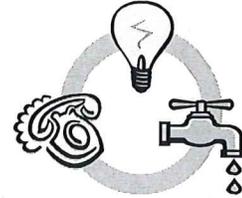


# INDUSTRY PUBLIC UTILITIES COMMISSION CITY OF INDUSTRY

REGULAR MEETING AGENDA  
SEPTEMBER 21, 2017 9:00 A.M.



President Mark D. Radecki  
Commissioner Abraham N. Cruz  
Commissioner Catherine Marcucci  
Commissioner Cory C. Moss  
Commissioner Newell W. Ruggles



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Location: City Council Chamber, 15651 East Stafford Street, City of Industry, California

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## Addressing the Commission:

- ▶ **Agenda Items:** Members of the public may address the Commission on any matter listed on the Agenda. Anyone wishing to speak to the Commission is asked to complete a Speaker's Card which can be found at the back of the room and at the podium. The completed form should be submitted to the City Clerk prior to the Agenda item being called and prior to the individual being heard by the Commission.
- ▶ **Public Comments (Non-Agenda Items):** Anyone wishing to address the Commission on an item not on the Agenda may do so during the "Public Comments" period. In order to conduct a timely meeting, there will be a three-minute time limit per person for the Public Comments portion of the Agenda. State law prohibits the Commission from taking action on a specific item unless it appears on the posted Agenda. Anyone wishing to speak to the Commission is asked to complete a Speaker's Card which can be found at the back of the room and at the podium. The completed card should be submitted to the City Clerk prior to the Agenda item being called and prior to the individual being heard by the Commission.

## Americans with Disabilities Act:

- ▶ In compliance with the ADA, if you need special assistance to participate in any City meeting (including assisted listening devices), please contact the City Clerk's Office (626) 333-2211. Notification of at least 48 hours prior to the meeting will assist staff in assuring that reasonable arrangements can be made to provide accessibility to the meeting.

## Agendas and other writings:

- ▶ In compliance with SB 343, staff reports and other public records permissible for disclosure related to open session agenda items are available at City Hall, 15625 East Stafford Street, Suite 100, City of Industry, California, at the office of the City Clerk during regular business hours, Monday through Friday 9:00 a.m. to 5:00 p.m. Any person with a question concerning any agenda item may call the City Clerk's Office at (626) 333-2211.
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1. Call to Order
2. Flag Salute
3. Roll Call

4. Public Comments

5. **BOARD MATTERS**

5.1 Consideration of the Register of Demands.

*RECOMMENDED ACTION: Approve the Register of Demands and authorize the appropriate City Officials to pay the bills.*

5.2 Consideration of Amendment No. 1 to the Contract for Extension of Electric Distribution Line between the Successor Agency to the Industry Urban-Development Agency and the Industry Public Utilities Commission

*RECOMMENDED ACTION: Approve Amendment No. 1.*

5.3 Consideration of Resolution No. IPUC 2017-03 – A RESOLUTION OF THE CITY OF INDUSTRY, CALIFORNIA, TO AMEND THE FISCAL YEAR 2017-2018 ELECTRIC UTILITY FUND BUDGET TO REFLECT AN APPROPRIATION OF \$117,000 FROM AVAILABLE ELECTRIC UTILITY RESERVES FUND AND INCREASING THE ELECTRIC UTILITY FUND – MISCELLANEOUS (ACCOUNT NO. 161-300-5125) IN THE AMOUNT OF \$117,000 FOR RESOURCE ADEQUACY PURCHASES

*RECOMMENDED ACTION: Adopt Resolution No. IPUC 2017-03.*

5.4 Consideration of the Request to Publish and Receive Proposals for Contract No. 2017-1035, Energy Scheduling, Trading, Settlements, and Risk Management Services

*RECOMMENDED ACTION: Approve release of the RFP.*

5.5 Report from the General Manager for the La Puente Valley County Water District.

*RECOMMENDED ACTION: Receive and file the report.*

6. Adjournment. Next regular meeting: Thursday, October 19, 2017 at 9:00 a.m.

*INDUSTRY PUBLIC UTILITIES COMMISSION*

ITEM NO. 5.1

**Industry Public Utilities Commission**  
Authorization For Payment of Bills  
Meeting of September 21, 2017

<u>FUND</u>	<u>DESCRIPTION</u>	<u>DISBURSEMENTS</u>
560	Industry Public Utilities	67,110.27
	TOTAL ALL FUNDS	67,110.27

<u>BANK</u>	<u>NAME</u>	<u>DISBURSEMENTS</u>
BOFA	Bank of America	67,110.27
	TOTAL ALL BANKS	67,110.27

APPROVED PER CITY MANAGER

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**Industry Public Utilities Commission  
Board Meeting  
September 21, 2017**

Check	Date		Payee Name	Check Amount
<b>IPUC.CHK - IPUC Water BofA Checking</b>				
40343	08/14/2017		CITY OF INDUSTRY-PETTY CASH	\$21.00
	Invoice	Date	Description	Amount
	8/14/17-IPUC	08/14/2017	REIMBURSE PETTY CASH FOR 6/15/17	\$21.00
40344	08/16/2017		SO CALIFORNIA EDISON COMPANY	\$28,029.86
	Invoice	Date	Description	Amount
	2018-00000142	08/05/2017	06/30-08/01/17 SVC - 1991 WORKMAN MILL U	\$28,029.86
40345	09/21/2017		CASSO & SPARKS, LLP	\$119.70
	Invoice	Date	Description	Amount
	20244-WATER	08/09/2017	MAY-JUNE 2017 LEGAL SVC	\$119.70
40346	09/21/2017		CNC ENGINEERING	\$83.15
	Invoice	Date	Description	Amount
	456138	08/10/2017	PUENTE VALLEY OPERABLE UNIT GROUNDWATER	\$83.15
40347	09/21/2017		INDUSTRY PUBLIC UTILITIES	\$1,400.00
	Invoice	Date	Description	Amount
	AUG-17	08/29/2017	REIMBURSE PAYROLL - AUGUST 2017	\$1,400.00
40348	09/21/2017		ROWLAND WATER DISTRICT	\$18,713.29
	Invoice	Date	Description	Amount
	I-07312017-A	08/03/2017	CONTRACT SVC - JULY 2017	\$3,559.41
	I-07312017-B	08/03/2017	CONTRACT SVC - JULY 2017	\$15,153.88
40349	09/21/2017		SO CALIFORNIA EDISON COMPANY	\$18,743.27
	Invoice	Date	Description	Amount
	2018-00000301	08/31/2017	08/01-08/30/17 SVC - 1991 WORKMAN MILL U	\$18,743.27

**Industry Public Utilities Commission  
Board Meeting  
September 21, 2017**

Check	Date	Payee Name	Check Amount
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IPUC.CHK - IPUC Water BofA Checking

Checks	Status	Count	Transaction Amount
	Total	7	\$67,110.27

*INDUSTRY PUBLIC UTILITIES COMMISSION*

ITEM NO. 5.2



# INDUSTRY PUBLIC UTILITIES COMMISSION

P.O. BOX 3366 • CITY OF INDUSTRY • CALIFORNIA 91744  
(626) 333-2211 • Fax (626) 961-6795 • [www.cityofindustry.org](http://www.cityofindustry.org)

## MEMORANDUM

**TO:** Honorable President and Commissioners of the Industry Public Utilities Commission

**FROM:** Paul J. Philips, City Manager 

**STAFF:** Susan Paragas, Director of Finance

**DATE:** August 17, 2017

**SUBJECT:** Consideration of Amendment No. 1 to the Contract for Extension of Electric Distribution Line between the Successor Agency to the Industry Urban-Development Agency and the Industry Public Utilities Commission

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### **BACKGROUND:**

On January 23, 2017, the Successor Agency to the Industry Urban-Development Agency ("SA") and the Industry Public Utilities Commission ("IPUC") entered into and executed a contract for the extension of the electric distribution line ("Contract") for the Industry Business Center ("IBC") project.

This project, Item No. 206, was listed on the SA's FY 2017-2018 Recognized Obligation Payment Schedule ("ROPS") that was submitted to the State of California Department of Finance ("DOF").

### **DISCUSSION:**

On April 5, 2017, the DOF placed a conditional approval on Item No. 206 by requesting that the language pertaining to payments in the Contract be modified to replace the "non-refundable" term to "refundable" and the SA payments to IPUC be based on actual costs of the project. Please see Attachment 1-DOF Determination Letter, bullet point Item No. 206.

The language in the Contract (Attachment 2) Section 3.1, related to Payments states:

*"Applicant shall pay, before the start of construction, the non-refundable amounts as set forth in Appendix A to this Contract."*

Amendment No. 1 to the Contract (Attachment 3) reflects the changes to the first paragraph of Section 3.1 Payments as requested by DOF with the following language:

*“Applicant shall pay, before the start of construction, the amounts as set forth in Appendix A to this Contract, which shall be based on the actual costs of construction. In the event that the costs set forth in Appendix A are less than the actual construction costs, Applicant shall be refunded any over payment. The costs set forth in Appendix A include the costs for substructures and conduits which IPUC had previously installed at its expenses in anticipation of the current Distribution Line Extension. Any necessary riser conduit, conduit covering, and miscellaneous riser material required for the Distribution Line Extension shall be furnished or paid for by Applicant and shall be installed by the IPUC.”*

**FISCAL IMPACT:**

There is no fiscal impact with the approval of Amendment No.1 to the Contract.

**RECOMMENDED ACTION:**

Staff recommends that the IPUC approve Amendment No. 1 of the Contract between the SA and the IPUC for the Extension of the Electric Distribution Line for the IBC project that revises the payment language for the project reflected as Item No. 206 in the SA's FY 2017-2018 ROPS.

**ATTACHMENTS:**

*Attachment 1: DOF ROPS Determination Letter for FY 2017-2018*

*Attachment 2: Original Contract for Extension of Electric Distribution Line*

*Attachment 3: Amendment No.1 to the Original Contract for Extension for Electric Distribution Line*

ATTACHMENT 1



April 5, 2017

Mr. Paul Philips, City Manager  
City of Industry  
15625 East Stafford Street  
City of Industry, CA 91744

Dear Mr. Philips:

Subject: 2017-18 Annual Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (o) (1), the City of Industry Successor Agency (Agency) submitted an annual Recognized Obligation Payment Schedule for the period of July 1, 2017 through June 30, 2018 (ROPS 17-18) to the California Department of Finance (Finance) on January 31, 2017. Finance has completed its review of the ROPS 17-18.

Based on a sample of line items reviewed and application of the law, Finance made the following determinations:

- Item No. 165 – Diamond Bar Creek contractor costs in the amount of \$1,085,921 in Other Funds for the ROPS 17-18 period is not allowed. Finance determined the Industry East Industrial Park 1999 Lease Agreement (1999 Lease) is an enforceable obligation per our ROPS 13-14A Meet and Confer determination letter dated May 17, 2013. As part of the 1999 Lease, the former Redevelopment Agency (RDA) agreed to be responsible for specific public improvements. However, a contract for the public improvements requested has not been executed and/or properly approved; therefore, this item is not eligible for Other Funds at this time. Once a contract has been executed and approved by the Oversight Board (OB), the Agency should seek expenditure authorization on a future ROPS.
- Item No. 195 – Consulting services in the amount of \$315,504 of Other Funds for the ROPS 17-18 period is not allowed. Finance determined the Industry Business Center 2005 Lease Agreement (2005 Lease) is an enforceable obligation per our letter dated February 20, 2013. As part of the 2005 Lease, the former RDA agreed to be responsible for specific public improvements. However, a contract for the public improvements requested has not been executed and/or properly approved; therefore, this item is not eligible for Other Funds at this time. Once a contract has been executed and approved by the OB, the Agency should list it on a future ROPS.
- Item No. 206 – Utility installation costs in the amount of \$8,075,000 in Other Funds is conditionally approved. The Agency provided a revised contract dated January 23, 2017 between the Agency and the Industry Public Utilities Commission (IPUC), a component of the City of Industry (City) to install an electric distribution line extensions to the

Industry Business Center project. Per the contract, the Agency is to pay the estimated, non-refundable costs of \$8,075,000 before the start of construction. However, the requirement of paying estimated costs without the ability to capture any cost savings is not in the best interest of the taxing entities. Based on discussions with the Agency, it is our understanding the Agency will revise the contract to pay only the actual installation costs. As such, the requested amount of \$8,075,000 in Other Funds is approved with the understanding the contract will be revised so that only actual installation costs are paid.

- Item No. 269 – Property Maintenance costs in the amount of \$637,000 from Other Funds is partially allowed for ROPS 17-18. HSC section 34171 (d) (1) (F) states that agreements necessary for the administration or operation of the Agency, such as the cost of maintaining assets prior to disposition, are enforceable obligations. The Agency provided property maintenance invoices to support the requested amount. Per the invoices provided, the Agency supported annual property maintenance costs of \$564,128 as follows:

Property Maintenance Costs	Amount
Property Taxes & Assessment Fees	\$142,152
Landscape Maintenance	274,014
Security Fees	104,982
Various Other maintenance costs (water, electric, pest control, and refuse fees)	42,980
Total:	\$564,128

Therefore, of the requested amount of \$637,000 in Other Funds, \$72,872 (\$637,000 - \$564,128) is not allowed.

- Item No. 276 – Property landscape maintenance cost in the amount of \$470,000 from Other Funds is partially allowed for ROPS 17-18. In our ROPS 16-17 Meet and Confer determination letter dated May 17, 2016, Finance approved the monthly maintenance cost of \$14,350 in accordance with a contract between the Agency and Marina Landscape Maintenance, Inc. (Marina). The maintenance was to be performed on 30 acres of the Baker Slopes. However, per Change Order No. 2 of the contract, effective January 16, 2017, Marina is also to perform landscape maintenance on 35 acres of the Industry Business Center, increasing the monthly cost by \$11,750 to \$26,100, or \$313,200 annually. In addition to the annual amount, the Agency is requesting an additional \$64,625 (\$11,750 x 5.5) stemming from landscape maintenance costs already provided for the Industry Business Center between January 16, 2017 through June 30, 2017. Therefore, of the \$470,000 in Other Funds requested, \$377,125 is allowed (\$313,200 + \$64,625), and the excess amount of \$92,175 is not eligible for Other Funds funding.
- Item No. 296 – Redevelopment Property Tax Trust Fund (RPTTF) shortfall for the ROPS 16-17 period in the amount of \$54,423,374 is partially allowed. The 2015 Bond Indenture requires the Agency to list the bond debt service payments on the ROPS one year in advance and the funds are to be held by the Agency as reserve until the next six-month period. Therefore, the Agency requests RPTTF in the January 1 through June 30 (ROPS B period) of each annual ROPS for the bond debt service payments due the following ROPS B period, but experiences a shortfall every year.

Per Agency Resolution SA 2013-10 and City Resolution CC 2013-25, all RPTTF shortfalls are paid by the City. This item is to ensure the Agency receives all available RPTTF authorized for the ROPS 17-18 period prior to the City covering the annual shortfall amount.

For the ROPS 16-17B period, the Agency was approved for \$81,022,086, but received \$31,007,890 resulting in a RPTTF shortfall of \$50,014,196. Therefore, of the \$54,423,374 RPTTF requested, the excess \$4,409,178 (\$54,423,374 - \$50,014,196) is not eligible for RPTTF funding.

- Item No. 297 – City Reimbursement Agreement in the amount of \$65,100 is not allowed. Finance denied \$65,100 in landscape maintenance costs in our Amended ROPS 16-17B letter dated November 18, 2016 for Item No. 276. The Agency contends the landscape costs were incurred and, due to lack of funding approval, the City paid the costs in excess of the approved amount. However, reimbursement agreements between the City and the Agency are not allowed without prior OB and Finance approval or for amounts denied by Finance. Therefore, this item is not an enforceable obligation and not eligible for Other Funds funding. This item should be retired on ROPS 18-19.
- Item Nos. 116 through 118, 120, 122, 123, 126 through 128, 132 through 134, 226, 229, 294, and 295 – Various construction projects totaling \$26,875,077 funded with Bond Proceeds. The Agency received a Finding of Completion on May 9, 2013 and is allowed to expend bond proceeds derived from bonds issued prior to January 1, 2011 (pre-2011 bond proceeds) in a manner consistent with the bond covenants. Our approval is specifically limited to the use of excess pre-2011 bond proceeds pursuant to HSC section 34191.4 (c) (1). However, such approval should not be construed as approval of the projects themselves as enforceable obligations.

Except for the items adjusted, Finance is not objecting to the remaining items listed on the ROPS 17-18. If the Agency disagrees with Finance's determination with respect to any items on the ROPS 17-18, except items which are the subject of litigation disputing Finance's previous or related determinations, the Agency may request a Meet and Confer within five business days of the date of this letter. The Meet and Confer process and guidelines are available on Finance's website:

[http://dof.ca.gov/Programs/Redevelopment/Meet\\_And\\_Confer/](http://dof.ca.gov/Programs/Redevelopment/Meet_And_Confer/)

The Agency's maximum approved RPTTF distribution for the reporting period is \$129,812,826 as summarized in the Approved RPTTF Distribution table on Page 5 (see Attachment).

RPTTF distributions occur biannually, one distribution for the July 1, 2017 through December 31, 2017 period (ROPS A period) and one distribution for the January 1, 2018 through June 30, 2018 period (ROPS B period) based on Finance's approved amounts. Since Finance's determination is for the entire ROPS 17-18 period, the Agency is authorized to receive up to the maximum approved RPTTF through the combined ROPS A and B period distributions.

Mr. Paul Philips  
April 5, 2017  
Page 4

On the ROPS 17-18 form, the Agency reported cash balances and activity for the period of January 1, 2016 through June 30, 2016. Finance reviews the Agency's self-reported cash balances on an ongoing basis. The Agency should be prepared to submit financial records and bridging documents to support the cash balances reported upon request.

The Agency was not required to report the estimated obligations versus actual payments (prior period adjustment) associated with the July 1, 2015 through June 30, 2016 period (ROPS 15-16). The Agency will report actual payments for ROPS 15-16 on ROPS 18-19, pursuant to HSC section 34186 (a) (1). A prior period adjustment may be applied to the Agency's ROPS 18-19 RPTTF distribution. Therefore, the Agency should retain any unexpended ROPS 15-16 RPTTF.

Absent a Meet and Confer, this is Finance's determination regarding the obligations listed on the ROPS 17-18. This determination only applies to items when funding was requested for the 12-month period.

The ROPS 17-18 form submitted by the Agency and Finance's determination letter will be posted on Finance's website:

<http://dof.ca.gov/Programs/Redevelopment/ROPS/>

Finance's determination is effective for the ROPS 17-18 period only and should not be conclusively relied upon for future ROPS periods. All items listed on a future ROPS are subject to review and may be denied even if not denied on this ROPS or a preceding ROPS. The only exception is for items that have received a Final and Conclusive determination from Finance pursuant to HSC section 34177.5 (i). Finance's review of Final and Conclusive items is limited to confirming the scheduled payments as required by the obligation.

The amount available from the RPTTF is the same as the amount of property tax increment available prior to the enactment of the redevelopment dissolution law. Therefore, as a practical matter, the ability to fund the items on the ROPS with property tax increment is limited to the amount of funding available to the Agency in the RPTTF.

Please direct inquiries to Anna Kyumba, Supervisor, or Veronica Zalvidea, Lead Analyst, at (916) 322-2985.

Sincerely,

  
JUSTYN HOWARD  
Program Budget Manager

cc: Ms. Susan Paragas, Controller, City of Industry  
Ms. Kristina Burns, Manager, Department of Auditor-Controller, Los Angeles County

**Attachment**

<b>Approved RPTTF Distribution</b>			
<b>For the period of July 2017 through June 2018</b>			
	<b>ROPS A Period</b>	<b>ROPS B Period</b>	<b>ROPS 17-18 Total</b>
RPTTF Requested	\$ 54,423,374	\$ 79,798,630	\$ 134,222,004
Administrative RPTTF Requested	0	0	0
<b>Total RPTTF Requested</b>	<b>54,423,374</b>	<b>79,798,630</b>	<b>134,222,004</b>
<b>RPTTF Requested</b>	<b>54,423,374</b>	<b>79,798,630</b>	<b>134,222,004</b>
<u>Adjustment</u>			
Item No. 296	(4,409,178)	0	(4,409,178)
<b>RPTTF Authorized</b>	<b>50,014,196</b>	<b>79,798,630</b>	<b>129,812,826</b>
<b>Administrative RPTTF Authorized</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total RPTTF Approved for Distribution</b>	<b>\$ 50,014,196</b>	<b>\$ 79,798,630</b>	<b>\$ 129,812,826</b>

ATTACHMENT 2

CONTRACT FOR EXTENSION OF ELECTRIC DISTRIBUTION LINE  
RULE 15

1. PARTIES

This Contract for Extension of Electric Distribution Line ("Contract") is issued this ~~8th day of September, 2018~~ **23rd day of January, 2017**

The Parties to this Contract are:

Successor Agency to the Industry Urban-Development Agency

("Applicant")

and Industry Public Utility Commission ("IPUC"). Applicant and IPUC are referred to individually as "Party" and collectively as "Parties".

2. RECITALS

Applicant has requested IPUC, pursuant to IPUC's Rule 15 and Rule 16, Distribution Line Extensions and Service Extensions, to install an electric Distribution Line Extension to the location or locations described as follows:

Project known as the Industry Business Center, roughly 600 acres on the eastern and western sides of Grand Avenue, North of the SR57/S60 Freeway.

(Hereinafter referred to as "Project")

3. AGREEMENT

3.1 Responsibilities of Applicant

Construction

Applicant shall, in accordance with IPUC's specifications and timing requirements for the Project:

- o Perform route clearing, tree trimming, trenching, excavating, and backfilling and compacting;
- o Furnish imported backfill material and dispose of trench spoil as required;
- o Furnish, install and transfer ownership to IPUC any substructures, conduit, and protective structures required;
- o Obtain any necessary construction permits for all work performed by Applicant under this Contract.

If Applicant elects to have IPUC perform any part of this work, Applicant shall pay to IPUC, as specified herein and before the start of construction, IPUC's estimated-installed costs thereof.

### **Rights of Way**

Applicant hereby grants to IPUC the rights of way and easements for the Distribution Line Extension over the shortest, most practical, available, and acceptable route within Applicant's property for the purpose of making delivery of electric service hereunder. Such easement shall include the right of access and right to trim trees as necessary. Where formal rights of way, easements, land leases, or permits are required by IPUC for installation of facilities on or over Applicant's property, or the property of others, Applicant understands and agrees that IPUC shall not be obligated to install the Distribution Line Extension for the Project unless and until any necessary permanent rights of way, easements, land leases, and permits, satisfactory to IPUC, are granted to or obtained for IPUC without cost to or condemnation by IPUC.

### **Payments**

Applicant shall pay, before the start of construction, the non-refundable amounts as set forth in Appendix A to this Contract. This includes the costs for substructures and conduits which IPUC had previously installed at its expense in anticipation of the current Distribution Line Extension. Any necessary riser conduit, conduit covering, and miscellaneous riser material required for the Distribution Line Extension shall be furnished or paid for by Applicant and shall be installed by IPUC.

Joint Applicants. The total contribution or advance from joint Applicants will be apportioned by IPUC among the members of the group in such manner as Applicants mutually agree.

## **3.2 Responsibilities of IPUC**

### **Construction**

IPUC shall install, own, operate, and maintain the Distribution Line Extension to serve the Project. IPUC will install only those facilities that, in IPUC's judgment, will be used within a reasonable time to serve permanent loads.

## **3.3 Ownership of Facilities**

Title to and ownership of the Distribution Line Extension shall vest in IPUC. Applicant does hereby agree that upon completion and acceptance by IPUC of any Applicant-installed facilities, title to each and every component part thereof shall immediately pass to IPUC free and clear of all liens and encumbrances.

### 3.4 Service Facilities

Service extensions shall be installed pursuant to IPUC's Rule 16, Service Extensions.

### 3.5 Street Lighting Facilities

Street lighting and Distribution Line Extensions within the Project solely for service to street lighting equipment shall be installed in accordance with the appropriate street light tariff schedule. Street light revenues are not applicable toward allowances or refunds for Distribution Line Extensions. Electrolers shall be located at points determined by the governmental agency having jurisdiction over streets to be dedicated to that agency or by Applicant for privately owned and maintained streets open to and used by the general public.

### 3.6 Delays in Construction

**Force Majeure.** IPUC shall not be responsible for any delay in the installation or completion of the facilities by IPUC resulting from the late performance of Applicant's responsibilities under this Contract, shortage of labor or material, strike, labor disturbance, war, riot, weather conditions, governmental rule, regulation or order, including orders or judgements of any court or commission, delay in obtaining necessary land rights, act of God, or any other cause or condition beyond the control of IPUC.

**Resources.** IPUC shall have the right, in the event it is unable to obtain sufficient supplies, materials, or labor for all of its construction requirements, to allocate materials and labor to construction projects which it deems, in its sole discretion, most important to serve the needs of its customers. Any delay in construction hereunder resulting from such allocation shall be deemed to be cause beyond IPUC's control.

**Contract Revision.** If Applicant does not commence installation of any facilities which are Applicant's responsibility or IPUC is prevented from commencing the installation of the facilities for causes beyond its reasonable control within one year from the effective date of this Contract, IPUC may, in its discretion, revise its cost estimate and recalculate the amounts set forth herein. IPUC will notify Applicant of such increased costs and give the option to either terminate this Contract or pay IPUC the additional charges.

### 3.7 Contract Termination

If at any time during the term of this Contract, IPUC is not the sole deliverer of electrical requirements for the Project, this Contract may be terminated. Upon termination of the Contract, Applicant agrees to forfeit that portion of the advance paid to IPUC for its expenses covering any engineering, surveying, right of way acquisition and other associated work incurred by IPUC.

### 3.8 Indemnification

Applicant shall, at its own cost, defend, indemnify, and hold harmless IPUC, its officers, agents, employees, assigns, and successors in interest from and against any and all liability, damages, losses, claims, demands, actions, causes of action, costs including attorney's fees and expenses, or any of them, resulting from the death or injury to any person or damages to any property caused by Applicant or its contractor and employees, officers or agents of either Applicant or its contractor, or any of them, and arising out of the performance or nonperformance of their obligations under this Contract.

3.9 Assignment of Contract

Applicant may assign this Contract, in whole or in part, only if IPUC consents in writing and the party to whom the Contract is assigned agrees in writing, to perform the obligations of Applicant hereunder. Assignment of the Contract shall not release Applicant from any of the obligations under this Contract unless otherwise provided therein.

3.10 Joint and Several Liability

Where two or more individuals or entities are joint Applicants under this Contract, all Applicants shall be jointly and severally liable to comply with all terms and conditions herein.

3.11 Warranty

Applicant warrants that all work and/or equipment furnished or installed by Applicant or its contractor shall be free of defects in workmanship and material. The warranty period shall begin from the date of final acceptance by IPUC and extend for one (1) year. Should the work develop defects during that period, IPUC, at its election, shall either (a) repair or replace the defective work and/or equipment, or (b) demand that Applicant repair or replace the defective work and/or equipment and, in either event, Applicant shall be liable for all costs associated with such repair and/or replacement. Applicant upon demand by IPUC, shall promptly correct, to IPUC's satisfaction and that of any governmental agency having jurisdiction, any breach of any warranty.

3.12 Contract Effective Date

This Contract shall not be effective unless it is (1) executed and delivered by Applicant to IPUC together with payment required hereunder within ninety (90) days of the date in Paragraph 1 of this Contract and (2) accepted by IPUC. This Contract shall then be effective on the date executed by IPUC and shall take effect without further notice to Applicant.

3.13 Commission Jurisdiction

This Contract is subject to the applicable provisions of IPUC's tariffs, including Rule 15 and Rule 16, filed and authorized by the Industry Public Utilities Commission.

This Contract shall, at all times, be subject to such changes or modifications by the Industry Public Utilities Commission, as said Commission may, from time to time, direct in the exercise of its jurisdiction.

3.14 Completion Date

The completion date requested by Applicant is December 31, 2019

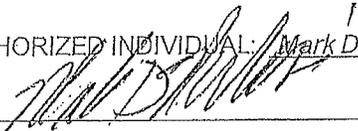
4. SIGNATURE CLAUSE

The signatories hereto represent that they have been appropriately authorized to enter into this Contract on behalf of the party for whom they sign.

APPLICANT(S)

CORPORATION, PARTNERSHIP, OR DBA: Successor Agency to the Industry Urban-Development Agency

NAME OF AUTHORIZED INDIVIDUAL: Mark D. Radecki

SIGNATURE: 

TITLE: Chairman

MAILING ADDRESS: 15625 Stafford Street Suite 100 Industry, CA 91744

TELEPHONE: 626-333-2211

ADDITIONAL SIGNATURES FOR JOINT APPLICANTS

NAME OF AUTHORIZED INDIVIDUAL: \_\_\_\_\_

SIGNATURE: \_\_\_\_\_

TITLE: \_\_\_\_\_

MAILING ADDRESS: \_\_\_\_\_

TELEPHONE: \_\_\_\_\_

NAME OF AUTHORIZED INDIVIDUAL: \_\_\_\_\_

SIGNATURE: \_\_\_\_\_

TITLE: \_\_\_\_\_

MAILING ADDRESS: \_\_\_\_\_

TELEPHONE: \_\_\_\_\_

APPORTIONMENT OF ADVANCE AMONG JOINT APPLICANTS:

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

INDUSTRY PUBLIC UTILITY COMMISSION

NAME OF AUTHORIZED INDIVIDUAL Mark D. Radecki

SIGNATURE:  \_\_\_\_\_

TITLE: President \_\_\_\_\_

DATE EXECUTED: ~~September 29, 2016~~ January 23, 2017

DATE IPUC FIRST READY TO SERVE: TBD \_\_\_\_\_

WORK ORDER NO. \_\_\_\_\_

ASSOCIATED WORK ORDER NOS. N/A

ATTACHMENT 3

**AMENDMENT NO. 1**

**TO THE CONTRACT FOR EXTENSION OF ELECTRIC DISTRIBUTION LINE**

This Amendment No. 1 to the Contract for Extension of Electric Distribution Line Agreement ("Agreement") is made and entered into this 27<sup>th</sup> day of July 2017, by and between the Successor Agency to the Industry Urban-Development Agency ("Applicant") and Industry Public Utility Commission ("IPUC"). The Applicant and IPUC are hereinafter collectively referred to as the "Parties."

**RECITALS**

**WHEREAS**, on January 23, 2017, the Agreement was entered into and executed between the Parties, pursuant to IPUC's Rule 15 and Rule 16, Distribution Line Extensions and Service Extensions, to install an electric Distribution Line Extension to the location or locations cited on the Agreement; and

**WHEREAS**, Section 3.1 of the Agreement under Payments, the first sentence states:

"Applicant shall pay, before the start of construction, the non-refundable amounts as set forth in appendix A to this Contract."; and

**WHEREAS**, the State of California Department of Finance ("DOF") FY 2017-2018 Recognized Obligation Payment Schedule Determination letter, dated April 5, 2017, placed a conditional approval on the project as stated:

"Item No. 206 – Utility installation costs in the amount of \$8,075,000 in Other Funds is conditionally approved....Per the contract, the Agency (Successor Agency to the Industry Urban-Development Agency) is to pay the estimated, non-refundable costs of \$8,075,000 before the start of construction...As such, the requested amount of \$8,075,000 in Other Funds is approved with the understanding the contract will be revised so that only actual installation costs are paid."; and

**WHEREAS**, given DOF's determination, it is necessary to amend the Agreement to provide payment only for actual installation costs.

**AMENDMENT**

**NOW, THEREFORE**, in consideration of the mutual covenants, promises and agreements set forth herein, it is agreed the aforesaid Agreement, a copy of which is attached hereto as Exhibit A, and incorporated herein by reference, shall remain in full force and effect except as otherwise hereinafter provided:

**3.1 Payments**

The first paragraph of Section 3.1, Payments is hereby amended to read in its entirety as follows:

Applicant shall pay, before the start of construction, the amounts as set forth in Appendix A to this Contract, which shall be based on the actual costs of construction. In the event that the costs set forth in Appendix A are less than the actual construction costs, Applicant shall be refunded any over payment. The costs set forth in Appendix A include the costs for substructures and conduits which IPUC had previously installed at its expenses in anticipation of the current Distribution Line Extension. Any necessary riser conduit, conduit covering, and miscellaneous riser material required for the Distribution Line Extension shall be furnished or paid for by Applicant and shall be installed by the IPUC.

IN WITNESS WHEREOF, the Parties have executed this Amendment No. 1 to the Agreement as of the Effective Date.

**“AGENCY”**  
**Successor Agency to the Industry**  
**Urban-Development Agency**

**“IPUC”**  
**Industry Public Utilities Commission**

By: \_\_\_\_\_  
Mark D. Radecki, Chairman

By: \_\_\_\_\_  
Mark D. Radecki, Chairman

**Attest:**

**Attest:**

By: \_\_\_\_\_  
Diane M. Schlichting, Agency Secretary

By: \_\_\_\_\_  
Diane M. Schlichting, Board Secretary

**APPROVED AS TO FORM**

**APPROVED AS TO FORM**

By: \_\_\_\_\_  
James M. Casso, City Attorney

By: \_\_\_\_\_  
Anthony Bouza, IPUC Attorney

*INDUSTRY PUBLIC UTILITIES COMMISSION*

ITEM NO. 5.3



# INDUSTRY PUBLIC UTILITIES COMMISSION

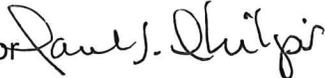
P.O. BOX 3366 • CITY OF INDUSTRY • CALIFORNIA 91744  
(626) 333-2211 • Fax (626) 961-6795 • www.cityofindustry.org

Mark D. Radecki, President  
Abraham N. Cruz, Commissioner  
Roy M. Haber, III, Commissioner  
Cory C. Moss, Commissioner  
Newell W. Ruggles, Commissioner

Paul J. Philips, Public Utilities Director  
James M. Casso, General Counsel  
Diane M. Schlichting, Assistant Secretary

## MEMORANDUM

**TO:** Honorable President Radecki and Commission Board Members

**FROM:** Paul J. Philips, Public Utilities Director 

**STAFF:** Henry Martinez, Senior Vice President, Cordoba Corporation  
Danielle Chupa, Senior Project Manager, Cordoba Corporation

**DATE:** September 21, 2017

**SUBJECT:** Resolution No. IPUC 2017-03 of the City of Industry, California, to Amend the Fiscal Year 2017-2018 Electric Utility Fund Budget to Reflect an Appropriation of \$117,000 from Available Electric Utility Reserves Fund and Increasing the Electric Utility Fund – City Electric - Electric Purchased Power (Account No. 161-300-6414) in the Amount of \$117,000 for Resource Adequacy and Authorize the Public Utilities Director as Designee for Industry Public Utilities Commission Resource Adequacy Purchases

---

### Background:

The Resource Adequacy (RA) program was designed to ensure that there are sufficient energy resources to the California Independent System Operator (CAISO) to provide the safe and reliable operation of the grid. Resource adequacy (RA) is a mandatory planning and procurement process to ensure energy resources are secured by load serving entities (LSEs) (e.g., City of Industry) to meet the California Independent System Operator's forecast of system, local, and flexible (if applicable) capacity needs. RA helps ensure that capacity exists and is under contract so responsible LSEs can serve all of their load and ensure that the CAISO can meet its operational needs and maintain reliability.

Annually, CAISO performs a local capacity technical analysis and determines the capacity obligations for local areas in California to help meet peak loads reliably. Each Load Serving Entity (e.g., City of Industry) is given an allocation by the California Energy Commission (CEC) and the California Independent System Operator (CAISO) in terms of the amount of system, local and flex capacity that needs to be procured based on their identified annual system demand. Then, each October, the program requires LSEs to make an annual system and local compliance showing for the upcoming year. Bilateral contracting makes up the majority of forward capacity procurement.

For 2018, the City of Industry was given a resource adequacy of 86 MW total, divided into local and system peak categories on a monthly basis. The system and local needs are derived from prior year metered demand. Flex is an allocation based on a portfolio of intermittent resources of which the City does not have any, hence the zero allocation. Based on estimated prices for 2018, we anticipate the total cost for the purchase of energy is \$217,000.

The FY 2017-18 Department Budget budgeted \$100,000 for resource adequacy purchases. The City of Industry was not part of CAISO's annual study in 2016, therefore only system RA was required to be purchased in 2017 (the City received its system allocation from the CEC). With the City of Industry now part of the annual CAISO study as of 2017, local RA requirements are also imposed which has increased the types and amounts of products that need to be purchased in 2018.

The resource adequacy allocations must be purchased in rounded quantities of megawatts (MW) (*i.e.*, the IPUC cannot buy fractional MW). Local RA counts toward the total system allocation, therefore the overall system RA purchase is reduced by the local purchase quantity. The IPUC, on behalf of the City, needs to procure the required capacities by category to meet the obligations, which must be met on a monthly basis.

**Table 1** below summarizes each of Industry's allocations by MW:

Resource Adequacy	ALLOCATION, MW-Month		
	Flex	Peak	Local
Jan	0.0	6.1	3.2
Feb	0.0	7.0	3.2
Mar	0.0	7.0	3.2
Apr	0.0	7.1	3.2
May	0.0	6.7	3.2
Jun	0.0	8.5	3.2
Jul	0.0	7.7	3.2
Aug	0.0	7.9	3.2
Sep	0.0	8.4	3.2
Oct	0.0	7.4	3.2
Nov	0.0	7.2	3.2
Dec	0.0	6.2	3.2
Annual	0.0	87.1	38.8

**Table 2** below summarizes the MW per month purchase recommendation:

Resource Adequacy	MW-Month Purchase Recommendation		
	Local - SCE		Total
	TAC	System	
Jan	3.0	3.0	6.0
Feb	3.0	4.0	7.0
Mar	3.0	4.0	7.0
Apr	3.0	4.0	7.0
May	3.0	4.0	7.0
Jun	3.0	5.0	8.0
Jul	3.0	5.0	8.0
Aug	3.0	5.0	8.0
Sep	3.0	5.0	8.0
Oct	3.0	4.0	7.0
Nov	3.0	4.0	7.0
Dec	3.0	3.0	6.0
Annual	36.0	50.0	86.0
Price Estimate:	\$ 3.25	\$ 2.00	\$/kW-month
Cost:	\$ 117,000	\$100,000	\$ 217,000

Fiscal Impact:

The recommended actions will authorize the amount of \$117,000 from the Electric Utility Fund Budget to Reflect an Appropriation of \$117,000 from Available Electric Utility Reserves Fund and Increasing the Electric Utility Fund – City Electric - Electric Purchased Power (Account No. 161-300-6414) in the amount of \$117,000 to procure the required capacities through the end of 2018.

Recommendations:

Staff recommends the IPUC adopt:

- 1.) Resolution No. IPUC 2017-03 of the City of Industry, California, to Amend the Fiscal Year 2017-2018 Electric Utility Fund Budget to Reflect an Appropriation of \$117,000 from Available Electric Utility Reserves Fund and Increasing the Electric Utility Fund – City Electric - Electric Purchased Power (Account No. 161-300-6414) in the Amount of \$117,000 for Resource Adequacy purchases; and
- 2.) Authorize the Public Utilities Director as Designee for Industry Public Utilities Commission Resource Adequacy Purchases.

Exhibits:

A. Resolution No. IPUC 2017-03

---

**EXHIBIT A**

Resolution No. IPUC 2017-03

[Attached]

**RESOLUTION NO. IPUC 2017-03**

**A RESOLUTION OF THE INDUSTRY PUBLIC UTILITIES COMMISSION OF THE CITY OF INDUSTRY, CALIFORNIA, TO AMEND THE FISCAL YEAR 2017-2018 ADOPTED BUDGET TO REFLECT AN APPROPRIATION OF \$117,000 FROM AVAILABLE ELECTRIC UTILITY RESERVES AND INCREASING THE ELECTRIC UTILITY FUND – CITY ELECTRIC – ELECTRIC PURCHASED POWER (ACCOUNT NO. 161-300-6414) IN THE AMOUNT OF \$117,000 FOR RESOURCE ADEQUACY PURCHASES**

**WHEREAS**, the City of Industry's Operating Budget and all its entities, including the Industry Public Utilities Commission (IPUC) was adopted on June 8, 2017; and

**WHEREAS**, California Independent System Operator (CAISO) dictates requirements providing deliverability criteria that each Load Serving Entity (LSE) must meet and the California Energy Commission (CEC) resource adequacy regulatory framework guides resource procurement and promotes infrastructure investment by requiring LSEs to procure capacity so that capacity is available to the CAISO when and where needed; and

**WHEREAS**, enforcement penalties may be imposed on the City if California Resource Adequacy obligations are not met; and

**WHEREAS**, the City of Industry must purchase the appropriate types and amounts of resources based on an annual capacity technical analysis by CAISO and the CEC to help meet peak loads reliably; and

**WHEREAS**, the IPUC approved the Public Utilities Director, Paul J. Philips, as the designee for purchasing Resource Adequacy on behalf of the City;

**WHEREAS**, it is now necessary to amend the IPUC Adopted Budget with Resolution No. IPUC 2017-03 to increase the Electric Utility Fund Budget for Fiscal Year 2017-18.

**NOW, THEREFORE, THE INDUSTRY PUBLIC UTILITIES COMMISSION OF THE CITY OF INDUSTRY DOES HEREBY RESOLVE AS FOLLOWS:**

**SECTION 1.** The above recitals are true and correct and are incorporated herein by reference.

**SECTION 2.** By approving Resolution No. IPUC 2017-03, the Industry Public Utilities Commission Board hereby approves the following budget amendments to the FY 2017-18 Adopted Budget for the IPUC as follows:

1. Appropriate \$117,000 from Available Electric Utility Reserves Fund) and Increasing the Electric Utility Fund – City Electric – Electric Purchased Power

(Account no. 161-300-6414) in the amount of \$117,000 for Resource Adequacy Purchases.

**SECTION 3.** The Public Utilities Director is hereby authorized to take such further actions as may be necessary to carry out the obligations set forth in this Resolution.

**SECTION 4.** The provisions of this Resolution are severable and if any provision, clause, sentence, word or part thereof is held illegal, invalid, unconstitutional, or inapplicable to any person or circumstances, such illegality, invalidity, unconstitutionality, or inapplicability shall not affect or impair any of the remaining provisions, clauses, sentences, sections, words or parts thereof of the Resolution or their applicability to other persons or circumstances.

**SECTION 5. Certification.** The Assistant Secretary shall certify to the passage and adoption of this resolution and enter it into the book of original resolutions.

**SECTION 6. Effective Date.** This Resolution shall take effect immediately upon adoption.

**PASSED, APPROVED and ADOPTED** by the Industry Public Utilities Commission of the City of Industry at a regular meeting held on September 21, 2017 by the following vote:

AYES:	COMMISSION BOARD MEMBERS:
NOES:	COMMISSION BOARD MEMBERS:
ABSTAIN:	COMMISSION BOARD MEMBERS:
ABSENT:	COMMISSION BOARD MEMBERS:

\_\_\_\_\_  
Mark D. Radecki, President

**ATTEST:**

\_\_\_\_\_  
Diane Schlichting, Assistant Secretary

*INDUSTRY PUBLIC UTILITIES COMMISSION*

ITEM NO. 5.4



# INDUSTRY PUBLIC UTILITIES COMMISSION

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Mark D. Radecki, President  
Abraham N. Cruz, Commissioner  
Roy M. Haber, III, Commissioner  
Cory C. Moss, Commissioner  
Newell W. Ruggles, Commissioner

Paul J. Philips, Public Utilities Director  
James M. Casso, General Counsel  
Diane M. Schlichting, Assistant Secretary

## MEMORANDUM

**TO:** Honorable President Radecki and Commission Board Members

**FROM:** Paul J. Philips, Public Utilities Director 

**STAFF:** Henry Martinez, Senior Vice President, Cordoba Corporation  
Lary Atherton, Sr. Project Manager, Cordoba Corporation

**DATE:** September 21, 2017

**SUBJECT:** Consider of the Request to Publish and Receive Proposals for Contract No. 2017-1035, Energy Scheduling, Trading, Settlements, and Risk Management Services for the Industry Public Utilities Commission

---

### Background:

Industry Public Utilities Commission (IPUC) staff has prepared a Request for Proposals ("RFP") for Energy Scheduling, Trading, Settlements, and Risk Management Services. This is for services related to the electrical energy portfolio management, scheduling, and settlements. The IPUC requires the services of a CAISO certified scheduling coordinator to act as the duly authorized agent of the IPUC. The scheduling coordinator shall prepare, submit, and verify energy load, resource schedules and trades in accordance with the applicable CAISO Tariff, operating requirements and criteria, scheduling procedures and other applicable standards.

IPUC staff is recommending that the IPUC approve IPUC and City Staff to publish the RFP document on the City's PlanetBids web portal and to receive proposals for IPUC Energy Scheduling, Trading, Settlements and Risk Management Services.

### RFQ Scope:

#### **Scheduling Coordination (SC)**

Acting as the duly authorized agent of the IPUC, the SC shall prepare, submit and verify energy load, resource schedules and counterparty trades in accordance with the applicable CAISO Tariff, operating requirements and criteria, scheduling procedures, and other applicable standards.

IPUC's general strategy is to submit day-ahead load and resource schedules to the CAISO that are in balance each hour. IPUC generally has two power contracts that are

scheduled using DA APN trades, and coordination is required with each of the counterparties.

### **Energy and Capacity Procurement**

These services would support strategic hedging plans in the form of forward power, RA capacity, and day-ahead firming energy transactions. The transaction environment must comply with best practices in risk management and risk control. All transactions would conform to IPUC risk policies and credit management practices.

### **Settlements: CAISO and Bilateral**

These services would provide trade date plus 2 estimates for most CAISO charge types, daily and monthly settlement statement processing, identification of variance between estimates and statements, dispute resolution management support, and accounting reports. These services would provide counterparty checkout, verification, and dispute resolution.

### **CAISO Filings**

Prepare all required initial and ongoing CAISO submissions, including SC designation letter, RA data templates, and related materials.

### **Operational Reports**

These services would provide pre-defined and ad hoc reports to identify all aspects of energy transactions. Typical reports would include, position report, transaction summaries, relevant locational marginal prices, index and basis forward prices.

### **Schedule**

The existing Scheduling contract expires on December 31, 2017. The new Scheduling contract would begin on January 1, 2018, and continue through December 31, 2019.

### **Fiscal Impact:**

The estimate based on the current services for this service is \$125,000 over a two year term.

### **Recommendation:**

IPUC staff is recommending that the IPUC approve to publish and receive proposals for the IPUC Energy Scheduling, Trading, Settlements, and Risk Management Services on the City of Industry's Planetbids web portal.

### **Exhibits:**

- A. Request for Proposal ("RFP") for Contract No. 2017-1035, Energy Scheduling, Trading, Settlements, and Risk Management Services for the Industry Public Utilities Commission.

**EXHIBIT A**

Request for Proposals ("RFP") for Contract No. 2017-1035, Energy Scheduling,  
Trading, Settlements, and Risk Management Services for the Industry Public Utilities  
Commission

[Attached]



**Request for Proposals**  
**For**  
**Energy Scheduling, Trading, Settlements, and**  
**Risk Management Services**

**Contract No. 2017-1035**

Issued By

**Industry Public Utilities Commission**

**September 21, 2017**

15625 Stafford St, Suite 100  
City of Industry, CA 91744-3900  
Telephone: 626-333-2211

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# PUBLICATION NOTIFICATION

## CITY OF INDUSTRY

REQUEST FOR PROPOSALS (“RFP”) FOR ENERGY SCHEDULING, TRADING, SETTLEMENTS,  
AND RISK MANAGEMENT SERVICES FOR THE INDUSTRY PUBLIC UTILITIES COMMISSION

Contract No. 2017-1035

The **INDUSTRY PUBLIC UTILITIES COMMISSION**, hereinafter referred to as the **IPUC**, will receive proposals for “Request for Proposals for Energy Scheduling, Trading, Settlements, and Risk Management Services” for Contract No. 2017-1035 until **5:00 P.M.** on **October 23, 2017**, via City of Industry PlanetBids Vendor Portal. No paper, mailed or emailed proposals will be accepted. All proposals must be submitted through the City of Industry’s PlanetBids Vendor Portal <http://www.cityofindustry.org/?p=proposal-and-bid>.

It is the responsibility of the proposers to make sure the proposal is submitted through the City of Industry PlanetBids Vendor Portal prior to the date and time indicated. Otherwise, the proposal will be rejected and not considered.

A contractor or subcontractor shall not be qualified to bid on, be listed in a bid proposal, subject to the requirements of Section 4104 of the Public Contract Code, or engage in the performance of any contract for public work, as defined in this chapter, unless currently registered and qualified to perform public work pursuant to Section 1725.5. Please note: It is not a violation of this section for an unregistered contractor to submit a bid that is authorized by Section 7029.1 of the Business and Professions Code or by Section 20103.5 of the Public Contract Code, provided the contractor is registered to perform public work pursuant to Section 1725.5 at the time the contract is awarded. Any bids submitted without proof that bidder and any listed subcontractor(s) are currently registered and qualified to perform public work, pursuant to Labor Code Section 1725.5, may not be accepted by the City. This is a prevailing wage project.

## NOTICE TO PROPOSERS

In addition to invitations issued to prospective proposers, a public notice will be published in the local newspaper and posted on the City's PlanetBids Vendor Portal to solicit additional proposals from any other interested contractors.

There may be one or more amendments to this solicitation. All amendments will be released through the City's PlanetBids Vendor Portal. Amendments will not be emailed directly to proposers.

*RFP Reference*                      *Request for Meter Reading, Installation and O&M Services of the IPUC Distribution Network*

**Company Name** \_\_\_\_\_

**Mailing Address** \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_ (City) (State) (Zip)

**Telephone Number** \_\_\_\_\_

**Fax Number** \_\_\_\_\_

**Contact Person** \_\_\_\_\_

**E-mail Address** \_\_\_\_\_

**Amendments will be issued via the City's PlanetBids Vendor Portal only.** Any alteration to the documents by the proposer, other than the described Modified Pricing for a Modified work scope may be grounds for rejection of such proposal or cancellation of any subsequent award.

**1. BACKGROUND**

The IPUC owns and operates a 12kV Distribution Network that serves the City of Industry’s residential and business customers. The network is backed-up by SCE’s distribution and sub-transmission grids via multiple Wholesale Distribution Access Tariff points as well as an IPUC owned 66kV/12kV Substation. There is one load point in SCE territory with 2 bi-laterals. There is a potential for future renewable energy resources.

**2. RFP SCHEDULE**

The IPUC intends to select, award, and contract as soon as possible and requires the selected Contractor to begin execution of the Energy Scheduling & Trading services immediately. The *tentative* schedule dates are as follows:

<u>Schedule Item</u>	<u>Date</u>
RFP Announcement and Issuance	September 21, 2017
PlanetBids Question	October 5, 2017 by 1:00 P.M.
PlanetBids Answers	October 11, 2017
RFP Due Date	October 23, 2017
RFP Review	October 24-31, 2017
Board Approval	November 16, 2017
Contract Award	November 16, 2017
Notice to Proceed	November 17, 2017

**3. REQUEST FOR PROPOSAL GUIDELINES**

All contacts pertaining to this Request for Proposals must be submitted via the City of Industry’s PlanetBids™ vendor portal, Questions & Answer (“Q&A”) tab to:

Kristen Weger, Management Analyst III  
City of Industry  
P.O. Box 3366  
City of Industry, CA 91744-0366  
(626) 333-2211

Questions will only be answered via the PlanetBids portal.

The City assumes no responsibility for any costs incurred by an individual/Consultant in the preparation and/or presentation of a proposal in response to this Request. To be considered, respondents must submit a complete response in accordance with the requirements contained in the section: Contents of Proposal. Proposal Format

Guidelines of this Request. Proposals must be signed by the individual or an officer of the Consultant authorized to bind the Consultant to its provisions.

All proposals and supporting materials become the property of the City of Industry upon its receipt by the City. The City reserves the right to reject any and all proposals received, or to request additional information from any or all of the respondents for the purpose of ascertaining the most qualified individual(s)/Consultant(s) for the services requested. The City reserves the right to amend or modify the project Scope of Services prior to the award of contract, as necessity may dictate. The City reserves the right to cancel in part or in its entirety this RFP if it is in the best interest of the City.

If any provision in this RFP is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions will nevertheless continue in full force without being impaired or invalidated in any way.

#### 4. **RESPONSE DATE**

To be considered, proposals must be received by the City of Industry no later than 5:00 p.m., on October 23, 2017 via the City of Industry's PlanetBids™ vendor portal. Proposals are to be submitted through <http://www.cityofindustry.org/?p=proposal-and-bid>.

Proposals cover page must clearly state: **Energy Scheduling, Trading, Settlements, and Risk Management Services, and the Contract Number.**

Postmarks, mailed, emailed or hard copy proposals will not be accepted. Late proposals will not be accepted.

There may be one or more addendums to this solicitation. All addendums will be released through the City's PlanetBids Vendor Portal. **Addendums will be issued via the City's PlanetBids Vendor Portal only.** Any alteration to the documents by the proposer may be grounds for rejection of such proposal or cancellation of any subsequent award.

#### 5. **SCOPE OF WORK**

IPUC is seeking proposals for a full range services related to energy (Electrical Power) portfolio management, scheduling, and settlement as outlined below. IPUC is seeking proposals for the following services:

- a. Scheduling Coordination (SC)
- b. Energy and Capacity Procurement
- c. Settlements: CAISO and Bilateral
- d. CAISO Filings
- e. Operational Reports

A further description of each of the services is included below:

### **Scheduling Coordination (SC)**

Acting as the duly authorized agent of the IPUC, the SC shall prepare, submit and verify energy load, resource schedules and counterparty trades in accordance with the applicable CAISO Tariff, operating requirements and criteria, scheduling procedures, and other applicable standards.

IPUC's general strategy is to submit day-ahead load and resource schedules to the CAISO that are in balance each hour. IPUC generally has two power contracts and are scheduled using DA APN trades, and coordination is required with each of the counterparties.

### **Energy and Capacity Procurement**

These services would support strategic hedging plans in the form of forward power, RA capacity, and day-ahead firming energy transactions. The transaction environment must comply with best practices in risk management and risk control. All transactions would conform to IPUC risk policies and credit management practices.

### **Settlements: CAISO and Bilateral**

These services would provide trade date plus 2 estimates for most CAISO charge types, daily and monthly settlement statement processing, identification of variance between estimates and statements, dispute resolution management support, and accounting reports. These services would provide counterparty checkout, verification, and dispute resolution.

### **CAISO Filings**

Prepare all required initial and ongoing CAISO submissions, including SC designation letter, RA data templates, and related materials.

### **Operational Reports**

These services would provide pre-defined and ad hoc reports to identify all aspects of energy transactions. Typical reports would include, position report, transaction summaries, relevant locational marginal prices, index and basis forward prices.

## **6. FEE**

Proposers must identify all pricing elements that are included. Pricing should be made based on good faith estimates of the requirements defined in this request for proposals. Detail specific examples or estimates of the fees. Describe how the fees will be determined. Supply a detailed breakdown of the applicable labor rates and other direct

costs associated with the services to be performed. To the extent pricing is dependent on the MW level of load served, please indicate this information in your pricing. Hourly rates submitted will remain fixed for the duration of the contract, which is projected to be two (2) years.

IPUC anticipates entering into a two-year contract with a 90-day notice requirement to renew. The proposal should include a pro forma contract with standard terms and conditions.

**7. EVALUATION PROCEDURES AND CRITERIA**

The IPUC will conduct a comprehensive, fair, and impartial evaluation of proposals received in response to this RFP. All proposals received will be reviewed and evaluated by a committee of qualified personnel.

The proposal evaluation criteria for selecting the Consultant will include the following criteria:

<b>Criteria Categories</b>	<b>Points Possible</b>	<b>Points Awarded</b>
<b>Qualifications of Key Personnel:</b> Include ability to provide the requested scope of services, recent experience conducting work of similar scope, complexity, and magnitude for other public agencies of similar size, references.	25	
<b>Approach to Providing the Requested Scope of Services:</b> Includes an understanding of the RFP and of the project’s scope of services, knowledge of applicable laws and regulations related to the scope of services.	10	
<b>Price Proposal</b>	25	
<b>Innovation/Creative Approach:</b> Innovative and/or creative approaches to providing the services that provide additional efficiencies, expedited timing or increased performance capabilities.	25	
<b>References</b>	15	
<b>Total</b>	100	

Consultant interviews may be held if requested by the Review Committee

**8. AGREEMENT**

If a proposal is accepted, the consultant is required to enter into a contractual agreement with the City.

A sample of the standard City contract to be used for this project is attached as Attachment 1. The City reserves the right to amend this contract based on the information provided by the consultant in its response to the RFP.

**9. CONTENTS OF PROPOSAL**

Proposals must include but need not be limited to the following information:

1. Cover letter, company background, relevant experience, approach, and client references
2. Describe in detail the qualifications, experience, and expertise of your firm in performing the activities indicated in the scope of work.
3. Anticipated fees for the services provided.
4. Proposed pro forma contract with standard terms and conditions.
5. Description of Company's CAISO market readiness plans and commitment to serving CAISO market environment.
6. Identified expectations from customer including requirements definition, strategy refinement, and staffing requirements to support implementation methodology.

**10. ADDITIONAL TERMS AND CONDITIONS**

1. IPUC, at its sole discretion, shall evaluate responsive proposals and may select proposals, if any, which provide the most value to IPUC and its customers.
2. IPUC shall determine, at its sole discretion, the value of any and/or all proposals.
3. IPUC shall evaluate any proposals in terms of price and non-price attributes.
4. IPUC shall perform an initial screening evaluation to identify and eliminate any proposals that are not responsive to the RFP, do not meet the minimum requirements set forth in the RFP, are clearly not economically competitive with other proposals, or are submitted by respondents that lack appropriate creditworthiness, sufficient financial resources, or qualifications to provide dependable and reliable services.
5. IPUC reserves the right to reject any, all, or portions of the proposals received for failure to meet any criteria set forth in this RFP. IPUC also may decline to enter into a professional services agreement with any respondent, terminate negotiations with any respondent, or abandon the RFP process in its entirety.
6. Those respondents who submit proposals agree to do so without legal recourse

against IPUC, its members, and their directors, officers, employees and agents for rejection of their proposal(s) or for failure to execute a professional services agreement for any reason. IPUC shall not be liable to any respondent or party in law or equity for any reason whatsoever for any acts or omissions arising out of or in connection with this RFP.

## EXHIBIT A

### INDUSTRY PUBLIC UTILITIES COMMISSION PROFESSIONAL SERVICES AGREEMENT

This PROFESSIONAL SERVICES AGREEMENT ("**Agreement**"), is made and effective as of the Effective Date (as defined below), between the INDUSTRY PUBLIC UTILITIES COMMISSION, a public body ("**IPUC**"), and Consultant (as defined below). The IPUC and Consultant are hereinafter collectively referred to as the "**Parties**".

#### RECITALS

**WHEREAS**, IPUC desires to engage Consultant to perform the Services (as defined below), and Consultant desires to perform the Services, in accordance with the terms and conditions of this Agreement.

**NOW, THEREFORE**, for and in consideration of the mutual covenants and conditions herein contained, IPUC and Consultant agree as follows:

1. **Defined Terms.** Unless otherwise indicated in this Agreement, the following terms shall have the meanings ascribed to them below:

1.1 "**Effective Date**" means \_\_\_\_\_.

1.2 "**Consultant**" means \_\_\_\_\_, a California corporation.

1.3 "**Services**" means the tasks described on **Exhibit A** attached hereto.

1.4 "**Rate Schedule**" means the payment rates and terms and the schedule of payment for the Services that is set forth on **Exhibit B** attached hereto, which, in the aggregate, shall not exceed the Cap (as defined below).

1.5 "**Cap**" means the sum of \_\_\_\_\_ Dollars.

1.6 "**Term**" means the duration of this Agreement, which shall commence upon the Effective Date and terminate upon the earliest of (a) the completion of the Services, (b) \_\_\_\_\_ ("**Deadline**"), or (c) the termination of this Agreement by either Party pursuant to their rights under this Agreement.

#### 2. **Services.**

2.1 Consultant shall perform the Services unless otherwise directed in writing by the IPUC. Except as necessary in an emergency, Consultant shall not perform work or services other than the Services without obtaining prior written approval from the IPUC.

2.2 IPUC shall have the right, from time to time, to make written requests for

changes to the Services. No changes to this Agreement shall be effective without a written amendment, executed by the Parties. Any such amendment shall, to the extent applicable, also indicate any change in the Rate Schedule, Cap, and/or any other provisions of this Agreement.

2.3 Consultant shall perform all Services in a manner reasonably satisfactory to the IPUC and in a first-class manner in conformance with the standards of quality normally observed by an entity providing services for a public agency that provides utility services.

2.4 Consultant, at its sole expense, shall comply with all applicable federal, state, and local laws, regulations and ordinances in the performance of its obligations under this Agreement, including, but not limited to, the conflict of interest provisions of Government Code Section 1090 and the Political Reform Act (Government Code Section 81000 *et seq.*). During the term of this Agreement, Consultant shall not perform any work for any other person or entity for whom Consultant was not working on the Effective Date if both (i) such work would require Consultant to abstain from a decision under this Agreement pursuant to a conflict of interest statute or law; and (ii) IPUC has not consented in writing to Consultant's performance of such work. No officer or employee of the IPUC shall have any financial interest in this Agreement that would violate California Government Code Sections 1090 *et seq.* Consultant hereby represents and warrants that it is not now, nor has it been in the twelve (12) months preceding the Effective Date, an employee, agent, appointee, or official of the IPUC. If Consultant was an employee, agent, appointee, or official of the IPUC in the twelve (12) months preceding the Effective Date, Consultant represents and warrants that it did not participate in any manner in the forming of this Agreement. Consultant understands that, if this Agreement is made in violation of Government Code §1090 *et seq.*, the entire Agreement is void and Consultant will not be entitled to any compensation for Services performed pursuant to this Agreement, and Consultant will be required to reimburse the IPUC for any sums paid to the Consultant. Consultant understands that, in addition to the foregoing, it may be subject to criminal prosecution for a violation of Government Code § 1090 and, if applicable, it and/or its principals will be disqualified from holding public office in the State of California.

2.5 Consultant represents and warrants that it has, or will secure at its own expense, all licensed personnel required to perform the Services. All Services shall be performed by Consultant or under its supervision, and all personnel engaged in the Services shall be qualified and licensed to perform the work for which they are engaged.

**3. Management.** IPUC's Public Utilities Director shall represent the IPUC in all matters pertaining to the administration of this Agreement, review and approval of all the Services, but shall have no authority to modify the Services, the Rate Schedule, the Cap, or the compensation due to Consultant.

#### **4. Payment.**

4.1 The IPUC agrees to pay Consultant in accordance with the Rate Schedule. Unless an amendment is executed increasing the Cap, the aggregate payments to Consultant pursuant to this Agreement shall not exceed the Cap.

4.2 Consultant shall not be compensated for any services rendered in connection with its performance of this Agreement which exceed the Services except to the extent such additional services are authorized in advance and in writing by the IPUC.

4.3 Consultant shall submit invoices monthly for actual Services performed. Invoices shall be submitted on or about the first business day of each month, or as soon thereafter as practical, for Services provided in the previous month. Payment shall be made within thirty (30) days of receipt of each invoice as to all non-disputed fees. If the IPUC disputes any of Consultant's fees it shall give written notice to Consultant within thirty (30) days of receipt of an invoice of any disputed fees set forth on the invoice. Any final payment under this Agreement shall be made within 45 days of receipt of an invoice therefor. If Consultant, or any entity engaged by Consultant in connection with providing the Services, has lien rights against any property owned by IPUC, then, as a condition to payment of any invoice, Consultant shall provide (a) unconditional lien releases for prior payments, and (b) conditional lien releases for the pending payment, in compliance with applicable law.

#### **5. Suspension or Termination of Agreement.**

5.1 The IPUC may at any time, for any reason, with or without cause, suspend or terminate this Agreement, or any portion hereof, by serving upon the Consultant at least ten (10) days' prior written notice. Upon receipt of said notice, the Consultant shall immediately cease all work under this Agreement, unless the notice provides otherwise. If the IPUC suspends or terminates a portion of this Agreement, such suspension or termination shall not make void or invalidate the remainder of this Agreement unless the notice provides otherwise.

5.2 In the event this Agreement is terminated pursuant to this Section, the IPUC shall pay to Consultant for the Services provided through the date of termination in accordance with the Rate Schedule and subject to the Cap, provided that the Services are performed in accordance with the terms of this Agreement. Upon termination of this Agreement pursuant to this Section, Consultant shall submit a final invoice to the IPUC pursuant to Section 5 of this Agreement.

#### **6. Ownership of Documents.**

6.1 Consultant shall maintain complete and accurate records with respect to sales, costs, expenses, receipts, and other such information required by IPUC that relate to the performance of the Services under this Agreement. Consultant shall maintain adequate records of Services provided in sufficient detail to permit an evaluation of the Services. All such records shall be maintained in accordance with generally accepted accounting principles and shall be clearly identified and readily accessible. Consultant shall provide free access to the representatives of IPUC or its designees at reasonable times to review such books and

records; shall give IPUC the right to examine and audit said books and records; shall permit IPUC to make transcripts or copies therefrom as necessary; and shall allow inspection of all work, data, documents, proceedings, and activities related to this Agreement. Such records, together with supporting documents, shall be maintained for a period of three (3) years after the termination of this Agreement.

6.2 Upon completion of, or in the event of termination or suspension of this Agreement, all original documents, designs, drawings, maps, models, computer files, surveys, notes, and other documents prepared in the course of providing the Services to be performed pursuant to this Agreement shall become the sole property of the IPUC and may be used, reused, or otherwise disposed of by the IPUC without the permission of, or other payment to, the Consultant. With respect to computer files, Consultant shall make available to the IPUC, at the Consultant's office, and upon reasonable written request by the IPUC, the necessary computer software and hardware for purposes of accessing, compiling, transferring, copying and/or printing computer files. Consultant hereby grants to IPUC all right, title, and interest, including any copyright, in and to the documents, designs, drawings, maps, models, computer files, surveys, notes, and other documents prepared by Consultant in the course of providing the Services under this Agreement. All reports, documents, or other written material developed by Consultant in the performance of the Services pursuant to this Agreement, shall be and remain the property of the IPUC.

## 7. Indemnification.

7.1 Indemnity for Professional Liability. If the law establishes a professional standard of care for Consultant's Services, to the fullest extent permitted by law, Consultant shall indemnify, protect, defend and hold harmless the IPUC, its elected or appointed officers, agents, officials, employees, volunteers, attorneys', and agents, and/or the City of Industry ("**Indemnified Parties**") from and against any and all losses, liabilities, damages, costs and expenses, including, without limitation, legal counsel's fees and costs caused in whole or in part by an act, error, or omission of Consultant, its officers, agents, employees, subcontractors, vendors, or subconsultants (or any agency or individual for which Consultant shall bear legal responsibility) in the performance of Services under this Agreement.

7.2 Indemnity for other than Professional Liability. If the law does not establish a professional standard of care for Consultant's Services, then Consultant shall indemnify, defend and hold harmless the Indemnified Parties from and against any losses, liabilities, damages, costs and expenses (including, without limitation, liability for claims, suits, actions, arbitration proceedings, administrative proceedings, regulatory proceedings, losses, expenses or costs of any kind, whether actual, alleged or threatened, including, without limitation, legal counsel fees and costs, court costs, interest, defense costs, and expert witness fees), where the same arise out of, are a consequence of, or are in any way attributable to, in whole or in part, a breach of this Agreement and/or the performance of the Services by Consultant or by any individual or agency for which Consultant is legally liable, including, but not limited, to its officers, agents, employees, subcontractors, vendors, or subconsultants.

7.3 Duty to Defend. In the event any Indemnified Parties are made a party to any action, claim, arbitration, lawsuit, or other adversarial proceeding arising from or relating to the Services, then, upon demand by IPUC, Consultant shall have an immediate duty to defend the Indemnified Parties at Consultant's cost or, at IPUC's option, to reimburse the Indemnified Parties and/or IPUC for its costs of defense, including, without limitation, reasonable attorney's fees and costs, incurred in the defense of such matters.

Payment by an Indemnified Party and/or IPUC is not a condition precedent to enforcement of this indemnity and/or duty to defend. In the event of any dispute between Consultant and IPUC as to whether liability arises from the sole negligence of the IPUC, Consultant will nevertheless be obligated to pay for defense costs until such time as a final judgment has been entered adjudicating the IPUC as solely negligent. In the absence of such a determination, Consultant will not be entitled to any reimbursement of defense costs, including, but not limited to attorney's fees, expert fees and costs of litigation.

8. Insurance. During the Term, Consultant, at its sole expense, shall maintain the insurance coverage specified on Exhibit C attached hereto.

9. Independent Consultant.

9.1 Consultant is and shall at all times remain, as to the IPUC, a wholly independent consultant and/or independent contractor. The personnel performing the Services under this Agreement on behalf of Consultant shall at all times be under Consultants exclusive direction and control. Neither IPUC nor any of its officers, employees, or agents shall have control over the conduct of Consultant or any of Consultant's officers, employees, or agents, except as set forth in this Agreement. Consultant shall not at any time or in any manner represent that it or any of its officers, employees, or agents are in any manner officers, employees, or agents of the IPUC. Consultant shall not incur or have the power to incur any debt, obligation, or liability whatever against the IPUC, or bind the IPUC in any manner.

9.2 No employee benefits shall be available to Consultant in connection with the performance of this Agreement. IPUC shall only pay Consultant pursuant to the Rate Schedule and shall not, under any circumstances, pay any salaries, wages, or other compensation to Consultant or any of its officers, employees, vendors, agents, and/or subcontractors. IPUC shall not be liable for compensation or indemnification to Consultant for death, injury, or sickness of its officers, employees, vendors, agents, and/or subcontractors arising out of performing the Services.

10. Legal Responsibilities. Consultant shall keep itself informed of State and Federal laws and regulations which in any manner affect those employed by it or in any way affect the performance of the Services. The Consultant shall at all times observe and comply with all such laws and regulations. The IPUC, and its officers and employees, shall not be liable at law or in equity occasioned by failure of the Consultant to comply with this Section.

11. Undue Influence. Consultant represents and warrants that no undue influence or pressure was used against or in concert with any officer or employee of the IPUC or the City of Industry in connection with the award, terms or implementation of this Agreement, including

any method of coercion, confidential financial arrangement, or financial inducement. No officer or employee of the IPUC or the City of Industry has or will receive compensation, directly or indirectly, from Consultant, or from any officer, employee or agent of Consultant, in connection with the award of this Agreement or any work to be conducted as a result of this Agreement. Violation of this Section shall be a material breach of this Agreement entitling the IPUC to any and all remedies at law or in equity.

**12. No Benefit to Arise to Local Officers and Employees.** No member, officer, or employee of IPUC, or their designees or agents, and no public official who exercises authority over or responsibilities with respect to the Services and/or this Agreement during his/her tenure or for one year thereafter, shall have any interest, direct or indirect, in any agreement or sub-agreement, or the proceeds thereof, for the Services performed under this Agreement.

**13. Release of Information/Conflicts of Interest.**

13.1 All information obtained in any manner by Consultant in connection with providing the Services and/or in connection with this Agreement shall be considered confidential and shall not be released by Consultant without IPUC's prior written authorization. Consultant, its officers, employees, agents, or subconsultants, shall not, without prior written authorization from the IPUC, voluntarily provide declarations, letters of support, testimony at depositions, response to interrogatories, or other information concerning the Services and/or this Agreement or relating to any project or property located within the jurisdiction of the IPUC, unless otherwise required by law or court order.

13.2 Except to the extent expressly prohibited by law, Consultant shall promptly notify IPUC if Consultant, its officers, employees, agents, vendors, or subconsultants are served with any summons, complaint, subpoena, notice of deposition, request for documents, interrogatories, request for admissions, or other discovery request ("**Discovery**"), court order, or subpoena from any person or party regarding this Agreement, the Services, and/or any project or property located within the jurisdiction of the IPUC. IPUC retains the right, but has no obligation, to represent Consultant and/or be present at any deposition, hearing, or similar proceeding as allowed by law. Unless IPUC is a party to the lawsuit, arbitration, or administrative proceeding and is adverse to Consultant in such proceeding, Consultant agrees to cooperate fully with the IPUC and to provide the opportunity to review any response to Discovery requests provided by Consultant. However, IPUC's right to review any such response does not imply or mean the right by IPUC to control, direct, or rewrite said response.

**14. Notices.** Any notices which either party may desire to give to the other party under this Agreement must be in writing and may be given either by (i) personal service, (ii) delivery by a reputable document delivery service, such as but not limited to, Federal Express, which provides a receipt showing date and time of delivery, or (iii) mailing in the United States Mail, certified mail, postage prepaid, return receipt requested, addressed to the address of the party as set forth below or at any other address as that party may later designate by notice:

To IPUC:

City of Industry  
15625 E. Stafford, Suite 100  
City of Industry, CA 91744

Attention: Public Utilities Director

With a Copy To:

Anthony S. Bouza, Esq., General Counsel  
Bouza Law Firm  
3250 Ocean Park Boulevard, Suite 355  
Santa Monica, CA 90405

To Consultant:

Notices shall be effective upon delivery at the applicable address.

**15. Assignment.** Consultant shall not assign the benefits or obligations of this Agreement, nor any part thereof, nor any monies due hereunder, without prior written consent of the IPUC, which it may withhold in its sole discretion.

Before retaining or contracting with any subconsultant for any services under this Agreement, Consultant shall provide IPUC with the identity of the proposed subconsultant, a copy of the proposed written contract between Consultant and such subconsultant, which shall include an indemnity provision similar to the ones provided herein in favor of the Indemnified Parties, or an incorporation of the indemnity provision provided herein, and proof that such proposed subconsultant carries insurance at least equal to that required by this Agreement (or is covered by Consultant's insurance), or obtain a written waiver from the IPUC for such insurance.

Notwithstanding Consultant's use of any subconsultant, Consultant shall be responsible to the IPUC for the performance of its subconsultant as it would be if Consultant had performed the Services itself. Nothing in this Agreement shall be deemed or construed to create a contractual relationship between the IPUC and any subconsultant employed by Consultant. Consultant shall be solely responsible for payments to any subconsultants.

**16. Governing Law/Attorneys' Fees.** IPUC and Consultant understand and agree that the laws of the State of California shall govern the rights, obligations, duties, and liabilities of the parties to this Agreement and also govern the interpretation of this Agreement. Any litigation concerning this Agreement shall take place in the municipal, superior, or federal district court in Los Angeles County, California. If any action at law or suit in equity is brought to enforce or interpret the provisions of this Agreement, or arising out of or relating to the Services provided by Consultant under this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees and all related costs, including costs of expert witnesses and consultants, as well as costs on appeal, in addition to any other relief to which it may be entitled.

**17. Entire Agreement.** This Agreement (including all Exhibits attached hereto which are hereby incorporated herein by reference as if set forth in full herein) supersedes any prior

agreements, negotiations and communications, oral or written, and contains the entire agreement between, and the final expression of, Consultant and IPUC with respect to the subject matter hereof. No subsequent agreement, representation, or promise made by either Party hereto, or by or to an employee, officer, agent or representative of either Party hereto shall be of any effect unless it is in writing and executed by the Party to be bound thereby. Each Party is entering into this Agreement based solely upon the representations set forth herein and upon each party's own independent investigation of any and all facts such Party deems material.

**18. Severability.** If any term or provision of this Agreement or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, then such term or provision shall be amended to, and solely to, the extent necessary to cure such invalidity or unenforceability, and in its amended form shall be enforceable. In such event, the remainder of this Agreement, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Agreement shall be valid and be enforced to the fullest extent permitted by law.

**19. Counterparts/Copies.** This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument. Copies of this Agreement bearing signatures shall be as binding as originals.

**20. Captions.** The captions appearing at the commencement of the sections hereof, and in any paragraph thereof, are descriptive only and shall have no significance in the interpretation of this Agreement.

**21. Waiver.** The waiver by IPUC or Consultant of any breach of any term, covenant or condition herein contained shall not be deemed to be a waiver of such term, covenant or condition or of any subsequent breach of the same or any other term, covenant or condition herein contained. No term, covenant or condition of this Agreement shall be deemed to have been waived by IPUC or Consultant unless made in writing.

**22. Remedies.** Each right, power and remedy provided for herein or now or hereafter existing at law, in equity, by statute, or otherwise shall be cumulative and shall be in addition to every other right, power, or remedy provided for herein or now or hereafter existing at law, in equity, by statute, or otherwise. The exercise, the commencement of the exercise, or the forbearance of the exercise by any party of any one or more of such rights, powers or remedies shall not preclude the simultaneous or later exercise by such party of any of all of such other rights, powers or remedies.

**23. Authority to Execute this Agreement.** Consultant represents and warrants to IPUC that (a) it has the legal power, right and authority to enter into this Agreement, (b) it has taken all requisite action (membership, corporate, trust, partnership or otherwise) in connection with the entering into this Agreement, and (c) the individual(s) executing this Agreement on its behalf the behalf of any of its members, partners, officers, shareholders, or trustees have the legal power, right, and actual authority to bind it to the terms and conditions hereof.

**24. Interpretation.** The Parties hereto hereby acknowledge and agree that (a) each Party hereto is of equal bargaining strength, (b) each such Party has actively participated in the drafting, preparation and negotiation of this Agreement, (c) each such Party has been represented by, and consulted, with such Party's own, independent counsel, and such other professional advisors as such party has deemed appropriate, relating to any and all matters contemplated under this Agreement, (d) each such Party and such Party's counsel and advisors have reviewed this Agreement, (e) each such Party has agreed to enter into this Agreement following such review and the rendering of such advice, and (f) any rule of construction to the effect that ambiguities are to be resolved against the drafting parties shall not apply in the interpretation of this Agreement, or any portions hereof, or any amendments hereto.

[Balance of page intentionally left blank. Signatures appear on next page.]

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed as of the Effective Date.

**“IPUC”**

**“CONSULTANT”**

INDUSTRY PUBLIC UTILITIES  
COMMISSION, a public body

By: \_\_\_\_\_  
Paul J. Philips  
Its: Public Utilities Director

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

Attest:

\_\_\_\_\_  
Diane M. Schlichting, Assistant Secretary

Approved as to form:

\_\_\_\_\_  
Anthony S. Bouza, General Counsel

Attachments:	Exhibit A	Services
	Exhibit B	Rate Schedule
	Exhibit C	Insurance Requirements

**EXHIBIT A**

**SERVICES**

**EXHIBIT B**

RATE SCHEDULE

## EXHIBIT C

### INSURANCE REQUIREMENTS

Without limiting Consultant's indemnification of IPUC, prior to commencement of the Term or providing any Services, Consultant shall obtain, provide and maintain at its own expense during the term of this Agreement, policies of insurance of the type and amounts described below and in a form satisfactory to Agency.

**General liability insurance.** Consultant shall maintain commercial general liability insurance with coverage at least as broad as Insurance Services Office form CG 00 01, in an amount not less than \$1,000,000.00 per occurrence, \$2,000,000.00 general aggregate, for bodily injury, personal injury, and property damage. The policy must include contractual liability that has not been amended. Any endorsement restricting standard ISO "insured contract" language will not be accepted.

**Automobile liability insurance.** Consultant shall maintain automobile insurance at least as broad as Insurance Services Office form CA 00 01 covering bodily injury and property damage for all activities of the Consultant arising out of or in connection with Services to be performed under this Agreement, including coverage for any owned, hired, non-owned or rented vehicles, in an amount not less than \$1,000,000.00 combined single limit for each accident.

**Professional liability (errors & omissions) insurance.** Consultant shall maintain professional liability insurance that covers the Services to be performed in connection with this Agreement, in the minimum amount of \$1,000,000 per claim and in the aggregate. Any policy inception date, continuity date, or retroactive date must be before the Effective Date of this Agreement and Consultant agrees to maintain continuous coverage through a period no less than three years after the termination of this Agreement.

**Workers' compensation insurance.** Consultant shall maintain Workers' Compensation Insurance (Statutory Limits) and Employer's Liability Insurance (with limits of at least \$1,000,000.00).

Consultant shall submit to IPUC, along with the certificate of insurance, a Waiver of Subrogation endorsement in favor of the Indemnified Parties.

**Proof of insurance.** Consultant shall provide certificates of insurance to IPUC as evidence of the insurance coverage required herein, along with a waiver of subrogation endorsement for workers' compensation. Insurance certificates and endorsement must be approved by IPUC's Risk Manager prior to providing any Services. Current certification of insurance shall be kept on file with IPUC at all times during the Term. IPUC reserves the right to require complete, certified copies of all required insurance policies, at any time.

**Duration of coverage.** Consultant shall procure and maintain for the duration of the Term insurance against claims for injuries to persons or damages to property, which may arise from or in connection with the performance of the Services hereunder by Consultant or its agents, representatives, employees, vendors, subcontractors, and/or subconsultants.

**Primary/noncontributing.** Coverage provided by Consultant shall be primary and any insurance or self-insurance procured or maintained by IPUC shall not be required to contribute with it. The limits of insurance required herein may be satisfied by a combination of primary and umbrella or excess insurance. Any umbrella or excess insurance shall contain or be endorsed to contain a provision that such coverage shall also apply on a primary and non-contributory basis for the benefit of IPUC and the Indemnified Parties before the IPUC's or any Indemnified Parties' own insurance or self-insurance shall be called upon to protect it as a named insured.

**IPUC's rights of enforcement.** In the event any policy of insurance required under this Agreement does not comply with these specifications or is canceled and not immediately replaced, IPUC has the right but not the duty to obtain the insurance it deems necessary and any premium paid by IPUC will be promptly reimbursed by Consultant, or IPUC will withhold amounts sufficient to pay premium from Consultant payments. In the alternative, IPUC may cancel this Agreement.

**Acceptable insurers.** All insurance policies shall be issued by an insurance company currently authorized by the Insurance Commissioner to transact business of insurance in the State of California, with an assigned policyholders' Rating of A- (or higher) and Financial Size Category Class VI (or larger) in accordance with the latest edition of Best's Key Rating Guide, unless otherwise approved by the IPUC's Risk Manager.

**Waiver of subrogation.** All insurance coverage maintained or procured pursuant to this agreement shall be endorsed to waive subrogation against IPUC and the Indemnified Parties or shall specifically allow Consultant or others providing insurance evidence in compliance with these specifications to waive their right of recovery prior to a loss. Consultant hereby waives its own right of recovery against IPUC and the Indemnified Parties, and shall require similar written express waivers and insurance clauses from each of its subconsultants.

**Enforcement of contract provisions (non estoppel).** Consultant acknowledges and agrees that any actual or alleged failure on the part of the IPUC to inform Consultant of non-compliance with any requirement imposes no additional obligations on the IPUC nor does it waive any rights hereunder or excuse any of Consultant's obligations.

**Requirements not limiting.** Requirements of specific coverage features or limits contained in this Section are not intended as a limitation on coverage, limits or other requirements, or a waiver of any coverage normally provided by any insurance. Specific reference to a given coverage feature is for purposes of clarification only as it pertains to a given issue and is not intended by any party or insured to be all inclusive, or to the exclusion of other coverage, or a waiver of any type. If Consultant maintains higher limits than the minimums shown above, then IPUC requires and shall be entitled to coverage for the higher limits maintained by the Consultant. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the IPUC.

**Notice of cancellation.** Consultant agrees to oblige its insurance agent or broker and insurers to provide to IPUC with a thirty (30) day prior notice of cancellation (except for nonpayment for which a ten (10) day prior notice is required) or nonrenewal of coverage for each required coverage.

**Additional insured status.** General liability policies shall provide or be endorsed to provide that IPUC and the Indemnified Parties shall be additional insureds under such policies. This provision shall also apply to any excess liability policies.

**Prohibition of undisclosed coverage limitations.** None of the coverages required herein will be in compliance with these requirements if they include any limiting endorsement of any kind that has not been first submitted to IPUC and approved of in writing.

**Separation of Insureds.** A severability of interests provision must apply for all additional insureds ensuring that Consultant's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the insurer's limits of liability. The policy(ies) shall not contain any cross-liability exclusions.

**Pass Through Clause.** Consultant agrees to ensure that its subconsultants, subcontractors, and any other party involved with the project who is brought onto or involved in discharging Consultant's obligations under this Agreement and/or providing the Services, provide the same minimum insurance coverage and endorsements required of Consultant, which may be satisfied by providing such coverage under Consultant's insurance policies. Consultant agrees to monitor and review all such coverage and assumes all responsibility for ensuring that such coverage is provided in conformity with the requirements of this section. Consultant agrees that upon request, all agreements with consultants, subcontractors, and others engaged in the project will be submitted to IPUC for review.

**IPUC's right to revise specifications.** The IPUC reserves the right at any time during the Term to change the amounts and types of insurance required by giving the Consultant ninety (90) days' advance written notice of such change. If such change results in substantial additional cost to the Consultant, the IPUC and Consultant may renegotiate the allocation of the marginal cost of such changed insurance.

**Self-insured retentions.** Any self-insured retentions must be declared to and approved by the IPUC in writing. The IPUC reserves the right to require that self-insured retentions be eliminated, lowered, or replaced by a deductible. Self-insurance will not be considered to comply with these specifications unless approved by the IPUC in writing.

**Timely notice of claims.** Consultant shall give the IPUC prompt and timely notice of claims made or suits instituted that arise out of or result from Consultant's performance under this Agreement, and that involve or may involve coverage under any of the required liability policies.

**Additional insurance.** Consultant shall also procure and maintain, at its own cost and expense, any additional kinds of insurance, which in its own judgment may be necessary for its proper protection, provision of the Services, and compliance with its obligations under this Agreement.