

FISTATE OF CALIFORNIA
STANDARD AGREEMENT
 STD 213 (Rev 06/03)

Agreement Number HSR _____
Registration Number

This Agreement is entered into between the State Agency and the Owner named below:

1. _____
 STATE AGENCY'S NAME
California High-Speed Rail Authority

OWNER'S NAME
Pacific Gas and Electric Company

2. The term of this Agreement is: _____ or upon execution, whichever is later through _____

3. The maximum amount of this Agreement is: \$36,034,000.00
 Thirty-Six Million Thirty-Four Thousand and No Cents.

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

- Exhibit A – Engineering and Permits Scope of Work page(s)
- Exhibit B – Budget Detail page(s)
- Exhibit C – General Terms and Conditions page(s)
- Exhibit D – Additional Terms and Conditions page(s)
- Exhibit E – Terms and Conditions Applicable to Authority’s Contractors page(s)
- Exhibit F – Terms and Conditions Applicable to PG&E Contractors page(s)
- Attachment 1 – ADRI and PDRI Delineation page(s)
- Attachment 2 – Form of Invoice page(s)
- Attachment 3 – Rate Sheet and Budget

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

OWNER		California Department of General Services Use Only
OWNER'S NAME (if other than an individual, state whether a corporation, partnership, etc.) Pacific Gas and Electric Company		
BY (Authorized Signature) 	DATE SIGNED (Do not type)	
PRINTED NAME AND TITLE OF PERSON SIGNING Desmond A. Bell, Senior Vice President, Safety & Shared Services		
ADDRESS 77 Beale Street, Mail Code B32, San Francisco, CA 94105		
STATE OF CALIFORNIA		
AGENCY NAME California High-Speed Rail Authority		
BY (Authorized Signature) 	DATE SIGNED (Do not type)	
PRINTED NAME AND TITLE OF PERSON SIGNING Jeff Morales, Chief Executive Officer		
ADDRESS 770 L Street, Suite 620 MS 1, Sacramento CA 95814		<input checked="" type="checkbox"/> Exempt per: PUC 185036

EXHIBIT A:
ENGINEERING AND PERMITS SCOPE OF WORK

I. RECITALS

A. WHEREAS, Authority is responsible for the planning, design, construction and operation of the California High-Speed Rail System, which will run from San Francisco to the Los Angeles basin and eventually extend to Sacramento and San Diego, totaling 800 miles of electrified rail service, approximately 345 miles of which will be in the PG&E service territory ("HSR System");

B. WHEREAS, the HSR System will require the installation of a 50 kV (phase to phase) 25 kV (phase to ground) AC traction electrification system to power the trains. In order to provide adequate capacity for train operations, the proposed Traction Electrification System or TES (as defined herein) will interconnect with PG&E at 115 kV or 230 kV with approximately 30-mile intervals between traction power substations;

C. WHEREAS, under contracts HSR 10-10, and HSR 14-37 PG&E has provided and has been tasked to provide Authority with Technical Study Reports for each Point of Interconnection and conduct related work necessary to preliminarily identify and design the HSR System, PG&E's improved system, PG&E interconnection facilities and associated network upgrades needed in order to meet the electrical needs of the HSR Project Phase 1, as defined in Authority's 2014 Business Plan;

D. WHEREAS, said Technical Study Reports for Sites 4-13 shall be utilized for the design and engineering under this Agreement;

E. WHEREAS, the Parties (as defined herein) wish to enter into this Agreement addressing their respective responsibilities with respect to the design, engineering and permitting activities for the intended network upgrades and facilities needed to power the TES; and

F. WHEREAS, the Parties (as defined herein) wish to address payment arrangements and responsibilities and the allocation of costs; and

G. NOW, THEREFORE, in consideration of the mutual promises set forth below, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows.

II. DEFINITIONS

"ACE Class 2" estimate means that the engineering and design is approximately 90% complete, materials are ordered, all permits are applied for, land rights secured and Construction plans are complete.

"ACE Class 3" estimate means that the engineering and design is approximately 60% complete, materials quotes are secured, permit and land right requirements are documented, and Construction site requirements and associated access plans are complete.

"ACE Class 4" estimate means that the engineering and design is approximately 30% complete, permit and land right requirements are being developed, and preliminary Construction pull sites and related data is developed.

"ACE Class 5" estimate means that the estimate is at the project feasibility level, the project kick-off meeting is held and the project scope for the estimate is based on historical data.

EXHIBIT A:
ENGINEERING AND PERMITS SCOPE OF WORK

“ADRs”: See “Authority Design Responsibility Items”.

“APN” means Assessor’s Parcel Number.

“Applicable Law” means all local, state and federal laws, rules, regulations, ordinances, building code or other codes, statutes, or regulations, or lawful orders of Governmental Authorities that are relevant to proper and safe performance of Authority Work and PG&E Work, including but not limited to, all applicable FERC, NERC, CAISO, U.S. DOT, and CPUC regulations, rules, orders, decisions and requirements.

“Approved Material Suppliers” is defined in Exhibit F Section D.9.

“Authority” means the California High-Speed Rail Authority.

“Authority-Cost Item” means any portion of the New Facilities for which Authority will be allocated the cost in accordance with the Cost Allocation Rules, as referenced in this Agreement.

“Authority Design Responsibility Items” or “ADRs” means the line extensions and other facilities (a) that are required to enable the interconnection and operation of the HSR System, and (b) which, excepting other agreement of the parties, are to be located anywhere other than on land which PG&E currently owns or controls. Notwithstanding the above, ADRs do not include substation upgrades and/or expansions.

“Authority Property Identification Plan” is defined in Section 6.1(a).

“Authority Work” means the provision of designs, tasks, deliverables, engineering, analysis, preparation of Technical Documentation, planning, and other activities and services performed under this Agreement by Authority.

“Business Plan” means the Authority’s bi-annual business plan required by California Public Utilities Code section 185033.

“CAISO” means the California Independent System Operator, or its regulatory successor, as applicable.

“CEQA” means the California Environmental Quality Act.

“Contractor” means a Person that enters into a contract with Authority or PG&E or another Contractor, as applicable, for the performance of any part of the Work, and includes subcontractors at all levels.

“Construction” means the act of demolition, removal, grading, fill, leveling, digging, erecting, storage, and placement to build the ADRs and PDRs.

“Cost Allocation Rules” is defined in Section 5.1(a).

“CPUC” means the California Public Utilities Commission, or its regulatory successor, as applicable.

“Engendered Work” has the meaning given in Section 5.3(b).

EXHIBIT A:
ENGINEERING AND PERMITS SCOPE OF WORK

“Engineering and Design Reports” means the reports prepared by Authority for the ADRIAs as described in Section 3.1(c).

“Environmental Approval” means the environmental and land use authorization required under federal, state or local laws for the siting, Construction and operation of the HSR System, including without limitation Authority’s approvals under CEQA and the Federal Railroad Administration and Surface Transportation Board issuance of Records of Decision under NEPA for approval of an environmental document.

“FERC” means the Federal Energy Regulatory Commission or its regulatory successor, as applicable.

“FRA” means the Federal Railroad Administration or its regulatory successor, as applicable.

“General Order 131-D” or “GO 131-D” means California Public Utilities Commission General Order 131-D, as currently in effect or as amended during the term of this Agreement.

“Good Utility Practice” means any of the practices, methods and acts engaged in or approved by a significant portion of the gas and electric utility industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be any one of a number of the optimum practices, methods, or acts to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the region.

“Governmental Authority” means any federal, state or local government and any political subdivision or any governmental, quasi-governmental, judicial, public or statutory instrumentality, administrative agency, authority, body or entity, other than Authority.

“Governmental Authorization” means any approval, authorization, certification, consent, decision, exemption, filing, license, lease, permit, agreement, concession, grant, franchise, registration, or ruling, required by any Governmental Authority in order to perform the Work.

“HMF” means the California High-Speed Rail Heavy Maintenance Facility.

“HSR 10-10” means the agreement, including any amendments, between Authority and PG&E addressing the preparation of certain studies, reports and documentation related to the HSR System, as detailed therein.

“HSR 14-37” means the agreement originally executed on November 7, 2014, including all amendments, between Authority and PG&E addressing the preparation of certain studies, reports and documentation related to the HSR System, as detailed therein.

“HSR Project” means the development and implementation of intercity high-speed rail service as defined under current provisions of Sections 2704 *et seq.* of the California Streets and Highways Code and Sections 185030 *et seq.* of the California Public Utilities Code.

“HSR System” is defined in Recital A.

EXHIBIT A:
ENGINEERING AND PERMITS SCOPE OF WORK

“Interconnection Handbook” means the PG&E Transmission Interconnection Handbook, at: http://www.pge.com/includes/docs/pdfs/shared/rates/tariffbook/ferc/tih/combined_version_handbooks.pdf

“ITCC” is defined in Section 5.1(b).

“kV” means kilovolts.

“NEPA” means the National Environmental Policy Act.

“NERC” means North American Electric Reliability Corporation.

“New Facilities” means the ADRIs and the PDRIs.

“Party” refers to Authority or PG&E, as the context may require, and “Parties” means Authority and PG&E, collectively.

“PDRIs”: See “PG&E Design Responsibility Items”.

“Permit Engineering and Design Reports” means the reports prepared by Authority as described in Section 7.1.

“Person” means any individual, corporation, company, joint venture, partnership, trust, unincorporated organization or governmental person.

“PG&E” means Pacific Gas and Electric Company.

“PG&E-Cost Item” means any portion of the New Facilities for which PG&E will be allocated the cost in accordance with the Cost Allocation Rules.

“PG&E Design Responsibility Items” or “PDRIs” means the improvements to PG&E’s electrical system (a) that are required to enable the interconnection and operation of the HSR System, including new and modified facilities, and (b) which, excepting substation upgrades and/or expansions or other agreement of the parties, are to be located on land which PG&E currently owns or controls.

“PG&E Flowdown Terms” is defined in Exhibit F Section 3.

“PG&E Property Identification Plan” is defined in Section 6.1(a).

“PG&E Work” means the provision of designs, tasks, deliverables, engineering, analysis, and preparation of Technical Documentation, planning and other activities and services performed under this Agreement by PG&E.

“Point of Interconnection” means each of the 10 points at which the TES will interconnect with the PG&E electric system, and the HMF point of interconnection, but excluding the two Caltrain sites near PG&E’s FMC Substation in San Jose and PG&E’s East Grand Substation in South San Francisco.

“Project Schedule” refers to the schedule for completion of Authority Work and PG&E Work, as described in Section 8.1 and as updated during the term of this Agreement.

EXHIBIT A:
ENGINEERING AND PERMITS SCOPE OF WORK

“Property Identification Plan” means, as the context requires, either the PG&E Property Identification Plan or the Authority Property Identification Plan; and in the plural means both.

“System Impact Study” means the final report for each Point of Interconnection incorporating the agreed upon scope or work as detailed in the Technical Study Reports, Facilities Assessment Study and Single Phase Regenerative Braking Study developed under HSR 14-37 and similar report(s) that may be developed under a separate contract.

“Technical Documentation” means all engineering drawings, designs, descriptive text, engineering analysis, processes, specifications, instructions, manuals, methodologies, simulation parameters, and documentation supporting any portion of the Work.

“Technical Study Reports” means the Technical Study Reports developed under HSR 14-37 and any similar contract with respect to the HMF.

“Traction Electrification System” or “TES” means the 50 kV (phase to phase) 25 kV (phase to ground) AC Traction Electrification System used to power the HSR System.

“U.S. DOT” means the United States Department of Transportation.

“Work” means the provision of designs, tasks, deliverables, engineering, analysis, preparation of Technical Documentation, planning, and other activities and services performed under this Agreement by either Party.

III. AUTHORITY DESIGN RESPONSIBILITY ITEMS SCOPE OF WORK

The Scope of Work detailed in this Section III represents the work to be performed by PG&E and Authority to progress the design, engineering, and permitting of the Authority Design Responsibility Items for Sites 4-13 as set forth in the Technical Study Reports. Authority shall have responsibility for the design, engineering and permitting of the ADRIs. Authority agrees to cause the Authority Work to be performed by Authority’s Contractors, employed by written contract to perform work of this type, to provide and furnish all necessary labor, materials, tools, and equipment required, and to prosecute the Authority Work diligently to completion.

3.1 Design and Engineering.

(a) *System Impact Studies.* Utilizing the System Impact Studies, Authority will advance the design and engineering of the ADRIs. The design and engineering of the ADRIs may be used to support and further Authority’s Environmental Approval efforts and, if required or needed, PG&E’s submittal for approval of the CPUC General Order 131-D permits.

(b) *Standards Generally.* Contractors shall perform the Authority Work using Good Utility Practice, and otherwise in compliance herewith. Authority’s engineering of the ADRIs shall comply with all requirements provided by, or made available by, PG&E to Authority or its Contractors which pertain to engineering of the ADRIs and specifications of materials consistent with PG&E’s Approved Material Suppliers. For the avoidance of doubt, PG&E will provide and make available such requirements in the same manner as PG&E would to other entities designing or engineering facilities to ultimately be owned by PG&E.

EXHIBIT A:
ENGINEERING AND PERMITS SCOPE OF WORK

(c) *Engineering and Design Reports for Points of Interconnection.* In coordination with PG&E's review and oversight, Authority will develop one Engineering and Design Report for each of the Points of Interconnection. Each Engineering and Design Report will detail and advance the design of the ADRIs identified in the System Impact Studies and may be used to support Authority's Environmental Approval and submittal for issuance of any required CPUC General Order 131-D permits, and will include: plans, maps, schematics, project descriptions, project schedule, equipment and material lists, cost estimates and other information needed by the Parties to ensure timely permitting, procurement and Construction of the ADRIs.

(d) *PG&E Support.* PG&E will serve in a support and oversight role in Authority's development and advancement of the Engineering and Design Reports through:

- (i) Consultation as needed with Authority and its Contractor(s);
- (ii) Providing and updating PG&E standards and guidance on Good Utility Practice, including those pertaining to design, engineering, Construction, operation and maintenance, inputs and any other information and standards needed to verify consistency with applicable PG&E, CPUC and other regulatory requirements, including in each case any updates thereto;
- (iii) Providing and updating as necessary applicable lists of, and information as to, Approved Material Suppliers;
- (iv) Reviewing, commenting upon and approving work performed as part of the Engineering and Design Report process, including at each stage of progression of the Engineering and Design Reports as described in Section 3.1(e) below, such that the design and engineering of the ADRIs conforms to the requirements described above and will allow for the seamless turnover and operation of the ADRIs, assuming Construction in accordance with design;
- (v) Providing lists and consultation regarding industry and PG&E approved vendors, suppliers, equipment and materials needed to design, engineer, construct, transfer, operate and maintain the ADRIs;
- (vi) Assisting the Authority, when requested, with the Authority's interconnection design-build request for proposals to ensure the scope of work is fully defined and clarified for all potential bidders; and
- (vii) Other assistance as necessary when requested.

(e) *Progression of Engineering and Design Reports.* The Engineering and Design Reports will be updated and submitted to PG&E in an agreed upon format and at agreed upon intervals and milestones. Review and update of the Engineering and Design Reports shall, at a minimum, occur at the 30%, 60% and 90% design levels.

(f) *Remedy of Deficiencies.* At any time, should any phase of the design or engineering for the ADRIs not meet the standards required by this Agreement, Authority shall be obligated to remedy the deficiencies in that portion of the Authority's Work, provided that PG&E will perform its support obligations under Section 3.1(d) in a manner designed to avoid or minimize such deficiencies, timely notify the Authority upon discovering any deficiencies or upon changes in PG&E standards that could result in deficiencies, and assist the Authority in addressing deficiencies.

EXHIBIT A:
ENGINEERING AND PERMITS SCOPE OF WORK

(g) *Final Acceptance of Engineering and Design Reports by PG&E.* Upon completion of the reviews and comments, and incorporation of PG&E comments after any necessary discussion, PG&E will provide written acceptance of Engineering and Design Reports constituting affirmation that the ADRI design adheres to applicable PG&E and Good Utility Practice standards. PG&E's affirmation and acceptance of the Engineering and Design Reports shall not be unreasonably withheld.

3.2 Pre-Construction Activities

(a) The Parties will assist and be available to each other for discussions regarding pre-Construction activities needed to progress the ADRI into the Construction phase. Pre-Construction activities will include meeting and coordinating with the other Party and its Contractors to verify that:

- (i) PG&E's Construction methods, practices and standards are understood and complied with;
- (ii) The Construction schedules constraints, timelines and milestones are understood and achievable;
- (iii) The Construction zones needed for ADRI and PDRIs do not conflict with the other Party's ability to perform its respective Work;
- (iv) The Parties have a common understanding of how and when PG&E will connect the HSR System with the PG&E utility grid;
- (v) PG&E's clearance, testing and commissioning requirements, including the Interconnection Handbook, are understood and agreed to by Authority; and
- (vi) The conditions, mitigations, surveys, monitoring and/or invasive work required as part of the HSR Project are incorporated into the Construction timelines prior to Construction of the ADRI.

(b) *CAISO.* Authority and PG&E will work collaboratively to provide CAISO with the required information, data, plans, design and engineering documentation that may be needed by the CAISO.

IV. PG&E DESIGN RESPONSIBILITY ITEMS SCOPE OF WORK

The Scope of Work detailed in this Section IV represents the work to be performed by PG&E and Authority to progress the PG&E Design Responsibility Items. PG&E will have responsibility for the design and engineering of the PDRIs. PG&E agrees to cause the PG&E Work to be performed by PG&E's employees or qualified Contractor(s), and to provide and furnish all necessary labor, materials, tools, and equipment required therefor, and to prosecute said PG&E Work diligently to completion, subject to Exhibit D, Section XX.

4.1 Design and Engineering

(a) *System Impact Studies.* Utilizing the System Impact Studies, PG&E will advance the design and engineering of the PDRIs. The design and engineering of the PDRIs may be used to support and further Authority's Environmental Approval efforts and, if required or needed, PG&E's submittal for approval of the CPUC General Order 131-D permits.

EXHIBIT A:
ENGINEERING AND PERMITS SCOPE OF WORK

(b) *Compliance with Environmental Standards.* If, at any point in the process of preparation, updating and completing the full design of the PDRIs, PG&E discovers that any part of the design is not in compliance with the required environmental standards or within the approved environmental footprint, PG&E will timely inform Authority and both Parties will work toward a resolution to bring the design into compliance or, if necessary, to expand or otherwise amend the Governmental Authorization applications.

(c) *Compliance with HSR System Needs.* PG&E's design and engineering of the PDRIs shall comply with all requirements provided by, or made available by, Authority to PG&E or its Contractors with respect to powering and operating the HSR System.

4.2 Certain Matters Not Part of PG&E Work

Notwithstanding any other provision of this Section, Authority shall be responsible for obtaining Governmental Authorizations except in limited circumstances, as described in Section VII.

4.3 Pre-Construction Activities

The Parties will assist and be available to each other for discussions regarding pre-construction activities needed to progress the PDRIs into the Construction phase. Pre-construction activities will include meeting and coordinating with the other Party and its Contractors to verify that:

- (a) The Construction schedules, constraints, timelines and milestones are understood and achievable;
- (b) The Construction zones needed for New Facilities do not conflict with the other Party's ability to perform its respective Work; and
- (c) The PDRIs are aligned with and incorporate the HSR System's power needs and reverse power flow requirements.

4.4 Buy America Not Applicable

Authority represents that the "Buy America" provisions of the Passenger Rail Investment and Improvement Act of 2008, Pub. L. 110-432, and applicable regulations, including 49 U.S.C. Section 24405(a), do not apply to the PG&E Work or the eventual construction of the PDRIs.

V. COST ALLOCATION, COST ESTIMATES AND PAYMENT

5.1 Cost Allocation Rules

(a) *Cost Allocation Rules Not Restated in Full.* FERC and CPUC laws, regulations and processes applicable to the allocation of costs hereunder ("Cost Allocation Rules") establish the baseline for determining which Party is responsible for the costs of the various ADRIs and PDRIs; and this Agreement does not attempt to restate the Cost Allocation Rules, or to modify them except as provided in Section 5.2.

(b) *Process for Applying Cost Allocation Rules.* Authority and PG&E will develop and define the process, criteria, documentation and data to be used in determining the preliminary cost allocation for all of the ADRIs and PDRIs and will consult with the CAISO as needed. The Parties will agree on preliminary allocation of all costs for the ADRIs and PDRIs as promptly as reasonably possible. For the avoidance of doubt, the cost of a particular item might be shared between Authority and PG&E, in which case it would be both a "PG&E-Cost

EXHIBIT A:
ENGINEERING AND PERMITS SCOPE OF WORK

Item” and an “Authority-Cost Item.” These cost allocations will be refined as new information becomes available. Cost allocation shall be timely determined in order to prevent Construction or operational delay to the HSR System. Final cost allocation will be subject to approval by the CPUC and the FERC and based on the Cost Allocation Rules in effect at time of transfer.

(c) *Adjustment of Cost Allocation.* In the event that new information or changed circumstances subsequently affect the preliminary cost allocation outcome, the Parties will, upon the request of either Party, for purposes of the respective Parties’ internal planning, meet and confer to discuss the consequences of the new information or changed circumstances

(d) *Additional Authority Payment Responsibilities.* Authority is solely responsible for payment of (i) the actual and allowable costs of all work performed by PG&E hereunder other than PG&E-Cost Items, (ii) any applicable Income Tax Component of Contribution (“ITCC”) as described in PG&E’s tariffs, and (iii) the increased cost due to any re-work caused by a change in HSR System design.

5.2 Exceptions to Cost Allocation Rules

Notwithstanding general CPUC rules regarding cost allocation, the Parties agree to seek CPUC approval for the following changes to standard distribution line extension CPUC Cost Allocation Rules for retail load customers under PG&E’s Electric Rules 15 and 16:

- (a) Authority will not receive any allowances.
- (b) Authority will not be entitled to any refunds that would otherwise be provided under Electric Rule 15 or Electric Rule 16.
- (c) Authority will not be eligible to choose the Non-Refundable Discount Option under Electric Rule 15.D.5.c.
- (d) The cost for the extensions will be calculated from the nearest transmission substation, and not from the nearest distribution point.

5.3 Authority Payment and Prepayment

(a) *Payments as Incurred.* Regardless of ultimate cost responsibility under the Cost Allocation Rules (which could cause a portion of the payments under this Section 5.3(a) to be reimbursable by PG&E pursuant to Section 5.3(c)), Authority shall pay PG&E for all PG&E Work hereunder and all Engendered Work, together with, if applicable, the related ITCC, when invoiced pursuant to Exhibit B, Section II.

(b) *What May Be Invoiced and is Payable by Authority.* Design and engineering performed by PG&E that will benefit both Authority and other PG&E customers and that PG&E performs as a result of the HSR Project, but which is not “PG&E Work” under this Agreement (“Engendered Work”), may be invoiced by PG&E and is payable by HSR pursuant to Section 5.3(a), subject to reimbursement to Authority pursuant to Section 5.3(c).

Reimbursement According to Cost Allocation Rules. For those costs paid to PG&E pursuant to Section 5.3(a) which are ultimately concluded to be PG&E-Cost Items,

EXHIBIT A:
ENGINEERING AND PERMITS SCOPE OF WORK

1. For facilities to be operated at a standard voltage above 50 kV, PG&E will reimburse Authority after control of the applicable New Facility has been assumed by CAISO and the portion of the HSR Project which is served by such New Facility is in service.
2. For facilities to be operated at a standard voltage at or below 50 kV, PG&E will reimburse Authority after the portion of the HSR Project which is served by such New Facility is in service.
3. Once a PG&E-Cost Item is eligible for reimbursement under Sections 1 or 2 above, the reimbursement will be made either (i) within 30 days of becoming eligible for reimbursement, or (ii) if so agreed by the Parties, by (A) credit against other amounts owed or expected to be owed by Authority to PG&E, (B) installment payments by PG&E, or (C) a combination of credits and installment payments. This agreement does not address whether amounts subject to reimbursement under 5.3(c) will include interest. The parties specifically reserve this issue for resolution in a separate or subsequent agreement addressing cost allocation of PG&E-Cost Items.

5.4 Cost Estimates

- (a) Cost Estimates. Utilizing the summary of cost detailed in the System Impact Studies, the PG&E Work and Authority Work hereunder, and other available information, Authority and PG&E will create cost estimates for materials, equipment and labor needed for the Construction of the New Facilities. Cost estimates and refinements generated for materials, equipment and labor for the sole use of the HSR System that are not part of the Work may be removed from the cost estimates at the discretion of Authority.
- (b) Periodic Updates. The cost estimates described above will be refined by the Parties as new information becomes available, at a minimum at the stages AACE Class 5, AACE Class 4, AACE Class 3 and AACE Class 2.

5.5 Authority Support in Filings

Authority will reasonably support any filings by PG&E at the FERC and the CPUC with respect to implementing the provisions of this Section V, provided PG&E has provided a copy of the filings for Authority's review and input before filing and the filings are consistent with the terms of this Agreement.

VI. PROPERTY IDENTIFICATION PLAN

6.1 Property Identification Plans

- (a) Utilizing the System Impact Studies, (i) Authority in collaboration with PG&E will identify the properties necessary for the Construction, operation and maintenance of the ADRI's ("Authority Property Identification Plan") and (ii) PG&E will identify the acquisition of any additional rights or modification of PG&E's existing real property rights necessary for the Construction, operation and maintenance of the PDRI's ("PG&E Property Identification Plan"). The Property Identification Plans will describe all necessary property rights, including temporary Construction easements, potential right-of-way conflict and relocation work related thereto and recommendations on mitigation of the potential conflicts. The Property Identification Plans will identify the APN and ownership interests, and include a preliminary title report identifying existing property rights.
- (b) The Parties will exchange their respective Property Identification Plans in draft form to assure that there are no overlooked property rights or other misunderstandings. As needed or required, PG&E and

EXHIBIT A:
ENGINEERING AND PERMITS SCOPE OF WORK

Authority will exchange information, further draft Property Identification Plans, hold meetings; and each Party shall deliver to the other Party its final Property Identification Plan.

(c) Authority will provide maps of the properties identified in the Authority Property Identification Plan in an agreed-upon format which may include: Adobe PDF, GIS ShapeFile, and/or Google Earth KMZ. The level of detail needed in the maps will be specified by PG&E and could include, without limitation: APNs and property ownership information; detailed line routes; boundary surveys, Construction staging; required easement widths; existing land use and structures; location of any utility conflicts; field notes; and other information requested by PG&E.

6.2 Responsibility for Property Acquisition

(a) *Property Acquisition Responsibility.* Except as the Parties may otherwise agree as contemplated by Section 6.2(b), Authority will act as the lead and responsible party for the acquisition of the parcels and real property rights identified in the Authority Property Identification Plan and the PG&E Property Identification Plan

(b) *Exception to Property Acquisition Responsibility.* PG&E acknowledges that Authority does not have the authority to acquire parcels or property rights. PG&E further acknowledges that the authority to acquire parcels and real property rights for Authority is vested in the California State Public Works Board (PWB). Therefore, in the event PWB does not approve the acquisition of any parcel or real property identified in the PG&E Property Identify Plan, the Parties will meet and confer to discuss and agree upon how to proceed.

(c) Either Party may believe that there are good reasons for PG&E to be responsible for acquisition of one or more parcels or property rights. In that case, such first Party may make that proposal to the other Party and if agreed and memorialized in writing, PG&E will assume responsibility for acquisition for those parcels or property rights.

(d) *Land Rights.* Prior to performing any Work on third parties' property, the party performing the Work shall obtain sufficient rights to occupy the property and perform the Work.

VII. PERMITS

7.1 Permit Engineering and Design Reports

(a) Based upon the design and engineering for the New Facilities, Authority will develop one Permit Engineering and Design Report for each of the Points of Interconnection. The Permit Engineering and Design Reports will identify and detail all information necessary for the issuance of all required permits. The Permit Engineering and Design Reports will, at a minimum, include Environmental Approval areas needed for the routing, re-routing, re-conductoring, expansion, Construction, operation and maintenance of the PDRIs identified in the System Impact Studies. Authority in collaboration with PG&E may utilize the Permit Engineering and Design Reports to help further refine and support Authority obtaining Environmental Approval of the PDRIs.

(b) PG&E shall provide and be responsible for the following as part of the Permit Engineering and Design Reports and process:

- (i) Providing the designs for the PDRIs as described in Section 4.1.
- (i) Consultation as needed with Authority and its Contractor(s).

EXHIBIT A:
ENGINEERING AND PERMITS SCOPE OF WORK

(ii) Providing Authority standards, including those pertaining to design, engineering, Construction, operation and maintenance, as well as inputs and standards needed to verify consistency and acceptance by the CPUC and other regulators.

(iii) Review and approval of work generated as part of the Permit Engineering and Design Reports.

(c) The Permit Engineering and Design Reports will include information needed including: plans, maps, schematics, project descriptions, equipment and material lists, cost estimates and other information needed by the Parties to support timely issuance of all required permits for the PDRIs.

(d) The Permit Engineering and Design Reports will be updated and submitted to PG&E in an agreed upon format and at agreed upon intervals and milestones. Review of the Permit Engineering and Design Reports shall, at a minimum, include two draft reviews. If needed, and agreed to by both Parties, additional review intervals may be included.

(e) No work is to be conducted in areas not environmentally cleared by the Authority. In a case where the design or field evaluation identifies the need for additional environmental footprint, additional environmental analysis will be conducted after approval of the Authority's Director of Environmental Services.

7.2 Authority to Obtain Permits

Wherever feasible under Applicable Law, unless otherwise expressly agreed in writing by the Parties, or unless Applicable Law requires PG&E to obtain a required Governmental Authorization, Authority shall be responsible, at its sole cost and expense, (i) for compliance with all laws, rules, and regulations, including all environmental laws, rules, and regulations, applicable to the New Facilities, and (ii) to obtain, by the time required for performance of the applicable PG&E and Authority Work, all Governmental Authorizations or other agreements or approvals that may be necessary from Governmental Authorities or third parties for any New Facilities; Authority does not (I) waive Authority's rights regarding the application of the Interstate Commerce Commission Termination Act of 1995 (ICCTA), including the defense that ICCTA preempts non-federal Governmental Authorizations, and application of the California Environmental Quality Act, to the HSR Project, or (II) create an implied agreement that CEQA and/or such environmental permitting requirements apply to the HSR Project. Authority shall ensure that the environmental effects of the New Facilities Construction subject to this Agreement are included and analyzed in Authority's environmental review, regardless of whether Authority or PG&E will obtain any Governmental Authorizations associated with the facilities. Prior to commencement of any New Facilities Construction, Authority shall provide to PG&E documentation showing that analysis of the environmental effects of the New Facilities has been included in the applicable CEQA/NEPA documentation.

7.3 Certain Permits May Need to be Obtained by PG&E

To the extent Applicable Law requires PG&E to obtain a required Governmental Authorization (such as, potentially, notices to and authorizations from the CPUC under its General Order 131-D), Authority shall fund the acquisition of such Governmental Authorizations by PG&E (including funding and preparing supporting applications and other documentation, in coordination with PG&E for PG&E's submittal) and cooperate with and assist PG&E in its efforts to obtain them. PG&E shall cooperate with Authority within reasonable timeframes to obtain such Governmental Authorizations. In advance of any

EXHIBIT A:
 ENGINEERING AND PERMITS SCOPE OF WORK

facility permitting, Authority shall consult with PG&E in evaluating and determining what Governmental Authorization (including but not limited to from the CPUC), if any, may be required. Authority acknowledges that PG&E cannot control the timing or outcome of any required CPUC or other Governmental Authority permit processes, and assumes the risk that any permits that PG&E is required to obtain for the New Facilities could be delayed, denied, or otherwise delay or increase the cost of implementation of the HSR Project.

7.4 Compliance with Permits

Authority and/or its Contractors and PG&E and/or its Contractors shall comply with local, state and/or private utility permitting requirements necessary to complete the Authority Work and PG&E Work, including but not limited to payment of all fees, furnishing all warranties and insurances, adherence to design, Construction and safety standards, mitigation measures and complying with all other required provisions. Whenever feasible under Applicable Law, such actions shall be taken by Authority rather than PG&E. The Parties shall coordinate and cooperate as needed in order to enable them respectively to meet such requirements.

VIII. SCHEDULE AND OTHER ADMINISTRATION

8.1 Authority to Create and Manage Project Schedule

Authority will create a Project Schedule for the Work that meets the HSR Project’s operation date(s).. The Project Schedule will be developed using Primavera P6 or other agreed-upon software and presented in a format agreed upon by both Authority and PG&E, and will include customary project scheduling features such as critical path analysis, Gantt charting, tasks and deliverables. The Project Schedule will be updated periodically by Authority based on the most current progress and project information including the Authority’s Business Plan. PG&E will provide input to Authority as to PG&E’s progress on the PG&E Work and any required changes to the Project Schedule. Any scheduling involving PG&E shall be subject to PG&E approval, which shall not be unreasonably withheld.

8.2 Hold Points

Authority shall submit to PG&E the following items in the first column *prior to* the time/event indicated in the second column, and shall obtain PG&E’s written approval of the item before proceeding, as applicable under this or future agreements. Such approval is not to be unreasonably withheld. Each Party shall promptly respond to requests from the other Party for further information or details on any item under this Agreement.

<u>Item for PG&E Approval</u>	<u>Submission and Approval of PG&E Prior To:</u>
Pre-design Meeting	Design Review / Approval
Draft agreements for land rights other than purchases of fee title that do not entail continuing covenants or representations by PG&E after assignment to PG&E by Authority (except where the agreement is, in all material respects, in a form already agreed by PG&E)	Acquisition of land rights

EXHIBIT A:
 ENGINEERING AND PERMITS SCOPE OF WORK

Design Review Approval/Materials Review (may include request for approval at less than 100% completion, with any such approval being as customarily provided for the lesser percentage of completion)	Construction (or further design, as applicable)
Governmental Authorizations	Construction

Additionally, prior to PG&E performing Work under Section IV of this Exhibit for a particular Point of Interconnection, (1) the Parties must agree on the final delineation of PDRIs and ADRIs associated with the particular Point of Interconnection and (2) Authority must provide PG&E with written authorization to proceed for said Point of Interconnection.

8.3 Correspondence

(a) Correspondence Generally. Except as provided in Exhibit D Section 15, correspondence between PG&E and Authority will be through the PG&E Program Representative and a designated Authority Contract Manager and Representative of Authority’s Rail Delivery Partner, as described below. The designated representatives from the Parties will communicate with their respective employees, agents, Contractors, consultants, or advisors on all items pertaining to this Agreement. Each Party shall have the ability to communicate technical project information over multiple mediums including; phone, email, or face-to-face. Other mediums may be used if available and as agreed to by both Parties.

(b) Project Representatives – Authority and PG&E. All inquiries during the term of this Agreement will be directed to the project representatives identified below:

AUTHORITY	AUTHORITY RAIL DELIVERY PARTNER	PG&E
Contract Manager: Joyce Brenner	Program Representative: Lonn Maier	Program Representative: Madeline Silva Khan
Address: 770 L Street, Suite 620 MS 2 Sacramento, CA 95814	Address: 770 L Street, Suite 1400 Sacramento, CA 95814	Address: 77 Beale St. San Francisco, CA 94105
Phone: 916-330-5625	Phone: 916-868-1459	Phone: (415) 973-7096
Email: Joyce.brenner@hsr.ca.gov	Email: Lmaier@cordobacorp.com	Email: M6SK@PGE.com

EXHIBIT A:
ENGINEERING AND PERMITS SCOPE OF WORK

8.4 Meetings

(a) Progress Meetings. Progress meetings will occur once a month. Necessary participants shall be the Authority's Contract Manager, Rail Delivery Partner Program Representative, and PG&E's Program Representative or his/her delegee. The purpose of these meetings is to review progress with regard to: scope; deliverables (including estimation of budget expended compared to task completion); schedule; and tasks, together with an identification of any significant obstacles or issues that must be addressed either within the technical working group or that otherwise must be elevated to management. Progress meetings may occur via conference call, webinar or other suitable manner as required or otherwise requested by Authority and/or PG&E. Minutes shall be produced for each meeting that are agreed upon by both the Authority and PG&E. Minor changes in scope, tasks, schedule and/or budget that may affect the outcome of the intent of this Agreement may be elevated to the Chief Program Manager of the Authority or his/her designee and the PG&E Director of State infrastructure Projects for resolution.

(b) Technical Meetings. Technical meetings will occur as required herein or requested by either Party. Technical meetings may occur via conference call, webinar, or other suitable manner as required or otherwise requested by Authority or PG&E. The purpose of these meetings will be to discuss technical issues related to this Agreement. The requesting Party will be responsible for the meeting content and provide an agenda of discussion topics prior to the meeting.

(c) Other Meetings. Other meetings may occur as required or requested by either Party and approved by Authority's Contract Manager to accomplish any task or deliverable described in this Agreement or any task necessary to further interconnection of the HSR System to the PG&E grid. These meetings may include additional parties not subject to this Agreement including, but not limited to: CPUC; local municipalities; State and Federal entities; or parties with an interest in the New Facilities. Before a third party is included in a meeting, however, reasonable notice will be given to the other Party.

EXHIBIT B:
BUDGET DETAIL

I. FUNDING REQUIREMENTS

A. It is mutually agreed that this Agreement shall be of no further force and effect if the California Legislature's Budget Act of the current year and/or any subsequent years covered under this Agreement ("Budget Act") does not appropriate sufficient funds for the work identified in Exhibit A. In this event, Authority shall have no liability to pay any funds whatsoever to PG&E or to furnish any other considerations under this Agreement and PG&E shall not be obligated to perform any provision of this Agreement.

B. After execution or commencement of this Agreement, if funding for any fiscal year is reduced or deleted by the Budget Act for purposes of this project, Authority shall have the option to either: 1) cancel this Agreement with no further liability occurring to either Party except for allowable cost of work performed by PG&E to the date it receives notice of cancellation; or 2) offer an Agreement amendment to PG&E to reflect the reduced amount, and any revised schedule.

C. This Agreement is valid and enforceable only if sufficient funds are made available to the State by the United States Government or the California State Legislature for the purpose of this program. In addition, this Agreement is subject to any additional restrictions, limitations, conditions, or any statute enacted by the Congress or State Legislature that may affect the provisions, terms or funding of this Agreement in any manner.

D. If at any time Authority becomes aware that funding will not be available, or has reasonable grounds for believing that funding may not be available to pay PG&E for work being performed by PG&E under this Agreement, or if the State Controller's Office will not honor an invoice due to a change in PG&E rates as contemplated below under "Compensation, Invoicing and Payment" Paragraph F, the Authority shall promptly notify PG&E in writing of the circumstances (Inadequate Funding Notice). Upon receipt of the Inadequate Funding Notice, PG&E may suspend its performance under the Agreement until Authority provides PG&E reasonable assurances that the funding deficiency has been resolved (which resolution, in the case of a rate change, may necessitate a contract amendment, notwithstanding the presumption to the contrary in such Paragraph F).

E. If at any time PG&E has reason to believe sufficient funding may not be available for the work identified in Exhibit A, it may contact Authority's Contract Manager to confer regarding its belief. In the event this communication with Authority's Contract Manager does not alleviate PG&E's concerns, PG&E may submit a written request for reasonable assurances from Authority as to the availability of sufficient funding. Authority will respond to any such request within ten (10) business days after receipt. In the event Authority has not provided reasonable assurances within ten (10) business days after Authority's receipt of PG&E's request, PG&E may suspend further performance of its work under this Agreement until such time as Authority provides reasonable assurances.

II. COMPENSATION, INVOICING AND PAYMENT

A. The total amount reimbursed by Authority for this Agreement shall not exceed **\$XXX,XXX.**

B. It is understood and agreed that this total is an estimate and the actual amount of work requested by Authority may be less. PG&E will be reimbursed only for actual allowable costs incurred at the rates indicated in Attachment 3.

EXHIBIT B:
BUDGET DETAIL

C. It is further understood that the allocation of cost to a specific budget is merely an estimate and that funds not expended on a particular budget item may be reallocated to another item, subject to approval of Authority which approval shall not be unreasonably withheld.

D. Invoices shall be in the form set forth in Attachment 2 and shall include subcontractor awardees and vendors' invoices. In addition to requirements listed above, subcontractor invoices shall also include indication of whether a subcontractor or vendor is a California Certified Small Business, Disabled Veteran Business Enterprise, or Disadvantaged Business Enterprise.

E. Invoices shall include the Agreement Number, actual hours worked (by activity), actual direct labor costs (by activity), direct non-labor costs, and overhead allocations, and be on company letterhead, including address and contact information, addressed to the Authority's Financial Operations Section. As used herein, the term "activity" shall refer to the activities set forth in Attachment 3. The activities and the "not to exceed" billing rates and the overheads are set forth in Attachment 3. The following usual indirect and overhead charges attributable to the PG&E work hereunder will be billed in accordance with PG&E's Cost Allocation Standards, meaning PG&E's uniform systems for allocating charges to customers, which may be an aggregate of internal systems using different nomenclature than "Cost Allocation Standards," then in effect: Allowance for Funds Used During Construction ("AFUDC"), Administrative and General Costs ("A&G"), estimating, mapping, service planning, working stock, contract management, sourcing, material burden. PG&E may also bill such other usual direct, indirect, and overhead charges attributable to PG&E's work hereunder provided such charges are regularly billed under a Cost Allocation Standard adopted by PG&E in the regular course of business during the term of this Agreement, and may follow PG&E's own guidelines as to the amounts reimbursable to employees and documentation required therewith. Documentation to support PG&E's invoices should be retained by PG&E and will be available if requested as described in Exhibit C Section 4 of this Agreement. The form of the invoice is attached as Attachment 2, and may be changed without an amendment to this Agreement.

F. During the term of this Agreement, activities, overhead allocations, and rates listed in Attachment 1 may be changed without an amendment to this Agreement. Any increase in the "not to exceed" rate of an activity or overhead allocation listed on Attachment 1 must be in writing; on PG&E's letterhead; and identify the activity or overhead allocation, rate change, and reason for the rate or overhead allocation change. PG&E will make reasonable efforts to provide Authority with rate changes prior to the effective date of said change or as soon as reasonably possible thereafter. PG&E may apply a new rate to work performed by PG&E prior to notifying Authority of the new rate, provided that the new rates are provided to the Authority prior to receipt of any invoice for such work and the new rate does not exceed the "not to exceed" rate in Attachment 3 by more than 10% per year since the effective date of Attachment 3 (the date of this Agreement or the date PG&E provided an updated Attachment 3 as provided herein, as the case may be).

G. The Contract Manager shall approve the invoices for payment or provide PG&E with a Notice of Dispute within fifteen (15) days of receipt regarding any items for which the documentation provided by PG&E is deficient for payment.

H. Authority agrees to timely process payment requests for any services rendered under this Agreement that are not subject to a Notice of Dispute and pay undisputed costs within 45 days after

EXHIBIT B:
BUDGET DETAIL

receipt of three (3) copies of PG&E's itemized bill (as described below) or be subject to a late payment penalty pursuant to the California Prompt Payment Act (Cal. Gov't Code Section 927 *et seq.*).

I. PG&E shall provide 3 copies of the invoice for payment. Invoices shall be submitted no more than monthly in arrears to:

Financial Operations Section
California High-Speed Rail Authority
770 L Street, Suite 620, MS3
Sacramento, CA 95814
(1 Original & 1 Copy)

AND

Joyce Brenner
California High-Speed Rail Authority
770 L Street, Suite 620, MS2
Sacramento, CA 95814
(1 Copy)

J. The final project invoice shall state the final cost and all credits due Authority. The final invoice shall be submitted within 360 calendar days after completion of the PG&E Work.

III. TRAVEL AND PER DIEM RATES

As a regulated utility, the state government travel rates are not available to PG&E, therefore, PG&E shall be reimbursed for approved travel and per diem expenses pursuant to the current travel and per diem rates set forth in PG&E's travel policy

IV. CONTINGENT FEE

PG&E certifies, by execution of this Agreement, that no person or selling agency has been employed or retained to solicit or secure this Agreement upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, with the exception of bona fide employees or bona fide established commercial or selling agencies maintained by PG&E for the purpose of securing business. For breach or violation of this certification, Authority has the right to annul this Agreement without liability, pay only for the value of the work actually performed, or in its discretion, to deduct from the Agreement price or consideration, or otherwise recover, the full amount of such commission, percentage, brokerage, or contingent fee.

EXHIBIT C:
GENERAL TERMS AND CONDITIONS

1. APPROVAL: This Agreement is of no force or effect until signed by both parties and approved by the Department of General Services, if required. PG&E may not commence performance until such approval has been obtained.
2. AMENDMENT: No amendment or variation of the terms of this Agreement shall be valid unless made in writing, signed by the Parties and approved as required. No oral understanding or agreement not incorporated in this Agreement is binding on the Parties.
3. ASSIGNMENT: This Agreement is not assignable by PG&E, either in whole or in part, without the consent of the State in the form of a formal written amendment.
4. AUDIT: PG&E agrees that the awarding department, the Department of General Services, the Bureau of State Audits, or their designated representative shall have the right to review and to copy any records and supporting documentation pertaining to the performance of this Agreement. PG&E agrees to maintain such records for possible audit for a minimum of three (3) years after final payment, unless a longer period of records retention is stipulated. PG&E agrees to allow the auditor(s) access to such records during normal business hours and to allow interviews of any employees who might reasonably have information related to such records. Further, PG&E agrees to include a similar right of the State to audit records and interview staff in any subcontract related to performance of this Agreement.
5. DISPUTES: PG&E shall continue with the responsibilities under this Agreement during any dispute which may arise between PG&E and Authority regarding this Agreement. Notwithstanding any such dispute, Authority shall continue to make timely payments for services rendered under this Agreement that are not subject to the dispute. If a dispute regarding this Agreement arises, Authority and PG&E shall meet and endeavor to reach resolution. If a resolution cannot be achieved, the matter may be forwarded to the Chief Program Manager of Authority and the Director, State Infrastructure Projects of PG&E for resolution, and if no resolution is reached, either or both of the parties may refer the matter to non-binding mediation.
6. INDEPENDENT CONTRACTOR: PG&E, and the agents and employees of PG&E, in the performance of this Agreement, shall act in an independent capacity and not as officers or employees of the State.
7. NON-DISCRIMINATION CLAUSE: During the performance of this Agreement, PG&E and its contractors shall not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of sex, race, color, ancestry, religious creed, national origin, physical disability (including HIV and AIDS), mental disability, medical condition (e.g., cancer), age (over 40), marital status, and denial of family care leave. PG&E and subcontractors shall insure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment. PG&E and subcontractors shall comply with the provisions of the Fair Employment and Housing Act (Gov. Code §12990 (a-f) *et seq.*) and the applicable regulations promulgated thereunder (California Code of Regulations, Title 2, Section 7285 *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 of Title 2 of the California Code of Regulations, are incorporated into this Agreement by reference and made a part hereof as if set forth in full. PG&E and its subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or

EXHIBIT C:
GENERAL TERMS AND CONDITIONS

- other Agreement. PG&E shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under this Agreement.
8. **TIMELINESS:** Time is of the essence in this Agreement.
 9. **COMPENSATION:** The consideration to be paid PG&E, as provided herein, shall be in compensation for all of PG&E's expenses incurred in the performance hereof, including travel, per diem, and sales taxes, unless otherwise expressly so provided.
 10. **GOVERNING LAW:** This Agreement is governed by and shall be interpreted in accordance with the laws of the State of California.
 11. **CHILD SUPPORT COMPLIANCE ACT:** For any Agreement in excess of \$100,000, PG&E acknowledges in accordance with Public Contract Code 7110, that:
 - a. PG&E 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
 - b. PG&E, 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.
 12. **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.
 13. **SMALL BUSINESS PARTICIPATION AND DVBE PARTICIPATION:**
 - a. No commitment to achieve small business participation has been made under this Agreement.
 - b. No commitment to achieve disabled veteran business enterprise (DVBE) participation has been made under this Agreement.
 14. **LOSS LEADER:** If this Agreement involves the furnishing of equipment, materials, or supplies then the following statement is incorporated: It is unlawful for any person engaged in business within this state to sell or use any article or product as a "loss leader" as defined in Section 17030 of the Business and Professions Code. (PCC 10344(e).)
 15. **COMPLIANCE:** PG&E will, unless exempted, comply with the nondiscrimination program requirements. (Gov. Code §12990 (a-f) and CCR, Title 2, Section 8103)
 16. **DRUG-FREE WORKPLACE REQUIREMENTS:** PG&E will comply with the requirements of the Drug-Free Workplace Act of 1990 and will provide a drug-free workplace by taking the following actions:

EXHIBIT C:
GENERAL TERMS AND CONDITIONS

- a. 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.
- b. Establish a Drug-Free Awareness Program to inform employees about:
 - 1) the dangers of drug abuse in the workplace;
 - 2) the person's or organization's policy of maintaining a drug-free workplace;
 - 3) any available counseling, rehabilitation and employee assistance programs; and,
 - 4) penalties that may be imposed upon employees for drug abuse violations.
- c. Every employee who works on the Work will:
 - 1) receive a copy of the company's drug-free workplace policy statement; and,
 - 2) agree to abide by the terms of the company's statement as a condition of employment on the Work.

Failure to comply with these requirements may result in suspension of payments under this Agreement or termination of this Agreement or both and PG&E may be ineligible for award of any future State agreements if the department determines that any of the following has occurred: PG&E has made false certification, or violated the certification by failing to carry out the requirements as noted above. (Gov. Code §8350 *et seq.*)

17. NATIONAL LABOR RELATIONS BOARD CERTIFICATION: PG&E shall provide Authority with a fully executed National Labor Relations Board Certification in compliance with. Pub. Contract Code §10296 and shall update the Certification every three (3) years.
18. EXPATRIATE CORPORATIONS: PG&E shall not be an expatriate corporation or subsidiary of an expatriate corporation within the meaning of Public Contract Code Section 10286 and 10286.1, and PG&E shall be eligible to contract with the State of California.
19. DOMESTIC PARTNERS: For contracts over \$100,000 executed or amended after January 1, 2007, PG&E shall be in compliance with Public Contract Code section 10295.3.
20. CONFLICT OF INTEREST: PG&E needs to be aware of the following provisions regarding current or former state employees. If PG&E has any questions on the status of any person rendering services or involved with this Agreement, Authority must be contacted immediately for clarification.

Current State Employees (Pub. Contract Code §10410):

- a. No officer or employee shall engage in any employment, activity or enterprise from which the officer or employee receives compensation or has a financial interest and which is sponsored or funded by any state agency, unless the employment, activity or enterprise is required as a condition of regular state employment.
- b. No officer or employee shall contract on his or her own behalf as an independent contractor with any state agency to provide goods or services.

Former State Employees (Pub. Contract Code §10411):

EXHIBIT C:
GENERAL TERMS AND CONDITIONS

a. For the two-year period from the date he or she left state employment, no former state officer or employee may enter into a contract in which he or she engaged in any of the negotiations, transactions, planning, arrangements or any part of the decision-making process relevant to the contract while employed in any capacity by any state agency.

b. For the twelve-month period from the date he or she left state employment, no former state officer or employee may enter into a contract with any state agency if he or she was employed by that state agency in a policy-making position in the same general subject area as the proposed contract within the 12-month period prior to his or her leaving state service.

If PG&E violates any provisions of above paragraphs, such action by PG&E shall render this Agreement void. (Pub. Contract Code §10420)

Members of boards and commissions are exempt from this section if they do not receive payment other than payment of each meeting of the board or commission, payment for preparatory time and payment for per diem. (Pub. Contract Code §10430 (e))

21. LABOR CODE/WORKERS' COMPENSATION: PG&E is aware of the provisions of Section 3700 of the Labor Code which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code. PG&E will comply with such provisions before commencing the performance of the Work of this Agreement.
22. AMERICANS WITH DISABILITIES ACT: PG&E will comply with the Americans with Disabilities Act (ADA) of 1990, which prohibits discrimination on the basis of disability, as well as all applicable regulations and guidelines issued pursuant to the ADA. (42 U.S.C. 12101 *et seq.*)
23. PG&E'S NAME CHANGE: An amendment is required to change PG&E's name as listed on this Agreement. Upon receipt of legal documentation of the name change the State will process the amendment. Payment of invoices presented with a new name cannot be paid prior to approval of said amendment.
24. CORPORATE QUALIFICATIONS TO DO BUSINESS IN CALIFORNIA: PG&E is currently qualified to do business in California.
25. AIR OR WATER POLLUTION VIOLATION: Under the State laws, PG&E shall 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 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.
26. PAYEE DATA RECORD FORM STD. 204: This form must be completed by all Contractors that are not another state agency or other governmental entity.

EXHIBIT D:
ADDITIONAL TERMS AND CONDITIONS

I. PG&E CONTRACTORS.

Nothing contained in this Agreement or otherwise shall create any contractual relation between Authority and any PG&E Contractors, and no PG&E subcontract shall relieve PG&E of its responsibilities and obligations under this Agreement. PG&E agrees to be as fully responsible to Authority for the acts and omissions of its Contractors and of persons either directly or indirectly employed by any of them as it is for the acts and omissions of its Contractors and of persons either directly or indirectly employed by PG&E. PG&E's obligation to pay its Contractors is an independent obligation from Authority's obligation to make payment to PG&E. As a result, Authority shall have no obligation to pay or enforce the payment of any moneys to any PG&E Contractor.

- 1.1 No portion of the PG&E Work shall be contracted to a PG&E Contractor without written approval of such PG&E Contractor by Authority's Contract Manager, except that which is expressly identified in the Budget Detail (Exhibit B), and except to a Contractor who has already cleared Authority's "Organizational Conflict of Interest Policy" procedures with regard to a specific task.
- 1.2 Unless specifically noted otherwise, any sub-agreement in excess of \$25,000 entered into as a result of this Agreement shall contain those applicable provisions stipulated in this Agreement as are indicated by Authority in the "Terms and Conditions Applicable to PG&E Contractors" set forth in Exhibit F for incorporation in PG&E subcontracts.
- 1.3 For the avoidance of doubt, any approval of Authority pursuant to Section 1.1 shall be contingent solely upon the applicable Contractor clearing Authority's Organizational Conflict of Interest Policy procedures. For any consultants or Contractors added to this Agreement after execution, a conflicts analysis must be performed by the Authority prior to the individual/firm to be assigned any work. If requested by PG&E in writing, the Authority's conflict check process will be expedited otherwise the Authority shall process a conflict analysis within 30 calendar days after receipt. Authority assumes all responsibility for delays caused by such conflict clearance if the analysis extends beyond the above-referenced timeframes, as Authority acknowledges that it is routine and expected that PG&E will contract some of the PG&E work hereunder.

II. OWNERSHIP OF DATA

This Exhibit D § II does not extend to any data related in whole or in part to (1) property owned by PG&E or (2) the property intended to ultimately be deeded to PG&E pursuant to Exhibit D § X. With regard to the property intended to ultimately be deeded to PG&E, the parties will jointly own said property and related intellectual property rights, reports, documents, plans, specifications, and estimates produced as part of this Agreement until such time as the property is deeded to PG&E, at which time PG&E will own such property and related rights.

- 2.1 During the term of this Agreement and upon completion of any and all Work under this Agreement, all intellectual property rights, ownership and title to all reports, documents, plans, specifications, and estimates produced as part of this Agreement will automatically be vested in the Authority and no further agreement will be

EXHIBIT D:
ADDITIONAL TERMS AND CONDITIONS

- necessary to transfer ownership to the Authority. PG&E shall furnish the Authority all necessary copies of data needed to complete the review and approval process.
- 2.2 Generated data shall be the property of the Authority, unless and only to the extent that it is specifically provided otherwise in this Agreement.
- 2.3 It is understood and agreed that all calculations, drawings, and specifications, whether in hard copy, and electronic or machine readable form, are intended for one-time use in the Construction of the project for which this Agreement has been entered into.
- 2.4 PG&E is not liable for claims, liabilities or losses arising out of, or connected with, the modification or misuse by the Authority of the electronic machine readable information and data provided by PG&E under this Agreement; further, PG&E is not liable for claims, liabilities or losses arising out of, or connected with, any use by the Authority of the project documentation on other projects, for additions to this Project, or for the completion of this Project by others, except for such use as may be authorized, in writing, by PG&E.
- 2.5 PG&E shall be responsible to ensure that any Contractor providing any work or service under this Agreement shall be made aware and shall abide by all of the provisions of this Ownership of Data clause.

III. CONFIDENTIALITY OF DATA

Financial, statistical, personal, technical, or other data and information relative to a Party's business operations, which is designated confidential by such Party and made available to the other Party under this Agreement, shall be governed by the Nondisclosure and Use of Information Agreement between the Parties, dated XXX XX, XX (the "Existing NDA"). Under the Existing NDA, certain third parties are required to execute a Nondisclosure Certificate agreeing to be bound by certain terms as described in the Existing NDA.

Furthermore, pursuant to PG&E Electric Rule 9.M, to preserve customer privacy PG&E will not release any Authority-related confidential information, including financial information, to a third party without the Authority's written consent. Privacy and security of customer usage information will be maintained in accordance with PG&E's Electric Rule 27, Privacy and Security Protections for Energy Usage Data and with CPUC decisions and other PG&E tariffs on customer confidentiality including, but not limited to CPUC Decisions 90-12-121, 00-12-037 and 01-07-032.

IV. CONFLICT OF INTEREST.

PG&E and its employees, and all subcontractors, vendors and service providers or other individuals/entities providing work under this Agreement, shall comply with Authority's Organizational Conflict of Interest Policy.

EXHIBIT D:
ADDITIONAL TERMS AND CONDITIONS

V. COST PRINCIPLES.

- 5.1 PG&E agrees to comply with OMB A-87, OMB A-122, OMB A-21 or 48 C.F.R., Federal Acquisition Regulations System, Chapter 1, Part 31, *et seq.*, as applicable, to determine the allowability of individual items of cost.
- 5.2 PG&E agrees to comply with 49 C.F.R. Part 18 or 49 C.F.R. Part 19, as applicable.
- 5.3 Any costs for which payment has been made to PG&E that are determined by subsequent audit to be unallowable under OMB A-87, 49 C.F.R. Part 18, OMB A-122, 49 C.F.R. Part 19, as applicable, are subject to repayment by PG&E to Authority.
- 5.4 Any sub-agreement in excess of \$25,000 entered into as a result of this Agreement shall contain all the provisions of this clause.

VI. THE CALIFORNIA ENVIRONMENTAL QUALITY ACT.

By entering into this Agreement that mentions or refers to The California Environmental Quality Act (CEQA), Environmental Impact Report (EIR) and state environmental permitting laws/agencies and initially authorizes related work, Authority does not: (a) waive Authority's rights regarding the application of the Interstate Commerce Commission Termination Act of 1995 (ICCTA), including the defense that ICCTA preempts CEQA's application to the HSR Project; or (b) create an implied agreement that CEQA and/or such environmental permitting requirements apply to the HSR Project

VII. TERMINATION.

- 7.1 **Termination for Cause:** Authority reserves the right to terminate this Agreement in the event of a material breach by PG&E provided Authority has first given PG&E written notice of such material breach and PG&E has not cured any such material breach within thirty (30) days of receipt of said notice, provided, however, that, in the case of a material breach that is not reasonably capable of being cured within the thirty (30) day cure period, PG&E shall have additional time to cure the breach if it diligently commences to cure the breach within such thirty (30) day cure period and diligently pursues such cure. All allowable costs which PG&E incurred in performing the Work prior to termination, shall be paid to PG&E.
- 7.2 **Termination for Convenience:** Authority reserves the right to terminate this Agreement upon thirty (30) calendar days written notice to PG&E if terminated for the convenience of Authority. In the event of termination for convenience, Authority will pay PG&E all costs PG&E incurred prior to the date of termination, as well as all reasonable costs mutually agreed are necessary to effect the termination, including but not limited to demobilization costs but not including any lost profits.
- 7.3 **Termination Issues For Contractors, Suppliers, And Service Providers:** PG&E shall notify any Contractor and service or supply vendor providing services under this Agreement of the termination date of this Agreement. Failure to notify any Contractor and service or supply vendor shall result in PG&E being liable for the termination costs incurred by any Contractor and service or supply vendor for Work performed

EXHIBIT D:
ADDITIONAL TERMS AND CONDITIONS

under this Agreement, except those specifically agreed to in the termination notice to PG&E.

- 7.4 **Cost Principles Under Termination:** Termination settlement expenses will be reimbursed in accordance with 48 C.F.R., Federal Acquisition Regulations System, Chapter 1, Part 31. Subpart 31.205-42 (c) dealing with initial costs is not applicable to Architectural and Engineering Agreement terminations.

VIII. REBATES, KICKBACKS OR OTHER UNLAWFUL CONSIDERATION

PG&E certifies that this Agreement was not obtained or secured through rebates, kickbacks or other unlawful consideration either promised by or paid to any Authority agency employee. For breach or violation of this warranty, Authority shall have the right, in its discretion, to terminate this Agreement without liability, to pay only for the value of the Work actually performed, or to deduct from this Agreement price or otherwise recover the full amount of such rebate, kickback or other unlawful consideration.

IX. STATE PREVAILING WAGES RATES

- 9.1 The Work called for in this Agreement may involve, in whole or in part, a “public work,” as that term is defined in Labor Code sections 1720 *et seq.*, and one or more employees of PG&E or of one or more of PG&E’s Contractors may perform work to which federal and state prevailing wage laws, laws concerning apprentices, and other pertinent laws may apply. It is the obligation of the Contractor to determine whether these laws apply to any of the Work to be done pursuant to this Agreement.
- 9.2 To the extent that any of the Work done pursuant to this Agreement, including Work done pursuant to any subcontracts, falls within the definition of “public work” as set forth in Labor Code sections 1720 *et seq.*, and involves “workers,” as that term is defined in Labor Code section 1723, the following provisions apply.

(a) The Contractor shall comply with all obligations imposed on contractors by Labor Code section 1776. Any subcontracts will contain a provision requiring subcontractors to comply with all obligations imposed on subcontractors by Labor Code section 1776.

(b) The Contractor agrees to comply with the provisions of Labor Code section 1775, as it exists now and as it may be amended from time to time during the duration of this Agreement.

(c) To the extent Labor Code sections 1771, 1775, 1776, 1777.5, 1813, and 1815 describe the obligations of a contractor or subcontractor engaged in a public work, those obligations are made a part of this Agreement as though fully set forth. Any contract executed between the Contractor and a subcontractor shall include a copy of the provisions of Sections 1771, 1775, 1776, 1777.5, 1813, and 1815, and shall provide that the subcontractor shall comply with the provisions of those sections.

(d) The Contractor or subcontractor shall, as a penalty to the state or political subdivision on whose behalf the contract is made or awarded, forfeit twenty-five dollars (\$25) for each worker employed in the execution of the contract by the respective contractor or subcontractor for each calendar day during which the

EXHIBIT D:
ADDITIONAL TERMS AND CONDITIONS

worker is required or permitted to work more than 8 hours in anyone calendar day and 40 hours in any one calendar week in violation of the provisions of this Section 8.2.

(e) In accordance with the provisions of Section 3700 of the Labor Code, the Contractor will be required to secure the payment of compensation to its employees.

- 9.3 To the extent the Contractor or any subcontractor employs apprentices or employs workers in any apprenticeable craft or trade, it shall be the responsibility of the Contractor to see to it that the Contractor and the subcontractors comply with Labor Code section 1777.5, as it now exists and as it may be amended from time to time during the duration of this Agreement.

X. STANDARD OF CARE

Any Contractor, in performing professional services under this Agreement, owes Authority the following duties of care:

- 10.1 The duty to use the care and skill ordinarily possessed by reputable member of the professions practicing in the same or similar locality under similar circumstances
- 10.2 The duty to use reasonable diligence and his or her best judgment in the exercise of skill and the application of learning.

XI. SAFETY

The Parties and Contractors hired to perform work under this Agreement will adhere to all applicable safety standards related to the ADRIs and PDRIs Unless otherwise provided, safety standards will be imposed and overseen by the Party with the responsibility for the Work as set forth in this Agreement. All Parties will take the necessary precautions and implement the necessary safety protocols to ensure a safe work environment.

XII. NO AUTHORITY TO BIND OTHER PARTY

Neither Party nor any Contractor hired by such Party, regardless of its being included on the Approved Contractors list, shall bind or purport to bind the other Party, except as may be specifically authorized in this Agreement or another agreement between the Parties.

XIII. COOPERATION AND CONTROL OF COSTS

As part of the design, engineering and permitting identified in this Agreement both the Authority and PG&E will cooperate and use all commercially reasonable efforts in controlling and limiting the cost of all labor contracted for pursuant to this Agreement.

XIV. LEGAL NOTICES

- 14.1 This Section XV is not intended to apply to routine communications between the Parties related to the progress of the Work. This clause applies to situations where notice is required to be given under this Agreement or the Parties are asserting their

EXHIBIT D:
ADDITIONAL TERMS AND CONDITIONS

legal rights and remedies. This section is not intended to replace any other applicable legal requirements.

- 14.2 Any communication, notice, or demand of any kind whatsoever which either Party may be required or may desire to give or to serve upon the other must be in writing and delivered by personal service (including express or courier service) or by registered or certified mail, postage prepaid, return receipt requested, or by a nationally recognized overnight delivery service, in each case addressed as follows:

PG&E:	Authority:
Law Department Pacific Gas and Electric Company 77 Beale Street, Mail Code B30A San Francisco, CA 94105 Attn: Lead Counsel, Environmental and Real Estate Telephone: (415) 973-7503	Thomas Fellenz, Chief Counsel California High-Speed Rail Authority 770 L Street, Suite 620 MS1 Sacramento, CA 95814 Telephone: (916) 324-1541

- 14.3 The project representatives identified pursuant to Section 10.3(b) shall be notified via email when a notice is sent.
- 14.4 Notice shall be effective when received, unless a legal holiday for the State commences on the date of attempted delivery. In such cases, the effective date shall be postponed until the next business day.

XV. NOTICE OF DEVELOPMENT

Each Party will notify the other Party's representative(s) described in Section 10.3(b) of (a) any material disputes with third parties which may adversely affect such other Party and (b) material applications for, and receipt of, Governmental Authorizations which may involve the other Party.

XVI. LIABILITY

- 16.1 PG&E agrees to indemnify Authority against any loss and damage which shall be caused by any wrongful or negligent act or omission of PG&E or of its Contractors, agents or employees in the course of their employment arising from or connected with PG&E's performance under this Agreement, provided, however, that this indemnity shall not extend to that portion of such loss or damage that shall have been caused by Authority's comparative negligence or willful misconduct. PG&E's indemnity obligations under this Agreement shall terminate upon the completion of the Work. In the event the foregoing indemnity conflicts with the applicable terms of any express indemnity provision set forth in PG&E's easement relating to the Relocation work, any such claim shall be governed and responded to in accordance with PG&E's easement.
- 16.2 Authority agrees to indemnify and hold PG&E, its officers, board members, directors, employees, affiliates and subsidiaries harmless against any loss and damage which

EXHIBIT D:
ADDITIONAL TERMS AND CONDITIONS

shall be caused by any wrongful or negligent act or omission of Authority or any Contractor in the course of their employment arising from or connected with Authority's Work under this Agreement, provided, however, that this indemnity shall not extend to that portion of such loss or damage that shall have been caused by PG&E's comparative negligence or willful misconduct. Authority's indemnity obligations under this Agreement shall terminate upon the completion of the Work, except for such claims or actions that may arise during the course of the Work. The foregoing indemnity shall not relieve PG&E of its obligations under any express indemnity provision set forth in any Private Right-of-Way of PG&E.

XVII. NO CONSEQUENTIAL DAMAGES

Neither Authority nor PG&E, or their respective Contractors, subcontractors, agents, representatives, affiliates, servants, independent contractors, officers, directors, employees, successors and assigns shall be liable to the other for any consequential or indirect damages, excluding damages for willful misconduct or gross negligence, including loss of funding, whether foreseeable or not, arising out of, or in connection with such Party's failure to perform its obligations hereunder. The provisions of this Section shall survive the termination or expiration of this Agreement.

XVIII. PG&E SUBJECT TO CPUC AND FERC

Authority understands that PG&E is a public utility and is subject to regulation by the CPUC for certain actions and operations and by the FERC for certain actions and operations. Authority further understands that PG&E is required to comply with all applicable orders, rules, regulations, policies and administrative practices ("CPUC and FERC Rules") prescribed by the CPUC and FERC. Authority will not require PG&E to perform any act or fail to perform any act, or require any action, which would cause PG&E to be in violation of CPUC and FERC Rules.

XIX. AGREEMENT TO BE FILED WITH CPUC AND FERC

Authority understands that this Agreement will be filed with CPUC and FERC and that aspects of this Agreement, as applicable, are subject to the approval of the CPUC and FERC.

XX. INSUFFICIENT BUDGET FOR PG&E WORK

Authority understands and agrees that (a) estimates of expenditures and the time by when a certain amount will be spent are inherently imprecise, often depending on third-party input, which can be delayed, and on other unknowns, (b) PG&E may cease work if Authority does not increase the contract amount set forth in Section 3 of the STD 213 by the time PG&E reaches 90% of the contract amount, (c) if PG&E ceases work under this Section, PG&E may not provide a complete work product to Authority, and the amount necessary to complete the PG&E Work may increase due to the work stoppage, and (d) while PG&E understands that Authority may not expend more than the contract amount, PG&E cannot guarantee that its costs for the PG&E Work will not exceed the contract amount.

EXHIBIT E:
TERMS AND CONDITIONS APPLICABLE TO AUTHORITY CONTRACTORS
("PG&E FLOWDOWN TERMS")

1. Contractors Selection.

Any Contractor performing Authority Work shall have been approved in writing by PG&E for the particular type of Work which will be performed by that Contractor and shall have in place with PG&E a Non-Disclosure Agreement in PG&E's customary form. Authority shall only solicit bids from qualified Contractors who shall: (i) be licensed in California for the appropriate type of work (electrical, general, etc.) and (ii) employ workers properly certified for specific skills required (plastic fusion, welding, etc.). Electric workers shall be properly qualified (Qualified Electrical Worker, Qualified Person, etc.) as defined in State of California High Voltage Safety Orders (Title 8, Chapter 4, Subchapter 5, Group 2).

2. Chain of Responsibility

With respect to work related to ADRI's under this Agreement, Authority shall be responsible for ensuring (i) that Contractors are informed of the applicable requirements of this Agreement, including without limitation the PG&E Flowdown Terms, as defined below, and (ii) that Contractors in fact comply with applicable provisions of this Agreement. PG&E shall have reasonable access during all phases of the Work for the purpose of inspection and monitoring to assure itself that the Work is being completed in accordance PG&E's standards and specifications.

3. Flowdown Terms

Terms of this Agreement to include in Authority's agreements with Contractors for procurement, design and Construction of ADRI's are set forth below ("PG&E Flowdown Terms"); provided that in Authority's discretion, it may include in its contracts additional terms hereof. The PG&E Flowdown Terms will apply to the Work beyond supervision and management; Authority employees will not perform this Work.

4. PG&E Flowdown Terms

A. Recitals.

California High-Speed Rail Authority ("Authority") and Pacific Gas and Electric Company ("PG&E") are parties to an Engineering and Permitting Agreement (HSR ____ -- the "E&P Agreement"). Under the E&P Agreement, Authority is responsible for engineering and permitting of certain electric transmission and other facilities (the "Work") which will interconnect Authority's HSR Project [*This defined term to conform to what is used in the subcontract.*] to PG&E's system. _____ [*Name of Subcontractor*] ("XYZ") [*Insert identifying name for the Subcontractor instead of "XYZ", but it cannot be "Subcontractor" since that has its own definition*] has contracted with Authority or a Subcontractor pursuant to the _____ [*Name and date of subcontract*] ("Subcontract") [*Another term could be used here for the subcontract – conform throughout*] to provide services and materials as part of the Work. Authority is bound by certain terms under the E&P Agreement as to which compliance will be required also of XYZ. Consequently, the Subcontract hereby incorporates by reference the following terms.

EXHIBIT E:
TERMS AND CONDITIONS APPLICABLE TO AUTHORITY CONTRACTORS
("PG&E FLOWDOWN TERMS")

B. Definitions.

"Subcontractor" means XYZ and any subcontractor at any level performing the work or providing the materials which XYZ has agreed to perform and provide hereunder.

"You" means XYZ and any Subcontractor; and "Your" is the possessive of "You."

C. Exemptions.

If You believe that any of the terms and conditions set forth in Section D below does not or should not apply to You, You may request that the party with whom You have contracted obtain concurrence from Authority, which will in turn seek concurrence from PG&E. Absent written acknowledgment from PG&E that any such term and condition does not apply to You, they all do.

D. Flowdown Terms.

1. Safety Precautions and Protection of Property.

- a. *Regulations and Conduct of Work:* You shall plan and conduct the Work to safeguard persons and property from injury. You shall direct the performance of the Work in compliance with reasonable safety and work practices and with all applicable federal, state, and local laws, rules, and regulations, including but not limited to "Occupational Safety and Health Standards" promulgated by the U.S. Secretary of Labor and the California Division of Occupational Safety and Health, including the wearing of the appropriate Personal Protective Equipment (PPE) at the worksite. Work in areas adjacent to electrically energized facilities and/or operating natural gas facilities shall be performed in accordance with said practices, laws, rules, and regulations. PG&E may designate safety precautions in addition to those in use or proposed by Authority. PG&E reserves the right to inspect the Work and to halt Construction to ensure compliance with reasonable and safe work practices and with all applicable federal, state, and local laws, rules, and regulations. Neither the requirement that You follow said practices and applicable laws, rules, and regulations, nor adherence thereto by You, shall relieve You of the sole responsibility to maintain safe and efficient working conditions.
- b. *PG&E's Safety Program.* You represent and warrant that You will perform all applicable Work in compliance with PG&E's Contractor Safety Program Standard Contract Requirements, as may be modified from time to time. The Contractor Safety Program Standard Contract Requirements can be located and downloaded at: www.pge.com/contractorsafety and are hereby incorporated by reference into this Agreement. Notwithstanding the above, You are the "controlling employer" as defined under Cal OSHA and will remain responsible for all fines and liability arising from violation of the Contractor Safety Program Standard Contract Requirements and Legal Requirements.
- c. *Stopping the Work:* PG&E reserves the right to inspect the Work to ensure compliance with reasonable and safe work practices and with all Applicable Law. If PG&E at any

EXHIBIT E:
TERMS AND CONDITIONS APPLICABLE TO AUTHORITY CONTRACTORS
("PG&E FLOWDOWN TERMS")

time observes You performing the Work in an unsafe manner, or in a manner that may, if continued, become unsafe, then PG&E may require the applicable person to stop the performance affected by the unsafe practice and not continue until it can be completed safely. PG&E may designate safety precautions in addition to those in use or proposed by You. PG&E's rights under this section shall not relieve You of the sole responsibility to maintain safe and efficient working conditions.

- d. *Controlled Site Access:* A distinctive visible identification badge shall be furnished by Authority and worn by Your employees when on PG&E's property. Your guests and visitors shall secure a permit from PG&E to enter any part of the worksite which is PG&E property, and will be logged in and out of the property with PG&E retaining the permit at the time of logging out. Your employees shall not enter electrically energized equipment areas or other areas out of Construction limits except with written permission.
- e. *Construction Regulation:* You will at all times while performing Your obligations under this Agreement comply with the requirements of CPUC General Orders 95 (Overhead Electric Construction Standards), 112E (Gas System Construction Standards) and 128 (Underground Electric Constructions Standards), as they apply to this Agreement. It will be Your duty and responsibility while performing any cutting or welding to comply with the safety provisions of the National Fire Protections Association's "National Fire Codes", and Factory Mutual Engineering's cutting and welding procedures and the applicable requirements specified in PG&E's associated documents.
- f. *Work and Safety Program:* You will have a work and safety program and rules for the Work. You shall enforce Your work and safety requirements for all Work performed on the work site. You will ensure that all Your personnel receive, read and sign a copy of the work and safety rules. You shall retain proof of compliance for PG&E's inspection upon request. You will designate a safety contact person for all matters concerning Your work and safety programs.
- g. *First-Aid Facilities:* If first-aid facilities are required, You shall furnish, stock, and provide the necessary qualified personnel to maintain such first-aid facility at Your expense. Nothing contained in this Agreement shall relieve You from providing and maintaining all stretchers, blankets, first-aid material, and first-aid kits as required by applicable safety order of the State of California Department of Industrial Relations, Division of Occupational Safety and Health (Cal/OSHA) or as required by other federal, state or local laws, rules or regulations.
- h. *Standby Vehicle(s):* If one or more standby vehicles is required for the transporting of seriously injured personnel, You shall furnish, maintain and operate such vehicle(s) at Your expense. If a standby vehicle is provided for transporting seriously injured project personnel to medical facilities, You shall have available specifically assigned workers who are qualified to drive the vehicle and to care for the injured in case of emergency.
- i. *Site Safety Plan:* When required by federal OSHA regulations (29 CFR 1910.120), by other Legal Requirements, or by PG&E, You shall provide a written site safety plan for

EXHIBIT E:
TERMS AND CONDITIONS APPLICABLE TO AUTHORITY CONTRACTORS
("PG&E FLOWDOWN TERMS")

acceptance by PG&E and the applicable regulatory agency(s) as required, prior to commencement of Work. The site safety plan shall establish policies and procedures for protecting the health and safety of personnel during all operations conducted at a site with Hazardous Materials or suspected Hazardous Materials. The plan shall contain information about the known or suspected hazards, routine and special safety procedures that must be followed, and other instructions for safeguarding the health and safety of all affected personnel.

- j. PG&E's receipt of Your emergency action plan, safety plan, environmental plan or any other safety and health related information does not imply that PG&E endorses the plan. You are solely responsible for performing the Work in compliance with all Legal Requirements.

2. Standards. You shall perform the Work generally using Good Utility Practice, and otherwise in compliance herewith. Your engineering, procurement and Construction of PG&E's Facilities shall comply with all requirements provided by, or made available by, PG&E, to Authority or to You which pertain to engineering, procurement or Construction of PG&E's Facilities. For the avoidance of doubt, PG&E will provide and make available such requirements in the same manner as PG&E would to other entities constructing facilities to ultimately be owned by PG&E, in some cases through access to information on PG&E's website. Without limitation, You will comply with (a) PG&E's Transmission Interconnection Handbook, found here: http://www.pge.com/includes/docs/pdfs/shared/rates/tariffbook/ferc/tih/combined_version_handbooks.pdf and (b) PG&E's "Greenbook" Guiding Principles for Interconnection, found here: <http://www.pge.com/en/myhome/servicerequests/building/greenbook/manual.page>.

3. GO 176. You acknowledge that the design of electric and gas utility facilities within Authority's right-of-way is governed by General Order 176 ("GO 176") adopted by the CPUC. Designs for PG&E's Facilities which will be located within Authority's right-of-way must meet the requirements of GO 176. Any proposed alternative design will be determined on a case by case basis and will require written approval from Authority, as provided for within GO 176.

4. NERC Requirements. Pursuant to a directive from the North American Electric Reliability Corporation ("NERC"), all employees and contractors with unescorted access to facilities and functions that PG&E deems critical to the support of the electricity infrastructure ("Critical Facilities") must undergo employment background screening and training before being granted access to any PG&E facilities. PG&E has included in the category of those with "unescorted access" all Authority and subcontractor personnel ("Individual") working within Critical Facilities. The following requirements apply to any Work subject to the NERC requirements:

- a. The background screening program for each Individual includes each of the following: (i) Social Security number verification; (ii) county criminal check (up to three counties where the applicant /employee has lived in the past seven years); and (iii) "Global Watch" (check of 19 Federal and International Terrorist Watch lists).

EXHIBIT E:
TERMS AND CONDITIONS APPLICABLE TO AUTHORITY CONTRACTORS
("PG&E FLOWDOWN TERMS")

- b. The NERC directive also requires that Authority or its subcontractor administer to each Individual with access to Critical Facilities an initial and annual PG&E web-based training session. This training program will also be provided in CD and hard copy format.
- c. Following conclusion of an acceptable background check and certified completion of the above training courses, You will provide PG&E's corporate security department with a completion confirmation for each Individual. PG&E will issue each Individual a keycard to access the designated PG&E facility to which they are assigned. PG&E will deny access to Critical Facilities to any Individual who has not passed clearance.

5. Outsourced Gas Asset Management Activities.

- d. You must comply with the terms and conditions of PG&E's Outsourced Gas Asset Management Activities Program ("OGAMAP") in the performance of all Work performed for PG&E's gas operations organization. The OGAMAP requires that You demonstrate a strong commitment to gas safety excellence and maintain appropriate controls over the gas infrastructure supply chain. Any Work performed for PG&E must be completed in full compliance with the following, as it may be modified from time to time: (i) PG&E's Code of Conduct for Contractors, consultants, subcontractors, suppliers and vendors as found through this link (which code of conduct is incorporated by reference herein): http://www.pge.com/includes/docs/pdfs/b2b/purchasing/contractor_consultant_and_supplier_code.pdf; (ii) PG&E's Gas Asset Management Policy TD-01; (iii) PG&E's Gas Asset Management Strategy and Objectives; (iv) PG&E's Gas Operations process for raising safety concerns and issues; and (v) all terms, conditions, and specifications for Work set forth herein.
- e. Should PG&E require, You will obtain a complete understanding of Your role(s) supporting PG&E in a gas emergency. As a reference guide, PG&E will provide You with a copy of PG&E's Gas Emergency Response Plan Volumes 1 and 2 and Gas Safety Plan provided to increase knowledge and understanding of providing a safe, efficient and coordinated response to emergencies affecting gas transmission and distribution systems. These documents provide emergency response guidance consistent with the Incident Command System.
- f. You will access and download a copy of PG&E's Code of Conduct for Contractors, consultants, suppliers and vendors at the link provided in Section 4(a). You will receive an email invitation to access PG&E's third party internet site www.poweradvocate.com to obtain access and to download the documents referenced in Sections 4(a)(ii) – (iv) and Section 4(b).
- g. You represent, warrant, and certify that You and Your employees performing Work under this Agreement have been provided, and have reviewed, the above-referenced documents and agree to comply with all terms and conditions contained in those documents.

6. Injury and Illness Prevention Program. In the performance of the Work, You acknowledge that You have an effective injury and illness prevention program which meets the requirements of all Applicable Laws, including but not limited to Section 6401.7 of the California Labor Code. You will ensure that any Subcontractor hired to perform any portion of the Work also has an effective injury and illness prevention program.

EXHIBIT E:
TERMS AND CONDITIONS APPLICABLE TO AUTHORITY CONTRACTORS
("PG&E FLOWDOWN TERMS")

7. Work on PG&E or Customer Property. The following provisions apply to the extent that the Work requires You (collectively, "Personnel") to have access to PG&E assets, premises, customer property, or logical access to PG&E data or systems (collectively, "Access").

a. Criminal Background Checks.

- i. You warrant and represent that You will not assign any Personnel to work requiring Access unless You have performed a criminal background check on each such individual (either at the time of hiring or during the course of employment). Prior to assigning work requiring Access to any Personnel with one or more criminal convictions during the last seven years, You must consider the gravity of the individual's offense, the time since the conviction, the successful completion of parole/probation, the individual's age at the time of conviction, the number of convictions, and the stability of the individual, including favorable work history. You will also consider the relation of the offense to the nature of the work or service the individual will perform.
 - ii. Notwithstanding the foregoing, You will not, under any circumstances, grant Access to an individual with one or more convictions for a "Serious Offense(s)", which is defined as violent and sex offenses, crimes against children, domestic violence, fraud, theft (including but not limited to identity theft), embezzlement, all felonies during the last seven years, and/or two or more DUIs in the past three years.
 - iii. You will maintain documentation related to Your criminal background check investigation for all Personnel requiring Access and make it available to PG&E for audit if requested.
 - iv. You also agree to notify PG&E if any of Your Personnel requiring Access are charged with or convicted of a Serious Offense during the course of Your performance under this Agreement.
- b. *Fitness for Duty.* You must ensure that Your Personnel granted Access report to work fit for duty. Personnel with Access may not consume alcohol while on duty and/or be under the influence of drugs that impair their ability to work safely. PG&E expects each supplier to have policies in place that requires 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. As a federal contractor, PG&E does not recognize or allow work to be completed under the influence of marijuana, whether or not is it used for medical reasons.
- c. *Eligibility for PG&E Work.* When assigning any Personnel to perform Work requiring Access, You will submit each person's full name and the last four digits of their social security number to PG&E at the following e-mail address: RecruitingOperations@pge.com. PG&E reserves the right to decline to accept any proposed Personnel, in which case You will promptly propose a replacement.

EXHIBIT E:
TERMS AND CONDITIONS APPLICABLE TO AUTHORITY CONTRACTORS
("PG&E FLOWDOWN TERMS")

8. Document Retention and Production Requirements.

- a. You agree to retain all documents and data, whether paper or electronic, created, collected or received for PG&E in the course of performing the Work, including without limitation, documents, data, plans, drawings, diagrams, investigative notes, field notes, tests, photographs, records, calculations, summaries, and reports; provided that You are not required to retain (i) draft versions of final written documents such as reports, presentations, or other written deliverables and (ii) documents that are inconsequential or ancillary to performance and documentation of the Work ("PG&E Documents") as follows:
- b. You will store PG&E Documents in a secure and organized manner. All PG&E Documents must be in legible form, whether paper or electronic. In managing and administering PG&E Documents, You will comply with the requirements of "The Generally Accepted Recordkeeping Principles®" (see www.arma.org), or with modified requirements approved in writing by PG&E.
- c. Upon completion of the Work, PG&E will specify which of PG&E Documents must be transmitted by You to PG&E ("PG&E Records"), provided however, unless otherwise agreed by PG&E:
 - i. You will transmit to PG&E, or provide PG&E access to, PG&E Records on request within 48 hours or sooner if needed (without limitation) for regulatory, CPUC, safety, audit and/or litigation requirements;
 - ii. PG&E may specify that PG&E Records be delivered to PG&E on a regular basis prior to completion of the Work;
 - iii. With respect to PG&E Documents not transmitted to PG&E as PG&E Records, You must retain all such documents for 24 months after completion of the Work ("Retention Period"). During the Retention Period, PG&E Documents will be retained by You at no additional cost to PG&E until disposed of in accordance with Section 7(f) below. To the extent PG&E requests You to retain PG&E Documents after the Retention Period, You and Your contracting counterpart will mutually agree on the terms and conditions of the additional Retention Period;
 - iv. If PG&E Records are kept in electronic form, the following formats are acceptable for transmission to PG&E: (A) PDF, CAD or TIFF for Drawings and diagrams and (B) PDF for all other documents. If PG&E Records transmitted to PG&E consist of data in a proprietary format, You will make available to PG&E the proprietary tools or software necessary to access the data including after the transfer of the data to PG&E. This subsection (iv) does not abrogate Your obligation to produce PG&E Records in an alternative format (e.g., a native format) if so agreed by You in the course of performance of this Agreement, in which case You will produce PG&E Records in each of the formats agreed.

EXHIBIT E:
TERMS AND CONDITIONS APPLICABLE TO AUTHORITY CONTRACTORS
("PG&E FLOWDOWN TERMS")

- d. PG&E Documents will be treated as confidential and will not be disclosed to others unless You are required to produce the documents pursuant to legal or regulatory requirements, in which case You will give PG&E maximum practicable advance notice before any production.
- e. You will maintain a system for back-up of electronic PG&E Documents (e.g., files or databases) so they will be preserved for retrieval in case the originals are lost or destroyed.
- f. If PG&E directs You to dispose of PG&E Documents, and provided the records retention period required by Authority has expired, You will do so in a confidential and secure manner, whether the format is electronic or paper. Proof of destruction of PG&E Documents will be submitted to PG&E upon request.
- g. If PG&E provides paper documents to You in order to convert them to digital electronic format, You will return both the paper documents and the documents converted to digital electronic format to PG&E.

9. Materials; Approved Material Suppliers.

- a. You shall be responsible for (i) procurement of all materials in accordance with PG&E requirements from PG&E-approved Material Suppliers ("Approved Material Suppliers"); (ii) material storage and security; (iii) disposal of excess materials; and (iv) immediate removal from the job site of materials rejected by PG&E. Equipment with repairable defects may be repaired rather than being replaced at the discretion of the responsible PG&E standards engineer. Equipment to be replaced shall be removed from the job site without undue delay.
- b. Prior to the installation of materials, You shall provide PG&E with the supplier's certifications that all permanent materials to be used in the Work comply with the applicable specifications and Drawings. All material shall be new and in first class condition and shall comply with the requirements of this Agreement, with the exception of equipment that is pending repair.
- c. Storage and handling of all material shall be in accordance with the applicable PG&E standards or manufacturer recommendations. Furnishing protective storage facilities for materials shall be Your responsibility.
- d. You acknowledge that there is a process for a supplier to become an Approved Material Supplier if it is not already on PG&E's list of approved material suppliers; and that You will contact PG&E in such a case to timely complete the process. Certain relevant information can be found here: <http://www.pge.com/en/b2b/purchasing/suppliers/index.page>.
- e. If You have a previous relationship with PG&E to supply materials or labor, the warranty under the Subcontract will be the same as applies for comparable materials or labor supplied by You directly to PG&E, and in any event shall be for a minimum of one year from the date of final acceptance of Your work by PG&E. The warranty terms, including duration, shall be provided to Authority. You agree that your warranty will be assigned by Authority to PG&E.

EXHIBIT E:
TERMS AND CONDITIONS APPLICABLE TO AUTHORITY CONTRACTORS
("PG&E FLOWDOWN TERMS")

- f. You will not request that PG&E procure for You or provide to You any materials whatsoever for incorporation in the HSR Project, except through a formal written communication by You to Authority. You will not incorporate any materials procured for You or provided to You by PG&E into the HSR Project unless you have a written agreement from PG&E allowing such incorporation, expressly describing the particular materials.
10. Underground Service Alert Notification. Before digging, You shall contact, "Underground Service Alert" (USA), and abide by its rules and procedures.
11. Gas Service Records. PG&E will provide to You "gas service records". The gas service records must be returned to PG&E with As-Built correction prior to acceptance and pressurization of the gas services.
12. Not to Bind PG&E. You shall not bind or purport to bind PG&E.
13. Remedy of Deficiencies. At any time during Construction, should any phase of the engineering, equipment procurement, or Construction of PG&E's Facilities not meet the standards and specifications required hereby, You shall be obligated to remedy deficiencies in that portion of PG&E's Facilities.
14. Insurance. PG&E shall be named as additional insured on any liability insurance policies required under this Agreement.
15. PG&E Access. At any time during Construction, PG&E shall have the right to gain unrestricted access to the Facilities installed under this Agreement by You, to conduct inspections of the same, and to be present during performance of Work. PG&E has the right to make field and shop inspections and material tests and to perform all of its customary QA/QC if it so elects. You agree that neither the making, nor the failure to make, inspections and tests nor the express or implied approval of the Work by PG&E shall relieve You from the responsibility to complete and guarantee the Work as specified. Rejected Work shall be remedied at Your expense.
16. Authority's Engineer(s). You shall require an Authority's Engineer to be in charge of each worksite, to supervise the Work, to exercise control as may be required and to be available to PG&E when Work is being performed.
17. Avoiding Inconvenience to PG&E's Customers. The Work shall be engineered, scheduled and performed so as to minimize outage time and other inconvenience to PG&E's customers.
18. Hazardous Materials. Upon discovery of Hazardous Material in connection with the Work, You shall confer with Authority to explore all reasonable alternatives and agree on a course of action, and You shall immediately reschedule the Work to complete the Work in accordance with Authority's reasonable schedule and in compliance with Applicable Law concerning the disposition of Hazardous Material. Each Party retains the right to pursue recovery of its share of any such Hazardous Material related costs from the other Party or third parties in accordance with existing law.

EXHIBIT E:
TERMS AND CONDITIONS APPLICABLE TO AUTHORITY CONTRACTORS
("PG&E FLOWDOWN TERMS")

19. Records.

- a. You shall provide documentation to warrant that the installed facilities meet or exceed the requirements of this Agreement and are installed in the proper location. In addition, You will provide As-Built Drawings and marked up service orders (when applicable) in a form specified by PG&E.
- b. You shall provide (A) Certified copies of PG&E's approved Qualification records for all welders/plastic joiners; and (B) Testing documents including calibration documents for testing equipment.

20. Prevailing Wage. Pursuant to Public Works Case No. 2001-059 determination by the California Department of Industrial Relations dated October 25, 2002, work performed by You, as one of Authority's contractors, is a public work under the definition of Labor Code Section 1720(a) and is therefore subject to prevailing wage requirements. You shall verify compliance with this requirement.

21. Performing IBEW Represented Work.

- a. The provisions of this Section 19 will apply if You perform Work that is normally performed by PG&E employees represented by the International Brotherhood of Electrical Workers ("IBEW"), Local 1245.
- b. If PG&E identifies any Work as Construction work normally and historically performed by IBEW-represented PG&E employees in one of the following departments, then such Construction work must only be performed by a contractor who is signatory to an agreement with IBEW Local 1245 that covers the identified Work: Electric Transmission and Distribution (T&D), Gas T&D, or Substation Departments (collectively, the "Identified Departments"). You will not subcontract such Construction work to a non-signatory contractor or to a contractor who is signatory to a union other than IBEW Local 1245, unless such contractor has requested and received the prior written approval of PG&E, which approval may be contingent upon, among other things, receipt of any necessary third party approvals.
- c. The provisions of this Section 19 do not apply to (i) maintenance work normally and historically performed by IBEW-represented PG&E employees in the Identified Departments or (ii) Construction and maintenance work normally performed by IBEW-represented PG&E employees in all other PG&E departments (collectively, "Other Work"). For Work PG&E identifies as Other Work not subject to the requirements of this Section 19, Authority will pay its personnel wages that meet or exceed prevailing wages. For purposes of this Section 19(c), prevailing wages will be as defined by California Labor Code Sections 1770, 1773, and 1773.1.
- d. At PG&E's request, you will provide PG&E a certified copy of Your and Your subcontractors' payroll, including benefits, broken out by PG&E department for all Work that is subject to this Section 19.
- e. All requirements of this Section 19 will extend to subcontractors (inclusive of all tiers).

EXHIBIT E:
TERMS AND CONDITIONS APPLICABLE TO AUTHORITY CONTRACTORS
("PG&E FLOWDOWN TERMS")

- f. If the provisions of this Section 19 conflict with the requirements of other sections of this Agreement, this Section 19 will prevail.

22. Labor Relations.

- a. General. You shall promptly notify PG&E in writing of any labor dispute or anticipated labor dispute which may affect the time, performance or cost of the Work.
- b. Local Bargaining. In addition to Your legal obligations under the Labor-Management Relations Act, if You are a subscriber to a multi-employer bargaining association or group, You will, if PG&E directs, participate to the fullest extent in the collective bargaining of that group with any labor organizations claiming jurisdiction over any portion of the Work.
- c. Interim Agreements. You will not make interim agreements with labor unions during contract bargaining designed to avoid strikes sanctioned by an international union or by a local building trades council or engage in other activities which might undermine management efforts at the bargaining table.
- d. Strike. In the event of a labor dispute or strike by Your or Your subcontractor's (inclusive of all tiers) employees that threatens the progress or cost of the Work or PG&E's labor relations, or which disrupts PG&E's operations, or results in a secondary boycott at PG&E facilities, PG&E reserves the right to restrict additional hiring of Your or subcontractors' (inclusive of all tiers) employees, to suspend or discontinue Your or any subcontractors' (inclusive of all tiers) Work, or terminate this Agreement. This Section 19 will be applicable whether or not You or any of Your subcontractors (inclusive of all tiers) is directly involved in a labor dispute.
- e. Existing Union Contracts. You will not make any new labor agreements with any local Construction trade union affecting the performance of the Work or its cost to PG&E or Authority, independent of or in conflict with agreements in effect between the local contractors' association and the union, without first obtaining written approval from PG&E.
- f. National Agreements. You will, within 15 days after award of a contract or notice to proceed, whichever is later, for any Work hereunder, supply PG&E with copies of national agreements to which You are a party. No later than five days before the expiration of any local agreement which may affect the Work, You will meet with PG&E for the purpose of discussing the appropriate course of action.
- g. Jurisdictional Disputes. You and Your subcontractors (inclusive of all tiers) will take steps to resolve violations of collective bargaining agreements and jurisdictional disputes, including without limitation the filing of appropriate process with any court or administrative agency having jurisdiction to settle, enjoin, or to award damages resulting from violations of collective bargaining agreements or from jurisdictional disputes.
- h. Labor Supply. You will provide a sufficient number of skilled union workers to fulfill the requirements of this Agreement.

EXHIBIT E:
TERMS AND CONDITIONS APPLICABLE TO AUTHORITY CONTRACTORS
("PG&E FLOWDOWN TERMS")

- i. Apprentices. It is important to PG&E that the Work be performed in the most economical manner consistent with requirements of this Agreement. It is also in PG&E's best interest to have an adequate number of trained workers within its service area to perform Construction work that may be required. You will actively participate in union apprentice programs and exert Your best effort to maintain the maximum complement of apprentices in the field work force as permitted by the local collective bargaining agreements. You will employ during the performance of the Work the number of apprentices or trainees, or both, in each occupation, called for by each applicable labor agreement; will take whatever steps may be necessary to assure that 25% of the apprentices or trainees in each occupation are in their first year of training; and will agree to maintain and make available for inspection, upon PG&E's request, Your records on employment of apprentices, trainees, and journeymen, in each occupation.
- j. Use of Prefabricated Material. You will install prefabricated or preassembled equipment where specified or purchased by your contracting counterparty, or otherwise where it is deemed to be the most economical alternative fabricated in a union shop and without necessary change or rework.

23. Prior to performing any Work on "joint poles", i.e., those occupied by other utilities or users besides PG&E, You or Authority's Contractor will coordinate in a customary manner with all joint users, including sending advance notices of intent and performing pole loading calculations. After performing such Work, You will provide all relevant inputs to PG&E's software application which keeps records of joint pole users and configurations.

24. You will provide all relevant inputs to PG&E's "Fast Flow Estimating (FFE) Tool", a web based (cloud) software application, and/or any substitute or additional tool. It is designed to inventory/cost material for PG&E distribution gas and electric designs.

EXHIBIT F
TERMS AND CONDITIONS APPLICABLE TO PG&E'S CONTRACTORS
("AUTHORITY FLOWDOWN TERMS")

1. Flowdown Terms: Terms of this Agreement to include in PG&E's agreements with Contractors ("Authority Flowdown Terms"); provided that in PG&E's discretion, it may include in its contracts additional terms herein. The definitions as stated shall apply to this section only.
2. Authority Flowdown Terms
 - a. Definitions
 - 1) "Agreement" means an agreement or contract entered into by PG&E, and includes subcontracts at all levels.
 - 2) "Authority" means the California High-Speed Rail Authority.
 - 3) "Contractor" means any individual, corporation, company, joint venture, partnership, trust, unincorporated organization or governmental person that enters into a contract with PG&E or another Contractor, as applicable, and includes subcontractors at all levels.
3. COST PRINCIPLES
 - a. Contractor agrees to comply with OMB A-87, OMB A-122, OMB A-21 or 48 C.F.R., Federal Acquisition Regulations System, Chapter 1, Part 31, et seq., as applicable, to determine the allowability of individual items of cost.
 - b. Contractor agrees to comply with 49 C.F.R. Part 18 or 49 C.F.R. Part 19, as applicable.
 - c. Any costs for which payment has been made to Contractor that are determined by subsequent audit to be unallowable under OMB A-87, 49 C.F.R. Part 18, OMB A-122, 49 C.F.R. Part 19, as applicable, are subject to repayment by Contractor to the Authority.
 - d. Any subagreement in excess of \$25,000 entered into as a result of this Agreement shall contain all the provisions of this clause.
4. AUDIT: Contractor agrees that the Authority, the Department of General Services, the Bureau of State Audits, or their designated representative shall have the right to review and to copy any records and supporting documentation pertaining to the performance of this Agreement. Contractor agrees to maintain such records for possible audit for a minimum of three (3) years after final payment, unless a longer period of records retention is stipulated. Contractor agrees to allow the auditor(s) access to such records during normal business hours and to allow interviews of any employees who might reasonably have information related to such records. Further, Contractor agrees to include a similar right of the State to audit records and interview staff in any subcontract related to performance of this Agreement.

EXHIBIT F
TERMS AND CONDITIONS APPLICABLE TO PG&E'S CONTRACTORS
("AUTHORITY FLOWDOWN TERMS")

5. **INDEPENDENT CONTRACTOR:** Contractor, and the agents and employees of Contractor, in the performance of this Agreement, shall act in an independent capacity and not as officers or employees of the State.

6. **NON-DISCRIMINATION CLAUSE:** During the performance of this Agreement, Contractor and its contractors shall not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of sex, race, color, ancestry, religious creed, national origin, physical disability (including HIV and AIDS), mental disability, medical condition (e.g., cancer), age (over 40), marital status, and denial of family care leave. Contractor and subcontractors shall insure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment. Contractor and subcontractors shall comply with the provisions of the Fair Employment and Housing Act (Gov. Code §12990 (a-f) *et seq.*) and the applicable regulations promulgated thereunder (California Code of Regulations, Title 2, Section 7285 *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 of Title 2 of the California Code of Regulations, are incorporated into this Agreement by reference and made a part hereof as if set forth in full. Contractor 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. Contractor shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under this Agreement.

7. **CHILD SUPPORT COMPLIANCE ACT:**

- a. Contractor 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
- b. Contractor, 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.

8. **COMPLIANCE:** Contractor will, unless exempted, shall comply with the nondiscrimination program requirements. (Gov. Code §12990 (a-f) and CCR, Title 2, Section 8103)

9. **DRUG-FREE WORKPLACE REQUIREMENTS:** Contractor will comply with the requirements of the Drug-Free Workplace Act of 1990 and will provide a drug-free workplace by taking the following actions:

- a. 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.
- b. Establish a Drug-Free Awareness Program to inform employees about:

EXHIBIT F
TERMS AND CONDITIONS APPLICABLE TO PG&E'S CONTRACTORS
("AUTHORITY FLOWDOWN TERMS")

- 1) the dangers of drug abuse in the workplace;
- 2) the person's or organization's policy of maintaining a drug-free workplace;
- 3) any available counseling, rehabilitation and employee assistance programs; and,
- 4) penalties that may be imposed upon employees for drug abuse violations.

c. Every employee who performs tasks under this Agreement will:

- 1) receive a copy of the company's drug-free workplace policy statement; and,
- 2) agree to abide by the terms of the company's statement as a condition of employment on the tasks under this Agreement. (Gov. Code §8350 *et seq.*)

10. DOMESTIC PARTNERS: Contractor shall be in compliance with Public Contract Code section 10295.3.

11. AMERICANS WITH DISABILITIES ACT: Contractor will comply with the Americans with Disabilities Act (ADA) of 1990, which prohibits discrimination on the basis of disability, as well as all applicable regulations and guidelines issued pursuant to the ADA. (42 U.S.C. 12101 *et seq.*)

12. NATIONAL LABOR RELATIONS BOARD CERTIFICATION: Contractor certifies that no more than one (1) final unappealable finding of contempt of court by a Federal court has been issued against Contractor within the immediately preceding two-year period because of Contractor's failure to comply with an order of a Federal court, which orders Contractor to comply with an order of the National Labor Relations Board. (Pub. Contract Code §10296)

13. CORPORATE QUALIFICATIONS TO DO BUSINESS IN CALIFORNIA: Contractor is currently qualified to do business in California.

14. AIR OR WATER POLLUTION VIOLATION: Under the State laws, the Contractor shall 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 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

15. CONFIDENTIALITY OF DATA: Financial, statistical, personal, technical, or other data and information relative to the Authority's business operations, which is designated confidential by the Authority and made available to the Contractor under this Agreement, shall be governed by the Nondisclosure and Use of Information Agreement between the Authority and PG&E, dated XXX XX, XX (the "Existing NDA"). Under the Existing NDA, certain third parties are required to execute a Nondisclosure Certificate agreeing to be bound by certain terms as described in the Existing NDA.

16. CONFLICT OF INTEREST: Contractor and its employees, and all subcontractors, vendors and service providers or other individuals/entities providing work under this Agreement, shall comply with Authority's Organizational Conflict of Interest Policy. If Contractor hires any consultants, contractors or subcontractors to perform a task under this Agreement, Contractor must provide PG&E

EXHIBIT F
TERMS AND CONDITIONS APPLICABLE TO PG&E'S CONTRACTORS
("AUTHORITY FLOWDOWN TERMS")

with the consultant's, contractor's or subcontractor's information and a conflicts analysis must be performed by the Authority prior to the consultant, contractor or subcontractor performing work under this Agreement. Under no circumstances shall any individual/firm commence work under this Agreement without prior written approval from PG&E after a conflicts analysis by the Authority.

17. STATE PREVAILING WAGES RATES: The work called for in this Agreement may involve, in whole or in part, a "public work," as that term is defined in Labor Code sections 1720 *et seq.*, and one or more employees of Contractor or of one or more of Contractor's subcontractors may perform work to which federal and state prevailing wage laws, laws concerning apprentices, and other pertinent laws may apply. It is the obligation of the contractor to determine whether these laws apply to any of the work to be done pursuant to this Agreement.

To the extent that any of the work done pursuant to this Agreement, including work done pursuant to any subcontracts, falls within the definition of "public work" as set forth in Labor Code sections 1720 *et seq.*, and involves "workers," as that term is defined in Labor Code section 1723, the following provisions apply.

a. The Contractor shall comply with all obligations imposed on contractors by Labor Code section 1776. Any subcontracts will contain a provision requiring subcontractors to comply with all obligations imposed on subcontractors by Labor Code section 1776.

b. The Contractor agrees to comply with the provisions of Labor Code section 1775, as it exists now and as it may be amended from time to time during the duration of this Agreement.

c. To the extent Labor Code sections 1771, 1775, 1776, 1777.5, 1813, and 1815 describe the obligations of a contractor or subcontractor engaged in a public work, those obligations are made a part of this Agreement as though fully set forth. Any contract executed between the contractor and a subcontractor shall include a copy of the provisions of Sections 1771, 1775, 1776, 1777.5, 1813, and 1815, and shall provide that the subcontractor shall comply with the provisions of those sections.

d. The Contractor or subcontractor shall, as a penalty to the state or political subdivision on whose behalf the contract is made or awarded, forfeit twenty-five dollars (\$25) for each worker employed in the execution of the contract by the respective contractor or subcontractor for each calendar day during which the worker is required or permitted to work more than 8 hours in anyone calendar day and 40 hours in anyone calendar week in violation of the provisions of this article.

e. In accordance with the provisions of Section 3700 of the Labor Code, the Contractor will be required to secure the payment of compensation to his employees.

To the extent the Contractor or any subcontractor employs apprentices or employs workers in any apprenticeable craft or trade, it shall be the responsibility of the contractor to see to it that the Contractor

EXHIBIT F
TERMS AND CONDITIONS APPLICABLE TO PG&E'S CONTRACTORS
("AUTHORITY FLOWDOWN TERMS")

and the subcontractors comply with Labor Code section 1777.5, as it now exists and as it may be amended from time to time during the duration of this agreement.

18. **LIABILITY:** Contractor agrees to indemnify Authority against any loss and damage which shall be caused by any wrongful or negligent act or omission of Contractor or of its agents or employees in the course of their employment arising from or connected with Contractor's performance under this Agreement, provided, however, that this indemnity shall not extend to that portion of such loss or damage that shall have been caused by Authority's comparative negligence or willful misconduct. Contractor indemnity obligations under this Agreement shall terminate upon the completion of the tasks under this Agreement.