

RESOLUTION NO. 2013-61

A RESOLUTION OF THE LODI CITY COUNCIL APPROVING
CONSENT TO ASSIGNMENT OF PROFESSIONAL SERVICES
AGREEMENT WITH COOPER COMPLIANCE CORPORATION,
INC., OF EL DORADO HILLS, AND AUTHORIZING EXECUTION
BY THE CITY MANAGER

WHEREAS, GP Strategies, Inc. of Amherst, New York, and the City of Lodi (City) entered into a Professional Services Agreement (Agreement) on June 18, 2012, as set forth in Exhibit 1 (attached); and

WHEREAS, GP Strategies wishes to assign the Agreement to Cooper Compliance Corporation, Inc. of El Dorado Hills; and

WHEREAS, the City consents to said assignment; and

WHEREAS, the City provides approval to GP Strategies to assign and agrees to and Cooper Compliance Corporation, Inc. accepts the assignment of the Agreement set forth in Exhibit 1, and all other terms remain as set forth in the Agreement as set forth in Exhibit 1.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby approve the Consent to Assignment of Professional Services Agreement with Cooper Compliance Corporation, Inc., of El Dorado Hills, as attached hereto and made a part of this Resolution and authorizing execution by the City Manager with administration by the Electric Utility Director.

Dated: April 17, 2013
=====

I hereby certify that Resolution No. 2013-61 was passed and adopted by the City Council of the City of Lodi in a regular meeting held April 17, 2013, by the following vote:

AYES: COUNCIL MEMBERS – Hansen, Johnson, and Katzakian

NOES: COUNCIL MEMBERS – None

ABSENT: COUNCIL MEMBERS – Mounce and Mayor Nakanishi

ABSTAIN: COUNCIL MEMBERS – None


RANDI JOHL
City Clerk

Consent to Assignment

Cooper Compliance Corporation, Inc.
Professional Services Agreement

THIS CONSENT TO ASSIGNMENT OF PROFESSIONAL SERVICES AGREEMENT, is made and entered this _____ day of _____, 2013, by and between the CITY OF LODI, a municipal corporation (hereinafter "CITY"), and Cooper Compliance Corporation, Inc. (hereinafter "CONSULTANT").

WITNESSETH:

1. WHEREAS, G.P. Strategies, Inc., and CITY entered into a Professional Services Agreement (Agreement) on June 18, 2012, as set forth in Exhibit 1 (attached).
2. WHEREAS, G.P Strategies wishes to assign the Agreement to Cooper Compliance Corporation, Inc.; and
3. WHEREAS, CITY consents to said assignment;

NOW, THEREFORE, the City provides approval to GP Strategies to assign and agrees to and Cooper Compliance Corporation, Inc. accepts the assignment of the Agreement set forth in Exhibit 1. The insurance requirements shall be revised to match those set forth in Exhibit 2. All other terms remain as set forth in the Agreement as set forth in Exhibit I .

IN WITNESS WHEREOF, CITY and CONSULTANT have executed this Amendment No. 1 on _____, 2013.

CITY OF LODI, a municipal corporation
Hereinabove called "CITY"

Cooper Compliance Corporation, Inc.
Hereinabove called "CONSULTANT"

KONDRADT BARTLAM
City Manager

MARY JO COOPER
President

Attest:

G.P. Strategies Corporation

RANDI JOHL
City Clerk

JOSEPHNASAL
Senior Vice President, GP Strategies

APPROVED AS TO FORM:
D. STEPHEN SCHWABAUER, City Attorney
JANICE D. MAGDICH, Deputy City Attorney

By: _____


AGREEMENT FOR PROFESSIONAL SERVICES

ARTICLE 1
PARTIES AND PURPOSE

Section 1.1 Parties

THIS AGREEMENT is entered into on June 18, 2012, by and between the CITY OF LODI, a municipal corporation (hereinafter "CITY"), and GP Strategies Corporation (hereinafter "CONTRACTOR").

Section 1.2 Purpose

CITY selected the CONTRACTOR to provide the services required in accordance with attached Scope of Services, Exhibit A, attached and incorporated by this reference.

CITY wishes to enter into an agreement with CONTRACTOR for the formulation of a partnership in the management of the North American Electric Reliability Corporation (NERC) and Western Electricity Coordinating Council (WECC) compliance program (hereinafter "Project") as set forth in the Scope of Services attached here as Exhibit A. CONTRACTOR acknowledges that it is qualified to provide such services to CITY.

ARTICLE 2
SCOPE OF SERVICES

Section 2.1 Scope of Services

CONTRACTOR, for the benefit and at the direction of CITY, shall perform the Scope of Services as set forth in Exhibit A.

Section 2.2 Time For Commencement and Completion of Work

CONTRACTOR shall commence work pursuant to this Agreement, upon receipt of a written notice to proceed from CITY or on the date set forth in Section 2.6, whichever occurs first, and shall perform all services diligently and complete work under this Agreement based on a mutually agreed upon timeline or as otherwise designated in the Scope of Services.

CONTRACTOR shall submit to CITY such reports, diagrams, drawings and other work products as may be designated in the Scope of Services.

CONTRACTOR shall not be responsible for delays caused by the failure of CITY staff to provide required data or review documents within the appropriate time frames. The review time by CITY and any other agencies involved in the project shall not be

counted against **CONTRACTOR's contract** performance period, Also, any delays due to weather, vandalism, acts of **God**, etc., shall not be counted. **CONTRACTOR** shall remain in contact with reviewing agencies and make all efforts to review and **return all** comments.

Section 23 Meetings

CONTRACTOR shall attend meetings as may be set forth in the Scope of Services.

Section 24 Staffing

CONTRACTOR acknowledges that **CITY** has relied on **CONTRACTOR's** capabilities and on the qualifications of **CONTRACTOR's** principals and staff as identified in its proposal to **CITY**. The Scope of Services shall be performed by **CONTRACTOR**, unless agreed to otherwise by **CITY** in writing. **CITY** shall be notified by **CONTRACTOR** of any change of Project Manager and **CITY** is granted the right of approval of all original, additional and replacement personnel at **CITY's** sole discretion and shall be notified by **CONTRACTOR** of any changes of **CONTRACTOR's** project staff prior to any change.

CONTRACTOR represents it is prepared to and can perform all services within the Scope of Services (Exhibit A) and is prepared to and can perform all services specified therein. **CONTRACTOR** represents that it has, or will have at the time this Agreement is executed, all licenses, permits, qualifications, insurance and approvals of whatsoever nature are legally required for **CONTRACTOR** to practice its profession, and that **CONTRACTOR** shall, at its own cost and expense, keep in effect during the life of this Agreement all such licenses, permits, qualifications, insurance and approvals, and shall indemnify, defend and hold harmless **CITY** against any costs associated with such licenses, permits, qualifications, insurance and approvals which may be imposed against **CITY** under this Agreement.

Section 26 Subcontracts

Unless prior written approval of **CITY** is obtained, **CONTRACTOR** shall not enter into any subcontract with any other party for purposes of providing any work or services covered by this Agreement.

Section 2.6 Term

The term of this Agreement commences on June 18, 2012 and terminates upon the completion of the Scope of Services or on June 30, 2014, whichever occurs first.

ARTICLE 3
COMPENSATION

Section 31 **Compensation**

CONTRACTOR's compensation for all work under this Agreement shall conform to the provisions of the Fee Proposal, attached hereto as **Exhibit B** and incorporated by this reference.

CONTRACTOR shall not undertake any work beyond the scope of this Agreement unless such additional work is approved in advance and in writing by **CITY**.

Section 32 **Method of Payment**

CONTRACTOR shall submit invoices for completed work on a monthly basis, or as otherwise agreed, providing, without limitation, details as to amount of hours, individual performing said work, hourly rate, and indicating to what aspect of the Scope of Services said work is attributable. **CONTRACTORs** compensation for all work under this Agreement shall not exceed the amount of the Fee Proposal.

Section 3.3 Costs

The Fee Proposal shall include all reimbursable costs required for the performance of the Scope of Services. Payment of additional reimbursable costs considered to be over and above those inherent in the original Scope of Services shall be approved in advanced and in writing, by **CITY**.

Section 3.4 Auditing

CITY reserves the right to periodically audit all charges made by **CONTRACTOR** to **CITY** for services under this Agreement. Upon request, **CONTRACTOR** agrees to furnish **CITY**, or a designated representative, with necessary information and assistance needed to conduct such an audit.

CONTRACTOR agrees that **CITY** or its delegate will have the right to review, obtain and copy all records pertaining to performance of this Agreement. **CONTRACTOR** agrees to provide **CITY** or its delegate with any relevant information requested and shall permit **CITY** or its delegate access to its premises, upon reasonable notice, during normal business hours for the purpose of interviewing employees and inspecting and copying such books, records, accounts, and other material that may be relevant to a matter under investigation for the purpose of determining compliance with this requirement. **CONTRACTOR** further agrees to maintain such records for a period of three (3) years after final payment under this Agreement.

ARTICLE 4
MISCELLANEOUS PROVISIONS

Section 4.1 Nondiscrimination

In performing services under this Agreement, CONTRACTOR shall not discriminate in the employment of its employees or in the engagement of any sub CONTRACTOR on the basis of race, color, religion, sex, sexual orientation, marital status, national origin, ancestry, age, or any other criteria prohibited by law.

Section 4.2 ADA Compliance

In performing services under this Agreement, CONTRACTOR shall comply with the Americans with Disabilities Act (ADA) of 1990, and all amendments thereto, as well as all applicable regulations and guidelines issued pursuant to the ADA.

Section 4.3 Indemnification and Responsibility for Damage

CONTRACTOR to the fullest extent permitted by law, shall indemnify and hold harmless CITY, its elected and appointed officials, directors, officers, employees and volunteers from and against any claims, damages, losses, and expenses (including reasonable attorney's fees), arising out of performance of the services to be performed under this Agreement, provided that any such claim, damage, loss, or expense is caused by the negligent acts, errors or omissions of CONTRACTOR, any subcontractor employed directly by CONTRACTOR, anyone directly or indirectly employed by any of them, or anyone for whose acts they may be liable, except those injuries or damages arising out of the active negligence of the City of Lodi or its officers or agents.

Section 4.4 No Personal Liability

Neither the City Council, nor any other officer or authorized assistant or agent or City employee shall be personally responsible for any liability arising under this Agreement.

Section 4.5 Responsibility of CITY

CITY shall not be held responsible for the care or protection of any material or parts of the work described in the Scope of Services prior to final acceptance by CITY, except as expressly provided herein.

Section 4.6 Insurance Requirements for CONTRACTOR

CONTRACTOR shall take out and maintain during the life of this Agreement, insurance coverage as set forth in Exhibit C attached hereto and incorporated by this reference.

Section 47 Successors and Assigns

CITY and CONTRACTOR each bind themselves, their partners, **successors**, assigns, and legal **representatives** to ~~this~~ Agreement without the written consent of ~~the~~ others. CONTRACTOR shall not assign or transfer any interest in this Agreement without the prior written consent of CITY. Consent to any such transfer shall be at the sole discretion of CITY.

Section 48 Notices

Any notice required to be given by the terms of this Agreement shall be in writing signed by an authorized representative of the sender and shall be deemed to have been given when the same is personally served or upon receipt by express or overnight delivery, postage prepaid, or three (3) days from the time of mailing if sent by first **class** or **certified** mail, postage prepaid, addressed to the **respective** parties as follows:

To CITY: **C i** of Lodi
221 West Pine Street
P.O. Box 3008
Lodi, CA 95241-1910
Attn: ElectricUtility Director

To CONTRACTOR GP Strategies Corporation
25 North Pointe Parkway
Amherst, New York 14228
Attn: Mary Jo Cooper

Section 49 Cooperation of CITY

CITY shall cooperate fully and in a timely manner in providing relevant information it has at its disposal relevant to the Scope of Services.

Section 4.10 CONTRACTOR is Not an Employee of CITY

CONTRACTOR agrees that in undertaking the duties to be performed under this Agreement, it shall act **as** an independent contractor for and on behalf of CITY and not an employee of CITY. CITY shall not direct the work and means for accomplishment of the **services** and work to be performed hereunder. CITY, however, retains the **right** to require ~~that~~ work performed by CONTRACTOR meet **specific** standards without regard to the manner and means of accomplishment thereof.

Section 4.11 Termination

CITY may terminate **this** Agreement, with or without cause, by giving CONTRACTOR at least ten (10) days written notice. Where phases are anticipated within **the** Scope of **Services**, at which an intermediate decision is required concerning whether to proceed further, CITY may terminate at the **conclusion** of any **such** phase.

Upon termination, CONTRACTOR shall be entitled to payment as set forth in the attached Exhibit B to the extent that the work has been performed. Upon termination, CONTRACTOR shall immediately suspend all work on the Project and deliver any documents or work in progress to CITY. However, CITY shall assume no liability for costs, expenses or lost profits resulting from services not completed or for contracts entered into by CONTRACTOR with third parties in reliance upon this Agreement

Section 4.12 Confidentiality

CONTRACTOR agrees to maintain confidentiality of all work and work products produced under this Agreement, except to the extent otherwise required by law or permitted in writing by CITY. CITY agrees to maintain confidentiality of any documents owned by CONTRACTOR and clearly marked by CONTRACTOR as "Confidential" or "Proprietary", except to the extent otherwise required by law or permitted in writing by CONTRACTOR. CONTRACTOR acknowledges that CITY is subject to the California Public Records Act.

Section 4.13 Applicable Law, Jurisdiction, Severability, and Attorney's Fees

This Agreement shall be governed by the laws of the State of California. Jurisdiction of litigation arising from this Agreement shall be venued with the San Joaquin County Superior Court. If any part of this Agreement is found to conflict with applicable laws, such part shall be inoperative, null, and void insofar as it is in conflict with said laws, but the remainder of this Agreement shall be in force and effect. In the event any dispute between the parties arises under or regarding this Agreement, the prevailing party in any litigation of the dispute shall be entitled to reasonable attorney's fees from the party who does not prevail as determined by the San Joaquin County Superior Court.

Section 4.14 City Business License Requirement

CONTRACTOR acknowledges that Lodi Municipal Code Section 3.01.020 requires CONTRACTOR to have a city business license and CONTRACTOR agrees to secure such license and pay the appropriate fees prior to performing any work hereunder.

Section 4.16 Captions

The captions of the sections and subsections of this Agreement are for convenience only and shall not be deemed to be relevant in resolving any question or interpretation or intent hereunder.

Section 4.16 Integration and Modification

This Agreement represents the entire understanding of CITY and CONTRACTOR as to those matters contained herein. No prior oral or written understanding shall be of any force or effect with respect to those matters covered hereunder. This Agreement may not be modified or altered except in Writing, signed by both parties.

Section 4.17 Contract Terms Preval

All exhibits and this Agreement are intended to be construed as a single document. Should any inconsistency occur between the specific terms of this Agreement and the attached exhibits, the terms of this Agreement shall prevail.

Section 4.18 Severability

The invalidity in whole or in part of any provision of this Agreement shall not void or affect the validity of any other provision of this Agreement.

Section 4.19 Ownership of Documents

All documents, photographs, reports, analyses, audits, computer media, or other material documents or data, and working papers, whether or not in final form, which have been obtained or prepared under this Agreement, shall be deemed the property of CITY. Upon CITY's request, CONTRACTOR shall allow CITY to inspect all such documents during CONTRACTOR's regular business hours. Upon termination or completion of services under this Agreement, all information collected, work product and documents shall be delivered by CONTRACTOR to CITY within ten (10) calendar days.

CITY agrees to indemnify, defend and hold CONTRACTOR harmless from any liability resulting from CITY's use of such documents for any purpose other than the purpose for which they were intended.

Section 4.20 Authority

The undersigned hereby represent and warrant that they are authorized by the parties to execute this Agreement.

Section 4.21 Federal Transit Funding Conditions

If the box at left is checked, the Federal Transit Funding conditions attached as Exhibit apply to this contract. In the event of a conflict between the terms of this contract or any of its other exhibits, and the Federal Transit Funding Conditions, the Federal Transit Funding Conditions will control.

IN WITNESS WHEREOF, CITY and CONTRACTOR have executed this Agreement as of the date first above written.

CITY OF LODI, a municipal corporation

ATTEST:



RANDI JOHL
City Clerk



KONRADT BARTLAM, City Manager

APPROVED AS TO FORM:
D. STEPHENSCHWABAUER, City Attorney
JANICE D. MAGDICH, Deputy City Attorney

CONTRACTOR: GP Strategies Corp.

By: 

By: 

Name: JOSEPH NASAL
Title: Senior vice President, GP Strategies

Attachments:
Exhibit A - Scope of Services
Exhibit B - Fee Proposal
Exhibit C - Insurance Requirements

Funding Source: 160601.7323
(Business Unit & Account No.)

Doc ID:

CArev.01.2012



June 5, 2012
GP-L-1138-12-013R5

Ms. ~~Elizabeth~~ Kirkley
Lodi Electric Utility Director
City of Lodi
1331 South Ham
Lodi, CA 95242

Via email:

Subject: Proposal to Provide Compliance **Review** Services for City of **Lodi**

Dear Ms. Kirkley:

On behalf of GP Strategies Corporation (GP Strategies), *thank* you for considering our NERC/WECC compliance management services. We *are* pleased to submit **this** proposal to **assist** City of Lodi Electric Utility Department (**Lodi EUD**) **with identifying, responding to,** and tracking requirements associated with the North ~~American~~ Electric Reliability Corporation (NERC) and ~~Western~~ Electricity **coordinating** Council (**WECC**). We **hope this** letter provides you with the information you **need** to **begin working** with GP Strategies' team. We welcome any **comments** or **suggestions** you may have.

Service Overview

These services **offered** are to **provide Lodi EUD NERC/WECC compliance administration** services **that** incorporate a customized **Microsoft** Sharepoint platform for continuous **tracking** and audit readiness. **The services assist** Lodi **EUD** stay abreast **and** respond to NERC and WECC **regulatory requirements**, monitor **process activities to ensue** compliance completeness, accuracy, and timeliness. We will manage and **support other** activities to **prepare** for self-**certifications, and audits, and report** status of Lodi EUDs NERC/WECC **compliance program** to the Lodi EUD executive team. **The services offered are on-going as defined in the ~~sage~~ of work**

Scope of Work

Our approach involves providing **ongoing** services and support including **access to a branded and individualized** client site for Compliance **tracking**. **GP Strategies will** support **your** compliance program by performing the **following tasks**:

1. Enhance, **modify**, and support **t&e Lodi EUD SharePoint**. The SharePoint solution is used to document the City's methodologies for complying **with** the **standards** and maintain evidence. Customized **reporting** forms **have** been developed **to track and manage**

The information contained in this proposal is considered proprietary. It is furnished in confidence, with the understanding that it will not, without the permission of GP Strategies Corporation, be used or disclosed for other than evaluation purposes.

ongoing operational processes required as part of the compliance program. Support of the Lodi EUD SharePoint system to manage the compliance program includes:

- Providing five (5) licenses to access the Lodi EUD SharePoint portal as maintained by GP Strategies
 - Providing management of User Accounts at the direction of Lodi EUD Senior Management
 - Maintaining current list of applicable standards and requirements
 - Maintaining the repository of GP Strategy and Lodi's assessment and documentation on how Lodi EUD complies with the standards and requirements in the associated process. These include but are not limited to:
 - Sabotage recognition and reporting
 - Risk based assessment of critical assets
 - Bulk electric system disturbance identification and reporting
 - Facility interconnection requirements
 - Telecommunication and communication protocol
 - Energy emergency alert response
 - Capacity benefit margin
 - Long and short-term actual and forecast load assessment including demand side management products
 - Maintenance, testing, and monitoring of BES protection equipment
 - Under Frequency Load Shedding assessment and reporting
 - Protection System Misoperations
 - Relay settings documentation
 - Uniform line identifiers
 - Creating and maintaining association of standards and requirements with related processes for reporting purposes
 - Storing procedures prepared by GP Strategies and Lodi
 - Documenting and prioritizing risks
 - Monitoring controls
 - Developing compliance forms used to log Evidence of Compliance to applicable NERC Requirements for client as a Load Serving Entity (LSE) and Distribution Provider (DP)
 - Assisting With uploading evidence to the Lodi EUD SharePoint site
 - Developing workflows for reminders of compliance related deadlines
 - Tracking outstanding tasks logged on the SharePoint site for subject matter experts or process owners
2. Perform an assessment of all FERC approved NERC and WECC regulatory Standards compared to the City interconnection and Tariff agreements (NCPA, PG&E, and CAISO) to determine and document the applicability of the requirements. We will document the processes or methodologies, procedures, and equipment needed to comply with the requirements. We will provide the following services:
- A review of all existing materials for adequacy
 - Recommendations for improvement
 - Prepare procedures
 - Review evidence

- Obtain and review **secondary** evidence **with** the assistance of the **City**, identify where gaps **exist** and propose solutions to close **gaps**
- 3. **Maintain** current NERC compliance related procedures. These procedures include, but are not limited to:
 - Event **Analysis** (BES Disturbance, UFLS Event, Protection **System** Misoperation)
 - Facility Additions and Modifications
 - Model **Date** Submittals
 - **NERC** Alert Response
 - Protection System Maintenance
 - **Risk** Based Assessment **Methodology**
 - Sabotage **Recognition** and **Reporting**
- 4. **Provide** training programs for compliance related **procedures** and **processes**
 - Instructor-led **training**
 - **GPiLEARN** on-line compliance training
- 5. **Support** the Lodi EUD Internal Compliance Program (ICP) **specific to NERC** and **WECC compliance** standards and requirements **by**
 - Prepare and submit quarterly status **reports** to Lodi EUD senior management that includes the:
 - Health of ICP
 - **Status** of any potential non-compliance activity
 - Status of mitigation plans for any non-compliance reports
 - **Status** on activities required to prepare for compliance **with all new FERC** approved standards
 - **Summary and status** of requests for **standards** authorization, **new** criteria, or **rules** that impact the City
 - Provide support for **Standards**, Compliance Application **Notices**, regional criterion development by either participation with development team or by providing **comments** and voting according to **Lodi EUD** direction
 - Provide **summary** notes from compliance group **meetings** and **other** industry forums to client
 - Develop communication **materials** to demonstrate a commitment to **compliance**
 - Coordinate the completion of the **annual risk** assessment
 - Perform **annual** internal audit and present the report of findings
 - One month prior to the WECC self-certification due date for each **Standard**, we will review compliance materials and issue a **report** of recommendations for Self-Certification to the Compliance **Officer**. The evidence of the review will be logged in preparation for a possible spot **audit**.
 - Complete WECC **data** reporting including but not limited to Self-Certification, Spot Audits, Off-Site and **On-Site** Audit materials. The audit preparation includes preparing all Reliability **Standard** Audit **Worksheets** (RSAWs) and evidence for spot audits, table top audits and on-sight audits. The evidence will be clearly identified in each document and **electronically assemble** in file folder structure for each requirement and sub-requirement of each **Standard**. The file folder will be provided to the process owner(s) for **acceptance** and senior management for

- certification. All **auditor** follow-up questions will be directed through GP Strategies to assure **immediate** and timely response.
- **Review** and monitor completion of mitigation plans for identified gaps, non-compliance, new *standards* preparation, or **relay** Misoperations
 - **Assist** with **interfacing** with WECC, NERC, and FERC on compliance related issues
 - **Assist with** interfacing with **PG&E**, CAISO, NCPA, FBI and **other** entities to **gather** NERC and WECC Compliance related evidence
 - **Assist** with responding to NERC **Alerts** and NERC investigation requests.
 - Provide up to **24** man-hours of Non-Compliance management **assistance**. Requested assistance in excess of the **24** man-hours will be billed **at** our time and material rate of **\$165/hr.** (Note this *service* does not include legal support)
6. Perform annual review and **update Internal Compliance Program (ICP)** documents. The documents include but **are not limited**
- A description of the City's compliance management *structure*.
 - A description of the process for reporting and **investigating** potential violations.
 - A description of the City's mechanisms that allow for **anonymity** or confidentiality, whereby the **City's** employees and **agents may** report or **seek** guidance regarding potential or actual violations without **fear** of retaliation.
 - Overview **awareness** training to the City's governing **authority**, directors, management, and individual(s) who have been delegated with day-to-day **operational** responsibility for compliance to requirements.
 - A description of the **C i s** program that prevents and detects violations including:
 - Training programs
 - **Processes**
 - **Procedures**
 - **Controls**
 - Self-audits
 - The City's **incentives** for its employees or **agents to perform** in accordance with the compliance program
 - The City's **disciplinary** measures for employees or agents engaging in violations and for failing to take reasonable steps to prevent or detect violations
 - **Annual internal** audit schedule for applicable regulatory standards
 - A description of City's **process** for self-certifying compliance to **regulatory standards**

Lodi Responsibilities

Although GP Strategies proposed work provides coverage of all **aspects** of the Lodi BUD **NERC/WECC** program, Lodi EUD will **retain** responsibility for **certain** functions and **tasks**. These include but **are not limited to:**

- Review and approval of the documented Internal Compliance Program (ICP)
- Oversight and Ownership of the ICP
- Review and approval of all procedures
- Review and approval of all forms



- Review, comment and approval of the **annual Risk** Assessment
- Review, comment and approval of program **controls**
- **Log data** using approved **forms**. For example sabotage incidents, event driven outages, maintenance, control **room entry** logs, etc.
- Provide **data** or studies **as required** by **NERC, WECC** or other **entities**. For example loads and **resource** forecast, **historical usages, modeling of facilities, system** studies, etc.
- Perform reliability **related** process. For example protection **system** maintenance, relay **settings**, submit timely **data, report** Misoperations, **report** BES Disturbances, etc.
- Compliance **with all Standards** and Requirements
- Attend compliance **training**
- Review, comment and approval of all audit materials
- Review, comment and **acceptance** of **status** reports, internal audit reports, mock **audit reports**, self-certification preparation **report, etc.**
- Provide determination **on** compliance and determination **for** self-reporting

Project Costs

GP Strategies proposes to **perform the** monthly **service** and support **work** associated **with this** program **from** June 18, 2012 through June 30, 2014, for the **fixed price** of \$54,577.

GP Strategies proposes the following **billing milestones**:

- June 18, 2012 – October 31, 2012 \$1,100 per month
- November 01, 2012– June 30, 2014 \$2,583 per month

In addition to the labor outlined above, **any** travel expenses **requested** by **Lodi** EUD of distances beyond **200** miles **from** City of **Lodi** will be billed **at cost**, plus a **15% administrative** fee. **GP Strategies** anticipates **5 onsite** visits per year. **GP Strategies will** request **official** approval for increase in project **funding** prior to **incurring** travel **costs**. **GP Strategies will** bill **Lodi** EUD **monthly for** any travel and living **costs** incurred.

Lodi EUD Purchase **Order** should reference this proposal number (**GP-L-1138-12-013**), and be **forwarded to**:

Ms. Helen Kelly
General Physics **Corporation**
6095 Marshalee Drive, Suite 300
Elkridge, MD 21075
Fax: 410-540-5304
Email: hkelly@gpstrategies.com

Our billing terms are **net 30 days**, and **this proposal will be valid through** June 30, 2012.



Summary

GP Strategies is uniquely qualified to provide *this* service to Lodi EUD. *Mary Jo Cooper*, our Director of NERC Compliance Services, has 5 years of experience *working* with clients just like Lodi EUD in support of their federal and regional regulatory standards and requirements. GP Strategies can provide Lodi EUD with the tools, knowledge and skills necessary to respond to the regulatory requirements applicable to your unique organization.

Thank you for the interest in GP Strategies NERC/WECC compliance administration services. We will follow up with you to ensure *this* proposal *meets* your needs and answer any questions you may have. In the *meantime*, please feel free to contact me at 916-833-3369 or micooper@gpstrategies.com if you have any immediate questions.

Sincerely,

Mary Jo Cooper
Director, T&D Services
Energy Services

MJC/hk

cc B Neff (GP Strategies)
M Brown (GP Strategies)
W Green (GP Strategies)

EXHIBIT C



Insurance Requirements for Contractor The Contractor shall take out and maintain during the life of this contract, insurance coverage as listed below. These insurance policies shall protect the Contractor and any subcontractor performing work covered by this contract from claims for damages for personal injury, including accidental death, as well as from claims for property damages, which may arise from Contractor's operations under this contract, whether such operations be by Contractor or by any subcontractor or by anyone directly or indirectly employed by either of them, and the amount of such insurance shall be as follows:

1. **COMPREHENSIVE GENERAL LIABILITY**
\$1,000,000 Ea. Occurrence

\$2,000,000 Aggregate
2. **COMPREHENSIVE AUTOMOBILE LIABILITY**
\$1,000,000 Bodily Injury - Ea. Person
\$1,000,000 Bodily Injury - Ea. Occurrence

\$1,000,000 Property Damage - Ea. Occurrence
3. **PROFESSIONAL ERRORS AND OMISSIONS**
Not less than \$1,000,000 per Claim. Certificate of insurance only required.

NOTE: Contractor agrees and stipulates that any insurance coverage provided to the City of Lodi shall provide for a claims period following termination of coverage which is at least consistent with the claims period or statutes of limitations found in the California Tort Claims Act (California Government Code Section 810 et seq.).

NOTE: (1) The street address of the **CITY OF LODI** must be shown along with (a) and (b) above: 221 West Pine Street, Lodi, California, 95241-1910; (2) The insurance certificate must state, on its face or as an endorsement, a description of the project that it is insuring.

A copy of the certificate of insurance with the following endorsements shall be furnished to the City:

- (a) **Additional Named Insured Endorsement**
Such insurance as is afforded by this policy shall also apply to the City of Lodi, its elected and appointed Boards, Commissions, Officers, Agents, Employees, and Volunteers as additional named insureds.

(This endorsement shall be on a form furnished to the City and shall be included with Contractor's policies.)
- (b) **Primary Insurance Endorsement**
Such insurance as is afforded by the endorsement for the Additional Insureds shall apply as primary insurance. Any other insurance maintained by the City of Lodi or its officers and employees shall be excess only and not contributing with the insurance afforded by this endorsement.
- (c) **Severability of Interest Clause**
The term "insured" is used severally and not collectively, but the inclusion herein of more than one insured shall not operate to increase the limit of the company's liability.
- (d) **Notice of Cancellation or Change in Coverage Endorsement**
This policy may not be canceled nor the coverage reduced by the company without 30 days' prior written notice of such cancellation or reduction in coverage to the Risk Manager, City of Lodi, 221 W. Pine St., Lodi, CA 95240.

Compensation Insurance The Contractor shall take out and maintain during the life of this contract, Worker's Compensation Insurance for all of Contractor's employees employed at the site of the project and, if any work is sublet, Contractor shall require the subcontractor similarly to provide Worker's Compensation Insurance for all of the latter's employees unless such employees are covered by the protection afforded by the Contractor. In case any class of employees engaged in hazardous work under this contract at the site of the project is not protected under the Worker's Compensation Statute, the Contractor shall provide and shall cause each subcontractor to provide insurance for the protection of said employees. This policy may not be canceled nor the coverage reduced by the company without 30 days' prior written notice of such cancellation or reduction in coverage to the Risk Manager, City of Lodi, 221 W. Pine St., Lodi, CA 95240.

NOTE: No contract agreement will be signed nor will any work begin on a project until the proper insurance certificate is received by the City.



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
05/22/2012

Page 1 of 2

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

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

PRODUCER Willis of Maryland, Inc. c/o 26 Century Blvd. P. O. Box 305191 Nashville, TN 37230-5191	CONTACT NAME:		
	PHONE (A/C NO. EXT):	877-945-7378	FAX (A/C NO): 888-467-2378
INSURED GP Strategies Corporation 6095 Marshalea Drive Suite 300 Elkridge, MD 21075	E-MAIL ADDRESS:	certificates@willis.com	
	INSURER(S) AFFORDING COVERAGE	NAIC#	
	INSURER A:	Great Northern Insurance Company	20303-100
	INSURER B:	Liberty Insurance Underwriters Inc	19917-200
	INSURER C:	Vigilant Insurance Company	20397-100
	INSURER D:	Lloyd's, Underwriters at, London,	15792-200
	INSURER E:		
	INSURER F:		

RECEIVED

MAY 29 2012

CITY OF LODI
PUBLIC WORKS DEPARTMENT

COVERAGES CERTIFICATE NUMBER: 17917977 REVISION NUMBER: See Remarks

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN. THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADD'L SUBR INSRD WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR	Y	35914035	4/4/2012	4/4/2013	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 1,000,000 MED EXP (Any one person) \$ 10,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ Included
A	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS	Y	73556608	4/4/2012	4/4/2013	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
B	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED <input checked="" type="checkbox"/> RETENTION \$ 10,000		UMBENY1988744	4/4/2012	4/4/2013	EACH OCCURRENCE \$ 15,000,000 AGGREGATE \$ 15,000,000
C	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N N/A	71741258	4/4/2012	4/4/2013	<input checked="" type="checkbox"/> WC STATU-TORY LIMITS <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000
D	Professional Liability		B080113374P11	10/27/2011	4/4/2013	\$5,000,000 Each Claim Limit \$5,000,000 Aggregate Limit

DESCRIPTION OF OPERATIONS/ LOCATIONS/ VEHICLES (Attach Acord 101, Additional Remarks Schedule, if more space is required)
THIS VOIDS AND REPLACES PREVIOUSLY ISSUED CERTIFICATE DATED: 5/22/2012 WITH ID: 17917937

Project: MERC Regulatory Compliance.

The General Liability policy includes a Severability of Interest Clause.

City of Lodi, its elected and appointed Boards, Commissions, Officers, Agents, Employees, and Volunteers are included as Additional Insureds as respects to General Liability and Auto Liability.

CERTIFICATE HOLDER

CANCELLATION

City of Lodi
its elected and appointed Boards
Commissions, Officers, Agents, Employees
and Volunteers
221 West Pina Street
Lodi, CA 95241-1910

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE
Parcela E. Lopez

AGENCY Willis of Maryland, Inc.		NAMED INSURED GP Strategies Corporatio 6095 Marshalee Drive Suite 300 Elkridge, MD 21075	
POLICY NUMBER See First Page			
CARRIER See First Page	NAIC CODE	EFFECTIVE DATE: See First Page	

ADDITIONAL REMARKS
THIS ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM,
FORM NUMBER: 25 FORM TITLE: CERTIFICATE OF LIABILITY INSURANCE

General Liability and Auto Liability policies shall be Primary and Non-Contributory to any other insurance in force for or which may be purchased by Additional Insured.

INSURER CANCELLATION TERMS

NAMED INSURED	POLICY NO.
GP Strategies Corporation	35914035, 73556608, 71741258, UMBNY1988744
EFFECTIVE DATE SEE PAGE 1	

Holder Name: *City of Lodi*

Project: NERC Regulatory Compliance

Cancellation Terms:

Should any of the above described **policies** be cancelled before the **expiration** date thereof, the Insurer **will send 30 days notice of cancellation** to the **Certificate Holder**, but failure to do so shall impose no obligation or liability of any kind upon the insurer, its agents or representatives.

Cancellation Terms Apply to the **Following** Coverages:

General Liability, Auto Liability, Umbrella Liability and Workers Compensation.



EXHIBIT 2

Insurance Requirements for Consultant The Consultant shall take out and maintain during the life of this contract, insurance coverage as listed below. These insurance policies shall protect the Consultant and any subcontractor performing work covered by this contract from claims for damages for personal injury, including accidental death, as well as from claims for property damages, which may arise from Consultant's operations under this contract, whether such operations be by Consultant or by any subcontractor or by anyone directly or indirectly employed by either of them, and the amount of such insurance shall be as follows:

1. COMPREHENSIVE GENERAL LIABILITY
\$1,000,000 Ea. Occurrence
\$2,000,000 Aggregate
2. COMPREHENSIVE AUTOMOBILE LIABILITY
Proof of coverage with limits not less than \$1,000,000 combined single limit
3. PROFESSIONAL ERRORS AND OMISSIONS
Not less than \$3,000,000 per Claim.

NOTE: Contractor agrees and stipulates that any insurance coverage provided to the City of Lodi shall provide for a claims period following termination of coverage which is at least consistent with the claims period or statutes of limitations found in the California Tort Claims Act (California Government Code Section 810 et seq.).

NOTE: (1) The street address of the **CITY OF LODI** must be shown along with (a) and (b) above: **221 West Pine Street, Lodi, California, 95241-1910**; (2) The insurance certificate must state, on its face or as an endorsement, a description of the project that it is insuring.

A copy of the certificate of insurance with the following endorsements shall be furnished to the City:

- (a) Additional Named Insured Endorsement
Such insurance as is afforded by this policy shall also apply to the City of Lodi, its elected and appointed Boards, Commissions, Officers, Agents, Employees, and Volunteers as additional named insureds.

(This endorsement shall be on a form furnished to the City and shall be included with Contractor's policies.)
- (b) Primary Insurance Endorsement
Such insurance as is afforded by the endorsement for the Additional Insureds shall apply as primary insurance. Any other insurance maintained by the City of Lodi or its officers and employees shall be excess only and not contributing with the insurance afforded by this endorsement.
- (c) Severability of Interest Clause
The term "insured" is used severally and not collectively, but the inclusion herein of more than one insured shall not operate to increase the limit of the company's liability.
- (d) Notice of Cancellation or Change in Coverage Endorsement
This policy may not be canceled nor the coverage reduced by the company without 30 days' prior written notice of such cancellation or reduction in coverage to the Risk Manager, City of Lodi, **221 W. Pine St., Lodi, CA 95240**.

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NOTE: No contract agreement will be signed nor will **any** work begin on a project until the proper insurance certificate is received by the City.