

CITY OF PALO ALTO CONTRACT NO. S25190354

AGREEMENT FOR PROFESSIONAL SERVICES

**BETWEEN THE CITY OF PALO ALTO AND
LARRATT BROS PLUMBING INC.**

This Agreement for Professional Services (this “Agreement”) is entered into as of the 1st day of August, 2024 (the “Effective Date”), by and between the CITY OF PALO ALTO, a California chartered municipal corporation (“CITY”), and LARRATT BROS PLUMBING INC., a California corporation, located at 88 Elmira Street, San Francisco, CA 94124 (“CONSULTANT”).

The following recitals are a substantive portion of this Agreement and are fully incorporated herein by this reference:

RECITALS

A. CITY intends to award a contract for the Emergency Water Heater Replacement Services (the “Project”) and desires to engage a consultant to provide heat pump water emergency replacement services to customers in single family homes in connection with the Project (the “Services”, as detailed more fully in Exhibit A).

B. CONSULTANT represents that it, its employees and subconsultants, if any, possess the necessary professional expertise, qualifications, and capability, and all required licenses and/or certifications to provide the Services.

C. CITY, in reliance on these representations, desires to engage CONSULTANT to provide the Services as more fully described in Exhibit A, entitled “SCOPE OF SERVICES”.

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

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

SECTION 2. TERM.

The term of this Agreement shall be from the date of its full execution through July 31, 2026 unless terminated earlier pursuant to Section 19 (Termination) of this Agreement.

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

SECTION 4. NOT TO EXCEED COMPENSATION. The compensation to be paid to CONSULTANT for performance of the Services shall be based on the compensation structure detailed in Exhibit C, entitled “COMPENSATION,” including any reimbursable expenses specified therein, and the maximum total compensation shall not exceed **Eighty-Five Thousand Dollars (\$85,000)**. The hourly schedule of rates, if applicable, is set out in Exhibit C-1, entitled “SCHEDULE OF RATES.” Any work performed or expenses incurred for which payment would result in a total exceeding the maximum compensation set forth in this Section 4 shall be at no cost to the CITY.

SECTION 5. INVOICES. In order to request payment, CONSULTANT shall submit monthly invoices to the CITY describing the Services performed and the applicable charges (including, if applicable, an identification of personnel who performed the Services, hours worked, hourly rates, and reimbursable expenses), based upon Exhibit C or, as applicable, CONSULTANT’s schedule of rates set forth in Exhibit C-1. If applicable, the invoice shall also describe the percentage of completion of each task. The information in CONSULTANT’s invoices shall be subject to verification by CITY. CONSULTANT shall send all invoices to CITY’s Project Manager at the address specified in Section 13 (Project Management) below. CITY will generally process and pay invoices within thirty (30) days of receipt of an acceptable invoice.

SECTION 6. QUALIFICATIONS/STANDARD OF CARE. All Services shall be performed by CONSULTANT or under CONSULTANT’s supervision. CONSULTANT represents that it, its employees and subcontractors, if any, possess the professional and technical personnel necessary to perform the Services required by this Agreement and that the personnel have sufficient skill and experience to perform the Services assigned to them. CONSULTANT represents that it, its employees and subcontractors, if any, have and shall maintain during the term of this Agreement all licenses, permits, qualifications, insurance and approvals of whatever nature that are legally required to perform the Services. All Services to be furnished by CONSULTANT under this Agreement shall meet the professional standard and quality that prevail among professionals in the same discipline and of similar knowledge and skill engaged in related work throughout California under the same or similar circumstances.

SECTION 7. COMPLIANCE WITH LAWS. CONSULTANT shall keep itself informed of and in compliance with all federal, state and local laws, ordinances, regulations, and orders that may affect in any manner the Project or the performance of the Services or those engaged to perform Services under this Agreement, as amended from time to time. CONSULTANT shall procure all permits and licenses, pay all charges and fees, and give all notices required by law in the performance of the Services.

SECTION 8. ERRORS/OMISSIONS. CONSULTANT is solely responsible for costs, including, but not limited to, increases in the cost of Services, arising from or caused by CONSULTANT’s errors and omissions, including, but not limited to, the costs of corrections such errors and omissions, any change order markup costs, or costs arising from delay caused by the errors and omissions or unreasonable delay in correcting the errors and omissions.

SECTION 9. COST ESTIMATES. If this Agreement pertains to the design of a public works project, CONSULTANT shall submit estimates of probable construction costs at each phase of design submittal. If the total estimated construction cost at any submittal exceeds the CITY’s

stated construction budget by ten percent (10%) or more, CONSULTANT shall make recommendations to CITY for aligning the Project design with the budget, incorporate CITY approved recommendations, and revise the design to meet the Project budget, at no additional cost to CITY.

SECTION 10. INDEPENDENT CONTRACTOR. CONSULTANT acknowledges and agrees that CONSULTANT and any agent or employee of CONSULTANT will act as and shall be deemed at all times to be an independent contractor and shall be wholly responsible for the manner in which CONSULTANT performs the Services requested by CITY under this Agreement. CONSULTANT and any agent or employee of CONSULTANT will not have employee status with CITY, nor be entitled to participate in any plans, arrangements, or distributions by CITY pertaining to or in connection with any retirement, health or other benefits that CITY may offer its employees. CONSULTANT will be responsible for all obligations and payments, whether imposed by federal, state or local law, including, but not limited to, FICA, income tax withholdings, workers' compensation, unemployment compensation, insurance, and other similar responsibilities related to CONSULTANT's performance of the Services, or any agent or employee of CONSULTANT providing same. Nothing in this Agreement shall be construed as creating an employment or agency relationship between CITY and CONSULTANT or any agent or employee of CONSULTANT. Any terms in this Agreement referring to direction from CITY shall be construed as providing for direction as to policy and the result of CONSULTANT's provision of the Services only, and not as to the means by which such a result is obtained.

SECTION 11. ASSIGNMENT. The parties agree that the expertise and experience of CONSULTANT are material considerations for this Agreement. CONSULTANT shall not assign or transfer any interest in this Agreement nor the performance of any of CONSULTANT's obligations hereunder without the prior written approval of the City Manager. Any purported assignment made without the prior written approval of the City Manager will be void and without effect. Subject to the foregoing, the covenants, terms, conditions and provisions of this Agreement will apply to, and will bind, the heirs, successors, executors, administrators and assignees of the parties.

SECTION 12. SUBCONTRACTING.

Subcontracts Authorized: Notwithstanding Section 11 (Assignment) above, CITY agrees that subcontractors may be used to complete the Services. The subcontractors authorized by CITY to perform work on this Project are:

QuitCarbon Inc.
945 Market St, Suite 501
San Francisco CA 94103
415-446-1620
Service: Home Assessments workflow and data gathering prior and during install.

Avila Electric
1212 Verde Rd
Half Moon Bay CA 94019
650-245-8753
Services: Electrical

Ingraham Electric
322 Princeton Ave
El Granada, Ca 94018
650-728-2262
Services: Electrical

Zylac Construction
12345 Grange Rd,
Meadow Vista CA 95722
530-368-0856
Services: General Contracting, Electrical Services

CONSULTANT shall be responsible for directing the work of any subcontractors and for any compensation due to subcontractors. CITY assumes no responsibility whatsoever concerning compensation of subcontractors. CONSULTANT shall be fully responsible to CITY for all acts and omissions of subcontractors. CONSULTANT shall change or add subcontractors only with the prior written approval of the City Manager or designee.

SECTION 13. PROJECT MANAGEMENT. CONSULTANT will assign Aaron Gianni, CEO, 88 Elmira Street, Suite A, San Francisco, CA 94124, telephone: 650-873-5794, Email: service@larrattbros.com as the CONSULTANT's Project Manager to have supervisory responsibility for the performance, progress, and execution of the Services and represent CONSULTANT during the day-to-day performance of the Services. If circumstances cause the substitution of the CONSULTANT's Project Manager or any other of CONSULTANT's key personnel for any reason, the appointment of a substitute Project Manager and the assignment of any key new or replacement personnel will be subject to the prior written approval of the CITY's Project Manager. CONSULTANT, at CITY's request, shall promptly remove CONSULTANT personnel who CITY finds do not perform the Services in an acceptable manner, are uncooperative, or present a threat to the adequate or timely completion of the Services or a threat to the safety of persons or property.

CITY's Project Manager is Diane Bailey, Utilities Department, Resource Management Division, 250 Hamilton Ave., Palo Alto, CA 94301 Telephone: 650-329-2241, Email: diane.Bailey@cityofpaloalto.org. CITY's Project Manager will be CONSULTANT's point of contact with respect to performance, progress and execution of the Services. CITY may designate an alternate Project Manager from time to time.

SECTION 14. OWNERSHIP OF MATERIALS. All work product, including without limitation, all writings, drawings, studies, sketches, photographs, plans, reports, specifications, computations, models, recordings, data, documents, and other materials developed under this Agreement, in any form or media, shall be and remain the exclusive property of CITY without restriction or limitation upon their use, **however CONSULTANT may use customer data that participating customers voluntarily provide to perform the tasks included in the Scope of Services.** Neither CONSULTANT nor its subcontractors, if any, shall make any of such work product available to any individual or organization without the prior written approval of the City Manager or designee. CONSULTANT shall retain exclusive ownership of any software and

copyright interests it developed prior to the execution of this Agreement which may be used, improved or updated in CONTRACTOR's performance of the Services. CONSULTANT makes no representation of the suitability of the work product for use in or application to circumstances not contemplated by the Scope of Services.

SECTION 15. AUDITS. CONSULTANT agrees to permit CITY and its authorized representatives to audit, at any reasonable time during the term of this Agreement and for four (4) years from the date of final payment, CONSULTANT's records pertaining to matters covered by this Agreement, including without limitation records demonstrating compliance with the requirements of Section 10 (Independent Contractor). CONSULTANT further agrees to maintain and retain accurate books and records in accordance with generally accepted accounting principles for at least four (4) years after the expiration or earlier termination of this Agreement or the completion of any audit hereunder, whichever is later.

SECTION 16. INDEMNITY.

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

16.2. Notwithstanding the above, nothing in this Section 16 shall be construed to require CONSULTANT to indemnify an Indemnified Party from a Claim arising from the active negligence or willful misconduct of an Indemnified Party that is not contributed to by any act of, or by any omission to perform a duty imposed by law or agreement by, CONSULTANT, its officers, employees, agents or contractors under this Agreement.

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

SECTION 17. WAIVERS. No waiver of a condition or nonperformance of an obligation under this Agreement is effective unless it is in writing in accordance with Section 29.4 of this Agreement. No delay or failure to require performance of any provision of this Agreement shall constitute a waiver of that provision as to that or any other instance. Any waiver granted shall apply solely to the specific instance expressly stated. No single or partial exercise of any right or remedy will preclude any other or further exercise of any right or remedy.

SECTION 18. INSURANCE.

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

automobile policy or policies.

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

18.3. Certificates evidencing such insurance shall be filed with CITY concurrently with the execution of this Agreement. The certificates will be subject to the approval of CITY's Risk Manager and will contain an endorsement stating that the insurance is primary coverage and will not be canceled, or materially reduced in coverage or limits, by the insurer except after filing with the Purchasing Manager thirty (30) days' prior written notice of the cancellation or modification. If the insurer cancels or modifies the insurance and provides less than thirty (30) days' notice to CONSULTANT, CONSULTANT shall provide the Purchasing Manager written notice of the cancellation or modification within two (2) business days of the CONSULTANT's receipt of such notice. CONSULTANT shall be responsible for ensuring that current certificates evidencing the insurance are provided to CITY's Chief Procurement Officer during the entire term of this Agreement.

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

SECTION 19. TERMINATION OR SUSPENSION OF AGREEMENT OR SERVICES.

19.1. The City Manager may suspend the performance of the Services, in whole or in part, or terminate this Agreement, with or without cause, by giving ten (10) days prior written notice thereof to CONSULTANT. If CONSULTANT fails to perform any of its material obligations under this Agreement, in addition to all other remedies provided under this Agreement or at law, the City Manager may terminate this Agreement sooner upon written notice of termination. Upon receipt of any notice of suspension or termination, CONSULTANT will discontinue its performance of the Services on the effective date in the notice of suspension or termination.

19.2. In event of suspension or termination, CONSULTANT will deliver to the City Manager on or before the effective date in the notice of suspension or termination, any and all work product, as detailed in Section 14 (Ownership of Materials), whether or not completed, prepared by CONSULTANT or its contractors, if any, in the performance of this Agreement. Such work product is the property of CITY, as detailed in Section 14 (Ownership of Materials).

19.3. In event of suspension or termination, CONSULTANT will be paid for the Services rendered and work products delivered to CITY in accordance with the Scope of Services up to the effective date in the notice of suspension or termination; provided, however, if this

Agreement is suspended or terminated on account of a default by CONSULTANT, CITY will be obligated to compensate CONSULTANT only for that portion of CONSULTANT's Services provided in material conformity with this Agreement as such determination is made by the City Manager acting in the reasonable exercise of his/her discretion. The following Sections will survive any expiration or termination of this Agreement: 14, 15, 16, 17, 19.2, 19.3, 19.4, 20, 25, 27, 28, 29 and 30.

19.4. No payment, partial payment, acceptance, or partial acceptance by CITY will operate as a waiver on the part of CITY of any of its rights under this Agreement, unless made in accordance with Section 17 (Waivers).

SECTION 20. NOTICES.

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

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

With a copy to the Purchasing Manager

To CONSULTANT: Attention of the Project Manager at the address of
CONSULTANT recited on the first page of this Agreement.

CONSULTANT shall provide written notice to CITY of any change of address.

SECTION 21. CONFLICT OF INTEREST.

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

21.2. CONSULTANT further covenants that, in the performance of this Agreement, it will not employ subcontractors or other persons or parties having such an interest. CONSULTANT certifies that no person who has or will have any financial interest under this Agreement is an officer or employee of CITY; this provision will be interpreted in accordance with the applicable provisions of the Palo Alto Municipal Code and the Government Code of the State of California, as amended from time to time. CONSULTANT agrees to notify CITY if any conflict arises.

21.3. If the CONSULTANT meets the definition of a "Consultant" as defined by the Regulations of the Fair Political Practices Commission, CONSULTANT will file the appropriate financial disclosure documents required by the Palo Alto Municipal Code and the Political Reform Act of 1974, as amended from time to time.

SECTION 22. NONDISCRIMINATION; COMPLIANCE WITH ADA.

22.1. As set forth in Palo Alto Municipal Code Section 2.30.510, as amended from time to time, CONSULTANT certifies that in the performance of this Agreement, it shall not discriminate in the employment of any person due to that person's race, skin color, gender, gender identity, age, religion, disability, national origin, ancestry, sexual orientation, pregnancy, genetic information or condition, housing status, marital status, familial status, weight or height of such person. CONSULTANT acknowledges that it has read and understands the provisions of Section 2.30.510 of the Palo Alto Municipal Code relating to Nondiscrimination Requirements and the penalties for violation thereof, and agrees to meet all requirements of Section 2.30.510 pertaining to nondiscrimination in employment.

22.2. CONSULTANT understands and agrees that pursuant to the Americans Disabilities Act ("ADA"), programs, services and other activities provided by a public entity to the public, whether directly or through a contractor or subcontractor, are required to be accessible to the disabled public. CONSULTANT will provide the Services specified in this Agreement in a manner that complies with the ADA and any other applicable federal, state and local disability rights laws and regulations, as amended from time to time. CONSULTANT will not discriminate against persons with disabilities in the provision of services, benefits or activities provided under this Agreement.

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

(a) All printed materials provided by CONSULTANT to CITY generated from a personal computer and printer including but not limited to, proposals, quotes, invoices, reports, and public education materials, shall be double-sided and printed on a minimum of 30% or greater post-consumer content paper, unless otherwise approved by CITY's Project Manager. Any submitted materials printed by a professional printing company shall be a minimum of 30% or greater post-consumer material and printed with vegetable-based inks.

(b) Goods purchased by CONSULTANT on behalf of CITY shall be purchased in accordance with CITY's Environmental Purchasing Policy including but not limited to Extended Producer Responsibility requirements for products and packaging. A copy of this policy is on file at the Purchasing Department's office.

(c) Reusable/returnable pallets shall be taken back by CONSULTANT, at no additional cost to CITY, for reuse or recycling. CONSULTANT shall provide documentation from the facility accepting the pallets to verify that pallets are not being disposed.

SECTION 24. COMPLIANCE WITH PALO ALTO MINIMUM WAGE ORDINANCE. CONSULTANT shall comply with all requirements of the Palo Alto Municipal Code Chapter 4.62 (Citywide Minimum Wage), as amended from time to time. In particular, for any employee otherwise entitled to the State minimum wage, who performs at least two (2) hours of work in a calendar week within the geographic boundaries of the City, CONSULTANT shall pay such employees no less than the minimum wage set forth in Palo Alto Municipal Code Section 4.62.030

for each hour worked within the geographic boundaries of the City of Palo Alto. In addition, CONSULTANT shall post notices regarding the Palo Alto Minimum Wage Ordinance in accordance with Palo Alto Municipal Code Section 4.62.060.

SECTION 25. NON-APPROPRIATION. This Agreement is subject to the fiscal provisions of the Charter of the City of Palo Alto and the Palo Alto Municipal Code, as amended from time to time. This Agreement will terminate without any penalty (a) at the end of any fiscal year in the event that funds are not appropriated for the following fiscal year, or (b) at any time within a fiscal year in the event that funds are only appropriated for a portion of the fiscal year and funds for this Agreement are no longer available. This Section shall take precedence in the event of a conflict with any other covenant, term, condition, or provision of this Agreement.

SECTION 26. PREVAILING WAGES AND DIR REGISTRATION FOR PUBLIC WORKS CONTRACTS.

26.1. **This Project is not subject to prevailing wages and related requirements.** CONSULTANT is not required to pay prevailing wages and meet related requirements under the California Labor Code and California Code of Regulations in the performance and implementation of the Project if the contract:

- (1) is not a public works contract;
- (2) is for a public works construction project of \$25,000 or less, per California Labor Code Sections 1782(d)(1), 1725.5(f) and 1773.3(j); or
- (3) is for a public works alteration, demolition, repair, or maintenance project of \$15,000 or less, per California Labor Code Sections 1782(d)(1), 1725.5(f) and 1773.3(j).

SECTION 27. CLAIMS PROCEDURE FOR “9204 PUBLIC WORKS PROJECTS”. For purposes of this Section 27, a “9204 Public Works Project” means the erection, construction, alteration, repair, or improvement of any public structure, building, road, or other public improvement of any kind. (Cal. Pub. Cont. Code § 9204.) Per California Public Contract Code Section 9204, for Public Works Projects, certain claims procedures shall apply, as set forth in Exhibit F, entitled “Claims for Public Contract Code Section 9204 Public Works Projects”.



This Project is not a 9204 Public Works Project.

SECTION 28. CONFIDENTIAL INFORMATION.

28.1. In the performance of this Agreement, CONSULTANT may have access to CITY’s Confidential Information (defined below). CONSULTANT will hold Confidential Information in strict confidence, not disclose it to any third party, and will use it only for the performance of its obligations to CITY under this Agreement and for no other purpose. CONSULTANT will maintain reasonable and appropriate administrative, technical and physical safeguards to ensure the security, confidentiality and integrity of the Confidential Information. Notwithstanding the foregoing, CONSULTANT may disclose Confidential Information to its employees, agents and subcontractors, if any, to the extent they have a need to know in order to perform CONSULTANT’s obligations to CITY under this Agreement and for no other purpose, provided that the CONSULTANT informs them of, and requires them to follow, the confidentiality

and security obligations of this Agreement.

28.2. “Confidential Information” means all data, information (including without limitation “Personal Information” about a California resident as defined in Civil Code Section 1798 et seq., as amended from time to time) and materials, in any form or media, tangible or intangible, provided or otherwise made available to CONSULTANT by CITY, directly or indirectly, pursuant to this Agreement. Confidential Information excludes information that CONSULTANT can show by appropriate documentation: (i) was publicly known at the time it was provided or has subsequently become publicly known other than by a breach of this Agreement; (ii) was rightfully in CONSULTANT’s possession free of any obligation of confidence prior to receipt of Confidential Information; (iii) is rightfully obtained by CONSULTANT from a third party without breach of any confidentiality obligation; (iv) is independently developed by employees of CONSULTANT without any use of or access to the Confidential Information; or (v) CONSULTANT has written consent to disclose signed by an authorized representative of CITY.

28.3. Notwithstanding the foregoing, CONSULTANT may disclose Confidential Information to the extent required by order of a court of competent jurisdiction or governmental body, provided that CONSULTANT will notify CITY in writing of such order immediately upon receipt and prior to any such disclosure (unless CONSULTANT is prohibited by law from doing so), to give CITY an opportunity to oppose or otherwise respond to such order.

28.4. CONSULTANT will notify City promptly upon learning of any breach in the security of its systems or unauthorized disclosure of, or access to, Confidential Information in its possession or control, and if such Confidential Information consists of Personal Information, CONSULTANT will provide information to CITY sufficient to meet the notice requirements of Civil Code Section 1798 et seq., as applicable, as amended from time to time.

28.5. Prior to or upon termination or expiration of this Agreement, CONSULTANT will honor any request from the CITY to return or securely destroy all copies of Confidential Information. All Confidential Information is and will remain the property of the CITY and nothing contained in this Agreement grants or confers any rights to such Confidential Information on CONSULTANT.

28.6. If selected in Section 30 (Exhibits), this Agreement is also subject to the terms and conditions of the Information Privacy Policy and Cybersecurity Terms and Conditions.

SECTION 29. MISCELLANEOUS PROVISIONS.

29.1. This Agreement will be governed by California law, without regard to its conflict of law provisions.

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

29.3. The prevailing party in any action brought to enforce the provisions of this Agreement may recover its reasonable costs and attorneys’ fees expended in connection with that

action. The prevailing party shall be entitled to recover an amount equal to the fair market value of legal services provided by attorneys employed by it as well as any attorneys' fees paid to third parties.

29.4. This Agreement, including all exhibits, constitutes the entire and integrated agreement between the parties with respect to the subject matter of this Agreement, and supersedes all prior agreements, negotiations, representations, statements and undertakings, either oral or written. This Agreement may be amended only by a written instrument, which is signed by the authorized representatives of the parties and approved as required under Palo Alto Municipal Code, as amended from time to time.

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

29.6. In the event of a conflict between the terms of this Agreement and the exhibits hereto (per Section 30) or CONSULTANT's proposal (if any), the Agreement shall control. In the event of a conflict between the exhibits hereto and CONSULTANT's proposal (if any), the exhibits shall control.

29.7. The provisions of all checked boxes in this Agreement shall apply to this Agreement; the provisions of any unchecked boxes shall not apply to this Agreement.

29.8. All section headings contained in this Agreement are for convenience and reference only and are not intended to define or limit the scope of any provision of this Agreement.

29.9. This Agreement may be signed in multiple counterparts, which, when executed by the authorized representatives of the parties, shall together constitute a single binding agreement.

SECTION 30. EXHIBITS. Each of the following exhibits, if the check box for such exhibit is selected below, is hereby attached and incorporated into this Agreement by reference as though fully set forth herein:

- ☒ EXHIBIT A: SCOPE OF SERVICES
- ☒ EXHIBIT B: SCHEDULE OF PERFORMANCE
- ☒ EXHIBIT C: COMPENSATION
- ☒ EXHIBIT C-1: SCHEDULE OF RATES
- ☒ EXHIBIT D: INSURANCE REQUIREMENTS
- ☒ EXHIBIT E: INFORMATION SECURITY POLICY
- ☒ EXHIBIT F: CYBERSECURITY TERMS AND CONDITIONS

THIS AGREEMENT IS NOT COMPLETE UNLESS ALL SELECTED EXHIBITS ARE ATTACHED.

CONTRACT NO. S25190354 SIGNATURE PAGE

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

CITY OF PALO ALTO

DocuSigned by:
Cecilia Magana
Purchasing Manager

APPROVED AS TO FORM:

DocuSigned by:
Amy Bartell
City Attorney or designee

LARRATT BROS PLUMBING, INC.

DocuSigned by:
By: Aaron Gianni
F64CD050FBB74CD...
Name: Aaron Gianni

Title: President

DocuSigned by:
By: Alex Perez
BC98D476B5C54EA...
Name: Alex Perez

Title: Service Manager

EXHIBIT A SCOPE OF SERVICES

CONSULTANT shall provide the Services detailed in this Exhibit A, entitled “SCOPE OF SERVICES”. Notwithstanding any provision herein to the contrary, CONSULTANT’s duties and services described in this Scope of Services shall not include preparing or assisting CITY with any portion of CITY’s preparation of a request for proposals, request for qualifications, or any other solicitation regarding a subsequent or additional contract with CITY. CITY shall at all times retain responsibility for public contracting, including with respect to any subsequent phase of this project. CONSULTANT’s participation in the planning, discussions, or drawing of project plans or specifications shall be limited to conceptual, preliminary, or initial plans or specifications. CONSULTANT shall cooperate with CITY to ensure that all bidders for a subsequent contract on any subsequent phase of this project have access to the same information, including all conceptual, preliminary, or initial plans or specifications prepared by CONSULTANT pursuant to this Scope of Services.

CONSULTANT will leverage its technical expertise and local experience to deliver the Heat Pump Water Heater Emergency Replacement Pilot Program (“HPWH ER Pilot Program”, “HPWH ER Pilot” or “the Program”) to CITY/CPAU customers within the City of Palo Alto.

The HPWH ER Pilot will provide emergency replacement service to Palo Alto residents living in single-family homes and receiving utility service from City of Palo Alto Utilities. In addition, Residential Energy Assistance Program (REAP) customers may also be eligible to participate in the Program if they experience a sudden water heater failure; for eligible REAP customers, the full cost of replacement with a HPWH will be covered by the CITY at the rate listed in Table C-1. Replacements will include either the direct installation of a heat pump water heater or use of a temporary gas water heater, with a heat pump water heater installation following necessary site preparation work as described in the following 2 scenarios:

1. Instant Electrification – This scenario allows for immediate installation of a heat pump water heater within 2 business days of the customer call.

2. Gas Loaner Electrification – Electrification may not be feasible within 2 business days if additional electrical or site preparation work is needed. In this case, if a heat pump water heater cannot be installed within 2 business days, consultant will install a temporary loaner water heater while completing the necessary site preparation work for the permanent HPWH. Customers do not have the option to keep the “loaner” gas water heater.

CPAU will offer a customer rebate to all projects that have completed a HPWH installation and have passed final inspection. The invoice issued by CONSULTANT to the customer shall reflect the full amount of the CPAU rebate (i.e. instant rebate).

A. HPWH ER Pilot Service Level Expectations (SLEs)

The following SLEs for the CONSULTANT’s performances of the Services are designed to

deliver timely, quality service to customers and to achieve high customer satisfaction levels. These metrics will be tracked on an ongoing basis to ensure that the CONSULTANT(s) are meeting the SLEs.

1. Emergency replacements or loaner equipment must be installed within two business days (defined as Monday through Friday, excluding federal holidays) of a customer call. As an example, if a customer calls on a Friday evening at 9pm, the emergency replacement must be completed by the end of the business day on Tuesday assuming Monday and Tuesday are non-holidays. Consultant will provide customers with the option to expedite the emergency replacement during nights and weekends by paying overtime fees.
2. For customers receiving a water heater loaner, the permanent electric water heater must be installed and in operation within 6 weeks of customer enrollment, barring electrical panel service upgrade delays, or instances where the customer chooses not to move ahead with the heat pump water heater.
3. 100% of the HPWH and gas water heater installations receive permits and pass final inspection; and at least 80% of installation projects pass final inspection on the first time.
4. Achieve a minimum of 75% satisfaction rating from customer surveys.

B. HPWH ER Pilot Eligible Measures

CONSULTANT will deliver eligible measures as listed in Table C-1 of Exhibit “C,” Compensation. CONSULTANT may request adding or deleting measures to the Program and all such changes require the prior written consent of the CITY. All work completed by CONSULTANT under this Agreement must comply with California’s most recently adopted building and appliance efficiency standards.

C. HPWH ER Pilot Program Cost Allocation

CITY and customer will each pay a portion of the total installed costs as specified in Exhibit “C”. The CITY bears no responsibility for any of CONSULTANT’s costs and/or compensation associated with CONSULTANT’s performance of any Non-standard Site Preparation and/or Installation Services, including Electrification Labor Rates; all such compensation will remain the sole the responsibility of customers who elect to request Electrification Site Preparation Services, as listed in Exhibit C.

The CITY bears no responsibility for any of CONSULTANT’s costs and/or compensation associated with CONSULTANT’s delivery of extended parts and labor warranties for any of the HPWH ER Pilot Program Eligible Measures; all such compensation will remain the sole the responsibility of customers who elect to purchase Extended Parts and Labor Warranties.

All customer payment amounts, Electrification Site Preparation Services costs, Electrification Labor Rates and any Extended Parts and Labor Warranty costs, if

applicable, will be included and clearly disclosed in each customer's Program Participation Agreement.

D. HPWH ER Pilot Installation Program Staffing

CONSULTANT agrees to staff the Program in accordance with the Staffing plan set forth in Table A-3. CONSULTANT shall notify the CITY concerning proposed changes to the staffing plan, and all such changes require the prior written consent of the CITY.

CITY reserves the right to (i) request CONSULTANT conduct criminal background checks to City's satisfaction on all CONSULTANT's staff, subcontractors or agents that may enter customer property, and (ii) require that any staff, subcontractor or agent of CONSULTANT that fails the background check shall not be permitted to enter any customer premises.

Table A-3. HPWH ER Pilot Program Staffing Plan

Company	Name and Title	Role and Responsibilities
Larratt Bros	Aaron Gianni, President	Program implementation and set standards for Larratt Bros and Plunjr as well as quality control.
Larratt Bros	Alex Perez, Service Manager	Day-to-day operational details of interactions between homeowners. Reporting. Permitting.
Larratt Bros	Carlos Catagena, Service Admin	Customer intake and dispatching of technicians. Permitting.
Larratt Bros	Melissa Smith, Office Manager	Account payable and accounts receivable.
Larratt Bros	Brandon Dillon, Service Plumber	Plumber. Equipment installation and customer satisfaction
Larratt Bros	Jonah Geller, Service Plumber	Plumber & Electrician. Equipment installation and customer satisfaction
Larratt Bros	Arturo Garcia, Service Plumber	Plumber. Equipment installation and customer satisfaction
Larratt Bros	Brent Boblitt	Electrician.
QuitCarbon	Cooper Marcus, CEO	Program manager. Overall design and execution of QuitCarbon's responsibilities.
QuitCarbon	Adam Klaus, Head of Operations	Responsible for day-to-day operational details of interactions between homeowners, Larratt Bros, and QuitCarbon.

E. HPWH ER Pilot Program Implementation & Delivery

Task 1: HPWH ER Kick-off and Set up

Task 1.1: HPWH ER Kick-Off

CONSULTANT shall organize the HPWH ER Pilot Kick-Off meeting in conjunction with CPAU to review HPWH ER Pilot goals, design and delivery, budget, staffing plan, roles, timelines and priorities in the delivery of the HPWH ER Pilot. The meeting will also cover coordination with other CPAU programs, logistics, data integration, invoicing requirements, customer management, and scheduling of ongoing check-in meetings.

CONSULTANT will initially set up check-in meetings on a weekly basis, and meetings can be reduced in frequency if mutually agreed upon. CONSULTANT will work with CPAU staff to determine the agenda at a minimum one day prior to the meeting. Meetings will focus on Program progress updates, reviewing deliverables, and determining expected milestones for the next meeting. CONSULTANT will provide a weekly report tracking customer intake timing and status before each meeting.

Task 1.1 Deliverables: Meeting agenda and minutes

Task 1.2: Develop HPWH ER Pilot Documents

CONSULTANT shall create the following Program documents in close consultation with CPAU staff, for use by CITY and CONSULTANT.

Task 1.2.1 Develop Program Policies and Procedures Manual.

CONSULTANT will draft the Program Policies and Procedures in collaboration with the CITY, which will include, at a minimum, the following:

- i. The terms and conditions for eligible customers to participate in the Program;
- ii. The process for customers to participate in the Program, including the criteria for disqualification from participation;
- iii. The process for scheduling and performing the different types of customer site assessments (virtual, phone-assisted virtual and in-person);
- iv. The process for assessing the suitability of heat pump water heaters (HPWH) including 120 volt HPWHs and the need for a loaner unit to restore hot water within 48 hours for a customer;
- v. The process to obtain CITY approval for installation for qualifying REAP customers;
- vi. The process for collecting customer deposits for a gas loaner unit and customer payments for eligible measures including electrification site preparation, HPWH installation and permit fee, and Extended Parts and Labor Warranty;
- vii. The process for installing Eligible Measures, including creating a quality assurance and quality control plan and checklist for compliance with Palo Alto permitting requirements that also ensures the appropriate heat pump size, and that measures are

installed and working properly;

- viii. The process for obtaining customer feedback as well as a customer complaint resolution plan;
- ix. The process for tracking customer projects, from intake to site assessment to installation to final inspection, and transmitting customer project data including photos to the CITY's Program Tracking Platform (Quickbase);
- x. The process for providing weekly Program Reports;
- xi. The process for submitting Program invoices, including customer rebate reimbursements for projects that have passed final inspection.

CONSULTANT will collaborate with the CITY to draft a Program Policies and Procedures Manual and will provide and review any written revisions and updates to the Program Policies and Procedures Manual with the CITY to secure CITY's final approval. CONSULTANT will adhere to and document its compliance with applicable policies and procedures in the Program Policies and Procedures Manual as it performs the Services in this Scope of Work.

Task 1.2.1 Deliverables: Completed Program documents including Program Policies and Procedures Manual that are approved by CPAU

Task 1.2.2 Develop Templates for Customer Site Assessment Report and Project Estimate

CONSULTANT will create a Customer Site Assessment Report Template for CITY review and approval and will revise as directed by CITY before use. Once finalized and approved by CITY, the Customer Site Assessment Report will be provided by CONSULTANT to the customer and will provide a Customer Estimate with information necessary for the customer to understand options available to them to replace their gas water heater with a heat pump water heater, including the use of alternative equipment to temporarily restore hot water until it is possible to make a permanent heat pump water heater installation. CONSULTANT will provide revisions and updates to the Customer Site Assessment Report Template upon CITY request.

Customer Site Assessments will include the following elements regarding equipment and appliances located at the residential property owned or occupied by the customer interested in exploring participation in the Program, each to be documented on the Customer Site Assessment Report Template:

- i. An inventory of gas and electric equipment and appliances and nameplate (or equivalent alternative) power use, in order to facilitate load calculations;
- ii. Evaluation of the condition and capacity of the existing electrical systems and recommended upgrades or alternative power efficient strategies that may be necessary to enable installation of a heat pump water heater;
- iii. Recommended location for new electrical equipment and HPWH, noting any observed space or structural constraints and possible remedies; and

- iv. Identification of home size including total bedrooms and bathrooms in order to facilitate compliance with Plumbing Code First Hour Ratings requirements;

Customer Estimate will include:

- i. Description of a work plan, including planned equipment, site preparation measures, any other work, and timeline, that will be executed if customer opts to participate in the Program; and
- ii. Estimated cost of work to be performed, for customer and CITY's review.

Task 1.2.2 Deliverable: Customer Site Assessment Report and Estimate Templates

Task 1.2.3 Develop Customer Site Assessment Agreement

CONSULTANT will create a Customer Site Assessment Agreement that includes the following, at a minimum:

- i. Provides an overview of the Program;
- ii. Grants CONSULTANT permission to perform the Customer Site Assessment to determine whether it is possible to replace the broken water heater with a heat pump water heater and which site preparation measures would be required;
- iii. Fully indemnifies CITY against all loss, damages, costs and liability arising from any claims stemming from the Customer Site Assessment;
- iv. Collects basic information from the customer, including but not limited to customer contact information and installation address.

CONSULTANT will submit the Customer Site Assessment Agreement to CITY for review and approval, and will revise and update the Customer Site Assessment Agreement as directed by CITY before use. CONSULTANT will provide the Customer Site Assessment Agreement to customers in electronic and paper formats if requested by the customer. CONSULTANT will scan paper forms completed by customers and submit them to CITY electronically.

Task 1.2.3 Deliverable: Customer Site Assessment Agreement Template

Task 1.2.4 Develop Program Participation Agreement

CONSULTANT will create a Program Participation Agreement that grants CONSULTANT permission to install Eligible Measures, collect customer payments, offer an Extended Parts and Labor Warranty for additional costs, and enroll customer in any State or local financing programs. The Program Participation Agreement will include, at a minimum, the following elements:

- i. Customer contact information;
- ii. Installation address;
- iii. Project scope;
- iv. Project costs by line item, including electrification site preparation services and Electrification Labor Rates, as defined in Exhibit C, as well as customer's sole responsibility for any costs associated with them;

- v. Product and labor warranty information, including Extended Parts and Labor Warranty agreement specifying coverage of any defects in material or workmanship under normal use during the five (5) year warranty period, and also specifying that during the warranty period Larratt Brothers Plumbing will repair or replace, at no charge, products or part of a product that proves defective because of improper material or workmanship, under normal use and maintenance.
- vi. Customer payments and payment options available if customer opts to participate in the Program;
- vii. Customer finance programs such as GoGreen Financing, payment amount, terms, and payment options available if customer opts to participate in the Program;
- viii. Language specifying that the Customer is responsible for providing a fully refundable down payment on any loaned or temporary water heating equipment (whether it's a gas water heater with a tank, or tankless gas, or a 120volt HPWH that is temporary) agreed to as part of the project, to be credited to the Customer upon project completion.
- ix. Language releasing CITY of liability for any claims arising out of customer's participation in the Program, and CONSULTANT's performance of the Services involved in the Program, including initial pre-Program site assessments;
- x. Language and/or supplemental forms enrolling customers in any State or local financing programs.

CONSULTANT will submit the Program Participation Agreement to CITY for review and approval and will revise and update as directed by CITY before use. CONSULTANT will provide the Program Participation Agreement to customers in electronic format, unless specifically requested by the Customer to be in paper format. CONSULTANT will scan paper forms completed by customers and submit them to CITY electronically.

Task 1.2.4 Deliverable: Customer Program Participation Agreement Template

Task 1.2.5 Develop Customer Feedback Forms

CONSULTANT will develop a Customer Feedback Form template. The Customer Feedback Form gives customers the opportunity to evaluate the Program, including the Site Assessment, the on-going customer support, and the overall customer experience associated with the Program. The Customer Feedback Form must include, at minimum, a question for the customer that enables CITY to calculate a Net Promotor Score value, which is a standardized metric used to assess customer satisfaction.

CONSULTANT will submit the Customer Feedback Form Template to CITY for review and approval and will revise and update it as directed by CITY before use. CONSULTANT will provide the Customer Feedback Forms to customers in both electronic and (if requested) paper formats. CONSULTANT will scan paper forms completed by customers and submit them to CITY electronically.

Task 1.2.5 Deliverable: Customer Feedback Form Template

Task 1.2.6 Develop Program Report Template

CONSULTANT will create a standard Program Report template to meet CITY reporting requirements. This Program Report will be delivered monthly. CONSULTANT will assist CITY in finalizing Program performance metrics to include in the Program Reports. These metrics may include data specified by CITY. The Program Report will also provide summary statistics including, but not limited to:

- i. Number and type of measures installed;
- ii. Number of projects that meet/do not meet the 48 hours emergency replacement timeframe;
- iii. Number and type of loaner water heaters installed.

CONSULTANT will submit the Program Report Template to CITY for review and approval and will revise and update the Program Report Template as directed by CITY before use. In the event that the CITY receives adequate data reporting through Quickbase or a similar database, CONSULTANT is no longer required to submit reports.

Task 1.2.6 Deliverable: Program Report Template

Task 1.2.7 Develop Program Invoice Template

CONSULTANT will create a standard Program Invoice Template to meet CPAU's invoicing requirements, including, but not limited to:

- i. Name of company providing invoice (Larratt Bros.);
- ii. Invoice number;
- iii. Invoice date;
- iv. Larratt's remit-to address for invoicing;
- v. Invoice amount, broken out as directed by Project Manager;
- vi. Description of work.

CONSULTANT will submit the Program Invoice Template to CITY for review and approval and will revise and update the Program Invoice Template as directed by CITY before use.

Task 1.2.7 Deliverable: Program Invoice Template

Task 1.3 Transmit Customer Information to CITY's Program Tracking Database

CONSULTANT will provide CITY with electronic customer information in a format that can be loaded into CITY's Quickbase platform and transmitted at a mutually agreed upon frequency. While the use of an API to transmit data will be preferred, other electronic formats for transmission of customer data may include .csv, .xls and .jpg file formats. CONSULTANT may utilize Rock Rabbit software to submit customer project data into CITY's Quickbase platform.

CONSULTANT will ensure that CITY staff will be able to access Program data, including the following elements:

- i. Customer contact information (name, address, phone, email);
- ii. Customer eligibility for REAP service;
- iii. Timestamp for initial customer intake and completion of water heater emergency replacement;
- iv. Existing water heater description (age, model, condition);
- v. Site Assessment Report and recommendations provided;
- vi. Installed equipment and project cost invoiced to customer;
- vii. Completed customer forms, as described in this Exhibit A (Site Assessment Agreement, Project Estimate, Program Participation Agreement, Customer Feedback Form);
- viii. Non-warranty and warranty related repair issues;
- ix. Project costs covered by CPAU, including site assessment cost and loaner cost where applicable;
- x. Summary of customer compliments and/or complaints, and reasons for rejection of proposed installations by customer;
- xi. Customer referrals to other programs;
- xii. Customer payments collected;
- xiii. Records of customers' Extended Parts and Labor Warranties.

CONSULTANT will revise and update the above list of Program data as directed by CITY. CITY will own all customer information and Program data. CONSULTANT will adhere to the CITY's Exhibit E - Information Privacy Policy and Exhibit F - Cybersecurity Terms and Conditions; specifically, CONSULTANT will protect the confidentiality of all customer information and Program data used, prevent any sale or release of such information and data to third parties unless agreed upon in writing by the customer, and ensure CITY has secure access to all customer information and data collected through the CIS.

Task 1.3 Deliverable: Successful integration of customer data from CONSULTANT's system(s) into CITY's Program Tracking Platform

Task 1.4: Set up and testing of Program invoice and rebate submission

CONSULTANT shall work closely with CPAU to streamline the submission of project invoices and rebate applications. CPAU may require CONSULTANT utilize Rock Rabbit software to submit rebate applications.

Task 1.4 Deliverables: Completion of user testing to submit project invoices and rebate applications.

Task 1.5 Provide Eligible Measure List Updates

Sixty days before the start of each fiscal year, or as requested by CITY but no more than two (2) times per fiscal year, CONSULTANT will provide to the CITY proposed updates of Table C-1 for CITY review and approval. The proposed tables will include any new Eligible Measures proposed by CITY or CONSULTANT as well as changes to effective time periods that reflect measures no longer offered.

Task 1.5 Deliverable: Eligible Measure List Updates

Task 1.6 Enroll in State or Local Financing Programs

CONSULTANT will enroll in GoGreen Financing, the public-facing platform of the California Hub for Energy Efficiency Financing, as a qualified CONSULTANT to provide energy efficiency and electrification installation services in Santa Clara County. When CONSULTANT is successfully enrolled in GoGreen Financing, CONSULTANT will provide CITY a link to the public-facing financing program website for Santa Clara County documenting CONSULTANT's enrollment or provide CITY with a letter certifying CONSULTANT's enrollment in the program in Santa Clara County.

If mutually agreeable, CONSULTANT will enroll in additional financing programs or enlist third-party financial partners, such as National Energy Improvement Fund, to provide lending services.

CONSULTANT will update the Program Participation Agreement with financing programs which CONSULTANT is enrolled in and promote these financing programs to customers participating in the Program.

Task 1.6 Deliverable: Listing on public-facing financing program website or letters certifying CONSULTANT's enrollment

TASK 2 - PROGRAM IMPLEMENTATION

CONSULTANT shall intake customers, assess their projects, install water heaters, provide post-installation customer service, resolve customer issues, gather customer feedback, and process invoices to CPAU and customers.

Task 2.1 Implement Marketing and Outreach Activities

CONSULTANT will market the Program in collaboration with CITY.

Task 2.1 Deliverable: Ongoing collaboration with CITY in marketing and outreach activities to promote Program.

Task 2.2: Develop Customer Intake & hotline

CONSULTANT shall collaborate with CPAU to create an emergency water heater replacement hotline and determine the most appropriate customer intake process with mutually agreed upon protocols to ensure that customers can access service outside of standard business hours, where required.

Task 2.2 Deliverable: Create and maintain an emergency water heater replacement hotline within 30 days of contract award

Task 2.3 Perform Customer Site Assessments and Deliver Customer Estimate

CONSULTANT will:

- 1) Respond to customer requests for an emergency water heater replacement and perform a site visit within 1 business day of the customer call to determine the emergency replacement scenario and applicable approaches.
- 2) Collect all data necessary during the customer site assessment to determine whether it is feasible to install a heat pump water heater on the day of the customer site visit or whether a temporary water heater will be necessary, and develop the Customer estimate.
- 3) Select equipment sizing, model, and configure in accordance with the Program Guidelines; perform electric load calculations or other assessments as needed.
- 4) Provide project estimate to customer including itemization of any customer deposit required toward loaner equipment where applicable. CONSULTANT will offer to review the estimate with the customer by phone, online chat, or mutually agreeable communication channel, to explain the findings, address any questions, and begin planning for an installation.

CITY reserves the right to accompany CONSULTANT during Customer Site Assessment visits.

Task 2.3 Deliverable: One site assessment and project estimate for each eligible customer within 1 business day of customer calling the hotline.

Task 2.4 Execute Program Participation Agreement, Collect Customer Payments, and Enroll Customers in Financing Programs

After completing Task 2.4 with the customer, CONSULTANT will:

- 1) Provide the Program Participation Agreement to the customer and obtain customer's signature;
- 2) As necessary, CONSULTANT will coordinate with the customer to correct any errors or omissions in the Program Participation Agreement;
- 3) Assist customer in understanding any payments that are the customer's responsibility, such as Customer payments, payments for Electrification Site Preparation Services and associated labor rates, and Extended Parts and Labor Warranties;
- 4) Assist customer in understanding CITY-approved financing programs, options, and payment terms;
- 5) Collect any customer payments including Customer payments, payments for Electrification Site Preparation Services and associated labor rates, and Extended Parts and Labor Warranties;
- 6) Assist interested customers with enrollment in GoGreen and potentially other CITY-approved State or local financing programs.

Task 2.5 Install Measures and Provide Post-Installation Quality Control

CONSULTANT will begin installation work to restore hot water within 2 business days of customer request:

- 1) Apply for and obtain any required permits on the customer's behalf;
- 2) Install Eligible Measures in accordance with all applicable federal and state laws and building codes, manufacturer's specifications and City of Palo Alto permitting requirements;
 - a. CONSULTANT will hold the appropriate license(s) for any installation and work performed under this Agreement.
 - b. CONSULTANT will notify CITY Project Manager of any delays which may result in exceedance of target for hot water restoration within 2 business days.
 - c. If a loaner water heater is installed, CONSULTANT shall create and provide to customer a Scope of Work for the final heat pump water heater installation within 6 weeks, with exceptions for electrical panel or electrical service upgrade delays.
 - d. If a customer receives a loaner and chooses not to proceed with a heat pump water heater installation, customer will be obligated to either return the loaner within 60 days, or CONSULTANT shall keep the emergency loaner deposit.
- 3) Implement the quality assurance and quality control plan to verify each project has been installed properly and documented accurately;
- 4) Upon completion of heat pump water heater installation, assist customers in understanding equipment operation, including programming and performing preventative maintenance;
- 5) Provide customer with technical manuals and warranty documentation;
- 6) Remain available throughout the installation process to answer questions from customers or CITY about projects. As needed, CONSULTANT will direct customers to appropriate CITY resources or vendors for questions related to other CITY programs;
- 7) Obtain final inspections and complete the job closure paperwork for all installed Measures;
- 8) Update project information in Quickbase (or CITY's chosen program platform) with completed project installation data and invoice information for inclusion in the Program Report and Program Invoice;
- 9) Provide customers, at a minimum, a one (1) year warranty for all measures installed under the Program, effective from the date of installation. CONSULTANT will ensure that all manufacturer product warranties held by CONSULTANT will be transferred to the customer upon installation.
 - a. CONSULTANT shall respond to workmanship warranty calls as needed and assist customer in responding to product warranty issues. Address all workmanship and product replacement warranty issues to reasonable customer satisfaction.

CITY reserves the right to accompany CONSULTANT during project installation and final Inspection, with the condition that this would in no way impede or delay CONSULTANTS provision of service to customer.

Task 2.5 Deliverable: Provide timely Heat Pump Water Heater installation services as needed and where infeasible, provide referrals.

Task 2.6 Provide Customer Service, Feedback and Issue Resolution

CONSULTANT will collaborate with CITY to create a dedicated phone number available on customer-facing materials as directed by CITY for all CITY customer contacts to schedule Site Assessments, provide Program information, and answer customer inquiries during normal business hours, Monday through Friday between 8 AM – 5 PM, as well as a rollover arrangement for afterhours service.

CONSULTANT will request customer feedback as described in Customer Feedback Form. CONSULTANT will transmit customer feedback data to CITY's Program tracking platform. CONSULTANT will provide monthly customer feedback results to CITY in CONSULTANT's monthly invoicing and reporting.

CONSULTANT will address and attempt to resolve all customer issues discovered through either survey feedback or other means of customer contact within five (5) business days of receiving feedback. CONSULTANT will document all such customer issues, actions taken to resolve them, and outcomes and report them to CITY. If CONSULTANT cannot resolve Program-related issues to the customer's satisfaction within five (5) business days, CONSULTANT will immediately provide CITY with a detailed description of each complaint, including the customer's name and contact information and any other information requested by CITY.

CONSULTANT will pursue continuous improvements in delivery of Services provided under this Agreement to customers to drive customer satisfaction and will revise its processes, procedures and documents as directed by CITY to ensure customer satisfaction. Customer feedback issues will be tracked by CONSULTANT using the monthly reports, as well as a completed Customer Feedback Form. CITY may separately survey Program participants regarding CONSULTANT's performance.

TASK 3 – PROGRAM INVOICING AND REPORTING

Task 3.1 Data Management

CONSULTANT will export Program data to CITY's Program tracking platform. CONSULTANT will update the CITY's Program platform with project information gathered from Customer Site Assessments and completed project installations. CONSULTANT will track detailed customer information such as challenges encountered in Program implementation and proposed solutions.

CONSULTANT will respond to CITY's written data requests within 30 calendar days to meet evaluation, measurement, and verification ("EM&V") and other regulatory requirements.

Task 3.2 Reporting

CONSULTANT will provide completed Program Reports to CITY on CITY-approved reporting templates on a monthly basis.

Program Reports are critical to the success of the Services described herein, and therefore CONSULTANT's timely submittal of complete and accurate Program Reports is required

in order for CONSULTANT to receive payments under this Agreement.

Task 3.3 Invoicing

Using the Program Invoice Template, CONSULTANT will invoice CITY on a monthly basis consistent with Section 5 of the Agreement and in accordance with the specific guidelines set forth in this Exhibit “A” and in Exhibit “C”, “Compensation” through the CITY’s designated submission approach or system. CITY will reimburse CONSULTANT for site assessments, City Permit Fee, and loaner water heater expenses; all other expenses will be the responsibility of the customer to pay and CONSULTANT to collect. In the event that a customer discontinues their heat pump water heater installation, CONSULTANT can keep the loaner water heater down payment from the customer and City will only reimburse CONSULTANT for site assessment of that canceled project.

Proper record-keeping is critical for the success of the Services described herein. As such, CONSULTANT must timely and accurately provide the following elements in order to receive payment for Services under this Agreement:

- i. Completed Program Invoice Template;
- ii. Executed Customer Site Assessment Agreement for each project;
- iii. Executed Program Participation Agreement for each project;
- iv. Completed Customer Feedback Form for each project (for customers who have completed Feedback Forms);
- v. Completed project installation and invoice information for each project entered into CITY Program platform in a mutually agreed upon format.

CONSULTANT shall invoice CPAU for the agreed-upon fee for loaner installation, permit fee, and the agreed-upon fee for site assessments.

Task 3.3 Deliverable: Upon passing final permit inspection, CONSULTANT will invoice CPAU for the agreed upon CITY project contributions.

TASK 4 – PROGRAM CLOSE OUT

Task 4.1 Resolve Outstanding Jobs in Progress

CONSULTANT will complete all outstanding projects in progress and resolve any complaints from previously completed projects as a prerequisite for CITY to process CONSULTANT’s invoices.

Task 4.2 Develop and Submit Program Final Report

CONSULTANT will submit a final Program report, which includes a written overview of the Program and a spreadsheet detailing the itemized and total Program costs. The Program Final Report will include Program achievements, challenges, goals, and lessons learned. CONSULTANT will deliver the Program Final Report within 30 calendar days before the end of the Term.

Task 4.2 Deliverable: Program Final Report

EXHIBIT B SCHEDULE OF PERFORMANCE

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

Milestones	Completion Number of Days/Weeks (as specified below) from NTP
Task 1 HPWH ER Kick-off and Set up	30 days
Task 1.1 HPWH ER Kick-off	
Task 1.2 Develop HPWH ER Pilot Documents	
Task 1.2.1 Develop Program Policies and Procedures Manual	
Task 1.2.2 Develop Customer Site Assessment Report and Estimate	
Task 1.2.3 Develop Customer Site Assessment Agreement	
Task 1.2.4 Develop Program Participation Agreement	
Task 1.2.5 Develop Customer Feedback Forms	
Task 1.2.6 Develop Program Report Template	
Task 1.2.7 Develop Program Invoice Template	
Task 1.3 Transmit Customer Information to CITY’s Program Tracking Database	
Task 1.4 Setup and testing of program invoice and rebate submission	
Task 1.5 Provide Eligible Measure List Updates	
Task 1.6 Enroll in State or Local Financing Programs	
Task 2 Program Implementation	Ongoing
Task 2.1 Implement Marketing and Outreach Activities	
Task 2.2 Develop Customer Intake & hotline	
Task 2.3 Perform Customer Site Assessment and Deliver Customer Estimate	
Task 2.4 Execute Program Participation Agreement, Collect Customer Payments, and Enroll Customers in Financing Programs	
Task 2.5 Install Measures and Provide Post-Installation Quality Control	
Task 2.6 Provide Customer Service, Feedback and Issue Resolution	
Task 3 Program Invoicing and Reporting	Ongoing
Task 3.1 Data Management	
Task 3.2 Reporting	
Task 3.3 Invoicing	
Task 4 Program Close Out	Ongoing
Task 4.1 Resolve Outstanding Jobs in Progress	
Task 4.2 Develop and Submit Program Report	Within 30 days before end of Term

☐ Optional Schedule of Performance Provision for On-Call or Additional Services Agreements.
(This provision only applies if checked and only applies to on-call agreements per Section 1 or agreements with Additional Services per Section 4.)

The schedule of performance shall be as provided in the approved Task Order, as detailed in Section 1 (Scope of Services) in the case of on-call Services, or as detailed in Section 4 in the case of Additional Services, provided in all cases that the schedule of performance shall fall within the term as provided in Section 2 (Term) of this Agreement.

EXHIBIT C COMPENSATION

CITY agrees to compensate CONSULTANT for the Services performed in accordance with the terms and conditions of this Agreement, including Services, any specified reimbursable expenses, and Additional Services (if any, per Section 4 of the Agreement), based on the hourly rate schedule attached as Exhibit C-1.

The compensation to be paid to CONSULTANT under this Agreement for all Services, any specified reimbursable expenses, and Additional Services (if any, per Section 4), shall not exceed the amount(s) stated in Section 4 of this Agreement. CONSULTANT agrees to complete all Services, any specified reimbursable expenses, and Additional Services (if any, per Section 4), within this/these amount(s). Any work performed or expenses incurred for which payment would result in a total exceeding the maximum amount of compensation set forth in this Agreement shall be at no cost to the CITY.

CONSULTANT understands that CONSULTANT's receipt of compensation under this Agreement will depend on the number of customers who opt to participate in the HPWH ER Pilot Programs by executing Program Participation Agreements binding them to pay for any Eligible Measures installed, and CONSULTANT's satisfactory completion of invoicing activities as described in Exhibit A. CITY makes no guarantee, express or implied, regarding the number of customers who will participate in programs covered by this Agreement.

The CITY bears no responsibility for any of CONSULTANT's costs and/or compensation to CONSULTANT associated with customer payments, CONSULTANT's performance of any of the Electrification Site Preparation Services, including Electrification Labor Rates, or CONSULTANT's delivery of Extended Parts and Labor Warranties for any of the Program Eligible Measures. All such compensation will remain the sole the responsibility of customers who may elect to participate in the HPWH ER Pilot Program. (see Exhibit A).

REIMBURSABLE EXPENSES

CONSULTANT'S ordinary business expenses, such as administrative, overhead, administrative support time/overtime, information systems, software and hardware, photocopying, telecommunications (telephone, internet), in-house printing, insurance and other ordinary business expenses, are included within the scope of payment for Services and are not reimbursable expenses hereunder.

Reimbursable expenses, if any are specified as reimbursable under this section, will be reimbursed at actual cost. The expenses (by type, e.g. travel) for which CONSULTANT will be reimbursed are: **NONE** up to the not-to-exceed amount of: **\$0.00**.

A. Travel outside the San Francisco Bay Area, including transportation and meals, if specified as reimbursable, will be reimbursed at actual cost subject to the City of Palo Alto's policy for reimbursement of travel and meal expenses.

B. Long distance telephone service charges, cellular phone service charges, facsimile transmission and postage charges, if specified as reimbursable, will be reimbursed at actual cost.

All requests for reimbursement of expenses, if any are specified as reimbursable under this section, shall be accompanied by appropriate backup documentation and information.

EXHIBIT C-1 SCHEDULE OF RATES

The figures set forth in this Exhibit C-1 include all of CONSULTANT's costs to perform all of the Services listed in this Agreement that correspond to that Eligible Measure, including, without limitation, CONSULTANT's administrative costs, marketing and outreach costs, implementation (materials and labor) costs, Electrification Site Preparation Services, Electrification Labor Rates and Extended Parts and Labor Warranty costs. No additional fees or charges will be required of CITY or its customers for CONSULTANT to perform the Services listed in this Agreement.

CONSULTANT's schedule of rates is as follows:

Eligible Measure	Description of Measure	Cost to Customer (not payable by City):* Installed cost per unit (incl equipment + labor) (\$)	Cost to City: Installed cost per unit (incl equipment + labor) (\$)
Heat pump water heater (80 gallon, 240V) - weekday hours	Remove existing gas water heater, properly dispose of the old water heater and platform, cap the gas line, install the drain pan, install the heat pump water heater and condensate draining per manufacturer's instruction based on location, install new safety straps meeting code, install noise and vibration reduction components (flexible pipe connectors, rubber mat, rubber grommet at pipe-wall penetrations, rubber grommet where seismic strapping meets wall,) install expansion tank, complete job closure paperwork, repair and paint walls to original condition as required, standard one (1) year labor warranty, and manufacturer's product warranty.	\$8,770	N/A
Heat pump water heater (65 gallon, 240V) - weekday hours		\$6,850	N/A
Heat pump water heater (50 gallon, 240V) - weekday hours		\$6,630	N/A
Heat pump water heater (80 gallon, 120V) - weekday hours		\$8,990	N/A
Heat pump water heater (65 gallon, 120V) - weekday hours		\$7,150	N/A
Emergency water heater loaner - weekday hours	Replace-in-kind tank-type water heater from loaner-reuse supply, properly dispose of old water heater. When replacing with HPWH at a later date, keep loaner equipment for future projects.	N/A	\$1,800

	The customer shall pay the \$1800 at the time it is installed. The amount will be considered a “down payment” towards their electrification and noted on the final invoice as a credit from the CITY.		
Assessment and Project Estimate - with phone/chat/email support 24/7	Utilizing Plunjr + QuitCarbon platform - all homes will receive an assessment and a Project Estimate - this row covers remote service (not in-person at the homeowner's home)	N/A	\$250
(Optional) Site visit for assessment and project Estimate - normal weekday hours -	When Larratt Bros staff go on-site to perform assessment and prepare a Project Estimate. Note that this charge is instead of, not in addition to the virtual assessment charge above.	N/A	\$295
Permit Coordination,	<i>Optional use for inspectors to use Plunjr app, at the discretion of the City.</i>	\$500	N/A
Permit cost	<i>The cost of the HPWH permit will be covered by the City.</i>	N/A	\$247, subjected to annual adjustment to permit cost
Non-standard Site Preparation and/or Installation Services costs for a HPWH installation			
Install 18" X 24" Louver Vents into existing door		\$125	N/A
Provide and Install Condensate Pump		\$165	N/A
Plumb out Temperature-Pressure Relief Valve and condensate to exterior away from foundation per building code requirements		\$500	N/A
Provide and Install Thermostatic Mixing Valve		\$500	N/A
Electrician, labor hours	Per Hour Price. Non-standard labor costs will be estimated as part of the Project Estimate phase.	\$210	N/A

Plumber, labor hours	Per Hour Price. Non-standard labor costs will be estimated as part of the Project Estimate phase.	\$210	N/A
Electrical services			
Install a new circuit breaker and up to 30 ft circuit between HPWH and electrical panel		\$1,650	N/A
Additional Circuit run (per additional 50 feet)		\$1,450	N/A
Electric panel replacement	Remove existing electrical panel, properly dispose of old equipment, replace with new panel including capability for future home electrification and EV readiness, include two additional reserve breaker spaces above and beyond electrification readiness, replace circuit breakers as required, repair and paint walls to original condition as required, standard one (1) year labor warranty, and manufacturer's product warranty.	Time and Materials - this work is highly variable in cost, and cannot be reduced to a single pre-determined price	N/A
Sub-panel replacement / installation	Add electrical subpanel, properly dispose of old equipment, ensure home includes capability for future home electrification and EV readiness, include two additional reserve breaker spaces above and beyond electrification readiness, replace circuit breakers as required, repair and paint walls to original condition as required, standard one (1) year labor warranty, and manufacturer's product warranty.	\$1,650	N/A
Install space-saver quad breaker (tandem breaker)	Remove existing 120V standard-width breaker, install tandem breaker to maximize use of physical space in panel.	\$250	N/A
Program Set Up Costs - Pilot kick off, Develop Pilot documents, Set up and testing of project invoice submissions and rebate applications.			
Larratt Bros set up	Includes a maximum of 16 person/hours of meetings for Larratt Bros staff. Additional meeting time is noted in Comments section below.	N/A	\$5,500
QuitCarbon set	Includes a maximum of 8 person/hours of	N/A	\$2,000

up	meetings for QuitCarbon staff. Additional meeting time is noted in Comments section below.		
Total		N/A	\$7,500
Optional Additional Measures			
Heat pump water heater (80 gallon, 240V) - weeknight, weekend, holiday hours		\$10,197	N/A
Heat pump water heater (65 gallon, 240V) - weeknight, weekend, holiday hours		\$8,085	N/A
Heat pump water heater (50 gallon, 240V) - weeknight, weekend, holiday hours		\$7,293	N/A
Heat pump water heater (80 gallon, 120V) - weeknight, weekend, holiday hours		\$10,232	N/A
Heat pump water heater (65 gallon, 120V) - weeknight, weekend, holiday hours		\$8,201	N/A
Emergency gas water heater loaner - weeknight, weekend, holiday hours		\$500	\$1,800
Project Assessment & estimate - remote - weeknight, weekend, holiday hours	Utilizing Plunjr + Larratt Bros call center staff, with the benefit of QuitCarbon virtual assessments - note that some homes will receive this remote project bid during non-weekday business hours	N/A	\$250

(Optional) Site visit for assessment and project estimate- weeknight, weekend, holiday hours - upcharge	When Larratt Bros staff go on-site to perform assessment and/or prepare a bid outside of normal business hours, this additional charge will apply. Note that this charge is instead of, not in addition to, the site visits during normal business hours that is noted in the first section above.	\$155	\$295
Electrician Hourly Rate - weeknight, weekend, holiday hours	Per Hour Price. Non-standard labor costs will be estimated as part of the Project Estimate phase.	\$400	N/A
Plumber Hourly Rate - weeknight, weekend, holiday hours	Per Hour Price. Non-standard labor costs will be estimated as part of the Project Estimate phase.	\$400	N/A
Extended Parts and labor warranty	<i>Include 2 yr warranty from the date of installation</i>	\$500	N/A
Meetings, in excess of those listed in project Scope			\$150/hour
Parts and labor shall be covered for one year.		\$0	
Water Heaters installed in basements, attics, or any other place other than the garage or outside (ground level) closet shall be accessed with an additional cost. Protection of floors, walls, or other finishes shall be assessed on an individual basis and the cost will vary depending on the level of protection required.		\$500-\$1,000+	

* Note that the Costs to the Customer detailed here are not payable by the City and are only included here to establish the agreed upon pricing to be charged by CONSULTANT to customers.

EXHIBIT D INSURANCE REQUIREMENTS

CONSULTANTS TO THE CITY OF PALO ALTO (CITY), AT THEIR SOLE EXPENSE, SHALL FOR THE TERM OF THE CONTRACT OBTAIN AND MAINTAIN INSURANCE IN THE AMOUNTS FOR THE COVERAGE SPECIFIED BELOW, **AFFORDED BY COMPANIES WITH AM BEST'S KEY RATING OF A-VII, OR HIGHER, LICENSED OR AUTHORIZED TO TRANSACT INSURANCE BUSINESS IN THE STATE OF CALIFORNIA.**

AWARD IS CONTINGENT ON COMPLIANCE WITH CITY'S INSURANCE REQUIREMENTS AS SPECIFIED HEREIN.

REQUIRED	TYPE OF COVERAGE	REQUIREMENT	MINIMUM LIMITS	
			EACH OCCURRENCE	AGGREGATE
YES YES	WORKER'S COMPENSATION EMPLOYER'S LIABILITY	STATUTORY STATUTORY	STATUTORY	STATUTORY
YES	GENERAL LIABILITY, INCLUDING PERSONAL INJURY, BROAD FORM PROPERTY DAMAGE BLANKET CONTRACTUAL, AND FIRE LEGAL LIABILITY	BODILY INJURY	\$1,000,000	\$1,000,000
		PROPERTY DAMAGE	\$1,000,000	\$1,000,000
		BODILY INJURY & PROPERTY DAMAGE COMBINED.	\$1,000,000	\$1,000,000
YES	AUTOMOBILE LIABILITY, INCLUDING ALL OWNED, HIRED, NON-OWNED	BODILY INJURY	\$1,000,000	\$1,000,000
		- EACH PERSON	\$1,000,000	\$1,000,000
		- EACH OCCURRENCE	\$1,000,000	\$1,000,000
		PROPERTY DAMAGE	\$1,000,000	\$1,000,000
		BODILY INJURY AND PROPERTY DAMAGE, COMBINED	\$1,000,000	\$1,000,000
YES	PROFESSIONAL LIABILITY, INCLUDING, ERRORS AND OMISSIONS, MALPRACTICE (WHEN APPLICABLE), AND NEGLIGENT PERFORMANCE	ALL DAMAGES	\$1,000,000	
YES	THE CITY OF PALO ALTO IS TO BE NAMED AS AN ADDITIONAL INSURED: CONSULTANT, AT ITS SOLE COST AND EXPENSE, SHALL OBTAIN AND MAINTAIN, IN FULL FORCE AND EFFECT THROUGHOUT THE ENTIRE TERM OF ANY RESULTANT AGREEMENT, THE INSURANCE COVERAGE HEREIN DESCRIBED, INSURING NOT ONLY CONSULTANT AND ITS SUBCONTRACTORS, IF ANY, BUT ALSO, WITH THE EXCEPTION OF WORKERS' COMPENSATION, EMPLOYER'S LIABILITY AND PROFESSIONAL INSURANCE, NAMING AS ADDITIONAL INSUREDS CITY, ITS COUNCIL MEMBERS, OFFICERS, AGENTS, AND EMPLOYEES.			

I. INSURANCE COVERAGE MUST INCLUDE:

- A. A CONTRACTUAL LIABILITY ENDORSEMENT PROVIDING INSURANCE COVERAGE FOR CONSULTANT'S AGREEMENT TO INDEMNIFY CITY.

II. THE CONSULTANT MUST SUBMIT CERTIFICATES(S) OF INSURANCE EVIDENCING REQUIRED COVERAGE AT THE FOLLOWING EMAIL: PURCHASINGSUPPORT@CITYOFPALOALTO.ORG

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

A. PRIMARY COVERAGE

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

B. CROSS LIABILITY

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

C. NOTICE OF CANCELLATION

1. IF THE POLICY IS CANCELED BEFORE ITS EXPIRATION DATE FOR ANY REASON OTHER THAN THE NON-PAYMENT OF PREMIUM, THE CONSULTANT SHALL PROVIDE CITY AT LEAST A THIRTY (30) DAY WRITTEN NOTICE BEFORE THE EFFECTIVE DATE OF CANCELLATION.
2. IF THE POLICY IS CANCELED BEFORE ITS EXPIRATION DATE FOR THE NON-PAYMENT OF PREMIUM, THE CONSULTANT SHALL PROVIDE CITY AT LEAST A TEN (10) DAY WRITTEN NOTICE BEFORE THE EFFECTIVE DATE OF CANCELLATION.

**EVIDENCE OF INSURANCE AND OTHER RELATED NOTICES ARE REQUIRED TO BE
FILED WITH THE CITY OF PALO ALTO SENT TO THE FOLLOWING EMAIL:
PURCHASINGSUPPORT@CITYOFPALOALTO.ORG**



INFORMATION SECURITY POLICY

POLICY STATEMENT

This policy describes the information security policy and procedures for the protection of non-public information (the "Non-Public Information") created, collected, processed, received, stored and transmitted by the City of Palo Alto (the "City"). City employees and officials (the "Users") must maintain the accessibility, availability, confidentiality, integrity and regulatory compliance of Non-Public Information created, collected, processed, stored and transmitted by the City. The failure to comply with this policy and procedures could result in substantial damage, liability or loss in regard to the property or reputation of the City, another Authorized User, or any person who transacts business with the City, including the City's utility customers, third party vendors, and other governmental agencies. Authorized Users are obligated to report loss, damage or disclosure of Non-Public Information or other violation of this policy and procedure to their supervisor or the Information Security Manager (the "ISM") or other employee designated by the City's Information Technology Department (the "IT"). Violation of this policy and procedures, including the failure to report the violation, could include disciplinary or other action imposed or taken by the City or other affected person in accordance with Federal, California and City laws, ordinances, rules and regulations.

PURPOSE

Information pertaining to the business of the City, acting in both its governmental and proprietary capacities, is a vital asset of the City. An Authorized User of Non-Public Information shall use best efforts to protect the information covered by this policy and procedures from unauthorized access, availability, alteration, destruction, disclosure, modification or use. Because the City is required by applicable law to protect the Non-Public Information due to its sensitive nature and value, an Authorized User of the Non-Public Information shall exercise reasonable and appropriate care in conforming to applicable laws. This policy and procedure applies only to an Authorized User's access to and use of Non-Public Information.

PROCEDURES

IT has adopted Information Security Standards (the "Standards") to enforce this policy. IT shall inform and train authorized users on the requirements contained in this policy and procedures and the Standards. The authorized user shall comply with the Standards, in conjunction with this policy.

A. Covered Equipment and Devices

This policy applies to all City-approved, -owned or -leased computer network systems and peripheral equipment (the "Equipment"), including any mobile communication device (the "Device"), whether or not owned by an Authorized User, that may be used to create, collect, process, store and transmit the Non-Public Information.

B. Roles of Information Technology Department and Others

IT, including the Chief Information Officer ("CIO") and the ISM, shall promote information security awareness within the City government community, and shall receive and maintain reports of incidents, malfunctions and threats to the City's information technology assets, which may have a security impact upon the City. The CIO and ISM are also responsible for developing the Standards.

IT shall be responsible for the design, primary enforcement and maintenance of Non-Public Information security through education, training and other means. IT shall ensure that the following control measures and standards are enabled on every Equipment and Device:

Limit physical and login access to the Equipment and the Devices to Authorized Users.

Maintain the most current software patches and anti-virus software for the Equipment and the Devices.

Enable and use host-based firewalls, as available, to ensure the security of the Equipment and the Device(s). Perform regular security scans on the Equipment and the Device(s).

C. User Access Control Requirements

1. Do not access Non-Public Information except to the extent you have a need to do so in order to perform your City duties.
2. Do not disclose or share Non-Public Information with any person who does not have both a right to access the Non-Public Information and a need to do so in order to perform their City duties.
3. Do not alter or destroy Non-Public Information except to the extent you are required or authorized to do so.
4. An Authorized User who has access to Non-Public Information shall protect and secure that information while the information is in his or her custody in a manner that is consistent with applicable contract and legal requirements and restrictions and is reasonable and appropriate to the level of risk, sensitivity or value the Non-Public Information has to the City.
5. An Authorized User shall maintain the accessibility, availability, confidentiality, integrity and regulatory compliance of any Non-Public Information that is created,

collected, processed, stored and transmitted by the City on a 24 hours-per-day, 7 days-per-week ("24/7") basis.

6. An Authorized User shall maintain the protection of information assets from malicious code, including viruses and malware by following the City's incident management procedures, including detection, prevention, isolation, and recovery tools.

D. Equipment and Devices Security Control Requirements:

1. Secure your Equipment and Devices by using a screen saver or built-in lock feature when you are physically away from your office or other work space.
2. Restrict physical access 24/7 to your Equipment and Devices, in particular, your laptop computer, by a lock and security cable, if the City makes them available.
3. Maintain possession of your Device(s) 24/7 and require a password or fingerprint to access and use the Device(s).
4. Log out when you cease access and use of Equipment and Device(s).
5. Notify the IT Help Desk and the ISM immediately whenever you become aware or suspect Non-Public Information, passwords, or other access control mechanisms have been compromised, disclosed, lost, or stolen.
6. Do not intentionally, recklessly or willfully alter, damage, or misuse any City-owned or -leased Equipment or Device.
7. The user shall comply with the Policy and the Standards whenever he or she uses a City Owned Mobile Device ("COMD") and or Employee-Owned Mobile Devices, also known as Bring Your Own Devices ("BYOD") to conduct the City business.
8. BYODs and COMDs include smartphones, cell phones, tablets PCs (Androids, iPads, etc.) and user-own laptops. Only authorized BYOD shall have access to the only authorized City's application systems. The City reserves the right to provide or withdraw access to the City infrastructure without notice.

E. Utilities' Customer Identity and Credit Security

Federal regulations amending the Fair Credit Reporting Act, including the Fair and Accurate Credit Transactions Act of 2003 (FACT Act), and the Red Flags Clarification Act of 2010, protect the Non-Public Information of customers of financial institutions, including utilities, that are defined as "creditors." These regulations require that consumer's Non-Public Information, such as credit card data, Social Security Numbers, driver's license numbers, or similar data be secured by Authorized Users and within the City's data management systems. Authorized Users are required to report any suspected or real breach of Utilities Non-Public Information to the ISM immediately. The ISM will identify, detect, prevent and mitigate the suspected, real or future breaches of security, as required by the regulations.

F. Violations and Enforcement

An Authorized User must report an actual or suspected violation of this policy and procedures to his or her supervisor and IT. The City will not discipline an Authorized User

for making a good faith report of a potential violation of this policy and procedures or the Standards.

A violation of this policy will be investigated by the appropriate City staff and if a violation is established, disciplinary action up to termination from employment may result.

NOTE: Questions regarding this policy should be referred to the Information Technology Department, as appropriate.


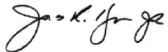
Recommended:	<div>DocuSigned by:  7914D9897578424...</div> <hr/> <div>Director Information Technology/CIO</div>	<div>12/5/2017</div> <hr/> <div>Date</div>
Approved:	<div>DocuSigned by:  39E7298FB2064DB...</div> <hr/> <div>City Manager</div>	<div>12/13/2017</div> <hr/> <div>Date</div>



EXHIBIT "F"

CYBERSECURITY TERMS AND CONDITIONS

In order to assure the privacy and security of the personal information of the City's customers and people who do business with the City, including, without limitation, vendors, utility customers, library patrons, and other individuals and companies, who are required to share such information with the City, as a condition of receiving services from the City or selling goods and services to the City, including, without limitation, the Software as a Service services provider (the "Consultant") and its subcontractors, if any, including, without limitation, any Information Technology ("IT") infrastructure services provider, shall design, install, provide, and maintain a secure IT environment, described below, while it renders and performs the Services and furnishes goods, if any, described in the Statement of Work, Exhibit B, to the extent any scope of work implicates the confidentiality and privacy of the personal information of the City's customers. The Consultant shall fulfill the data and information security requirements (the "Requirements") set forth in Part A below.

A "secure IT environment" includes (a) the IT infrastructure, by which the Services are provided to the City, including connection to the City's IT systems; (b) the Consultant's operations and maintenance processes needed to support the environment, including disaster recovery and business continuity planning; and (c) the IT infrastructure performance monitoring services to ensure a secure and reliable environment and service availability to the City. "IT infrastructure" refers to the integrated framework, including, without limitation, data centers, computers, and database management devices, upon which digital networks operate.

In the event that, after the Effective Date, the Consultant reasonably determines that it cannot fulfill the Requirements, the Consultant shall promptly inform the City of its determination and submit, in writing, one or more alternate countermeasure options to the Requirements (the "Alternate Requirements" as set forth in Part B), which may be accepted or rejected in the reasonable satisfaction of the Information Security Manager (the "ISM").

Part A. Requirements:

The Consultant shall at all times during the term of any contract between the City and the Consultant:

- (a) Appoint or designate an employee, preferably an executive officer, as the security liaison to the City with respect to the Services to be performed under this Agreement.
- (b) Comply with the City's Information Privacy Policy:
- (c) Have adopted and implemented information security and privacy policies that are documented, are accessible to the City, and conform to ISO 27001/2 – Information Security Management Systems (ISMS) Standards. See the following:
http://www.iso.org/iso/home/store/catalogue_tc/catalogue_detail.htm?csnumber=42103
http://www.iso.org/iso/catalogue/catalogue_tc/catalogue_detail.htm?csnumber=50297
- (d) Conduct routine data and information security compliance training of its personnel that is appropriate to their role.
- (e) Develop and maintain detailed documentation of the IT infrastructure, including software versions and patch levels.
- (f) Develop an independently verifiable process, consistent with industry standards, for performing professional and criminal background checks of its employees that (1) would permit verification of employees' personal identity and employment status, and (2) would enable the immediate denial of access to the City's confidential data and information by any of its employees who no



longer would require access to that information or who are terminated.

- (g) Provide a list of IT infrastructure components in order to verify whether the Consultant has met or has failed to meet any objective terms and conditions.
- (h) Implement access accountability (identification and authentication) architecture and support role-based access control ("RBAC") and segregation of duties ("SoD") mechanisms for all personnel, systems, and Software used to provide the Services. "RBAC" refers to a computer systems security approach to restricting access only to authorized users. "SoD" is an approach that would require more than one individual to complete a security task in order to promote the detection and prevention of fraud and errors.
- (i) Assist the City in undertaking annually an assessment to assure that: (1) all elements of the Services' environment design and deployment are known to the City, and (2) it has implemented measures in accordance with industry best practices applicable to secure coding and secure IT architecture.
- (j) Provide and maintain secure intersystem communication paths that would ensure the confidentiality, integrity, and availability of the City's information.
- (k) Deploy and maintain IT system upgrades, patches and configurations conforming to current patch and/or release levels by not later than one (1) week after its date of release. Emergency security patches must be installed within 24 hours after its date of release.
- (l) Provide for the timely detection of, response to, and the reporting of security incidents, including on-going incident monitoring with logging.
- (m) Notify the City within one (1) hour of detecting a security incident that results in the unauthorized access to or the misuse of the City's confidential data and information.
- (n) Inform the City that any third party service provider(s) meet(s) all of the Requirements.
- (o) Perform security self-audits on a regular basis and not less frequently than on a quarterly basis, and provide the required summary reports of those self-audits to the ISM on the annual anniversary date or any other date agreed to by the Parties.
- (p) Accommodate, as practicable, and upon reasonable prior notice by the City, the City's performance of random site security audits at the Consultant's site(s), including the site(s) of a third-party service provider(s), as applicable. The scope of these audits will extend to the Consultant's and its third-party service provider(s)' awareness of security policies and practices, systems configurations, access authentication and authorization, and incident detection and response.
- (q) Cooperate with the City to ensure that to the extent required by applicable laws, rules and regulations, and the Confidential Information will be accessible only by the Consultant and any authorized third-party service provider's personnel.
- (r) Perform regular, reliable secured backups of all data needed to maximize the availability of the Services. Adequately encrypt the City of Palo Alto's data, during the operational process, hosted at rest, and the backup stage at the Vendors' environment (including Vendor's contracting organization's environment).
- (s) Maintain records relating to the Services for a period of three (3) years after the expiration or earlier termination of this Agreement and in a mutually agreeable storage medium. Within thirty (30) days after the effective date of expiration or earlier termination of this Agreement, all of those records relating to the performance of the Services shall be provided to the ISM.
- (t) Maintain the Confidential Information in accordance with applicable federal, state, and local data and information privacy laws, rules, and regulations.
- (u) Encrypt the Confidential Information before delivering the same by electronic mail to the City and or any authorized recipient.
- (v) Provide Network Layer IP filtering services to allow access only from the City of Palo Alto's IP address to the Vendor environment (primarily hosted for the City of Palo Alto).
- (w) Offer a robust disaster recovery and business continuity (DR-BCP) solutions to the City for the systems and services the Vendor provides to the City.



- (x) Provide and support Single Sign-on (SSO) and Multifactor Authentication (MFA) solutions for authentication and authorization services from the "City's environment to the Vendor's environment," and Vendor's environment to the Vendor's cloud services/hosted environment." The Vendor shall allow two employees of the City to have superuser and super-admin access to the Vendor's IT environment, and a cloud-hosted IT environment belongs to the City.
- (y) Unless otherwise addressed in the Agreement, shall not hold the City liable for any direct, indirect or punitive damages whatsoever including, without limitation, damages for loss of use, data or profits, arising out of or in any way connected with the City's IT environment, including, without limitation, IT infrastructure communications.
- (z) The Vendor must provide evidence of valid cyber liability insurance policy per the City's **EXHIBIT "D" INSURANCE REQUIREMENTS.**

Part B. Alternate Requirements:

Certificate Of Completion

Envelope Id: 89609063B82E438D9D8FCC67956E95A7

Status: Completed

Subject: Complete with DocuSign: S25190354 Larrett contract final combined.pdf

Source Envelope:

Document Pages: 45

Signatures: 4

Certificate Pages: 5

Initials: 0

AutoNav: Enabled

Envelope Stamping: Enabled

Time Zone: (UTC-08:00) Pacific Time (US & Canada)

Envelope Originator:

Annmarie Romero

250 Hamilton Ave

Palo Alto , CA 94301

annmarie.romero@cityofpaloalto.org

IP Address: 199.33.32.254

Record Tracking

Status: Original

8/6/2024 10:06:11 AM

Holder: Annmarie Romero

annmarie.romero@cityofpaloalto.org

Location: DocuSign

Security Appliance Status: Connected

Pool: StateLocal

Storage Appliance Status: Connected

Pool: City of Palo Alto

Location: DocuSign

Signer Events


Aaron Gianni

aaron@larrattbros.com

President

Security Level: Email, Account Authentication
(None)**Signature**

DocuSigned by:


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Signature Adoption: Pre-selected Style

Using IP Address: 68.251.59.103

Signed using mobile

Timestamp

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Electronic Record and Signature Disclosure:

Not Offered via DocuSign

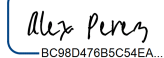
Alex Perez

alex@larrattbros.com

Service Manager

Security Level: Email, Account Authentication
(None)

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Electronic Record and Signature Disclosure:

Not Offered via DocuSign

Amy Bartell


Amy.Bartell@CityofPaloAlto.org

Assistant City Attorney

City of Palo Alto

Security Level: Email, Account Authentication
(None)

DocuSigned by:


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Signature Adoption: Pre-selected Style

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Electronic Record and Signature Disclosure:

Accepted: 7/16/2015 5:52:40 AM

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Purchasing Manager

City of Palo Alto

Security Level: Email, Account Authentication
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In Person Signer Events	Signature	Timestamp
Editor Delivery Events	Status	Timestamp
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Diane Bailey Diane.Bailey@CityofPaloAlto.org Security Level: Email, Account Authentication (None) Electronic Record and Signature Disclosure: Not Offered via DocuSign	COPIED	Sent: 8/6/2024 5:43:12 PM
Tabatha Boatwright Tabatha.Boatwright@CityofPaloAlto.org Utilities Management Analyst City of Palo Alto Security Level: Email, Account Authentication (None) Electronic Record and Signature Disclosure: Not Offered via DocuSign	COPIED	Sent: 8/6/2024 5:43:13 PM Viewed: 8/8/2024 8:06:48 AM
Witness Events	Signature	Timestamp
Notary Events	Signature	Timestamp
Envelope Summary Events	Status	Timestamps
Envelope Sent	Hashed/Encrypted	8/6/2024 10:09:11 AM
Certified Delivered	Security Checked	8/6/2024 5:43:03 PM
Signing Complete	Security Checked	8/6/2024 5:43:11 PM
Completed	Security Checked	8/6/2024 5:43:13 PM
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Operating Systems:	Windows2000? or WindowsXP?
Browsers (for SENDERS):	Internet Explorer 6.0? or above
Browsers (for SIGNERS):	Internet Explorer 6.0?, Mozilla FireFox 1.0, NetScape 7.2 (or above)
Email:	Access to a valid email account
Screen Resolution:	800 x 600 minimum
Enabled Security Settings:	<ul style="list-style-type: none">•Allow per session cookies•Users accessing the internet behind a Proxy Server must enable HTTP 1.1 settings via proxy connection

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