

AGREEMENT NUMBER C2017014
REGISTRATION NUMBER

1. This Agreement is entered into between the State Agency and the Contractor named below:

STATE AGENCY'S NAME
California State Lands Commission (CSLC)
 CONTRACTOR'S NAME

2. The term of this Agreement is:

3. The maximum amount of this Agreement is: \$

4. The parties agree to comply with the terms and conditions of the following exhibits which are by this reference made a part of the Agreement:

Exhibit A – Scope of Work	2	Page(s)
Exhibit B – Budget Detail and Payment Provision	1	Page(s)
Exhibit C* – General Terms and Conditions	GTC 4/2017	
Check mark one item below as Exhibit D:	6	Page(s)
<input checked="" type="checkbox"/> Exhibit D – Special Terms and Conditions (attached hereto as part of this Agreement)		
<input type="checkbox"/> Exhibit D* – Special Terms and Conditions		
Exhibit E – Contractor's Master Rate Schedule	1	Page(s)

Items shown with an Asterisk () are hereby incorporated by reference and made part of this Agreement as if attached hereto. These documents can be viewed at <http://www.dgs.ca.gov/ols/Resources/StandardContractLanguage.aspx>*

IN WITNESS WHEREOF, this Agreement has been executed by parties hereto.

CONTRACTOR		CALIFORNIA Department of General Services Use only
CONTRACTOR'S NAME (if other than individual, state whether a corporation, partnership, etc.)		
BY (Authorized Signature)	DATE SIGNED	
PRINTED NAME AND TITLE OF PERSON SIGNING		
ADDRESS		
STATE OF CALIFORNIA		
AGENCY NAME		
California State Lands Commission		
BY (Authorized Signature)	DATE SIGNED	
PRINTED NAME AND TITLE OF PERSON SIGNING		
Denise Cook, Fiscal Officer		
ADDRESS		<input type="checkbox"/> Exempt per _____
100 Howe Avenue, Suite 100 South, Sacramento, California 95825-8202		

EXHIBIT A

SCOPE OF WORK

1. Services – Contractor enters into this Agreement with the California State Lands Commission, hereinafter referred to as “CSLC” or the “State” (considered as the same entity), to perform the engineering, operations and administrative services, under the oversight of the CSLC engineers other required duties in order to continue the safe daily operations of Platform Holly (Holly) and the Ellwood Onshore Facility (EOF) at the current baseline conditions. **No warranty is made, written or implied as to the actual amount of work that will be requested pursuant to this Agreement.**
2. Work to be Performed – Parties here recognize that the work to be performed pursuant to this Agreement is a subset of that work proposed in response to Bid Log 2017-01, Statement of Interest. All contractual requirements and rates proposed by the Contractor in response to Bid Log Number 2017-01 shall be binding for the purposes of this Agreement.

Scope of Work

Overview of Present Facilities and Operations:

Platform Holly is a drilling and production platform located 1.5 miles off the California coast near the city of Goleta. The platform was installed in 1964 at a water depth of 211 feet, and is supported by steel piles driven into the seabed. The platform consists of a drilling deck, production deck, and mezzanine deck which serve 30 completed oil and gas wells (some now used as disposal wells). The wells last produced in May 2015, having been shut in as a result of a rupture of an onshore oil pipeline that had been used to transport produced oil from platform Holly to market.

Because the wells produced high concentrations of hydrogen sulfide gas (H₂S), an extensive array of H₂S detection, monitoring, and alarm systems exists on the platform. Small amounts of this gas continue to rise up the well casings and must be removed daily from the platform. This is done by allowing the gas to move through the platform piping and then through the subsea gas pipeline to the Ellwood Onshore Facility in Goleta where it is then stripped of H₂S and either incinerated or sold to Southern California Gas Company. Even though the platform production equipment is not operational, the operating systems and safety equipment must be continually manned, serviced, and maintained in a safe and secure condition. Venoco operating personnel are currently performing these functions through an operating agreement with the Commission.

Platform Holly is equipped with separate drilling and production personnel quarter modules. The two production modules and production office are not habitable because of mold growth among other things, and have been condemned. The drilling quarter's module is the only available unit for housing the current platform maintenance personnel, but will be inadequate to accommodate the additional presence of well abandonment personnel when that activity begins.

The drilling rig on the platform was designed and installed specifically for drilling wells from Holly into the Monterey formation. It will be necessary to use this rig for well abandonment operations. All rig structural members and operating components (including crown block) must undergo thorough inspection to determine what repairs or remediation (if any) will be necessary to conduct safe rig operations. The travelling block has been removed and will need to be replaced, and the rotary table is not operational at this time. A top drive unit has been used for rotary operations in the past and may be preferable for some of the extended reach well abandonments.

Two subsea product pipelines serve platform Holly, consisting of one 6 inch produced oil emulsion line and one 6 inch produced gas line. Two auxiliary utility lines, used to provide fresh water to the platform and make up gas for the gas fed electric generators also serve the platform. A hydrostatic pressure integrity test of the 6 inch produced oil line will be necessary prior to utilizing the line for oil and well fluid transport during well abandonment operations. A 16.5KV subsea electric power cable from shore provides power for electrical components on the platform, and supplements power produced by gas driven generators on the platform.

Electric powered equipment includes the drilling rig draw works and mud pumps, 30 ton equipment crane, two large gas compressors, and four electrical submersible oil well pumps.

The Ellwood Onshore Facility (EOF) serves to receive, separate, treat, store, and transport all oil, water, and gas produced from platform Holly. The EOF is equipped with oil emulsion and gas separation vessels, gas liquids and H₂S removal and gas sweetening equipment, oil sales LACT measurement and shipping equipment, and gas sales shipping equipment. The EOF has offices for staff working at the onshore facility and for supervision of platform operations. There is also a rack for moving processed oil off location by truck. The storage capacity of the EOF is only about 5000 bbls oil.

Additionally, there are two wells in the surf zone on state oil and gas lease PRC 421 that will need to be abandoned. PRC 421 consists of two concrete well caissons in the surf zone adjacent to the Sandpiper golf course in the city of Goleta. Each caisson is accessible by a short wooden pier connected to a roadway that is accessed from the Ellwood Onshore Treating Facility. PRC 421 well No. 1 is a water disposal well, and PRC 421 well No. 2 is an oil well completed in the Vaqueros Sand oil reservoir. No production equipment is on the No. 2 well. The wells were shut in in 2001 following an onshore pipeline leak under the golf course. Inspections of the road, piers, and caissons will be necessary prior to performing any well abandonment work.

II. Description of Project

The Consultant firm will be required to perform the engineering, operations and administrative services, under the oversight of the State Lands Commission engineers, to hire/contract essential personnel to continue the safe daily operations of Platform Holly (Holly) and the Ellwood Onshore Facility (EOF) at the current baseline conditions, develop a plugging and abandonment plan for 30 offshore wells on Holly, a plugging and abandonment plan for two “onshore” wells on PRC 421, and hire the subcontractors to perform the work under the plans (including but not limited to drilling contractors, rental equipment, service companies, water/electric/gas services, hiring of related vessels such as crane barges and equipment barges), and to perform other routine or required inspection services (including but not limited to rig inspection, Level 1 structural inspection, crane inspections, hydrotesting of pipelines). The Consultant firm must have licensed professional engineers that are familiar and experienced with offshore California oil platforms and associated oil and gas production facilities and who will be responsible for preparing and carrying out the work, supervising any other required ancillary work and other special projects required for the decommissioning process described below. Prior work in plugging and abandonment and decommissioning of California offshore oil & gas facilities by the Consultant firm, and its sub-contractors, is required.

III. Description of Work:

A) Platform Holly & EOF Personnel Supervision and Labor Services

1. Acquire/Retain/Hire essential personnel to maintain the current facilities (Holly & EOF) in a safe and operational condition; (current personnel chart in Attachment 1 – SLC preference is to use current experienced personnel specific to these facility operations and current supervision if possible)
2. EOF: 12 hour tour/7 on/7 off; 2 operators per tour; total of 8 operators
3. Holly: 12 hour tour/7 on/7 off; 2 operators per tour; total of 8 operators
4. Holly: Lead Operator/Crane Operator; 1 “lead” person
5. EOF/Holly Support Personnel (4): 1 Head Mechanic/Crane Operator; 1 mechanic; 1 I&E Tech; 1 Safety Operator/Inspector
6. EOF/Holly: 1 Senior Operations Supervisor

B) Administrative Services

1. Set up and review accounting methods and procedures with SLC staff; coordinate software and schedules as needed
2. Review/maintain all:
 - a) Permits (APCD, Goleta, County, State) for EOF, Holly and PRC 421
 - b) Maintain road and piers on PRC 421
 - c) Access to Ellwood pier ROW's
 - d) Review and amend/supplement Oil Spill Contingency Plan and other contingency and operations plans as necessary.
3. Coordinate with SLC staff regarding major purchases, all expenditures over \$5000 to get prior approval by SLC staff
4. Maintain sufficient space for office staff and files, including space for contracting personnel and SLC personnel as needed
5. Arrange for sales of oil when required (and gas if required)
6. Maintain expenditures for electricity, trucking, gas, supply boats, crew boats, and other day to day operations as required
7. General daily management of projects and personnel.

C) Platform Holly Inspection and Maintenance

1. Provide platform safety training and facility familiarization for all personnel listed in (A) 1-7 above prior to engaging in any platform activities.
2. Inspect the condition and function test all platform equipment, instrumentation and alarms for continued safe operations and well abandonment activities. Inspection should include, but is not limited to:
 - a) the crane, drilling rig and associated equipment,
 - b) gas detection and fire detection equipment,
 - c) fire suppression equipment,
 - d) emergency shutdown systems,
 - e) pressure hi/low limit instrumentation,
 - f) liquid level high/low limit instrumentation,
 - g) electric power feed and electric powered systems and equipment,
 - h) oil pollution prevention and response equipment, and
 - i) subsea pipelines.
3. A Level 1 above water inspection of the platform structure must be performed to identify structure condition and areas of risk.
4. Assess and differentiate essential equipment and systems vs non-essential equipment and systems for continued operations during well abandonment period, and needed for platform decommissioning.
5. Determine feasibility of locking out or complete removal of non-essential equipment.
6. Prepare remediation and repair plan for all essential equipment based on initial inspection and function test performed in (C)2 above.
7. Perform all repair and remediation work per plan in (C)3 above.
8. Re-inspect and function test all systems to verify adequacy of repair and remediation work.
9. Prepare platform equipment maintenance plan that addresses continued equipment and operating systems integrity during entire well abandonment period.

D) Platform Holly Continued Operations

1. Secure or renew permits as necessary (see **(B) 2** above), pay necessary easement and access fees for support facilities such as Ellwood Pier, provide required reporting for continued operations, Clean Seas oil spill response and support fee; California Office of Spill Prevention and Response (OSPR) oil spill contingency plan requirements; CSLC well P&A approvals, California Division of Oil, Gas and Geothermal Resources (DOGGR) well P&A permits, etc.
2. Submit plan for CSLC engineering approval to provide personnel quarters sufficient for accommodating continued operations and well abandonment personnel.
3. Install personnel quarters as approved.
4. Staff platform with sufficient operating personnel to operate and maintain continued platform operations on a 24/7 basis, as described in (A)1-7 above.
5. Perform operations, maintenance, routine and safety inspections as needed, and maintain daily records of: activities, personnel roster of permanent and occasional personnel, equipment pressures and liquid levels, gas production, and well pressures.
6. Maintain safety and security protocols.
7. Prepare hydrostatic pipeline integrity test of 6" subsea oil pipeline from Holly to shore. Submit for CSLC approval.
8. Arrange for storage of oil emulsion in pipeline, so pipeline can be hydrostatically tested with water medium.
9. Perform hydrostatic test to verify pipeline pressure integrity.

E) Ellwood Onshore Facility (EOF) Inspection and Maintenance

1. Provide EOF safety training and facility familiarization for all personnel listed in **A(1) – (6)** prior to engaging in any platform activities.
2. Inspect and function test all EOF operating and process equipment, instrumentation and alarms, including but not limited to vessels, H2S gas treatment equipment, gas and oil sales equipment, oil storage and oil loading and transfer facilities, for continued safe operations.
3. Prepare remediation and repair plan for all essential equipment based on initial inspection and function test performed.
4. Perform all repair and remediation work per plan.
5. Re-inspect and function test all systems to verify adequacy of repair and remediation work.
6. Prepare EOF equipment maintenance plan that addresses continued equipment and operating systems integrity during entire well abandonment period.

F) Ellwood EOF Continuing Operations

1. Confirm permitting that will be necessary for continued operations of the EOF during the platform Holly abandonment and decommissioning program.
2. Secure permits or renewals that allow continued EOF operations.
3. Staff facility with sufficient operating personnel to operate and maintain continued EOF operations on a 24/7 basis, as described in (A) 1-7 above.
4. Perform operations, maintenance, routine and safety inspections as needed, and maintain daily records of: activities, personnel roster of "permanent" and temporary personnel, equipment pressures and liquid levels, and gas production and sales.
5. Continue to accept annular gas from Holly and strip through ironite sponge/incinerate
6. Maintain safety and security protocols.

G) Platform Holly Well Abandonment Program

Scope: Abandon 30 Wells on Platform Holly as required by California State Lands Commission to five feet below the mudline.

A drilling rig is on the platform (last used in or around 2012). Drilling rig and ancillary equipment requires inspections, repairs and some rental equipment to make it fully operational for the abandonment program.

1. Holly Pre-Abandonment

- a) Existing equipment and Rental or Temporary equipment required

Existing Equipment

Crane, ICE powered
Drilling Rig SCR House
Drilling Rig 600 VAC Transformer and Shore Power Tie-In
Drilling Rig
(3 qty) Natural Gas Powered Rig Generators
Drawworks with (2 qty) 1222 HP motors
27.5" Rotary Table
Choke Manifold
Jacking System

Rental and Temporary Equipment

Electric Wire Line Unit (perforating)
Hydraulic Unit for Casing Tongs – Electrically Powered
Tubing Unit – Electrically Powered
Hawk-Jaw Pipe Make-Up Unit (Electrically Powered)
13-5/8" BOP (Annular, Double Gate, Mud Cross) Class 3 5M w accumulator
Electric Top Drive Unit (to permit longer stands of drill pipe, and to rotate pipe as it is removed from hole, providing greater control)
Electric Top Drive Control House
Top Drive Torque Tube (attached to Drilling Rig Mast)
Electric Cement Unit (to plug abandoned old wells and cement annulus of redrilled wells)
Electric Cuttings Injection System (for grinding cuttings prior to injection). Consists of mud cleaner, (2 qty) shakers, auger, strainer, 60 HP Charge Pump, 250 HP Injection Pump, 256 HP Grinder, Course Tank, Classifying Tank
3 ½ to 4 ½ inch work string to accommodate deepest cleanout (13,500 feet) and drill collars and heavy weight drill pipe as required
Mud Pump (1,000 HP mud pump) (1 qty)
Active mud tank (340 bbls)
Reserve Mud Tank (500 bbls)
Notes: bbls = barrels; HP = horsepower; Qty = quantity

- b) Assess current drilling rig on platform and perform required inspections and repairs as required
- Crown – 5 year inspection due Visual
 - Drilling line – replacement as required
 - SCR house inspect and function test
 - Mud pump inspect and repair as required
 -
- c) Bathymetric and debris survey to determine original mud line (some shell mounds will exist around and under platform)

2. PRC 421 Well Abandonments

1. Assess roadway from EOF to both well caissons.
2. Develop repair or maintenance plan to assure road adequacy for support of well abandonment rig, vehicles, and other equipment.
3. Secure necessary permits from city of Goleta to perform road repairs.
4. Perform all required road repairs as per plan approved by city of Goleta.
5. Inspect well caissons and adjoining piers for adequacy to support equipment loads for well abandonments.
6. Prepare plan as necessary to assure adequate structural capacity of caissons for CSLC approval.
7. Inspect well heads for safe condition and prepare plan to make necessary well head modifications or repairs prior to working on wells.
8. Perform caisson structural work as approved by city of Goleta.
9. Prepare well abandonment procedures for both PRC 421 wells for DOGGR and CSLC approval.
10. Mobilize well abandonment equipment and execute abandonment plans.

3. Abandonment Programs

- a) Abandonment contractor to work under the direct supervision of, and report to, the Facilities Engineering Consultant. The Facilities Engineering Consultant to make daily reports available to SLC Engineering staff by 9 am.
 - b) Facilities Engineering Consultant shall generate Well Abandonment programs for each well and submit for review and concurrence by SLC engineering staff. Upon concurrence Facilities Engineering Consultant shall proceed to abandon each well per the approved program.
 - c) All Facilities Engineering Consultant and contract operations personnel shall require current certifications in Well Control and H2S
 - d) Remove as far as practicable all fluids and flush platform vessels, tanks, and piping
 - e) Flush and pig subsea pipeline until hydrocarbon level is less than 15 ppm, and fill with inert, adequate corrosion inhibited, environmentally certified fluid.
3. Conflict –The parts of this Agreement are complementary, describe, and provide for the completion of the work specified herein. This standard Agreement, including Exhibit A through D, makes up the entire Agreement between the parties. No document or communication passing between the parties hereto shall be deemed a part of this Agreement unless expressly identified as being a part of it.
4. Responsibilities of Project Managers – The Project Managers shall be the day-to-day representatives for the administration of this Agreement. Except as otherwise expressly provided, all communications relative to this Agreement shall be given to the Project Managers. Either party shall have the right to change its Project Manager upon written notice to the other party.

The Project Managers shall agree on the work to be performed for all phases of this project prior to implementation of the project. The work to be performed may be updated as needed to account for new and revised work that may be conducted during the life of this Agreement. Revisions in the scope of work must be in writing and mutually agreed to by the Parties and the cost of the resulting modified scope of work shall not exceed the amount stated in Paragraph 3 of the Standard Agreement.

The Project Managers during the term of this Agreement will be:

California State Lands Commission

Name:
Phone:
Fax:
E-mail:

Name:
Phone:
Fax:
E-mail:

Contractor

Direct all Agreement inquiries to:

California State Lands Commission

Name: Annabell Abeleda
Phone: 916.574.1871
Fax: 916.574.1875
E-mail: Annabell.Abeleda@slc.ca.gov

Name:
Phone:
Fax:
E-mail:

Contractor

EXHIBIT B

BUDGET DETAIL AND PAYMENT PROVISIONS

1. Invoicing and Payment – In consideration for the satisfactory completion of the services described herein, the State agrees to pay the Contractor, in arrears, upon receipt and approval of an invoice in duplicate, for services rendered under this Agreement. The invoice shall be submitted by the Contractor in sufficient scope and detail to define the actual work performed and specific milestones completed, including a description of the activities of the Contractor and subcontractors and the hours allocated to those activities. The hourly rate for services rendered shall not exceed those as set forth in Exhibit E.

Invoices shall include the Agreement Number and be submitted to:

California State Lands Commission
100 Howe Avenue, Suite-100 South
Sacramento, CA 95825-8202
Attn.: Annabell Abeleda

2. Budget Contingency Clause – It is mutually agreed that, if the Budget Act of the current year and/or any subsequent years covered under this Agreement does not appropriate sufficient funds for this Contract, the State may cancel this Agreement and it shall be of no further force and effect. In this event, the State shall have no liability to pay any funds whatsoever to Contractor or to furnish any other considerations under this Agreement and Contractor shall not be obligated to perform any provisions of this Agreement.

In the alternative, the State shall have the right to amend this Agreement to reflect the reduced funds available for it. In such event, State shall meet with Contractor to negotiate a reduced scope of work.

3. Prompt Payment Clause – Payment will be made in accordance with and within the time specified in Government Code, Chapter 4.5 (commencing with Section 927).

EXHIBIT D

SPECIAL TERMS AND CONDITIONS

1. Effective Date – The effective date of this Agreement is either the start date specified in Paragraph 2 of the Standard Agreement or the approval date by the Department of General Services, Legal Office, whichever is later. No work shall commence until the effective date. The Contractor shall not receive payment for work performed prior to approval of the Agreement and before receipt of notice to proceed by the State Contract Officer.
2. Amendments – No amendment or variation of the terms of this Agreement shall be valid unless made in writing, signed by the parties and all State requirements are met, including review by the Department of General Services, Legal Office if necessary. No oral understanding or arrangement not incorporated in this Agreement is binding to either party.

Amendments to this Agreement may be proposed by either party and shall be effective by issuance of a written instrument executed by both parties. The Agreement price may be equitably adjusted to reflect any additional costs or new savings resulting from such amendment(s).

Work subject to such amendment(s) shall be performed in accordance with all applicable requirements of this Agreement, including any amendments thereto. No guarantee is made hereby that any change(s) or additional work will be authorized or required. The State reserves the right to make all adjustments in the Scope of Work to be Performed by the Contractor in a manner which, in its sole discretion, determines to be in the best interests of the State, including, but not limited to, the hiring of additional contractors or replacement of subcontractors, subject to all other provisions of this Agreement.

In the event this Agreement is amended to increase the amount, the Contractor will be required to comply with the DVBE (Disabled Veterans Business Enterprise) participation requirement for the amended amount.

3. Reimbursement Clause – Travel and per diem expenses to be reimbursed under this Agreement shall be at the same rates the State provides for unrepresented employees in accordance with the provisions of Title 2, Chapter 3 of the California Code of Regulations. Travel and Per Diem Expenses, Attachment 1, is attached and made a part of this Agreement by this reference.
4. Settlement of Disputes – In the event of a dispute, Contractor shall file a “Notice of Dispute” with the California State Lands Commission, Executive Officer or her designee within ten (10) days of discovery of the problem. Within ten (10) days, the Executive Officer or her designee shall meet with the Contractor and Project Manager for the purposes of resolving the dispute. The decision of the Executive Officer or her designee shall be final.
5. Contract Bonds - The successful firm awarded the contract will be required to furnish a payment bond. The payment bond shall secure the payment of the claims of laborers, mechanics, or material-persons employed for work under the Agreement. Upon award of contract, Contractor shall furnish a payment bond made payable to the “California State Lands Commission” in a sum equal to \$2,000,000. Payment bond must be issued by a company authorized by the California Insurance Commissioners to transact surety business in California.
6. Insurance - Contractor shall be required to provide evidence of coverage for the following:
 - a) Commercial Liability Insurance - Commercial general liability insurance at least as broad as the most commonly available ISO policy form CG 0001 covering bodily injury, property damage and personal injury and with limits not less than \$1,000,000 per occurrence and \$2,000,000 general aggregate. Said policy shall apply separately to each insured against whom any claim is made or suit is brought subject to the Contractors limits of liability. The policy shall include the State of California, its officers, agents, and employees as additional insured.

- b) Vehicle Liability Insurance - Contractor shall maintain motor vehicle liability with limits of not less than \$1,000,000 per accident. Such insurance shall cover liability arising out of a motor vehicle including owned or hired. The policy shall include the State of California, its officers, agents and employees as additional insured
- c) Worker Compensation Insurance - Contractor shall maintain statutory worker's compensation, and employer's liability coverage in the amount of \$1,000,000/employee/disease/each accident, for all its employees who will be engaged in the performance of work on the Property, including special extensions where applicable.

Each policy of insurance required by this provision shall: (a) be in a form, and written by an insurer, reasonably acceptable to California State Lands Commission; (b) be maintained at Contractor's sole expense; and (c) require at least thirty (30) days written notice to State prior to any cancellation, nonrenewal or material modification of insurance coverage. Insurance companies issuing such policies shall have a rating classification of "A-" or better and financial size category ratings of "VII" or better according to the latest edition of the A.M. Best Key Rating Guide. All Insurance companies issuing such policies shall be licensed to do business in the State of California.

Evidence of the required coverage is to be an original certificate of liability insurance with the California State Lands Commission as the certificate holder. In addition to certificate the additional insured endorsement is needed for the commercial general liability policy, and the waiver of subrogation endorsement is needed for the workers' compensation policy.

- 7. Subcontractors/Special Services: When subcontractors or special services are required in performance of the work and have been approved in the work plan, the Contractor will be compensated for invoiced costs of the services plus markup cost not to exceed 5 percent. Said markup shall reimburse the Contractor for profit and additional administrative costs, and no other additional payment will be made by reason of performance of the work by a subcontractor.
- 8. Accident Prevention: Precautions shall be exercised at all times for the protection of persons (including employees) and property. These shall include, but not limited to, the installation of adequate safety guards and protective devices for all equipment and machinery, whether used in the performance of work or permanently installed as part of the work. Contractor awarded the agreement shall comply with all applicable laws relating to safety precautions, including the safety regulations of the Division of Industrial Safety, California Department of Industrial Relations.
- 9. Work Site Inspection - Contractor shall at all times permit Owner's Representative and any other authorized agents to visit and inspect the work at the workplace.
- 10. Permits - The Contractor shall be responsible for obtaining the required permits from appropriate agencies for the performance of work except those as specified in the Scope of Work and Specifications. Specifically, the State shall be responsible for obtaining permits and authorizations from the U.S. Army Corps of Engineers, the Regional Water Quality Control Board, and the Coastal Commission. Contractor shall be responsible for hauling permits, air quality permits, waste disposal permits, and other permits specific to Contractor's work.
- 11. State's Rights to Stop Performance - If Contractor fails to correct the Work which is not in accordance with the requirements of the Contract Documents or fails to carry out the Work in accordance with the Contract Documents; or fails or refuses to provide a sufficient amount of properly supervised and coordinated labor, materials, or equipment so as to be able to complete the work within the Contract time; or disregards the instructions of the Owner's Representative when based on the requirements of the Contract documents; State may order Contractor to stop the work, or any portion thereof, until the cause for such order has been eliminated; provided however, the right of the State to stop the work shall not give rise to a duty on the part of State to exercise this right for the benefit of Contractor or any other or entity and any delay resulting from such work stoppage shall not extend any milestone date identified in the Contract or the required dates of substantial or final completion. Insurance Requirements – Contractor hereby warrants that there is liability insurance presently in effect for the Contractor of not less than \$10,000,000 per occurrence for bodily injury and property damage liability combined.

EXHIBIT D

SPECIAL TERMS AND CONDITIONS

12. Evaluation of Contractor – Performance of the Contractor under this Agreement will be evaluated by the State. The evaluation shall be prepared on Contract/Contractor Evaluation Sheet, Std. 4 and maintained in the Agreement file. A copy of the evaluation will be sent to the Department of General Services, Office of Legal Services and Contractor, if it is negative and the Agreement amount is over \$5,000.
13. Contract Performance – All performance under this Agreement shall be completed on or before the termination date of the Agreement.
14. Release of Information by Contractor – No reports, information, discoveries, or data assembled, developed, or obtained by the Contractor pursuant to this Agreement shall be released, made available to any person, or used in any manner by the Contractor in other activities without prior written approval of the State.
15. Copyrights – Unless expressly agreed to in writing, the State is to retain ownership of all original material resulting from this Agreement. No reports or other documents produced in whole or in part under this Agreement shall be the subject of an application for copyright by or on behalf of the Contractor or his subcontractor without the express authority of the State. The State shall have unrestricted authority to publish, disclose, distribute, and otherwise use in whole or in part, any reports, data, or other materials prepared under this Agreement.
16. Conflict with Existing Law – Contractor and the State agree that, if any provision of this Agreement is found to be illegal or unenforceable, such term or provision shall be deemed stricken and the remainder of this Agreement shall remain in full force and effect. Either party having knowledge of such terms or provision shall promptly inform the other of the presumed non-applicability of such provision. If removal of the unenforceable provision deprives a party of a material benefit of this Agreement, this Agreement will terminate immediately.
17. Suspension of Work – The State Project Manager may, by written order, suspend the work of the Contractor, or any portion thereof for any period as they may deem necessary, for any reason. In the event the State elects to resume work and cancel the Stop Work Order, State will: (a) adjust the cost as reasonably necessary to compensate Contractor for any additional and unavoidable costs resulting from the delay; and (b) adjust the delivery schedule as reasonably necessary due to the delay. Any adjustments made pursuant to this provision shall be made in writing by the State Project Manager.
18. Work Performance – The Contractor shall be responsible for the professional quality, technical accuracy, and the coordination of all services furnished. The Contractor shall, without additional compensation, correct or revise any errors or deficiencies in its work products. All work under this Agreement shall be performed with the degree of skill and care that is required by current, good and sound professional procedures and practices and in conformance with generally accepted professional standards prevailing at the time the Work is performed so as to ensure that the services provided are correct and appropriate for the purpose contemplated in this Agreement and related provisions.
19. Licenses and Permits – The Contractor warrants that it is an individual or firm licensed to do business in California and have obtained, at their expense all license(s) and permit(s) required by law for accomplishing any work required in connection with this Agreement. In the event any license(s) and/or permit(s) expire at any time during the term of this Agreement, Contractor agrees to provide the State a copy of the renewed license(s) and/or permit(s) within 30 days following the expiration date. In the event the Contractor fails to keep in effect at all times all required license(s) and permit(s), the State may, in addition to any other remedies it may have, terminate this Agreement upon occurrence of such event.

EXHIBIT D

SPECIAL TERMS AND CONDITIONS (Continued)

20. Task Approval Process – The designated State Project Manager shall maintain control and direction at all times over the scope of work being performed by the Contractor under this Agreement. The State Project Manager reserves the right to change the tasks as defined within the general scope of work to be performed by the Contractor.

The State reserves the right to modify, reject, cancel, or stop any and all plans, schedules or work in progress. In such event, the Contractor agrees to use all reasonable efforts to mitigate expenses and obligations under this Agreement. The State shall reimburse the Contractor for all satisfactory services rendered and expenses, if any, incurred prior to such notice of termination.

21. Unanticipated Tasks – In the event that additional work must be performed, which was wholly unanticipated and was not identified in either the State's solicitation document or the Contractor's proposal submitted in response hereto, the Contractor shall submit the intended change in required work and the proposed cost supported by full and complete documentation. Each Change Request shall identify the following: (1) the purpose, objective, or goals to be undertaken by the Contractor, in a detailed statement, (2) the tasks necessary to accomplish the goals, (3) the deliverables, including all relevant documentation or modification to existing documentation, (4) a time schedule for the provision of these deliverables, (5) the completion criteria for the work to be performed, (6) the Contractor's personnel to be assigned, (7) the job classification or approximate skill level of such personnel, (8) the quantity(ies) of labor-hours by job classification or skill level, (9) the quantity(ies) of deliverables. The format of the submittal shall be consistent with that of the cost proposal in Exhibit F.

All work under this section is subject to amendment requirements as specified in Exhibit D, paragraph 2. No additional work shall be performed by the Contractor unless authorized by the State Project Manager and all requirements are met including the review by the DGS Legal, if necessary. All work outside the Work plans shall be performed in accordance with all applicable requirements of this Agreement.

22. Consultant - Staff Expenses – The Contractor shall secure at its own expense, all staff including subcontractors and legal staff required to perform the services described in this Agreement. Such personnel shall not be employees of or have any personal contractual relationship with the CSLC or any other governmental entity.

The State reserves the right to approve in advance Contractor's personnel to be assigned to this project and to disapprove the continuing assignment of Contractor's personnel provided under this Agreement. If a Contractor's employee is unable to perform due to illness, resignation or other factors beyond the Contractor's control, the Contractor shall make every reasonable effort to immediately provide suitable substitute personnel.

EXHIBIT D

SPECIAL TERMS AND CONDITIONS (Continued)

23. Replacement of Personnel

BY CONTRACTOR – This Agreement is for services to be provided by specific persons listed and described in the Contractor's Proposal and the Agreement Estimate is based on salaries for these same persons as identified in Contractor's Cost Proposal. State enters into this Agreement relying on the skills and qualifications of those persons and the costs identified for them by the Contractor. Contractor acknowledges that in the event any or all of these individuals are removed, replaced or reassigned by the Contractor, such removal, replacement, or reassignment may result in serious harm to the State. Contractor agrees not to remove, replace, or reassign such individuals without the written approval of the State Project Manager. Such approval shall not be unreasonably withheld or delayed provided that any replacement or additional personnel proposed during the life of this Agreement meet or exceed the skill level and experience that the Contractor proposed. The State Project Manager will have the final decision and has the authority as to whether substitute personnel meet the qualifications and whether to approve the substitution of the Contractor team members. Contractor shall provide to the State's Project Manager the name and resume of such person and the work to be performed, along with a justification of the necessity for the substitution or addition and the rate to be charged.

Contractor agrees not to charge the State for the time spent in selecting and familiarizing new personnel with the work.

BY STATE – If State finds the performance of any of Contractor's employees or subcontractors to be unsatisfactory and so notifies the Contractor in writing, Contractor shall have a reasonable time, not to exceed 30 days, to remedy that person's unsatisfactory performance or to replace said employee or subcontractor. This provision does not in any way require, endorse or approve (expressed or implied) the termination of employment by the Contractor of any employee removed, replaced, or reassigned under the terms of this paragraph.

24. Disabled Veteran Business Enterprise (DVBE) – Contractor is advised that, as a commitment made to achieve disabled veteran business enterprise (DVBE) participation, Contractor must within 60 days of receiving the final payment under this Agreement (or within such other time period as may be specified elsewhere in this Agreement) certify in a report to the CSLC: (1) the total amount the prime contractor received under the Agreement; (2) the name and address of the DVBE(s) that participated in the performance of this Agreement; (3) the amount each DVBE received from the prime contractor; (4) that all payments under this Agreement have been made to the DVBE(s); and (5) the actual percentage of DVBE participation was achieved. A person or entity that knowingly provides false information shall be subject to a civil penalty for each violation. (Military & Veterans Code (M&VC) section 999.5(d)).

Contractor understands and agrees that the award of this Agreement be based in part on their commitment to use the Disabled Veteran Business Enterprise (DVBE) subcontractor(s) identified in their proposal or offer, per Military and Veterans Code 999.5 (e), a DVBE subcontractor may only be replaced by another DVBE subcontractor and must be approved by the Department of General Services (DGS). Changes to the scope of work that impact the DVBE subcontractor(s) identified in the proposal or offer and approved DVBE substitutions will be documented by amendment to this Agreement.

Failure of Contractor to seek substitution and adhere to the DVBE participation level identified in their proposal or offer may be cause for the termination of this Agreement, recovery of damages under rights and remedies due to the State, and penalties as outlined in M&VC section 999.9; Public Contract Code (PCC) section 10115.10, or PCC section 4110 (applies to public works only).

For general regarding DVBE contracting assistance, email osdshelp@dgs.ca.gov or call (916) 375-4940.

Attachment 1

TRAVEL AND PER DIEM EXPENSES

I. SHORT-TERM PER DIEM EXPENSES

A. In computing reimbursement for continuous short-term travel of more than 24 hours and less than 31 consecutive days, the consultant will be reimbursed for actual costs up to the maximum allowed for each meal, incidental, lodging expense for each complete 24 hours of travel, beginning with the traveler's times of departure and return, as follows:

1. On the first day of travel on a trip of 24 hours or more:

Trip begins at or before 6 a.m.	Breakfast may be claimed on the first day.
Trip begins at or before 11 a.m.	Lunch may be claimed on the first day.
Trip begins at or before 5 p.m.	Dinner may be claimed on the first day.

2. On the fractional day of travel at the end of a trip of more than 24 hours:

Trip ends at or after 8 a.m.	Breakfast may be claimed.
Trip ends at or after 2 p.m.	Lunch may be claimed.
Trip ends at or after 7 p.m.	Dinner may be claimed.

If the fractional day includes an overnight stay, receipted lodging may also be claimed. No meal or lodging expense may be claimed or reimbursed more than once on any given date or during any 24 hour period.

3. Reimbursement shall be four actual expenses, subject to the following maximum rates:

Breakfast	\$7.00	Receipts are not required for regular short term travel meals.
Lunch	\$11.00	
Dinner	\$23.00	
Incidentals	\$5.00	

Lodging:

Marin County	Actual up to \$110.00 plus tax.
Alameda, San Mateo, Santa Clara	Actual up to \$140.00 plus tax.
San Francisco	Actual up to \$250.00 plus tax.
Monterey and San Diego	Actual up to \$125.00 plus tax.
Los Angeles, Orange, Ventura & Edward AFB	Actual up to \$120.00 plus tax.
City of Santa Monica	Actual up to \$150.00 plus tax.
Napa, riverside and Sacramento Counties	Actual up to \$95.00 plus tax.
All counties/Cities in California not noted above	Actual up to \$90.00 plus tax.

If lodging receipts are not submitted, reimbursement will be for meals only at the rates and time frame set forth in B#1 below.

Attachment 1

TRAVEL AND PER DIEM EXPENSES

- B. In computing reimbursement for continues travel of less than 24 hours, actual expenses, up to the maximum in #3 above, will be reimbursed for breakfast and/or dinner and/or lodging in accordance with the following time frames:
1. Travel begins at or before 6 a.m. and ends at or after 9 a.m.: Breakfast may be claimed. Travel begins at or 4 p.m. and ends at or after 7 p.m.: Dinner may be claimed. If the trip of less than 24 hours includes an overnight stay, receipted lodging may be claimed. No lunch or incidentals may be reimbursed on travel of less than 24 hours.
 2. Travelers on short-term travel who stay in commercial lodging establishments or commercial campgrounds will be reimbursed for actual lodging expenses substantiated by a receipt. Travelers who stay with friends or relatives, or who do not produce a lodging receipt, will be eligible to claim meals only.

II. MILEAGE REIMBURSEMENT

Reimbursement for personal vehicle mileage shall be at the Internal Revenue Service (IRS) rate (currently \$0.535 cents per mile for 2017)

There is no specific rate determined for the reimbursement for personal vehicle mileage using a specialized vehicle that has been modified to accommodate disabilities. In these cases, the same reimbursement rate will apply.

III. Transportation Rental

Reimbursement for vehicle rental shall be for actual and necessary costs of such rental and airplane usage shall be allowed at the lowest fare available. Claims for reimbursements shall be allowed upon submittal of the appropriate receipt. Refer to California Code of Regulations, Title 2, Sections 599.627 and 599.628.