

CONTRACT AMENDMENT: 2013-05-002

Agreement number 2013-05 between Deutsche Bank National Trust Company (Deutsche Bank or Contractor) and Western Climate Initiative, Inc. (WCI, Inc.), which was executed by the parties on September 19, 2013 and amended on December 30, 2013 is hereby amended as follows:

SUMMARY OF CHANGES

Amendment Number	002
Effective Date for Amendment:	June 1, 2015
Current Agreement Amount:	██████████
Changes to the Agreement Amount:	None
Amended Maximum Agreement Amount:	██████████
Current Agreement Term:	Beginning on September 19, 2013 and ending on December 31, 2015.
Agreement Term as Amended:	Beginning on September 19, 2013 and ending on December 31, 2016.
Extension of Tasks:	Auction and Reserve Sale Preparation Services, Pre-Auction and Pre-Reserve Sale Services, Post-Auction and Post-Reserve Sale Services, and Consignee Setup and Payments

PURPOSE OF THIS AMENDMENT

- 1) Extend the term for Deutsche Bank to provide auction and reserve sale financial administration through December 31, 2016.

SPECIFIC TERMS AND CONDITIONS WHICH CONSTITUTE THE AMENDMENT

- 1) The agreement referenced above is modified as follows:
 - a. Term: Line 2 of the Standard Agreement cover page is changed to “Beginning on September 19, 2013 and ending on December 31, 2016.

EXPLANATION OF CHANGES

- 1) Deutsche Bank will provide financial services for auctions and reserve sales for an additional twelve months (January 1, 2016 - December 31, 2016). Due to cost savings realized so far, and further cost savings expected in 2015, the maximum agreement amount does not need to be increased to pay for the additional services authorized by this amendment. Costs for 2014 were less than expected because a QC auction was held instead of a joint auction in Q2, the number of actual participants in the auctions was lower than originally assumed, and three CA reserve sales and two QC reserve sales were not held. In 2015, cost savings are expected from having fewer participants in the auctions than originally assumed, from not holding CA reserve sales every quarter, and from not holding QC reserve sales every quarter.

APPROVALS

This document and any attachments described herein constitute an amendment to the abovenumbered agreement. All provisions of that contract, except those which are explicitly changed by this amendment, shall remain in full force and effect.

By signing, the Contractor and WCI, Inc. do hereby accept and approve this amendment.

Deutsche Bank National Trust Company

Signature on File
Authorized Signature

Andrew Ball
Name

May 18, 2015
Date

Vice President
Title

Signature on File
Authorized Signature

David McGuire
Name

May 18, 2015
Date

Assistant Vice President
Title

Western Climate Initiative, Inc.

Signature on File
Authorized Signature

Greg Tamblyn
Name

May 18, 2015
Date

Executive Director
Title

Justification for a Contract Amendment to Contract 2013-05: Cap-and-Trade Financial Services for Auctions and Reserve Sales

April 21 , 2015

Introduction

Most of the administrative support provided by WCI, Inc. is highly technical or specialized and has been developed through the use of contractors. In September 2013, WCI, Inc. contracted with Deutsche Bank National Trust Company Americas (Deutsche Bank) for auction and reserve sale financial and transactional escrow agency services. In December 2013, WCI, Inc. amended the contract to extend the term and budget to provide financial and transactional escrow agency services for Participating Jurisdictions through December 2015.

WCI, Inc. proposes to modify its existing contract with Deutsche Bank. The purpose of this modification is extend the term to provide financial and transactional escrow agency services for Participating Jurisdictions through December 2016 to the extent needed while new contract services are competed, tendered, and implemented for auction administrative services and financial services.

Description of Services

The services being procured through the proposed amendment are the same as in the original contract, as amended in December 2013. Only the contract period is being modified.

Procurement Approach

The competitive procurement process that resulted in the initial selection of Deutsche Bank to provide financial services for auctions and reserve sales under Contract 2013-05 has been described previously and approved by the WCI, Inc. Board of Directors.

Deutsche Bank has demonstrated its qualifications to provide the services described above through its performance under the existing WCI, Inc. and previous California contracts.

The financial services for auctions and reserve sales need to continue uninterrupted and on schedule while services are developed and implemented under a new services contract for the 2016-2020 period.

A contract modification is being proposed as the procurement vehicle to retain these required services. Continuing to work with the existing service provider to the extent necessary during 2016 will best enable WCI, Inc. to maintain the stability of the program while implementing services for the longer term. This approach enables the Participating Jurisdictions and WCI, Inc. to take advantage of the significant investments that have already been made in the programmatic infrastructure and the knowledge of the auction and reserve sale processes and the technology platforms that Deutsche Bank has gained.

WCI, Inc. and Participating Jurisdiction staff approached Deutsche Bank to confirm their interest in and availability to continue this work. The contract amendment with Deutsche Bank was developed by WCI, Inc. staff, reviewed by Deutsche Bank, and reviewed and agreed to by WCI, Inc. and jurisdictional staff.

No additional steps have been taken to tender ongoing auction and reserve sale financial services.

Justification for a Non-Competitive Procurement

WCI, Inc.'s Procurement Policy provides for non-competitive procurement in certain instances. In this case, the non-competitive procurement is justified based on the following two allowable exemptions:

Contracts for services provided by contractors that have been selected by a federal, state, city, county, provincial, or other regulatory entity, usually through a competitive process.

Contract amendments to extend the original term for services and to add additional funding to a contract.