. Jana has been conducting Root Cause Analysis, performance validation assessments and risk assessments of plastic pipelines for over 15 years. A knowledge database of fault trees leading to plastic pipe failure has been developed and will be applied to the assessment of the PVC and PE piping in the City of Palo Alto's system. Jana has also developed a database of material performance for PVC and PE piping materials which will be coupled with the pipe testing outlined in this proposal and used to develop the overall risk assessment.

EXHIBIT “B” SCHEDULE OF PERFORMANCE

CONSULTANT shall perform the Services so as to complete each milestone/task within the number of days/weeks specified below. The time to complete each milestone may be increased or decreased by mutual written agreement of the project managers for CONSULTANT and CITY so long as all work is completed within the term of the Agreement. CONSULTANT shall provide a detailed schedule of work consistent with the schedule below within 2 weeks of receipt of the notice to proceed.

Project Schedule

Jana projects kick-off with a teleconference meeting to clarify the overall project objectives and timeline and to establish the Project Team. The Project Team will confirm the resources available and characterize the data availability, data format for the piping asset and sample availability. As applicable a general data request, to be detailed and finalized on project initiation, will be issued.

Timeline, Meetings & Reports

- Timeline
 - o Detailed project timeline to be developed and confirmed with the City of Palo Alto upon project initiation
 - o Estimated project timeline is 6 months from receipt of *all* required information & samples
 - o Jana will notify the City that the required samples or information is received in writing
- Meetings
 - o Initial project kick-off meeting via teleconference to introduce all personnel, identify roles and clarify objectives
 - o Monthly teleconference meeting to review project activities/tasks
- Reports
 - o Draft Final Report, for review and comment by the City of Palo Alto
 - o Final Report

Notes

- Final project timeline is dependent upon timely delivery of *all* requested information and samples.
- The City of Palo Alto will provide a key point person to support this project (Project Liaison) and be the main point of contact for Jana
- Additionally, engineering and operational resources required to facilitate the generation of the necessary information will be made available to Jana
- The final report will be provided in .pdf format. All background data and detail will be provided in the Appendices.
- This proposal provides for the issuance of one (1) Draft report and one (1) Final report and additional revisions are outside the scope of this proposal.

Timeline and Cost Breakdown (PVC)

Item#	Scope	Timeline	Cost
1	Literature Review	Two weeks	\$1,681
2	Failure Modes Analysis	Three weeks	\$3,894
3	Leak Rate Projections	Twelve weeks	\$22,465
4	Physical Property Testing	Eight weeks	\$15,861

5	Engineering Assessment	Three weeks	\$8,763
6	Final Report	Four weeks	\$2,400
	Total Project*	Six months	\$55,064

*Some Project steps will be run concurrently

Timeline and Cost Breakdown (PE)

Item#	Scope	Timeline	Cost
1	Preliminary Investigation	Three weeks	\$2,240
2	Knowledge Consolidation	Three weeks	\$4,562
3	Material Performance Data Collection	Six weeks	\$9,446
4	Physical Property Testing	Twelve weeks	\$11,600
5	Engineering Assessment	Twelve weeks	\$22,456
6	Final Report	Four weeks	\$2,400
	Total Project*	Six months	\$52,704

*Some Project steps will be run concurrently

The project progress payments are based on the following milestones/deliverables:

a. Project Initiation and Project Management:

- Deliverables:
 - o Clarification of Objectives and establishment of Project Team
 - o Characterization of data availability and data format
 - o On-going Project Management to ensure delivery of project objectives in committed timeline

b. Data Characterization:

- Deliverables:
 - o Establishment of data needs
 - o Collection of existing data
 - o Analysis of existing data

c. Model Development

- Deliverables:
 - o Characterization of leak mechanism and key variables
 - o Correlation of key variables with field performance
 - o Development of Leakage Rate Model(s)
 - o Identification of Samples/Location for Field Sampling

d. Field Sampling and Analysis

- Deliverables:
 - o Testing of samples
 - o Analysis of sample data
 - o Characterize asset condition

e. Recommendations for Asset Replacement Program and Reporting

- Deliverables:
 - o Forecast of leak rates, using Leakage Rate Model(s)
 - o Risk Ranking of asset, per forecasted leak rates
 - o Characterize relative risk
 - o Develop recommendations for annual replacement program
 - o Issuance of Draft Report for review by City
 - o Final Report Release

EXHIBIT "C" COMPENSATION

The CITY agrees to compensate the CONSULTANT 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 attached as Exhibit C-1 up to the not to exceed budget amount for each task set forth below.

The compensation to be paid to CONSULTANT under this Agreement for all services described in Exhibit "A" ("Basic Services") and reimbursable expenses shall not exceed \$107,768.00. CONSULTANT agrees to complete all Basic Services, including reimbursable expenses, within this amount. In the event CITY authorizes any Additional Services, the maximum compensation for Basic Services, reimbursable expenses, and Additional Services shall not exceed \$118,545.00. 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.

CONSULTANT 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 Basic Services, including reimbursable expenses, does not exceed \$107,768.00.

ADDITIONAL SERVICES NOT DESCRIBED ABOVE:

The CONSULTANT shall provide additional services above and beyond the services described above, only by advanced, written authorization from the CITY. The CONSULTANT, 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 CONSULTANT's proposed maximum compensation, including reimbursable expense, for such services based on the rates set forth in Exhibit C-1. The additional services scope, schedule and maximum compensation shall be negotiated and agreed to in writing by the CITY's Project Manager and CONSULTANT prior to commencement of the services. Payment for additional services is subject to all requirements and restrictions in this Agreement.

EXHIBIT C-1 HOURLY RATE SCHEDULE

Cost Breakdown

Item#A	Scope	Cost
1	Literature Review	\$1,681
2	Failure Modes Analysis	\$3,894
3	Leak Rate Projections	\$22,465
4	Physical Property Testing	\$15,861
5	Engineering Assessment	\$8,763
6	Final Report	\$2,400
	Total Project*	\$55,064

Item#B	Scope	Cost
1	Preliminary Investigation	\$2,240
2	Knowledge Consolidation	\$4,562
3	Material Performance Data Collection	\$9,446
4	Physical Property Testing	\$11,600
5	Engineering Assessment	\$22,456
6	Final Report	\$2,400
	Total Project*	\$52,704

*Some Project steps will be run concurrently

Project Financials

Task	Scope	Fee
A	Perform a comprehensive risk assessment study of PVC material in the City's natural gas distribution system and submit a report as described in the Scope of Work	\$ 55,064
B	Perform a relative risk assessment of the polyethylene material in the City's natural gas distribution system and submit a report as described in the Scope of Work	\$ 52,704
Grand Total Not to Exceed:		\$107,768

Hourly Service Rates

- Project Manager:	\$180/hour
- Project Technical Lead/Executive Support:	\$400/hour
- Principal Consultant:	\$300/hour
- Technical Lead:	\$200/hour
- Operations Director:	\$300/hour
- Administrative Services:	\$100/hour

Fees and rates are in US dollars. The noted rates span across all tasks in the project to deliver the final product. Request for additional services beyond the scope of work detailed in Items A and B will be quoted based on these rates.

Project Progress Payments

30%	Upon completion of review & characterization of data for the PVC and PE material assessments
30%	Upon completion of Leak rate model development and identification of required samples
20%	Upon completion of the field sampling and analysis
10%	Upon issuance of Draft report
10%	Upon issuance of Final report

EXHIBIT "D"
INSURANCE REQUIREMENTS

CONTRACTORS TO 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 AM 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:

REQUIRED	TYPE OF COVERAGE	REQUIREMENT	MINIMUM LIMITS	
			EACH OCCURRENCE	AGGREGATE
YES YES	WORKER'S COMPENSATION EMPLOYER'S LIABILITY	STATUTORY STATUTORY		
YES	GENERAL LIABILITY, INCLUDING PERSONAL INJURY, BROAD FORM PROPERTY DAMAGE BLANKET CONTRACTUAL, AND FIRE LEGAL LIABILITY	BODILY INJURY	\$1,000,000	\$1,000,000
		PROPERTY DAMAGE	\$1,000,000	\$1,000,000
		BODILY INJURY & PROPERTY DAMAGE COMBINED.	\$1,000,000	\$1,000,000
YES	AUTOMOBILE LIABILITY, INCLUDING ALL OWNED, HIRED, NON-OWNED	BODILY INJURY	\$1,000,000	\$1,000,000
		- EACH PERSON	\$1,000,000	\$1,000,000
		- EACH OCCURRENCE	\$1,000,000	\$1,000,000
		PROPERTY DAMAGE	\$1,000,000	\$1,000,000
		BODILY INJURY AND PROPERTY DAMAGE, COMBINED	\$1,000,000	\$1,000,000
	PROFESSIONAL LIABILITY, INCLUDING, ERRORS AND OMISSIONS, MALPRACTICE (WHEN APPLICABLE), AND NEGLIGENT PERFORMANCE	ALL DAMAGES	\$1,000,000	
YES	THE CITY OF PALO ALTO IS TO BE NAMED AS AN ADDITIONAL INSURED: CONTRACTOR, 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 CONTRACTOR AND ITS SUBCONSULTANTS, IF ANY, BUT ALSO, WITH THE EXCEPTION OF WORKERS' COMPENSATION, EMPLOYER'S LIABILITY AND PROFESSIONAL INSURANCE, NAMING AS ADDITIONAL INSUREDS CITY, ITS COUNCIL MEMBERS, OFFICERS, AGENTS, AND EMPLOYEES.			

I. INSURANCE COVERAGE MUST INCLUDE:

- A. A PROVISION FOR A WRITTEN THIRTY (30) 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.
- C. DEDUCTIBLE AMOUNTS IN EXCESS OF \$5,000 REQUIRE CITY'S PRIOR APPROVAL.

II. CONTACTOR MUST SUBMIT CERTIFICATES(S) OF INSURANCE EVIDENCING REQUIRED COVERAGE.

III. ENDORSEMENT PROVISIONS, WITH RESPECT TO THE INSURANCE AFFORDED TO "ADDITIONAL INSUREDS"

- 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 INSURED.

B. CROSS LIABILITY

THE NAMING OF MORE THAN ONE PERSON, FIRM, OR CORPORATION AS INSURED 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.

NOTICES SHALL BE MAILED TO:

**PURCHASING AND CONTRACT ADMINISTRATION
CITY OF PALO ALTO
P.O. BOX 10250
PALO ALTO, CA 94303**

REVISED CERTIFICATE OF INSURANCE

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 listed.

NAMED INSURED: **JANA Corporation**
 280B Industrial Parkway South
 Aurora, Ontario L4G 3T9

LIMITS ARE IN CANADIAN DOLLARS UNLESS INDICATED OTHERWISE
LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS

COVERAGE	INSURER	POLICY NO.	POLICY TERM	LIMITS OF LIABILITY
COMMERCIAL GENERAL LIABILITY including Cross liability & Products & completed operations Occurrence Basis Employer's Liability Blanket Contractual Liability	<i>Aviva Insurance Company of Canada</i>	<i>SUM-CGL-04098-00</i>	<i>August 15, 2014 to August 15, 2015</i>	<i>\$2,000,000 inclusive, bodily injury and property damage \$5,000,000 General Aggregate \$2,000,000 Products & Completed Operations Aggregate</i>
The City of Palo Alto, its council members, officers, agents and employees are added as an Additional Insured, but only with respect to the operations of the Named Insured				
NON-OWNED AUTO	<i>Aviva Insurance Company of Canada</i>	<i>SUM-CGL-04098-00</i>	<i>August 15, 2014 to August 15, 2015</i>	<i>\$2,000,000 per occurrence</i>
COMMERCIAL UMBRELLA LIABILITY	<i>Aviva Insurance Company of Canada</i>	<i>SUM-EXC-04099-00</i>	<i>August 15, 2014 to August 15, 2015</i>	<i>\$1,000,000. each occurrence and in the aggregate</i>

This is to certify that the Policies of Insurance listed herein have been issued to the above named Insured and are in force at this time. Notwithstanding any requirement, term or condition of any contract or other document with respect to which this Certificate may be issued or may pertain, the insurance afforded by the policies described herein is subject to all the terms, conditions and exclusions of such policies.

Should these policies be cancelled before the expiration date thereof, the issuing company will endeavour to mail 30 days written notice of cancellation to the below named Certificate holder, but failure to mail such notice shall impose no obligation or liability of any kind on the company, its agents or representatives.

CERTIFICATE HOLDER:

City of Palo Alto
PO Box 10250
Palo Alto, CA 94303

BROKER:

The CG&B Group Inc.
 120 South Town Centre Blvd.,
 Markham, ON
 L6G 1C3

Signed on behalf of the Insurers shown above



Signature of Authorized Representative

November 3, 2014

Date