

**SCHEDULE A1 – Part A: STANDARD CONTRACT TERMS**

**Part A**  
**Standard Contract Terms and Conditions**

**A. Eligibility (Type of Business, License Requirements, Insurance and Bonding Requirements, Etc.)**

1. Licensing. At all times during the performance of the Services, Contractor represents, warrants and covenants that it has and shall, and shall cause each of its employees, agents, representatives, and subcontractors and all other persons performing the Services on behalf of the Contractor (“Contractor Party”) to, obtain and maintain, at its sole cost and expense, all required licenses and registrations required for the operation of its business and the performance of the Services. Contractor shall promptly provide copies of such licenses and registrations to Company at the request of Company.

2. Performance Assurance; Bonding. At all times during the performance of the Services, Contractor providing any direct installation services represents, warrants and covenants that it has and shall, and shall cause each Contractor Party to, obtain and maintain, at its sole cost and expense, all bonding requirements of the California State License Board, as may be applicable. Contractor shall also maintain any payment and/or performance assurances as may be requested by Company during the performance of the Services.

3. Insurance. At all times during the performance of the Services, Contractor represents, warrants and covenants that it has and shall, and shall cause each Contractor Party to, obtain and maintain, at its sole cost and expense, the insurance coverage requirements specified in Schedule A – SoCalGas General Terms and Conditions.

4. Good Standing. Contractor represents and warrants that (a) it is a [*corporation/limited liability company/partnership*] duly organized, validly existing and in good standing under the laws of the State of [*Insert State of organization*], and (b) it has full power and authority to execute, deliver and perform its obligations under this Agreement and to engage in the business it presently conducts and contemplates conducting, and is and will be duly licensed or qualified to do business and in good standing under the laws of the State of California and each other jurisdiction wherein the nature of its business transacted by it makes such licensing or qualification necessary and where the failure to be licensed or qualified would have a material adverse effect on its ability to perform its obligations hereunder.

5. Financial Statements. Contractor shall deliver financial statements on an annual basis or as may be reasonably requested by Company from time to time. Such financial statements or documents shall be for the most recently available audited or reviewed period and prepared in accordance with generally-accepted accounting principles. Company shall keep such information confidential if requested by Contractor, except provision to the Commission may be required from time to time under confidentiality procedures, where applicable.

**B. Safety Requirements**

1. Safety. During the term of this Agreement, Contractor represents, warrants and covenants that it shall, and shall cause each Contractor Party to:

- (a) abide by all applicable federal and state Occupational Safety and Health Administration requirements and other applicable federal, state, and local rules, regulations, codes and ordinances to safeguard persons and property from injury or damage;

- (b) abide by all applicable Company security procedures, rules and regulations and cooperate with Company security personnel whenever on Company's property;
- (c) abide by Company's standard safety program contract requirements as may be provided by Company to Contractor from time to time;
- (d) provide all necessary training to its employees, and require subcontractors to provide training to their employees, about the safety and health rules and standards required under this Agreement; and
- (e) have in place an effective Injury and Illness Prevention Program that meets the requirements all applicable laws and regulations, including but not limited to Section 6401.7 of the California Labor Code.

Additional safety requirements (including Company's standard safety program contract requirements) are set forth elsewhere in the Agreement, as applicable, and in Company's safety handbooks as may be provided by Company to Contractor from time to time.

## 2. Background Checks.

- (a) Contractor hereby represents, warrants and certifies that any personnel of Contractor or Contractor Party, and their representatives and agents, having or requiring access to Company's assets, premises, or customer property, (Covered Personnel) shall have successfully passed background screening on each such individual, prior to receiving access, which screening may include, among other things to the extent applicable to the Services, a screening of the individual's educational background, employment history, valid driver's license, and court record for the seven year period immediately preceding the individuals' date of assignment to the project.
- (b) Notwithstanding the foregoing and to the extent permitted by applicable law, in no event shall Contractor permit any Covered Personnel to have one or more convictions during the seven (7) year period immediately preceding the individual's date of assignment to the project, or at any time after the individual's date of, assignment to the project, for any of the following ("Serious Offense"): (i) a "serious felony," similar to those defined in California Penal Code Sections 1192.7(c) and 1192.8(a), or a successor statute, or (ii) any crime involving fraud (such as, but not limited to, crimes covered by California Penal Code Sections 476, 530.5, 550, and 2945, California Corporations Code 25540), embezzlement (such as, but not limited to, crimes covered by California Penal Code Sections 484 and 503 et seq.), or racketeering (such as, but not limited to, crimes covered by California Penal Code Section 186 or the Racketeer Influenced and Corrupt Organizations (RICO) Statute (18 U.S.C. Sections 1961-1968)).
- (c) To the maximum extent permitted by applicable law, Contractor shall maintain documentation related to such background and drug screening for all Covered Personnel and make it available to Company for audit if required pursuant to the audit provisions of this Agreement.
- (d) To the extent permitted by applicable law, Contractor shall notify Company if any of its Covered Personnel is charged with or convicted of a Serious Offense during the term of this Agreement. Contractor will also immediately prevent that employee, representative, or agent from performing any Services.

3. Fitness for Duty. Contractor shall ensure that all Covered Personnel report to work fit for their job. Covered Personnel may not consume alcohol while on duty and/or be under the influence of drugs or controlled substances that impair their ability to perform their work properly and safely. Contractor shall, and shall cause its subcontractors to, have policies in place that require their employees report to work in a condition that allows them to perform the work safely. For example, employees should not be operating equipment under medication that creates drowsiness.

### **C. Dispute Resolution Process**

1. Disputes. Either Party may give the other Party written notice of any dispute which has not been resolved at a working level. Any dispute that cannot be resolved between Contractor's contract representative and Company's contract representative by good faith negotiation efforts shall be referred to the Director of Supply Management of Company and an officer of Contractor for resolution. Within 20 calendar days after delivery of such notice, such persons shall meet at a mutually acceptable time and place, and thereafter as often as they reasonably deem necessary to exchange information and to attempt to resolve the dispute. If Company and Contractor cannot reach an agreement within a reasonable period of time (but in no event more than 30 calendar days), Company and Contractor shall have the right to pursue all rights and remedies that may be available at law or in equity. In particular, Contractor shall have right to request arbitration or mediation to resolve the dispute and Company shall be required to participate in arbitration or mediation in good faith. All negotiations and any mediation agreed to by the Parties are confidential and shall be treated as compromise and settlement negotiations, to which Section 1119 of the California Evidence Code shall apply, and Section 1119 is incorporated herein by reference.
2. Governing Law. This Agreement shall be governed by the internal laws of the State of California, with reference to its conflict of laws principles.
3. Venue. In the event of any litigation to enforce or interpret any terms of this Agreement, such action shall be brought in a Superior Court of the State of California located in Los Angeles County (or if the federal courts have exclusive jurisdiction over the subject matter of the dispute, in the U.S. District Court for the Southern District of California), and the parties hereby submit to the exclusive jurisdiction of such courts.

### **D. Termination Process**

1. Event of Default. An "Event of Default" shall mean, with respect to a Party ("Defaulting Party"), the occurrence of any one or more of the following:
  - (a) With respect to either Party:
    - (i) the failure to perform any material covenant, obligation, term or condition of this Agreement (except to the extent constituting a separate Event of Default), including without limitation the failure to make, when due, any undisputed payment required to be made by such Party, if such failure is not remedied within thirty (30) calendar days of Notice of such breach by the Non-Defaulting Party;
    - (ii) such Party becomes insolvent, generally does not pay its debts as they become due, makes a general assignment for the benefit of creditors, or commences any action seeking reorganization or receivership under any bankruptcy, insolvency, reorganization or similar law for the relief of creditors or affecting the rights or remedies of creditors generally; or

- (iii) such Party disaffirms, disclaims, rejects (in whole or in part), or challenges the validity of this Agreement.
- (b) With respect to Contractor:
- (i) any representation or warranty made by Contractor or Contractor Party to any person or entity (including, without limitation, a member of the public, a customer of Company, or a governmental authority) or in this Agreement is false or misleading in any material respect when made or when deemed made or repeated if the representation or warranty is continuing in nature;
  - (ii) any legal action is made or commenced against Contractor or Contractor Party which, in Company's opinion, may interfere with the performance of the Services;
  - (iii) Contractor or any Contractor Party commits any material act of dishonesty, fraud, misuse of funds, or misrepresentation of Company's administration of this Agreement;
  - (iv) Company becomes aware of a public safety issue arising out of or related to Contractor's or Contractor Party's administration or performance of this Agreement;
  - (v) Contractor assigns, subcontracts, or transfers this Agreement or any right or interest herein except in accordance with Schedule A – Additional Terms and Conditions;
  - (vi) Contractor fails to maintain the insurance coverage required of it in accordance with Schedule A – Additional Terms and Conditions;
  - (vii) Contractor fails to satisfy the collateral requirements set forth in Schedule A – Additional Terms and Conditions, if any, including failure to post and maintain the performance assurance requirements set forth in this Agreement;
  - (viii) Contractor breaches any obligation of confidentiality or its obligations under Schedule A – Additional Terms and Conditions; or
  - (ix) Contractor fails to achieve the minimum performance standards set forth in Schedule B – Scope of Work, provided that such failure continues for sixty (60) days following receipt of written notice of such failure.

2. **Termination for Cause.** If an Event of Default shall have occurred with respect to a Party, the other Party (the "Non-Defaulting Party") shall have one or more of the following rights:

- (a) To designate by Notice, which will be effective no later than twenty (20) calendar days after the Notice is received, the early termination of this Agreement (an "Early Termination Date");
- (b) withhold any payments due to the Defaulting Party under this Agreement;

- (c) Suspend performance of Services under this Agreement (but excluding, for the avoidance of doubt, the obligation to post and maintain performance security] in accordance with Schedule A – Additional Terms and Conditions, if applicable, and the obligation to obtain and maintain the insurance requirements in accordance with Schedule A – Additional Terms and Conditions; and
  - (d) To pursue all remedies available at law or in equity against the Defaulting Party (including monetary damages), except to the extent that such remedies are limited by the terms of this Agreement.
3. Termination/Modification by CPUC Order. This Agreement shall be subject to changes, modifications, or termination by order or directive of the California Public Utilities Commission (“CPUC”). The CPUC may from time to time issue an order or directive relating to or affecting any aspect of this Agreement, in which case Company shall have the right to change, modify or terminate this Agreement in any manner to be consistent with such CPUC order or directive.
- (a) Company shall be liable to Contractor for the compensation earned on services satisfactorily performed prior to the effective date of termination, plus documented and verifiable costs (such as demobilization costs) reasonably incurred by Contractor in terminating the services. Contractor shall mitigate its damages to minimize its claim, if any, against Company.
  - (b) Notwithstanding anything contained in this Section D.3, in no event shall Company be liable for lost or anticipated profits or overhead on uncompleted portions of the Services. Contractor shall not enter into any agreement, commitments or subcontracts that would incur significant cancellation or termination costs without prior written approval of Company, and such written approval shall be a condition precedent to the payment of any cancellation or termination charges by Company under this Section D.3 Also as a condition precedent to the payment of any cancellation or termination charges by Company under this Section D.3, Contractor shall have delivered to Company any and all reports, drawings, documents and deliverables prepared for Company before the effective date of such cancellation or termination.
  - (c) Contractor shall have right to request arbitration or mediation to resolve particulars of the above provisions should they not result in reasonable compensation based on terms of original Agreement, and Company shall be required to engage in mediation or arbitration in good faith upon such a request (See Section C).
4. Conclusion of Work. Upon Company’s termination of this Agreement for any reason, Contractor shall, and shall cause each Contractor Party to, bring the Services to an orderly conclusion as directed by Company. Contractor and each Contractor Party shall vacate the worksite but shall not remove any material, plant or equipment thereon without the approval of Company. Company, at its option, may take possession of any portion of the Services paid for by Company.