EQUITABLE BUILDING DECARBONIZATION

**DIRECT INSTALL PROGRAM TERMS AND CONDITIONS**

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**TERMS AND CONDITIONS**

# Grant Agreement

This project is being funded with a grant from the California Energy Commission’s (CEC) Equitable Building Decarbonization Program. The Equitable Building Decarbonization Program is funded in part by the California Climate Investments[[1]](#footnote-2) program, and is subject to the laws enacted for the administration of auction proceeds deposited into the Greenhouse Gas Reduction Fund, including without limitation: AB 109 (Chapter 249, Statutes of 2017); Health and Safety Code section 39710 et. seq.; and Government Code sections 16428.8 – 16428.95, including any amendments to these sections.

Under this Agreement, the Recipient shall develop and implement the Equitable Building Decarbonization Direct Install Program, which is a block grant program and governed by California Public Resources Code section 25665.3. Recipient understands that the CEC currently only has $[•] of the potential $[•] maximum possible funding for administrative costs under this Agreement and $[•] of the potential $[•] for incentives awarded under this Agreement. Therefore, upon execution of this Agreement, Recipient only has authority to spend up to $[•] in administrative costs, not to exceed 10 percent of the total budget for state funds and 8 percent of the total budget for federal funds. In the future, the CEC may allocate none, some, or the entire remaining contingent amount up to a maximum amount of $[•] in administrative costs. Recipient shall only be authorized to spend more than the existing $[•] in administrative costs upon execution of an amendment to this Agreement that authorizes the Recipient to spend more funds. *[Dollar amounts to be added after the Notice of Proposed Award and during agreement finalization]*

The Recipient, as implementer of the Equitable Building Decarbonization Direct Install Program, is a conduit of the funds that will be awarded to provide assistance to Retrofit Awardees, and the grant-funded Retrofit Awards do not result in the performance of services by the Retrofit Awardees to the CEC, but the CEC is a real party in interest to the agreements between the Recipient and Retrofit Awardees. The CEC will not take title to equipment acquired by the Retrofit Awardees; and the performance under the Retrofit Awards is not controlled by the CEC. The Retrofit Awardees are being provided assistance to carry out their own projects and are not providing services to the CEC or Recipient. The Retrofit Awards directly benefit each Retrofit Awardee’s project. The products produced by the Recipient are a by-product of the main purpose of the block grant. The products are used to monitor the use of grant funds and do not result in a service to the CEC.

This Agreement is comprised of the grant funding award, these Terms and Conditions, and all attachments, including Federal Award Terms and Conditions (Attachment 10). These Terms and Conditions are standard requirements for grant awards. The CEC may impose additional special conditions in this grant Agreement that address the unique circumstances of this project. Special conditions that conflict with these standard provisions take precedence.

The Recipient’s authorized representative shall sign all copies of this Agreement and return all signed packages to the CEC's Grants and Loans Office within 30 days of receipt. Failure to meet this requirement may result in the forfeiture of this award. When all required signatures are obtained, an executed copy will be returned to the Recipient.

The term of this Agreement or the Agreement Period is the length of this Agreement between the CEC and the Recipient. Project means Recipient’s specific project that is funded in whole by this Agreement. The Recipient’s project will coincide with the Agreement Period.

All reimbursable work and/or the expenditure of funds must occur within the approved term of this Agreement. The CEC cannot authorize any payments until all parties sign this Agreement.

# Documents Incorporated by Reference

The documents below are incorporated by reference into this Agreement. These terms and conditions will govern in the event of a conflict with the documents below, with the exception of the documents in subsections (e) and (f). Where this Agreement or California laws and regulations are silent or do not apply, the CEC will use the federal cost principles and acquisition regulations listed below as guidance in determining whether reimbursement of claimed costs is allowable. Documents incorporated by reference include:

**CEC Guidelines**

1. Equitable Building Decarbonization Direct Install Program Guidelines, https://www.energy.ca.gov/publications/2023/equitable-building-decarbonization-direct-install-program-guidelines.

**Solicitation Documents** (if award is made through a competitive solicitation)

1. The funding solicitation under which this Agreement was awarded.
2. The Recipient’s proposal submitted in response to the solicitation.

**California Air Resources Board Documents**

1. California Air Resources Board, Funding Guidelines for Agencies that Administer California Climate Investments, [www.arb.ca.gov/cci-fundingguidelines](http://www.arb.ca.gov/cci-fundingguidelines)

**Federal Cost Principles** (applicable to state and local governments, Indian tribes, institutions of higher education, and nonprofit organizations)

1. 2 Code of Federal Regulations (CFR) Part 200, Subpart E (sections 200.400 et seq.).

**Federal Acquisition Regulations** (applicable to commercial organizations)

1. 48 CFR, Ch.1, Subchapter E, Part 31, Subpart 31.2: Contracts with Commercial Organizations (supplemented by 48 CFR, Ch. 9, Subchapter E, Part 931, Subpart 931.2 for Department of Energy grants).

**Nondiscrimination**

1. 2 California Code of Regulations (CCR), section 11099 et seq.: Contractor Nondiscrimination and Compliance.

**General Laws**

1. Any federal, state, or local laws or regulations applicable to the project that are not expressly listed in this Agreement.

# Due Diligence

The Recipient is required to take timely actions which, taken collectively, move this project to completion. The Commission Agreement Manager (CAM) will periodically evaluate the project schedule and the Scope of Work tasks. If the CAM determines (1) the Recipient is not being diligent in completing the tasks in the Statement of Work or (2) the time remaining in this Agreement is insufficient to complete all project work tasks by the approved Agreement end term date, the CAM may recommend that this Agreement be terminated, and the Agreement may, without prejudice to any of the CEC’s remedies, be terminated.

# Products

a. **“Products”** are defined as any tangible item specified for delivery to the CEC in the Scope of Work, including but not limited to data, reports, plans, and other program documents. Unless otherwise directed, draft copies of all products identified in the Scope of Work and Schedule of Products shall be submitted to the CAM for review and comment in the manner and form specified in the Scope of Work.

b. If the CEC determines that a product is substandard given its description and intended use as described in this Agreement, CEC staff, without prejudice to any of the CEC’s other remedies, may refuse to authorize payment for the product and any subsequent products that rely on or are based upon the product under this Agreement.

c. Failure to submit a product required in the Scope of Work may be considered material noncompliance with the Agreement terms. Without prejudice to any other remedies, noncompliance may result in actions such as the withholding of future payments or awards, or the suspension or termination of the Agreement.

# Publications - Legal Statement on Reports and Products

a. The Recipient is encouraged to publish or otherwise make publicly available the results of the work conducted under the award.

No product or report produced because of work funded by this program shall be represented to be endorsed by the CEC, and all such products or reports shall include the following statement:

**legal notice**

This document was prepared as a result of work sponsored by the California Energy Commission. It does not necessarily represent the views of the CEC, its employees, or the State of California. The CEC, the State of California, its employees, contractors, and subcontractors make no warranty, express or implied, and assume no legal liability for the information in this document; nor does any party represent that the use of this information will not infringe upon privately owned rights.

b. Acknowledgement of California Climate Investments

Recipients shall acknowledge the California Climate Investments program as the source of project funds, in any publications, websites, signage, invitations, and other media-related and public-outreach products. The standard funding language is:

The Equitable Building Decarbonization Program is part of California Climate Investments, a statewide initiative that puts billions of Cap-and-Trade dollars to work reducing greenhouse gas emissions, strengthening the economy, and improving public health and the environment – particularly in disadvantaged communities. The Cap-and-Trade program creates a financial incentive for industries to invest in clean technologies and develop innovative ways to reduce pollution. California Climate Investments projects include affordable housing, renewable energy, public transportation, zero-emission vehicles, environmental restoration, more sustainable agriculture, recycling, and much more. At least 35 percent of these investments are located within and benefiting residents of disadvantaged communities, low-income communities, and low-income households across California. For more information, visit the California Climate Investments website at: www.caclimateinvestments.ca.gov.

The Recipient is encouraged to display the California Climate Investments logo on equipment and signage to acknowledge the funding source.

Guidance on California Climate Investments logo usage, signage guidelines, and high-resolution files are contained in a style guide available at: http://www.caclimateinvestments.ca.gov/logo-graphics-request.

# Changes to the Agreement

1. Procedure for Requesting Changes

The Recipient must submit a written request to the CAM for any change to the Agreement. The request must include:

* A brief summary of the proposed change;
* A brief summary of the reason(s) for the change;
* Justification for the change; and
* The revised section(s) of the Agreement, with changes made in underline/ strikethrough format.

1. Approval of Changes

No amendment or variation of this Agreement shall be valid unless made in writing and signed by both of the parties except for the CEC’s unilateral termination rights in Section 11 of these terms. No oral understanding or agreement is binding on any of the parties. Changes to the Agreement must be approved at a CEC business meeting or by the Executive Director (or his/her designee).

The CAM or Commission Agreement Officer (CAO) will provide the Recipient with guidance regarding the level of CEC approval required for a proposed change.

1. Personnel or Subcontractor Changes

All changes below require advance written approval by the CAM, in addition to the appropriate level of CEC approval as described in subsection (b).

1) Replacement of Key Personnel, Subcontractors, and Vendors

The CAM must provide advance written approval of the replacement of personnel, subcontractors, and vendors who are identified in the Agreement and are critical to the outcome of the project, such as the Project Manager.

2) Assignment of New Personnel to an Existing Job Classification

If the Recipient or a subcontractor seeks to assign new personnel to a job classification identified in Attachment 4 (Budget Forms), the Recipient or subcontractor must submit the individual’s resume and proposed job classification and rate to the CAM for approval. The proposed rate may not exceed the maximum rate identified for the job classification. Neither the Recipient nor any subcontractor may use the job classifications or rates of their subcontractors for personnel.

If the individual performs any work prior to the effective date of the amendment documenting the change, the Recipient will bear the expense of the work.

3) Promotion of Existing Personnel (Applies to Recipients and major subcontractors)

Promotion of existing Recipient and major subcontractor personnel to rates higher than those listed for their current classification in Attachment 4 will not be approved. The actual rates (e.g., direct labor rates, fringe benefit rates, and indirect rates) shall not exceed the approved rates in the Budget.

4) Addition of job classifications and changes in hours.

5) Increased direct operating expenses and rates that exceed the expenses and rates identified in Attachment 4.

# Contracting and Procurement Procedures

This section provides general requirements for (a) an agreement between the Recipient and a third-party subcontractor[[2]](#footnote-3) (subcontract), and (b) an agreement between the Recipient and a Retrofit Awardee (Retrofit Award). Where these terms require the Recipient to flow down terms to subcontractors and Retrofit Awardees, the Recipient shall ensure that its agreement with subcontractors and Retrofit Awardees also require the flow down of these terms to every lower-tiered level of sub-subcontractor and sub-Retrofit Awardee.

For subcontracts that are listed as “to be determined” in the Budget, the Recipient must submit a revised Budget to the CAM, identifying the subcontractor and specific items of cost expected to be incurred by that subcontractor. In addition, Recipient must have a fully executed subcontract or Retrofit Award before the subcontractor or Retrofit Awardee can incur any costs for which the Recipient will seek reimbursement.

The Recipient is required, where feasible, to employ contracting and procurement practices that promote open competition for all goods and services needed to complete this project. Recipient shall obtain price quotes from an adequate number of sources for all subcontracts.

The CEC will defer to the Recipient's own regulations and procedures as long as they reflect applicable state and local laws and regulations and are not in conflict with the minimum standards specified in this Agreement.

Upon request, the Recipient must submit to the CAM a copy of all solicitations for services or products required to carry out the terms of this Agreement and copies of the proposals or bids received.

The Recipient is responsible for handling all contractual and administrative issues arising out of or related to any subcontracts it enters into under this Agreement. Nothing contained in this Agreement or otherwise creates any contractual relation between the CEC and any subcontractors, and no subcontract may relieve the Recipient of its responsibilities under this Agreement. The Recipient agrees to be as fully responsible to the CEC for the acts and omissions of its subcontractors or persons directly or indirectly employed by any of them as it is for the acts and omissions of persons directly employed by the Recipient.

The Recipient’s obligation to pay its subcontractors is an independent obligation from the CEC’s obligation to make payments to the Recipient. As a result, the CEC has no obligation to pay or enforce the payment of any funds to any subcontractor. The Recipient is responsible for establishing and maintaining contractual agreements with and reimbursing each subcontractor for work performed in accordance with the terms of this Agreement.

All subcontracts must incorporate all of the following:

* A clear and accurate description of the material, products, or services to be procured as well as a detailed budget and timeline.
* A detailed budget and timeline.
* Provisions that allow for administrative, contractual, or legal remedies in instances where subcontractors violate or breach contract terms, and provide for such sanctions and penalties as may be appropriate.
* Provisions for termination by the Recipient, including termination procedures and the basis for settlement, and language conforming to the termination provision related to Executive Order N-6-22 – Russia Sanctions.
* A statement that further assignments will not be made to any third or subsequent tier subcontractor without additional advance written consent of the CEC.
* Language conforming to the following provisions:
* Publications - Legal Statement on Reports and Products (Section 5)
* Equipment (Section 10)
* Travel and Per Diem (Section 13)
* Standard of Performance (Section 14)
* Fiscal Accounting Requirements (Section 16)
* Indemnification (Section 17)
* Nondiscrimination Statement of Compliance (Section 20.b)
* Site Visits (Section 21)
* Public Works – Payment of Prevailing Wages (Section 23)
* Intellectual Property (Section 24)
* Remedies for Non-Compliance (Section 25)
* Enforcement (Section 26)
* Receipt of Confidential Information and Personal Information (Section 28)
* Conflicts of Interest (Section 31)
* Survival of the following provisions:
* Equipment (Section 10)
* Fiscal Accounting Requirements (Section 16)
* Intellectual Property (Section 24)
* Receipt of Confidential Information and Personal Information (Section 28)

Recipients who are subcontracting with University of California (UC) may use the terms and conditions negotiated by the CEC with UC for their subcontracts. Recipients who are subcontracting with the United States Department of Energy (DOE) national laboratories may use the terms and conditions negotiated with DOE.

Without limiting any of the CEC’s other remedies, failure to comply with the above requirements may result in the termination of this Agreement.

Retrofit Awards funded in whole or in part by this Agreement must incorporate all of the following:

* Provisions that allow for administrative, contractual, or legal remedies in instances where Retrofit Awardees violate or breach contract terms, including Program Participation Agreement terms and the tenant protections therein, and provide for such sanctions and penalties as may be appropriate, including the repayment to CEC of grant funds spent under the Retrofit Award.
* Provisions for termination by the Recipient, including termination procedures and the basis for settlement, and language conforming to the termination provision related to Executive Order N-6-22 – Russia Sanctions.
* A statement that further assignments will not be made to any third or subsequent tier Retrofit Awardee without additional advance written consent of the CEC.
* Language conforming to the following provisions:
* Equipment (Section 10)
* Indemnification (Section 17)
* Site Visits (Section 21)
* Remedies for Non-Compliance (Section 25)
* Enforcement (Section 26)
* Receipt of Confidential Information and Personal Information (Section 28), if applicable
* Conflicts of Interest (Section 31)
* Survival of the following provisions:
* Equipment (Section 10)

# Bonding and Insurance

The Recipient will follow its own bonding and insurance requirements relating to bid guarantees, performance bonds, and payment bonds without regard to the dollar value of the subcontract(s) as long as they reflect applicable state and local laws and regulations.

# Permits and Clearances

The Recipient is responsible for ensuring all necessary permits and environmental documents are prepared and clearances are obtained from the appropriate agencies.

# Equipment

Equipment is defined as having a useful life of at least one year, having an acquisition unit cost of at least $5,000, and purchased with grant funds. Equipment means any products, objects, machinery, apparatus, implements, or tools purchased, used, or constructed within the project, including those products, objects, machinery, apparatus, implements or tools from which over thirty percent (30%) of the equipment is composed of materials purchased for the project. For purposes of determining depreciated value of equipment used in the Agreement, the project shall terminate at the end of the normal useful life of the equipment purchased, funded and/or developed with CEC funds. The CEC may determine the normal useful life of such equipment.

Title to equipment and any appliance acquired by the Recipient with grant funds shall vest in the Recipient, and the Recipient may transfer title to Retrofit Awardees. Title to equipment acquired by Retrofit Awardees with grant funds, if any, shall vest in the Retrofit Awardee. The Recipient shall use the equipment in the project or program for which it was acquired as long as needed, whether or not the project or program continues to be supported by grant funds, and the Recipient shall not encumber the property without CAM approval. When no longer needed for the original project or program, the Recipient shall contact the CAM for disposition instructions.

The Recipient shall also flow to Retrofit Awardee any requirements developed in the Program Participation Agreements developed under the Scope of Work. The Recipient shall require Retrofit Awardee to comply with any limitations on equipment or appliance disposition provided in any lease addendum, deed recording, or other document provided by the Recipient.

# Termination

This project may be terminated for any reason set forth below.

## With Cause

The CEC may, for cause, terminate this Agreement upon giving five (5) calendar days advance written notice to the Recipient. In this event, the Recipient will use all reasonable efforts to mitigate its expenses and obligations.

The term “for cause” includes but is not limited to the following:

1. Reorganization to a business entity unsatisfactory to the CEC;
2. Retention or hiring of subcontractors, or replacement or addition of personnel, that fail to perform to the standards and requirements of this Agreement;
3. The Recipient’s inability to pay its debts as they become due and/or the Recipient’s default of an obligation that impacts its ability to perform under this Agreement; or
4. Significant change in state or CEC policy such that the work or product being funded would not be supported by the CEC.

## Without Cause

The CEC may terminate this Agreement without cause upon giving thirty (30) days advance written notice to the Recipient. In this event, the Recipient will use all reasonable efforts to mitigate its expenses and obligations.

## If this Agreement is terminated with or without cause, the CEC reserves the right to transfer this project to another Equitable Building Decarbonization regional administrator and Recipient will use good faith efforts to take steps to effectuate the transfer.

# Stop Work

CEC staff may, at any time, by written notice to Recipient, require Recipient to stop all or any part of the work tasks in this Agreement. Stop work orders may be issued for reasons such as a project exceeding budget, standard of performance, out of scope work, delay in project schedule, misrepresentations and the like.

a. Compliance. Upon receipt of such a stop work order, Recipient shall immediately take all necessary steps to comply therewith and to stop the incurrence of costs allocable to the CEC.

b. Canceling a Stop Work Order. Recipient shall resume the work only upon receipt of written instructions from CEC staff.

# Travel and Per Diem

1. The Recipient shall be reimbursed for travel and per diem expenses using the same rates provided to non-represented State employees, subject to any state-wide prohibition on travel. The Recipient must pay for travel in excess of these rates. The Recipient may obtain current rates from the [CEC’s website](http://www.energy.ca.gov/contracts/TRAVEL_PER_DIEM.PDF) at: http://www.energy.ca.gov/contracts/TRAVEL\_PER\_DIEM.PDF.
2. For purposes of payment, Recipient's headquarters shall be considered the location of the Recipient's office where the employees’ assigned responsibilities for this award are permanently assigned.
3. Travel identified in the Budget section of this Agreement is approved and does not require further authorization.
4. Travel that is not included in the Budget section of this Agreement shall require written authorization from the CAM and CAO prior to travel departure. The CEC will reimburse travel expenses from the Recipient's office location.
5. The Recipient must retain documentation of travel expenses in its financial records. The documentation must be listed by trip and include dates and times of departure and return, departure city, and destination city. Travel receipts, including for travel meals and incidentals, shall be submitted with payment requests requesting reimbursement from the CEC.

# Standard of Performance

Recipient, its subcontractors, and their employees, in the performance of Recipient's work under this Agreement shall be responsible for exercising the degree of skill and care required by customarily accepted good professional practices and procedures used in the Recipient’s field.

Any costs for failure to meet the foregoing standard or to correct otherwise defective work that requires re-performance of the work, as directed by CAM, shall be borne in total by Recipient and not the CEC.

It is the Recipient's duty to ensure that CEC funds are not misspent by subcontractors or misused by Retrofit Awardees. For example, Recipient must ensure CEC funds are used to reimburse or otherwise pay for allowable costs that are actually incurred. This includes that it is the Recipient's duty to develop internal controls to detect fraud, waste, and abuse.

In the event Recipient/subcontractor fails to perform in accordance with the above standard:

1. Recipient/subcontractor will re-perform, at its own expense, any task which was not performed to the reasonable satisfaction of the CAM. Any work re-performed pursuant to this paragraph shall be completed within the time limitations originally set forth for the specific task involved. Recipient/subcontractor shall work any overtime required to meet the deadline for the task at no additional cost to the CEC;
2. The CEC shall provide a new schedule for the re-performance of any task pursuant to this paragraph in the event that re-performance of a task within the original time limitations is not feasible; and
3. The CEC shall have the option to direct Recipient/subcontractor not to re-perform any task which was not performed to the reasonable satisfaction of the CAM pursuant to application of (a) and (b) above. In the event the CEC directs Recipient/subcontractor not to re-perform a task, the CEC and Recipient shall negotiate a reasonable settlement for satisfactory work performed. No previous payment shall be considered a waiver of the CEC's right to reimbursement.

Nothing contained in this section is intended to limit any of the rights or remedies which the CEC may have under law.

# Payment of Funds

1. Advance funds for Retrofit Awards

This Agreement is for the Recipient to administer a block grant program. Under Public Resources Code section 25661(b) the CEC has authority to advance up to 25 percent of the clean energy program moneys allocated to recipients of a financial incentive, and Public Resources Code section 25660(c) confers block grant authority.

Under this Agreement, the Recipient can request but is not guaranteed to receive advance funds for Retrofit Awards (i.e., incentives). Funds will not be advanced for other project expenditures. It is solely within the CEC’s discretion to allow advance funds. Because the CEC earns interest on the funds in its accounts, the CEC can lose interest if it advances funds long before Recipient actually pays out the funds (i.e., the funds sit in Recipient’s account instead of the CEC’s interest-earning account). The Recipient shall establish a separate ledger account or fund for receipt and disbursement of advance funds under this Agreement.

Accordingly, the Recipient, if allowed to receive advance funds for Retrofit Awards, shall take reasonable efforts to minimize the time between receiving advance funds and paying them out. The CEC can request at any time that the Recipient repay to the CEC any funds advanced to Recipient that the Recipient has not paid out, and the Recipient shall repay the unspent advanced funds within 10 days of receiving the CEC’s request.

The Recipient shall pay to the CEC any interest it earns on advanced funds that cumulatively total more than $200. This means over the life of this Agreement, if the Recipient cumulatively earns more than $200 on advanced funds, any additional interest amounts after that shall be paid to the CEC. Alternatively, the CEC in its sole discretion, can instead subtract the interest amount over $200 from the amount paid to Recipient as requested in Recipient’s future invoices.

In addition to other documentation the Recipient must provide under this Agreement, upon request by the CEC, the Recipient shall provide all documents related to advanced funds received and paid out and any interest earned on the funds.

1. Reimbursement for all other project expenditures

The CEC agrees to reimburse the Recipient for actual allowable expenditures incurred in accordance with the Budget. The rates in the Budget are rate caps, or the maximum amount allowed to be billed.

The Recipient can only bill for actual expenses incurred at the Recipient’s actual rates not to exceed the rates specified in the Budget (e.g., direct labor rates, fringe benefit rates, and indirect rates). For example, if the Budget includes an employee’s hourly rate of $50/hour but the employee is only paid $40/hour, the Recipient can only bill for $40/hour. Under the same example, if the employee earned $70/hour but the Budget only lists $50/hour, the Recipient can only bill for $50. Another example is if the maximum fringe benefit rate listed in the Budget is 20% but the Recipient’s actual fringe benefit rate is only 15%, the Recipient can only bill at 15%. The actual rates (e.g., direct labor rates, fringe benefit rates, and indirect rates) should not exceed the approved rates in the Budget.

1. Payment Requests

The Recipient may request payment from the CEC no more frequently than monthly. The final payment request must be received by the CEC along with the Final Report 60 days prior to the end of the Agreement term.

Payments will generally be made on a reimbursement basis for Recipient expenditures, i.e., after the Recipient has incurred the cost for a service, product, supplies, or other approved budget item. No reimbursement for food or beverages shall be made other than allowable per diem charges.

Funds in this Agreement have a limited period in which they must be expended. All Recipient expenditures must occur within the approved term of this Agreement.

1. Documentation

All payment requests must be submitted using a completed Payment Request form and emailed to invoices@energy.ca.gov. This form must be accompanied by an itemized list of all charges and copies of all receipts or invoices necessary to document these charges for the CEC, including backup documentation for actual expenditures, such as timecards, vendor invoices, and proof of payment. Any payment request that is submitted without the itemization will not be authorized. If the itemization or documentation is incomplete, inadequate, or inaccurate, the CAM will inform the Recipient via a Dispute Notification Form (Std. 209) and hold the invoice until all required information is received or corrected. Any penalties imposed on the Recipient by a subcontractor because of delays in payment will be paid by the Recipient.

Any documentation in foreign currency must be converted to dollars, and the conversion rate must be included in your itemization.

1. Certification

The following certification shall be included on each Payment Request form and signed by the Recipient’s authorized officer:

*I certify that this invoice is correct and proper for payment, and reimbursement for these costs has not and will not be received from any other sources, including but not limited to a government entity contract, subcontract, or other procurement method.*

Additional certification is required related to the payment of prevailing wages. Refer to Sections 20 and 23 of these terms and conditions for more information.

1. Government Entity

Government Entity is defined as a governmental agency from California or any state or a state college or state university from California or any state; a local government entity or agency, including those created as a Joint Powers Authority; an auxiliary organization of the California State University or a California community college; the Federal Government; a foundation organized to support the Board of Governors of the California Community Colleges or an auxiliary organization of the Student Aid Commission established under Education Code 69522.

1. Release of Funds

The CAM will not process any payment request during the Agreement term until the following conditions have been met:

* All required reports have been submitted and are satisfactory to the CAM.
* All applicable special conditions have been met.
* All appropriate permits or permit waivers from governmental agencies have been issued to the Recipient and copies have been received by the CAM.
* All products due have been submitted and are satisfactory to the CAM.
* Other prepayment conditions as may be required by the CAM have been met. Such conditions will be specified in writing ahead of time, if possible.

1. Fringe Benefits, Indirect Overhead, and General and Administrative (G&A)

Indirect cost rates must be developed in accordance with generally accepted accounting principles. If the Recipient has an approved fringe benefits or indirect cost rate (indirect overhead or G&A) from their cognizant Federal Agency, the Recipient may bill at the federal rate up to the Budget rate caps if the following conditions are met:

* The Recipient may bill at the federal provisional rate but must adjust annually to reflect their actual final rates for the year in accordance with the Labor, Fringe, and Indirect Invoicing Instructions which can be accessed in this agreement.
* The cost pools used to develop the federal rates must be allocable to the CEC Agreement, and the rates must be representative of the portion of costs benefiting the CEC Agreement. For example, if the federal rate is for manufacturing overhead at the Recipient’s manufacturing facility and the CEC Agreement is for research and development at their research facility, the federal indirect overhead rate would not be applicable to the CEC Agreement.
* The federal rate must be adjusted to exclude any costs that are specifically prohibited in the CEC Agreement.
* The Recipient may only bill up to the Agreement Budget rate caps unless and until an amendment to the Agreement Budget is approved.

1. Retention

It is the CEC's policy to retain 10 percent of any payment request or 10 percent of the total CEC award until the end of the project. After the project is complete the Recipient must submit a completed payment request form requesting release of the retention. The CAM will review the project file and, when satisfied that the terms of the funding Agreement have been fulfilled, will authorize release of the retention.

Retention shall only be held for administrative costs.

The CEC may choose to release retention on an annual basis, if the Recipient’s performance and completion of products and activities over the course of the year in question (referred to herein as a Retention Year) is determined by the CAM to be satisfactory. The Retention Year shall align with the reporting period for the Recipient’s Annual Reports. After the completion of a Retention Year and submission of the associated Annual Report, the Recipient may submit a completed payment request form requesting release of retention pursuant to this paragraph.

1. State Controller’s Office

Payments are made by the State Controller’s Office.

# Fiscal Accounting Requirements

a. Accounting and Financial Methods

The Recipient shall establish a separate ledger account or fund for receipt and disbursement of CEC funds for each project funded by the CEC. Expenditure details must be maintained in accordance with the approved budget details using appropriate accounting practices.

b. Retention of Records

The Recipient shall retain all project records (including financial records, progress reports, and payment requests) for a minimum of three (3) years after the final payment has been received or five (5) years after the state grant term, whichever is later, unless otherwise specified in the funding Agreement.

Records for nonexpendable personal property acquired with grant funds shall be retained for five years after its final disposition or five years after the state grant term, whichever is later.

c. Audits

Upon written request from the CEC, the Recipient shall provide detailed documentation of all expenses at any time throughout the project. In addition, the Recipient agrees to allow the CEC or any other agency of the State, or their designated representative, upon written request, to have reasonable access to and the right of inspection of all records that pertain to the project during the term of this Agreement and for a period of three (3) years thereafter or three years after the federal grant term, whichever is later, unless the CEC notifies the Recipient, prior to the expiration of such three-year period, that a longer period of record retention is necessary. Further, the Recipient agrees to incorporate an audit of this project within any scheduled audits, when specifically requested by the State. Recipient agrees to include a similar right to audit in any subcontract.

Recipients are strongly encouraged to conduct annual audits in accordance with the single audit concept. The Recipient should provide two copies of the independent audit report and any resulting comments and correspondence to the CAM within 30 days of the completion of such audits.

# Indemnification

The Recipient agrees to indemnify, defend, and save harmless the State, its officers, agents, and employees from any and all claims and losses accruing or resulting to Recipient, the CEC, and to any and all contractors, subcontractors, Retrofit Awardees, vendors, materialmen, laborers, and any other person, firm, or corporation furnishing or supplying work, services, materials, or supplies in connection with the performance of this Agreement, and from any and all claims and losses accruing or resulting to any person, firm, or corporation who may be injured or damaged by the Recipient in the performance of this Agreement.

This includes repayment to CEC for funds advanced which were not spent, either by the Recipient or a subcontractor, in accordance with the terms of this Agreement.

# Workers' Compensation Insurance

a. Recipient hereby warrants that it carries Worker's Compensation Insurance for all of its employees who will be engaged in the performance of this Agreement, and agrees to furnish to the CAM satisfactory evidence of this insurance at any time the CAM may request.

b. If Recipient is self-insured for worker's compensation, it hereby warrants such self-insurance is permissible under the laws of the State of California and agrees to furnish to the CAM satisfactory evidence of this insurance at any time the CAM may request.

# General Provisions

## Governing Law

It is hereby understood and agreed that this Agreement shall be governed by the laws of the State of California as to interpretation and performance.

## Independent Capacity

The Recipient, and the agents and employees of the Recipient, in the performance of this Agreement, shall act in an independent capacity and not as officers or employees or agents of the CEC.

## Assignment

Without the written consent of the CEC in the form of a formal written amendment, this Agreement is not assignable or transferable by Recipient either in whole or in part.

## Timeliness

Time is of the essence in this Agreement.

## Unenforceable Provision

In the event that any provision of this Agreement is unenforceable or held to be unenforceable, then the parties agree that all other provisions of this Agreement have force and effect and shall not be affected thereby.

## Waiver

No waiver of any breach of this Agreement shall be held to be a waiver of any other or subsequent breach. All remedies afforded in this Agreement shall be taken and construed as cumulative, that is, in addition to every other remedy provided therein or by law.

## Assurances

The CEC reserves the right to seek further written assurances from the Recipient and its team that the work of the project under this Agreement will be performed consistent with the terms of the Agreement.

## Change in Business

(1) Recipient shall promptly notify the CEC of the occurrence of each of the following:

(a) A change of address.

(b) A change in the business name or ownership.

(c) The existence of any litigation or other legal proceeding affecting the Project.

(d) The occurrence of any casualty or other loss to Project personnel, equipment or third parties of a type commonly covered by insurance.

(e) Receipt of notice of any claim or potential claim against Recipient for patent, copyright, trademark, service mark and/or trade secret infringement that could affect the CEC’s rights.

(2) Recipient shall not change or reorganize the type of business entity under which it does business except upon prior written notification to the CEC. A change of business entity or name change requires an amendment assigning or novating the Agreement to the changed entity. In the event the CEC is not satisfied that the new entity can perform as the original Recipient, the CEC may terminate this Agreement as provided in the termination paragraph.

## Survival of Terms

It is understood and agreed that certain provisions shall survive the completion or termination date of this Agreement for any reason. The provisions include, but are not limited to:

* Publications - Legal Statement on Reports and Products (Section 5)
* Equipment (Section 10)
* Termination (Section 11)
* Payment of Funds (Section 15)
* Fiscal Accounting Requirements (Section 16)
* Indemnification (Section 17)
* Change in Business (Section 19.h)
* Intellectual Property (Section 24)

# Certifications and Compliance

## Federal, State and Municipal Requirements

Recipient must obtain any required permits and shall comply with all applicable federal, State, and municipal laws, rules, codes, and regulations for work performed under this Agreement.

## Nondiscrimination Statement of Compliance

During the performance of this Agreement, Recipient and its subcontractors shall not unlawfully discriminate, harass, or allow harassment, against any employee or applicant for employment because of sex, sexual orientation, race, color, ancestry, religious creed, national origin, disability (including HIV and AIDS), medical condition (cancer), age, marital status, and denial of family care leave. Recipient and its subcontractors shall insure that the evaluation and treatment of their employees and applicants for employment are free of such discrimination and harassment. Recipient and its subcontractors shall comply with the provisions of the Fair Employment and Housing Act (Government Code sections 12990 et seq.) and the applicable regulations promulgated thereunder (CCR, Title 2, section 11000 et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code section 12990 (a-f), set forth in Chapter 5 of Division 4.1 of Title 2 of the CCR are incorporated into this Agreement by reference and made a part of it as if set forth in full. Recipient and its subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other Agreement.

The Recipient shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under this Agreement.

## Drug-Free Workplace Certification

By signing this Agreement, the Recipient hereby certifies under penalty of perjury under the laws of the State of California that the Recipient will comply with the requirements of the Drug-Free Workplace Act of 1990 (Government Code section 8350 et seq.) and will provide a drug-free workplace by taking the following actions:

* 1. Publish a statement notifying employees that unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited and specifying actions to be taken against employees for violations as required by Government Code section 8355(a)(1).
  2. Establish a Drug-Free Awareness Program as required by Government Code section 8355(a)(2) to inform employees about all of the following:
* The dangers of drug abuse in the workplace;
* The person's or organization's policy of maintaining a drug-free workplace;
* Any available counseling, rehabilitation, and employee assistance programs; and
* Penalties that may be imposed upon employees for drug abuse violations.
  1. Provide, as required by Government Code section 8355(a)(3), that every employee who works on the proposed project:
* Will receive a copy of the company's drug-free policy statement;
* Will agree to abide by the terms of the company's statement as a condition of employment on the project.

Failure to comply with these requirements may result in suspension of payments under the Agreement or termination of the Agreement or both, and the Recipient may be ineligible for any future State awards if the CEC determines that any of the following has occurred: (1) the Recipient has made false certification, or (2) violates the certification by failing to carry out the requirements as noted above.

d. Child Support Compliance Act (Applicable to California Employers)

For any Agreement in excess of $100,000, the Recipient acknowledges that:

* It recognizes the importance of child and family support obligations and shall fully comply with all applicable state and federal laws relating to child and family support enforcement, including, but not limited to, disclosure of information and compliance with earnings assignment orders, as provided in Chapter 8 (commencing with section 5200) of Part 5 of Division 9 of the Family Code; and
* To the best of its knowledge is fully complying with the earnings assignment orders of all employees and is providing the names of all new employees to the New Hire Registry maintained by the California Employment Development Department.

e. Americans with Disabilities Act

By signing this Agreement, Recipient assures the State that it complies with the Americans with Disabilities Act (ADA) of 1990 (42 U.S.C. 12101, et seq.), which prohibits discrimination on the basis of disability, as well as applicable regulations and guidelines issued pursuant to the ADA.

1. Air or Water Pollution Violation

Under state laws, the Recipient will not be:

1. In violation of any order or resolution not subject to review promulgated by the State Air Resources Board or an air pollution control district;
2. Subject to a cease-and-desist order not subject to review issued pursuant to section 13301 of the Water Code for violation of waste discharge requirements or discharge prohibitions; or
3. Finally determined to be in violation of provisions of federal law relating to air or water pollution.
4. National Labor Relations Board Certification (Not applicable to public entities)

The Recipient, by signing this Agreement, swears under penalty of perjury that no more than one final unappealable finding of contempt of court by a federal court has been issued against the Recipient within the immediately preceding two-year period because of the Recipient's failure to comply with an order of a federal court that orders the Recipient to comply with an order of the National Labor Relations Board.

# Site Visits

The CEC and/or its designees have the right to make site visits at reasonable times to review project accomplishments and management control systems and to provide technical assistance, if required. Recipient must provide and must require subcontractors and Retrofit Awardees to provide reasonable facilities and assistance for the safety and convenience of the government representatives in the performance of their duties. All site visits and evaluations must be performed in a manner that does not unduly interfere with or delay the work.

# Budget Contingency Clause

It is mutually agreed that this Agreement shall be of no further force and effect if the Budget Act of the current year and/or any subsequent years covered under this Agreement does not appropriate sufficient funds for the work identified in the Scope of Work. In this event, the CEC shall have no liability to pay any funds whatsoever to the Recipient or to furnish any other consideration under this Agreement, and the Recipient shall not be obligated to perform any provisions of this Agreement.

If funding for any fiscal year is reduced or deleted by the Budget Act for purposes of this program, the CEC shall have the option to either: 1) cancel this Agreement with no liability occurring to the CEC; or 2) offer an Agreement Amendment to the Recipient to reflect the reduced amount.

# Public Works -- Payment of Prevailing Wages

**Generally Required by Law**

Projects that receive an award of public funds from the CEC often involve construction, alteration, demolition, installation, repair, or maintenance work over $1,000.

**NOTE: Projects that receive an award of public funds from the CEC are likely to be considered public works under the California Labor Code. See Chapter 1 of Part 7 of Division 2 of the California Labor Code, commencing with section 1720 and Title 8, CCR, Chapter 8, Subchapter 3,** **commencing with section 16000.**

Accordingly, the CEC assumes that all projects it funds are public works. Projects deemed to be public works require among other things the payment of prevailing wages.

**NOTE: Prevailing wage rates can be significantly higher than non-prevailing wage rates.**

By accepting this Agreement, Recipient as a material term of this Agreement shall be fully responsible for complying with all California public works requirements including but not limited to payment of prevailing wage. Public Resources Code section 25665.3(f) provides that “[p]rojects funded pursuant the [Equitable Building Decarbonization] direct install program shall be performed by workers paid prevailing wage where possible and when applicable.” Therefore, as a material term of this Agreement, Recipient must either:

(a) Proceed on the assumption that the project is a public work and ensure that:

1. prevailing wages are paid; and
2. the project budget for labor reflects these prevailing wage requirements; and
3. the project complies with all other requirements of prevailing wage law including but not limited to keeping accurate payroll records, and complying with all working hour requirements and apprenticeship obligations;

or,

(b) Timely obtain a legally binding determination from the California Department of Industrial Relations (DIR) or a court of competent jurisdiction before work begins on the project that the proposed project is not a public work.

**NOTE: Only the DIR and courts of competent jurisdiction have jurisdiction to issue legally binding determinations that a particular project is or is not a public work.**

If the Recipient is unsure whether the project receiving this award is a “public work” as defined in the California Labor Code, it may wish to seek a timely determination from the DIR or an appropriate court.

**NOTE: Such processes can be time consuming and therefore it may not be possible to obtain a timely determination before the date for performance of the award commences.**

If the Recipient does not timely obtain a binding determination from DIR or a court of competent jurisdiction that the project is not a public work, before this Agreement from the CEC is executed, the Recipient shall assume that the project is a public work and that payment of prevailing wages is required and shall pay prevailing wages unless and until such time as the project is subsequently determined to not be a public work by DIR or a court of competent jurisdiction.

**NOTE: California Prevailing Wage law provides for substantial damages and financial penalties for failure to pay prevailing wages when payment of prevailing wages is required.**

**Subcontractors and Flow-down Requirements**. Recipient shall ensure that its subcontractors, if any, also comply with above requirements with respect to public works/prevailing wage. Recipient shall ensure that all agreements with its contractors/subcontractors to perform work related to this project contain the above terms regarding payment of prevailing wages on public works projects. Recipient shall be responsible for any failure of Recipient’s subcontractors to comply with California prevailing wage and public works laws.

**Indemnification and Breach**. Any failure of Recipient or its subcontractors to comply with the above requirements shall constitute a breach of this Agreement that excuses the CEC’s performance of this Agreement at the CEC’s option, and shall be at Recipient’s sole risk. In such a case, CEC may refuse payment to Recipient of any amount under this Agreement and CEC shall be released, at its option, from any further performance of this award or any portion thereof. By accepting this Agreement, and as a material term of this Agreement, Recipient agrees to indemnify the CEC and hold the CEC harmless for any and all financial consequences arising out of or resulting from the failure of Recipient and/or any of Recipient’s subcontractors to pay prevailing wages or to otherwise comply with the requirements of prevailing wage law.

**Budget**. Recipient’s budget and subcontractors’ budgets on public works projects must indicate which job classifications are subject to prevailing wage. For detailed information about prevailing wage and the process to determine if the proposed project is a public work, Recipient may wish to contact the DIR or a qualified labor attorney of their choice for guidance.

**Covered Trades**. For public works projects, Recipient may contact DIR for a list of covered trades and the applicable prevailing wage.

**Questions**. If Recipient has any questions about this contractual requirement or the wage, record keeping, apprenticeship or other significant requirements of California prevailing wage law, it is recommended that Recipient consult DIR and/or a qualified labor attorney of its choice before accepting this Agreement.

**Certification**. Recipient shall certify to the CEC on each Payment Request Form, either that (1) prevailing wages were paid to eligible workers who provided labor for work covered by the payment request and that the Recipient and all contractors and subcontractors otherwise complied with all California prevailing wage laws, or (2) that the project is not a public work requiring the payment of prevailing wages. In the latter case, Recipient shall provide competent proof of a DIR or court determination that the project is not a public work requiring the payment of prevailing wages.

Prior to the release of any retained funds under this Agreement, the Recipient shall submit to the CEC the above-described certificate signed by the Recipient and all contractors and subcontractors performing public works activities on the project. Absent such certificate, Recipient shall have no right to any funds under this Agreement, and CEC shall be relieved of any obligation to pay said funds.

# Intellectual Property

## The CEC makes no claim to “intellectual property” developed under this Agreement except as expressly provided herein.

## “Intellectual property” means: (a) inventions, technologies, designs, drawings, software, formulas, compositions, processes, techniques, works of authorship, trademarks, service marks, and logos that are created, conceived, discovered, made, developed, altered, or reduced to practice with Agreement or match funds during or after the Agreement term; (b) any associated proprietary rights to these items, such as patent and copyright; and (c) any upgrades or revisions to these items.

“Product” means any tangible item specified for delivery to the CEC in the Scope of Work.

“Works of authorship” does not include written products created for Agreement reporting and management purposes, such as reports, summaries, lists, letters, agendas, schedules, and invoices.

1. The CEC owns all products identified in the Scope of Work, with the exception of products that fall within the definition of “intellectual property.”
2. The CEC has a no-cost, non-exclusive, transferable, irrevocable, royalty-free, worldwide, perpetual license to use, publish, translate, modify, and reproduce intellectual property for governmental purposes, including but not limited to providing data and reports to other government entities, state legislature, and utility companies and using data for the development of future programs.
3. The Recipient may not, in supplying work under this Agreement, knowingly infringe or misappropriate any intellectual property right of a third party and will take reasonable actions to avoid infringement.

To the extent allowed under California law, the Recipient will defend and indemnify the CEC from and against any claim, lawsuit, or other proceeding, loss, cost, liability, or expense (including court costs and reasonable fees of attorneys and other professionals) to the extent arising out of: (i) any third party claim that a product infringes any patent, copyright, trade secret, or other intellectual property right of any third party; or (ii) any third party claim arising out of the negligent or other tortious acts or omissions by the Recipient or its employees, subcontractors, or agents in connection with or related to the products or the Recipient’s performance under this Agreement.

# CEC Remedies for Recipient’s Non-Compliance

Without limiting any of its other remedies, the CEC may, for Recipient’s noncompliance of any Agreement requirement, withhold future payments, demand and be entitled to repayment of past reimbursements, or suspend or terminate this Agreement. The tasks in the Scope of Work are non-severable, and completion of all of them is material to this Agreement. Thus, the CEC, without limiting its other remedies, is entitled to repayment of all funds paid to Recipient if the Recipient does not timely complete all tasks in the Scope of Work. These remedies will also be flowed down to Retrofit Awardees in the event of breach of their Program Participation Agreements.

Further, if any penalty, fine, or other assessment is issued against the CEC or the CEC and other parties as a result of the Recipient’s, its subcontractors’, or a Retrofit Awardee’s failure to comply with the Agreement requirements, the Recipient shall pay all assessment amounts with its own, non-grant funds, including any assessment against the CEC. Should the Recipient fail to pay the penalty, fine, or other assessment, the Recipient acknowledges that such monies may be paid out of retention.

# Enforcement

a. Recovery of Overpayment or Misuse of Funds

The CEC may direct the CEC’s Office of Chief Counsel to commence formal legal action against any applicant or Recipient to recover any portion of a payment under the Agreement that the Executive Director determines the applicant or Recipient was not otherwise entitled to receive.

b. Fraud and Misrepresentation

The Executive Director may initiate an investigation of any applicant, Recipient, subcontractor, vendor, or Retrofit Awardee that the Executive Director has reason to believe may have misstated, falsified, or misrepresented information in submitting an application, payment claim, or reporting any information required by the Agreement. Based on the results of the investigation, the Executive Director may take any action deemed appropriate, including, but not limited to, termination of the Agreement, recovery of any overpayment, and, with the concurrence of the CEC, recommending the Attorney General initiate an investigation and prosecution under Government Code section 12650, et seq., or other provisions of law.

# Confidential Recipient Information

a. Identification of Confidential Recipient Information

1. For the purposes of this Section, “Confidential Recipient Information” refers to information belonging to the Recipient that the Recipient has satisfactorily identified as confidential and the CEC has agreed to designate as confidential under Title 20 CCR section 2505.
2. Prior to the effective date of this Agreement, the Recipient will identify all products (or information contained within products) it considers Confidential Recipient Information, and provide the legal basis for confidentiality, in Attachment 1 to this Exhibit. If the CEC agrees the information is confidential, it will not disclose it except as provided in subsection (b).
3. During the Agreement, if the Recipient obtains or develops additional products (or information contained within products) not originally identified as Confidential Recipient Information in Attachment 1 to this Exhibit, the Recipient will follow the procedures for a request for designation of confidential information as specified in Title 20 CCR section 2505.

The CEC’s Executive Director will make the confidentiality determination. Such subsequent determinations may be added to the list of confidential deliverables in the Attachment 1 to this Exhibit. The CEC will not disclose information subject to an application for confidential designation except as provided in subsection (b).

1. When submitting products containing Confidential Recipient Information, the Recipient will mark each page of any document containing Confidential Recipient Information as “confidential” and present it in a sealed package to the Contracts, Grants, and Loans Office.

The CAM may require the Recipient to submit a non-confidential version of the product if it is feasible to separate the Confidential Recipient Information from the non-confidential information. The Recipient is not required to submit such products in a sealed package.

b. Disclosure of Confidential Recipient Information

The CEC will only disclose Confidential Recipient Information under the circumstances specified in Title 20 CCR sections 2506, 2507, and 2508. All Confidential Recipient Information that is legally disclosed by the Recipient or any other entity will become a public record and will no longer be subject to the CEC’s confidentiality designation.

c. Waiver of Consequential Damages

In no event will the CEC or the state of California be liable for any special, incidental, or consequential damages based on breach of warranty, breach of contract, negligence, strict tort, or any other legal theory for the disclosure of the Confidential Recipient Information, even if the CEC has been advised of the possibility of such damages.

Damages that the CEC and the state of California will not be responsible for include but are not limited to lost profit; lost savings or revenue; lost goodwill; lost use of the product or any associated equipment; cost of capital; cost of any substitute equipment, facilities, or services; downtime; the claims of third parties including customers; and injury to property.

d. Limitations on the Disclosure of Products

During the Agreement, the Recipient, subcontractors, any lower-tiered level of sub-subcontractors, and Vendors must receive written approval from the CAM prior to disclosing the contents of any draft product to a third party. However, if the CEC makes a public statement about the content of any product provided by the Recipient and the Recipient believes the statement is incorrect, the Recipient may state publicly what it believes is correct.

# Receipt of Confidential Information and Personal Information

For the purposes of this Section, “confidential information” refers to information the CEC has designated as confidential pursuant to Title 20 CCR section 2505 *et seq*., information the CEC has otherwise deemed or stated to be confidential, and other information exempt from public disclosure under the provisions of the California Public Records Act or other applicable state or federal laws.

For the purposes of this Section, “personal information” refers to information that meets the definition of “personal information” in California Civil Code section 1798.3(a) or one of the data elements set forth in California Civil Code section 1798.29(g)(1) or (g)(2). Personal information is a type of confidential information and is therefore subject to all requirements for confidential information provided in this Agreement and applicable law. However, there are additional requirements specific to personal information.

For the purposes of this Section, “special terms for confidential information” refers to the CEC’s special terms and conditions for the receipt of confidential information and personal information. The CEC’s special terms for confidential information include, but are not limited to, having in place an Information Security Program Plan, and obtaining nondisclosure agreements from all individuals who will be provided access to confidential information or personal information.

If the Recipient will receive confidential information or personal information from the CEC or a third-party for the performance of this Agreement, the Recipient must first agree to and comply with the CEC’s special terms for confidential information.

If any other individual or entity participating in any way with this Agreement, including but not limited to subcontractors, Retrofit Awardees, vendors, and other project partners, will receive confidential information or personal information from the CEC or a third-party for the performance of this Agreement, that individual or entity must first agree to and comply with the CEC’s special terms for confidential information. The Recipient must flow-down the CEC’s special terms for confidential information into each subcontract, Retrofit Award, vendor agreement, or other project partner agreement that will be provided access to confidential information or personal information before the individual or entity has access to any such information. Recipient must also require all individuals and entities to flow-down this Section to any lower tier subcontractors, Retrofit Awardees, vendors, project partners, and other individual or entity participating in any way with this Agreement that will be provided access to Confidential Information or Personal Information before the individual or entity has access to any such information.

If this Agreement does not include the CEC’s special terms for confidential information and CEC determines the Recipient or any other individual or entity participating in any way with this Agreement will receive confidential information or personal information from the CEC or a third-party for the performance of this Agreement, the CEC reserves the option to amend this Agreement to add its special terms for confidential information.

Except as provided in Title 20 CCR sections 2506, 2507, and 2508, and the CEC’s special terms for confidential information, Recipient or any other individual or entity participating in any way with this Agreement may not disclose any information provided to it by the CEC or a third party for the performance of this Agreement if the information has been designated as confidential or is the subject of a pending application for confidential designation.

# Executive Order N-6-22 – Russia Sanctions

On March 4, 2022, Governor Gavin Newsom issued Executive Order N-6-22 (the EO) regarding Economic Sanctions against Russia and Russian entities and individuals. “Economic Sanctions” refers to sanctions imposed by the U.S. government in response to Russia’s actions in Ukraine, as well as any sanctions imposed under state law. The EO directs state agencies to terminate agreements with, and to refrain from entering any new agreements with, individuals or entities that are determined to be a target of Economic Sanctions. Accordingly, should the State determine the Recipient is a target of Economic Sanctions or is conducting prohibited transactions with sanctioned individuals or entities, that shall be grounds for termination of this agreement. The State shall provide the Recipient advance written notice of such termination, allowing the Recipient at least 30 calendar days to provide a written response. Termination shall be at the sole discretion of the CEC.

# Greenhouse Gas Reduction Fund Requirements

1. This Agreement is funded in part by the Greenhouse Gas Reduction Fund (GGRF) created pursuant to Government Code section 16428.8. This Agreement is subject to, and Recipient shall comply with, the provisions of the laws enacted for spending of auction proceeds deposited into the GGRF, including without limitation: Health and Safety Code section 39710 et. seq.; Government Code section 16428.8 – 16428.95, including any amendments to these sections. In addition to GGRF reporting requirements, Recipients will be responsible for other reporting requirements as outlined in the Scope of Work and specified by the CAM.
2. Reporting

Recipients of GGRF funds must submit reports on expenditures, investment benefits, and project outcomes, per guidance from the California Air Resources Board (CARB). Recipient shall provide reports on all projects during the term of this Agreement and for a period specified by CARB to meet project outcome reporting requirements.

Reporting shall follow the technical standards, format, process, and timing specified by the CAM, consistent with the project-type specific reporting requirements in CARB guidance and methodologies. Information to be reported includes, but is not limited to:

* 1. Greenhouse Gas (GHG) Reductions
     + - Recipient Name or Project ID
       - Project description
       - Project location
       - Census tract
       - Project Stages and Dates for Reaching Milestones: Project Selected; Completed; Operational; GHG reductions began
       - GGRF dollars allocated and total project cost including GGRF and non-GGRF monies
       - Leveraged and/or match funds
       - Quantification Period (number of years the project will provide GHG emission reductions)
       - Number of projects/incentives/dwellings modified
       - Estimated /actual total project GHG emission reductions
       - Other information as specified by the CAM and in accordance with CARB requirements
  2. Priority Populations

Recipient reporting shall include information regarding benefits to priority populations, consistent with the detailed information in the CARB guidance which is posted at [www.arb.ca.gov/cci-quantification](http://www.arb.ca.gov/cci-quantification). Recipient reporting shall include any information needed to evaluate, using the appropriate Benefit Criteria Table, whether the project has a direct benefit to priority populations.

“Priority populations” include residents of: (A) census tracts identified as disadvantaged by California Environmental Protection Agency per SB 535; (B) census tracts identified as low-income per AB 1550; or (C) a low-income household per AB 1550.

* 1. Co-Benefits

Recipient reporting shall include each project’s economic, environmental, or public health benefits, including, but not limited to:

* + - * Estimated /actual total reductions in other criteria air pollutants (PM 2.5, NOx, etc.)
      * Estimated /actual energy and fuel costs saved (kWh, therms, or other fuels) for energy efficiency and electrification projects
      * Other information as specified by the CAM and in accordance with CARB requirements.
  1. Job Creation Benefits

Recipient reporting shall include data related to the number of job-years provided, average wages and benefits, the number of people who completed job training or received industry-recognized certifications, targeted hiring strategy and residence location of job/training recipients, as specified by the CAM and in accordance with CARB requirements.

# Conflicts of Interest

1. Recipient agrees to continuously review new and upcoming projects in which Recipient, its subcontractors or other project partners may be involved for potential conflicts of interest (e.g., Gov. Code § 81000 et seq., and Gov. Code § 1090 et seq.). Recipient shall inform the CAM as soon as a question arises about whether a potential conflict may exist or as soon as the Recipient knows a conflict exists. The CAM and CEC’s Chief Counsel's Office shall determine what constitutes a potential conflict of interest. The CEC reserves the right to redirect work and funding on a project if the CEC’s Chief Counsel’s Office determines that there is a potential conflict of interest.
2. Appearances of Conflicts of Interest

The Recipient acknowledges that in governmental agreements even the appearance of a conflict of interest can be harmful to the interest of the State. Thus, the Recipient, its subcontractors and project partners shall refrain from any practices, activities, or relationships that appear to conflict with their obligations under this Agreement, unless the Recipient receives prior written approval of the CEC. In the event the Recipient is uncertain whether the appearance of a conflict of interest may exist, the Recipient shall submit to the CAM a written description of the relevant details.

1. Prohibition on Participating in CEC Funding Opportunities

Under this Agreement, the Recipient and its subcontractors and project partners will, with oversight from the CEC, develop and implement programs. Accordingly, the Recipient and its subcontractors and project partners are prohibited from participating and agree not to participate in any manner (e.g., as an applicant, subcontractor, or match-funding partner) in any financial incentive program implemented under this Agreement.

1. Possible amendment of conflicts of interest provisions

The Recipient acknowledges that, if amendments to this Agreement are made to develop and fund programs or otherwise expand the scope of work, the role of employees of the Recipient, subcontractors and project partners may become more defined. As those responsibilities and tasks are defined, the CAM and CEC’s Chief Counsel’s Office reserve the right to determine if it is appropriate to designate certain individuals who are participating in the making of government decisions as “consultants” under the Political Reform Act and therefore require the disclosure of economic interests pursuant to Government Code section 87300 and the CEC’s Conflict of Interest Code at CCR, Title 20, sections 2401-2402. Upon such determination, this Agreement shall be amended to include the specific procedural requirements applicable to the Recipient, subcontractors and project partners, and any designated consultants.

# Disclosure.

The Recipient shall promptly inform the CEC when it is engaged by another State agency for work that is similar to a product under the scope of work contemplated in this Agreement. Where that similar work product or deliverable is applicable to this Agreement, the Recipient may use such work product or deliverable, but is barred from billing the CEC in this Agreement for the work performed under the other agreement and not actually performed under this Agreement. Where actual labor is expended to generate the same or similar work product or deliverable under this Agreement as another agreement, the Recipient is allowed to bill for such labor actually performed.

1. California Climate Investments is a statewide initiative that puts billions of Cap-and-Trade dollars to work reducing greenhouse gas emissions, strengthening the economy, and improving public health and the environment – particularly in disadvantaged communities. [↑](#footnote-ref-2)
2. A subcontractor is any person or entity that receives grant funds directly from the Recipient and is entrusted by the Recipient to make decisions about how to conduct some of the block grant project activities. A subcontractor’s role involves discretion over grant activities and is not merely just selling goods or services. A subcontractor cannot also be a Retrofit Awardee. A vendor is a person or entity that sells goods or services to the Recipient, Subcontractor, or any lower-tiered level of Sub-Subcontractor, in exchange for some of the grant funds, and does not make decisions about how to perform the grant’s activities. A vendor’s role is ministerial and does not involve discretion over grant activities. [↑](#footnote-ref-3)