

**Western Climate Initiative, Incorporated
Contract 2012-1 with
SRA International, Inc.**

**Interim Hosting and Jurisdiction Functionality for the
Compliance Instrument Tracking System Service (CITSS)**

May 8, 2012

Introduction

In support of its purpose to “provide technical and scientific advisory services” to its Participating jurisdictions, Western Climate Initiative, Incorporated (WCI, Inc.) has entered into a contract with SRA International, Inc. (SRA). Under the contract, SRA will provide interim hosting for the Compliance Instrument Tracking System Service (CITSS). Additionally, SRA will modify CITSS to provide additional functionality to support jurisdiction requirements.

Description of Services

Hosting Services include the hardware and software necessary to host the CITSS application and ancillary services and technology necessary to ensure CITSS is available at specified levels of service.

Jurisdiction Functionality Services include application development tasks to incorporate functionality for the Quebec regulation into CITSS.

Contract and Selection Justification

Following this memo is the contract between WCI, Inc. and SRA. Selected material in the contract is redacted to prevent the disclosure of information that could compromise the secure implementation of CITSS.

Following the contract is a summary of the justification for selecting SRA to perform this work.



Description of Services
Interim Hosting and Jurisdiction Functionality
for the
Compliance Instrument Tracking System Service (CITSS)

May 8, 2012

STANDARD AGREEMENT

AGREEMENT NUMBER

2012-01

1. This Agreement is entered into between WCI, Inc. and the Contractor named below:

CONTRACTOR'S NAME

SRA International, Inc.

2. The term of this Agreement is: **Twelve (12) months, beginning on May 9, 2012 and ending on May 8, 2013.**

3. The maximum amount of this Agreement is: **[REDACTED] (US)**

4. The parties agree to comply with the terms and conditions of the following attachments, which are by this reference made a part of the Agreement. WCI, Inc. is not an agent of the WCI Partnering

- Attachment A – Scope of Work
- Attachment B – Budget Detail and Payment Provisions
- Attachment C – General Terms and Conditions
- Attachment D – Individual Conflict of Interest and Confidentiality
- Attachment D1 – Organization Conflict of Interest and Confidentiality
- Attachment E – Contract Insurance Requirements
- Attachment F - Contractor's Technical Proposal
- Attachment G - Contractor's Cost Proposal

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

CONTRACTOR

CONTRACTOR'S NAME (if other than an individual, state whether a corporation, partnership, etc)

SRA International, Inc

BY (Authorized Signature)

Cate Garris signature on file

DATE SIGNED

05-08-2012

PRINTED NAME AND TITLE OF PERSON SIGNING

Cate Garris - Senior Contract Administrator

ADDRESS

**652 Peter Jefferson Parkway, Suite 300
Charlottesville, Virginia 22911**

CONTRACTEE

CONTRACTEE'S NAME

WCI, Inc.

BY (Authorized Signature)

James N. Goldstene signature on file

DATE SIGNED

05-10-2012

PRINTED NAME AND TITLE OF PERSON SIGNING

James N. Goldstene , Chair of the Board

ADDRESS

**P.O. Box 1796
Sacramento, California 95812**

WCI, Inc. Use Only

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PURPOSE / BACKGROUND / OVERVIEW

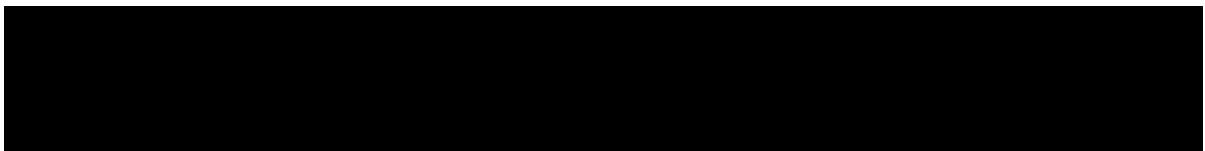
A. PURPOSE

Western Climate Initiative, Incorporated (WCI, Inc.) is contracting for interim services to provide systems hosting for the Compliance Instrument Tracking System Service (CITSS) and the development of jurisdiction functionality. The Board of Directors for WCI, Inc. includes officials from the provinces of British Columbia and Quebec, and the State of California (hereafter referred to as Participating Jurisdictions). CITSS is being developed to support the Participating Jurisdictions' cap-and-trade programs.

B. BACKGROUND

The CITSS application is being developed by SRA International, Inc. (SRA) through an agreement with the United States Environmental Protection Agency (U.S. EPA). SRA retains the intellectual property rights to their Registry for International and Domestic GHG Emissions (RIDGE™) software and all future modifications to it commissioned by WCI, Inc.

The CITSS application tracks issuance, ownership, and transfers of compliance instruments (emissions allowances and offset certificates). CITSS is a web-based system of medium size and complexity. Initially, CITSS will support an estimated 1,500 accounts with 2,500-3,000 market-based users and 50 jurisdiction-based administrative users during its first year of operation.



The CITSS is under development and there may be several incidental releases within the duration of this contract. Initially, the CITSS deployment will be limited to registration functionality. The CITSS is expected to be fully functional by the end of 2012. Allowance issuance, the first auction, and the first reserve sale are scheduled during the term of this contract.

Once compliance instrument transfer functionality is released, the estimated volume of submitted data is 25 MB per day for most business days throughout the year. An estimated 500 MB per day for a period of one week per year could occur as a result of annual accounting. Based on these volumes, the CITSS hosting solution must have the capability to accommodate 50 MB per day with a peak volume as high as 1 GB per day for five days a year. These volumes would not be anticipated to occur until after release of the transfer functionality.

C. OVERVIEW

This contract is for services in four areas:

1. Service Management
2. Hosting
3. Security
4. Jurisdiction Functionality

Service Management refers to the governance, oversight, processes, and practices that will be implemented to monitor the performance, task completion, and overall status of the CITSS application and the services supporting it as defined in this contract.

Hosting is the architecture services to support the technical hardware and software infrastructure necessary to host the CITSS application and ancillary services and technology necessary to provide the requested levels of service. The hosting solution must provide a defined and logical approach for supporting the application and associated services.

Security is an integral part of virtually every aspect of the requested services. This contract requires a comprehensive security solution that includes hardware and software configuration, physical and cyber management and access policies, intrusion testing to ensure maintenance of a secure environment, and human resource, administrative, and management practices that ensure responsibilities are understood and records management is handled in accordance with high security protocols.

Jurisdiction Functionality includes application development tasks to incorporate functionality for the Quebec regulation into CITSS, such as French translation, jurisdiction specific text and pages, and jurisdiction forms. This contract complements the existing contract between SRA International Inc. (SRA) and the U.S. EPA by providing funding for jurisdiction specific requirements.

ATTACHMENT A SCOPE OF WORK

Contractor agrees to provide to WCI, Inc. hosting services and development of jurisdiction functionality for the Compliance Instrument Tracking System Service (CITSS) as described in this Attachment A and in Attachment F, Contractor’s Technical Proposal.

This contract will have a duration of twelve (12) months, commencing upon signature by both parties. Timely transition of hosting services is dependent upon the status and coordination of application development and market activities, such as auctions and reserve sales. To provide flexibility in scheduling, this Scope of Work recognizes an optional contract extension for up to one year. The decision to exercise this optional extension is at the sole discretion of WCI, Inc. The scope of work and duration of an extension would be defined by WCI, Inc. at the time a request is prepared. The cost of the contract extension shall be mutually agreed to by WCI, Inc. and the Contractor based on the scope and duration of requested services.

Project Representatives are responsible for administrative and financial oversight and accountability. The Contractor Project Representative has the authority to make executive level administrative decisions for the Contractor and any subcontractor(s). The project representatives during the term of this agreement will be:

WCI, Inc.	Contractor: SRA International
Name: Anita M. Burke	Name: Drew Price
Phone: 720-375-4408	Phone: 434-817-4147
Fax: N/A	Fax: N/A
Email: amburke@wci-inc.org	Email: Drew_Price@sra.com

Direct all administrative inquiries to:

WCI, Inc.	Contractor: SRA International
Attention: Anita M. Burke	Attention: Cate Garris
Phone: 720-375-4408	Phone: 434-817-4145
Fax: N/A	Fax: N/A
Email: amburke@wci-inc.org	Email: Cate_Garris@sra.com

A. SERVICE MANAGEMENT

The Contractor's hosting and security solutions must comply with the following service management requirements:

1. Service Delivery Manager

- a. The Contractor must designate a Service Delivery Manager to manage the delivery of in-scope services to WCI, Inc., and to ensure that the agreed levels of service are met.
- b. The Service Delivery Manager will be the primary point of contact between the Contractor and WCI, Inc. WCI, Inc. shall be the primary channel for communication regarding the services provided under this contract. WCI, Inc. may ask Participating Jurisdictions to designate jurisdictional representatives/staff to communicate directly with the Service Delivery Manager on an as needed basis.
- c. The Service Delivery Manager or acting alternate must be available to provide support to WCI, Inc. during normal business hours (9 a.m. – 6 p.m. Eastern Standard Time (EST), Monday through Friday, excluding holidays that are recognized by both the U.S. and Canada.). Upon mutual agreement, normal business hours may be adjusted as needed to better serve the needs of the program. The Service Delivery Manager or acting alternate should also be available as needed during off-hour incidents that may result in significant unscheduled disruption of CITSS operations.

2. Emergency Contact

The Contractor must provide an emergency contact in the event of a hosting site incident such as unscheduled downtime or site unavailability, or should the need for emergency shutdown of the CITSS system occur. The requirement for this contact may be fulfilled by a Security Operations Center (SOC). This emergency contact is to be available 24 hours a day, 7 days a week.

3. Plans

This SOW identifies seven plans to be prepared by the Contractor, including a Contract Closeout and Turnover Plan, a Service Level Plan, a System Security Plan, a Disaster Recovery Plan, a Performance Management Plan, a Back-up and Recovery Plan, and a Service Continuity and Disaster Recovery Plan. These plans are to be succinct documents that outline procedures or identify metrics and thresholds, such as a level of service. These plans are subject to approval by WCI Inc.

4. Transition-Out Services

- a. The Contractor must work with WCI, Inc. and another vendor(s) selected by WCI, Inc., if applicable, at the conclusion of the Contract, to smoothly transition CITSS to another service provider, including training and knowledge transfer.
- b. The Contractor must provide a Contract Closeout and Turnover Plan that details the requirements of WCI, Inc. or another vendor to successfully take over services at the conclusion of the Contract. The Contract Closeout and Turnover Plan must include:
 - 1) Estimated number of transition hours.
 - 2) Technical requirements.
 - 3) System documentation.
 - 4) Security during transition.
 - 5) Data transition.
 - 6) Skill requirements.
- c. The Contract Closeout and Turnover Plan will be due to WCI, Inc. three (3) months prior to the expected termination of the Contract and must be approved by WCI, Inc.

5. Service Levels

Service Level Agreements will be negotiated as part of the Contract and documented in the Service Level Plan prepared by the Contractor. Service levels shall be defined to evaluate and monitor system operations and the overall delivery of services under this contract. Services levels will provide metrics for such things as server load(s), network performance, and system uptime. A draft Service Level Plan that recommends items to be monitored and service level expectations is required within 10 business days of execution of this contract or a mutually agreed upon date and must be approved by WCI, Inc. Service level metrics should be consistent with industry standards and best practices.

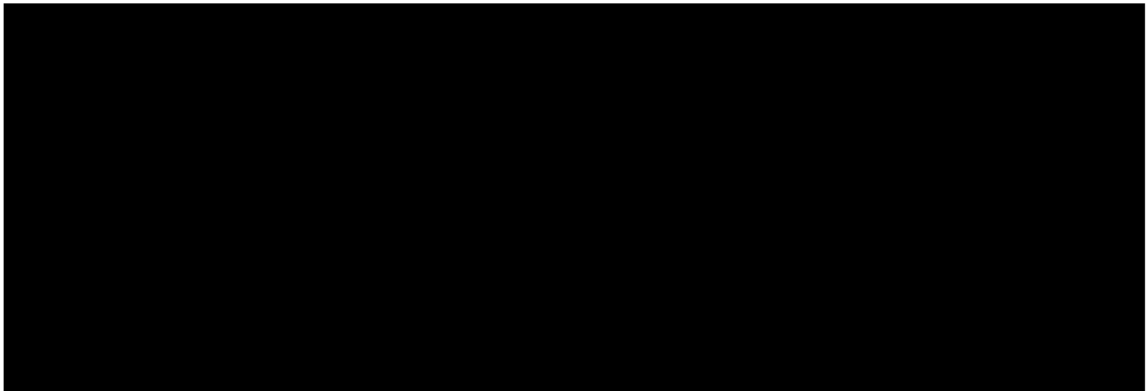
B. HOSTING SERVICES

The Contractor's hosting solution must comply with the following requirements.

1. General Hosting Services

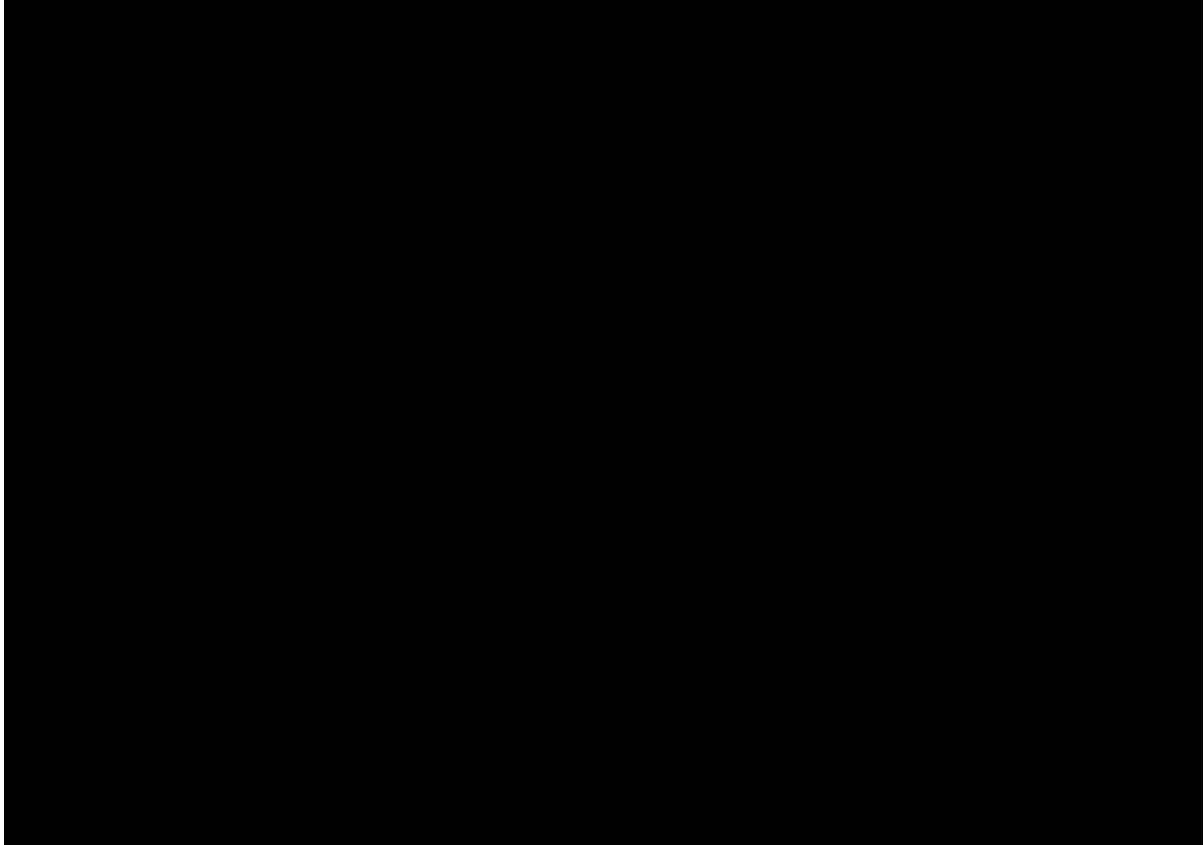
- a. The Contractor must provide all data processing resources, including system architecture, hardware, software, automation tools, and services necessary to meet the CITSS operating requirements.

- b. The Contractor must provide email capabilities that allow notifications from the CITSS to end users, administrators, and other appropriate parties.
- c. The Contractor must provide a CITSS production environment that will support all services described in this Scope of Work and satisfy all CITSS functional, non-functional, and performance requirements.
- d. The Contractor's solution must support the application and database environment specifications as described herein.
- e. The Contractor must provide a secure and managed architecture environment that adheres to the ANSI/TIA-942 concept of Tier 3 Hosting / Data Center.
- f. The Contractor must provide a nonproprietary "open" architecture that allows for the adding, upgrading, and replacement of components, and the addition of new technologies. The architecture shall transition to using Internet Protocol version 6 (IPv6) at a mutually agreed to date and support future protocols and services.
- g. The Contractor must ensure that all environments other than the production environment are logically isolated from production data.



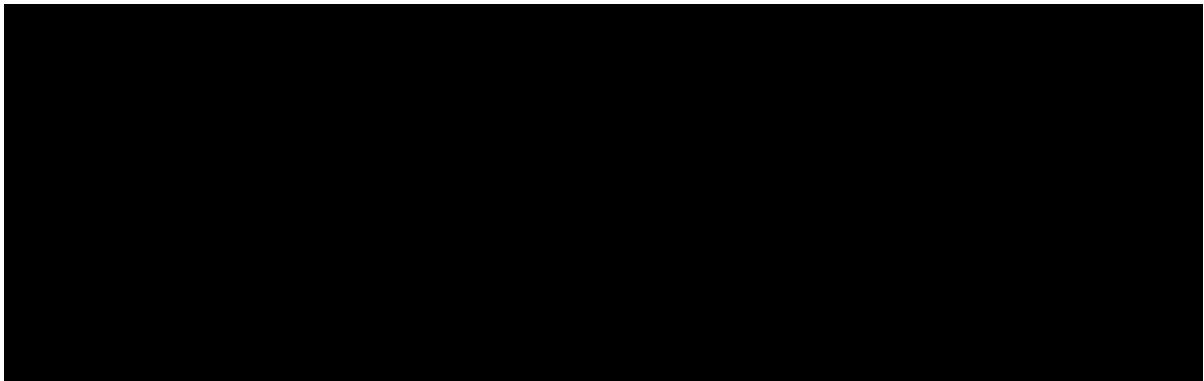
2. Architecture

The architecture solution must provide hosting at a Tier III or better data center located in North America. The hosting configuration will incorporate a proxy in front of the application server and a secured database behind the application server. The DMZ, Application, and Database servers must be protected by firewall rules that allow for the least access necessary for the functioning of the application. The solution must include replication to another server, creating a second data set that could in the event of primary system failure, provide restoration of the CITSS databases to their state of completion as of the last fully processed transaction. Application and database data must be backed-up to an offsite location no less frequently than nightly. The back-up shall support a Disaster Recovery Plan that is able to recreate the CITSS system.



Service availability provided will be consistent with a Tier III or better data center. In the event of a service interruption, the Contractor will restore services as quickly as possible to maintain the service availability standard. Restoration of CITSS services following a disruption of services resulting from a minor incident is expected within 48 hours or less. It is recognized that a major incident could require a longer time to restore systems.

The data center will provide staff availability 24 hours a day, 7 days a week, to assist in resolution of any interruptions of service.



Penetration testing will be performed by a third-party prior to deployment and at key CITSS deployment steps.

3. System Performance

a. Availability

The Contractor shall use all reasonable efforts to ensure the solution is available to system users within the parameters specified below.


- 1) The hosting solution should be available to users as much as reasonably practical, up to 24 hours a day. However, it may be necessary to schedule nightly or weekly down times for application maintenance. At a minimum, the application must be available no less than 18 hours per day, with any scheduled downtime between 1am and 7am EST.
- 2) The Contractor must broadcast notification of system downtime to internal and external stakeholders prior to making the CITSS unavailable. The Contractor and WCI, Inc. must agree on downtime periods and provide reasonable advanced notification to users.

b. Performance Monitoring, Measurement, and Reporting

Monitoring and reporting services are the activities associated with ongoing system health checks, status reporting, and problem management (ongoing surveillance, tracking, escalation, resolution, and tracking of problems) of application support activities. The Contractor shall propose means of measuring and reporting service levels, subject to the approval of WCI, Inc.

- 1) The Contractor must prepare and implement a Performance Management Plan approved by WCI, Inc. A draft Performance Management Plan must be submitted within 20 business days of execution of this contract or a mutually agreed upon date and must be approved by WCI, Inc. The plan must include performing the following:
 - a) The Contractor must analyze batch transactions after they occur and make recommendations to improve scalability of the CITSS application.
 - b) The Contractor must prepare a monthly Incident Report that identifies service incidents and resolutions

The Contractor must provide the capabilities for event logging for the purposes of auditing. This includes events generated by applications, databases, operating systems, application level firewalls, and proxies. [REDACTED]

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- c) The Contractor must provide performance and capacity measuring tools and must measure and demonstrate to WCI, Inc. that the services meet specified performance and capacity requirements. The results shall be provided to WCI, Inc. in a monthly Service Level Performance Report.
 - d) The Contractor must provide mutually agreed to reports to enable invoice reconciliation.

4. Backup and Recovery

- a. The Contractor must provide a backup and restore process for the CITSS databases that will be simple, certain, and not adversely impact the system availability requirements.
- b. The Contractor must use all reasonable efforts to ensure that backup of the CITSS does not require operator intervention at any CITSS site, with the exception of inserting a tape or other storage medium. The intent of this requirement is to ensure consistency and automation to the greatest extent possible to minimize errors or missed backups.
- c. The Contractor must provide a Backup and Recovery Plan for establishing back-up and recovery of systems and operations. A draft Backup and Recovery Plan must be submitted within 20 business days of execution of this contract or a mutually agreed upon date and must be approved by WCI, Inc.
 - 1) The Backup and Recovery Plan must document:
 - a) Back-up and recovery operations procedures.
 - b) A schedule of system and data backup routines to support the needs of data retrieval requirements and constraints.
 - c) Paths for responding to a disaster documenting contacts and order of contact and/or escalation.
 - d) Offsite backup of data must be performed no less than nightly.
 - 2) The Backup and Recovery process shall provide:
 - a) Restoration of databases to their state of completion as of the last fully processed transaction.
 - b) Restoration of internal databases to the state they were in before the failure.
 - c) Restart of communications and associated applications.

- d) Broadcast of a notification to all active devices that the CITSS is operational.

5. Data Archival

- a. The Contractor shall follow system archiving procedures to capture data to be archived to permanent storage media as required to maintain proper system functioning or as scheduled in the system operating procedures (whichever occurs first).
- b. The Contractor shall ensure to the greatest degree possible that archived media are properly logged and maintained and that archived data is viable and accessible throughout the required archive retention period for the data.

6. Service Continuity Management and Disaster Recovery

The Contractor shall establish, implement, document, and demonstrate a robust Service Continuity and Disaster Recovery Plan to ensure that agreed facilities, services, and resources can be restored to operational status within a mutually agreed upon period and level of availability in the event of a service interruption. A draft Service Continuity and Disaster Recovery Plan must be submitted within 20 business days of execution of this contract or a mutually agreed upon date and must be approved by WCI, Inc.

- a. The Contractor shall design the system to provide for a single point, forceful termination and resumption of services to limit the potential impact of fraud or other defined transgression.
- b. The Contractor or WCI, Inc. may immediately initiate forceful shutdown of the system upon detection of system attack, breach, fraud, or other significant transgression that could threaten the integrity of the application or cap-and-trade program.

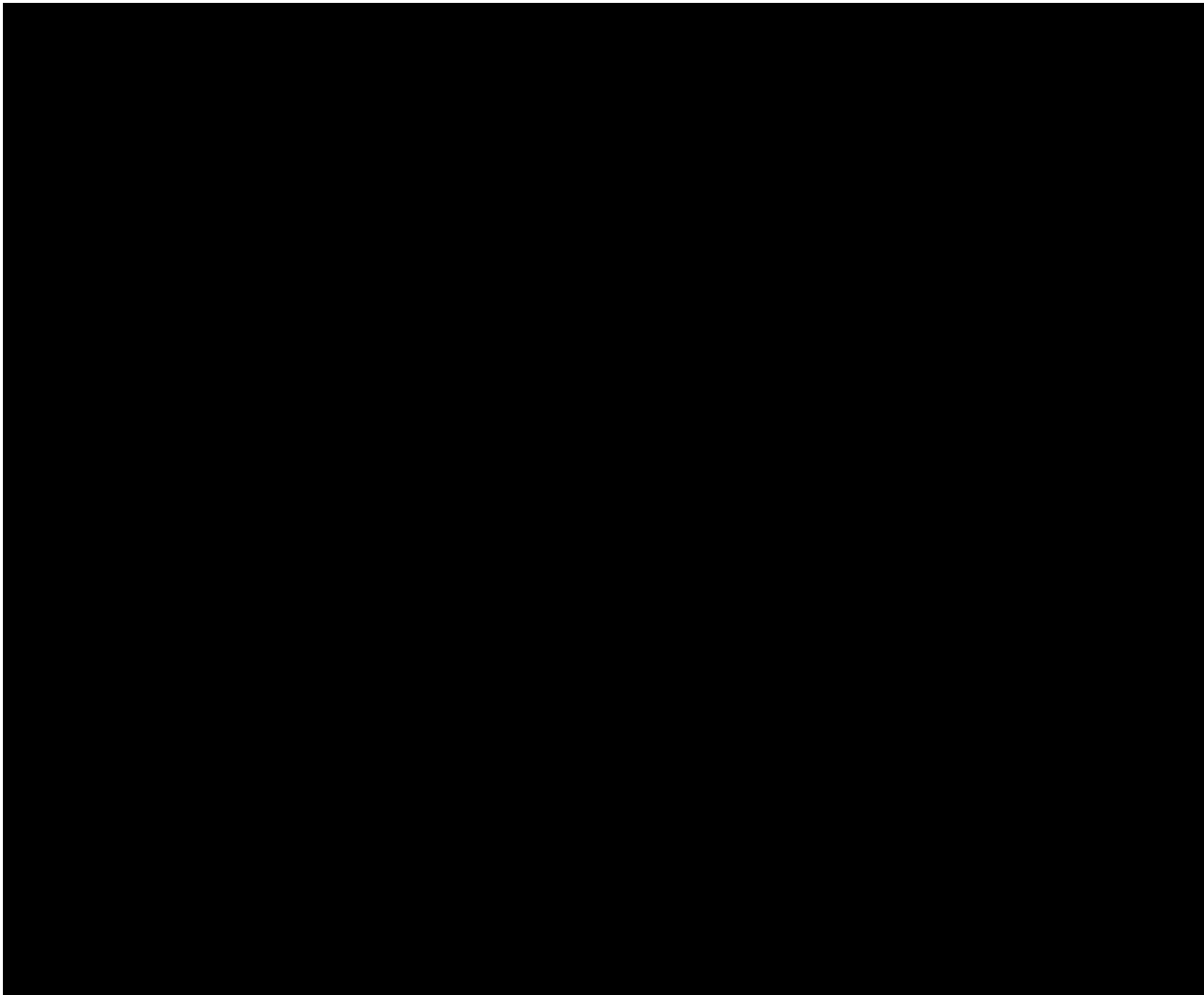
7. Maintenance

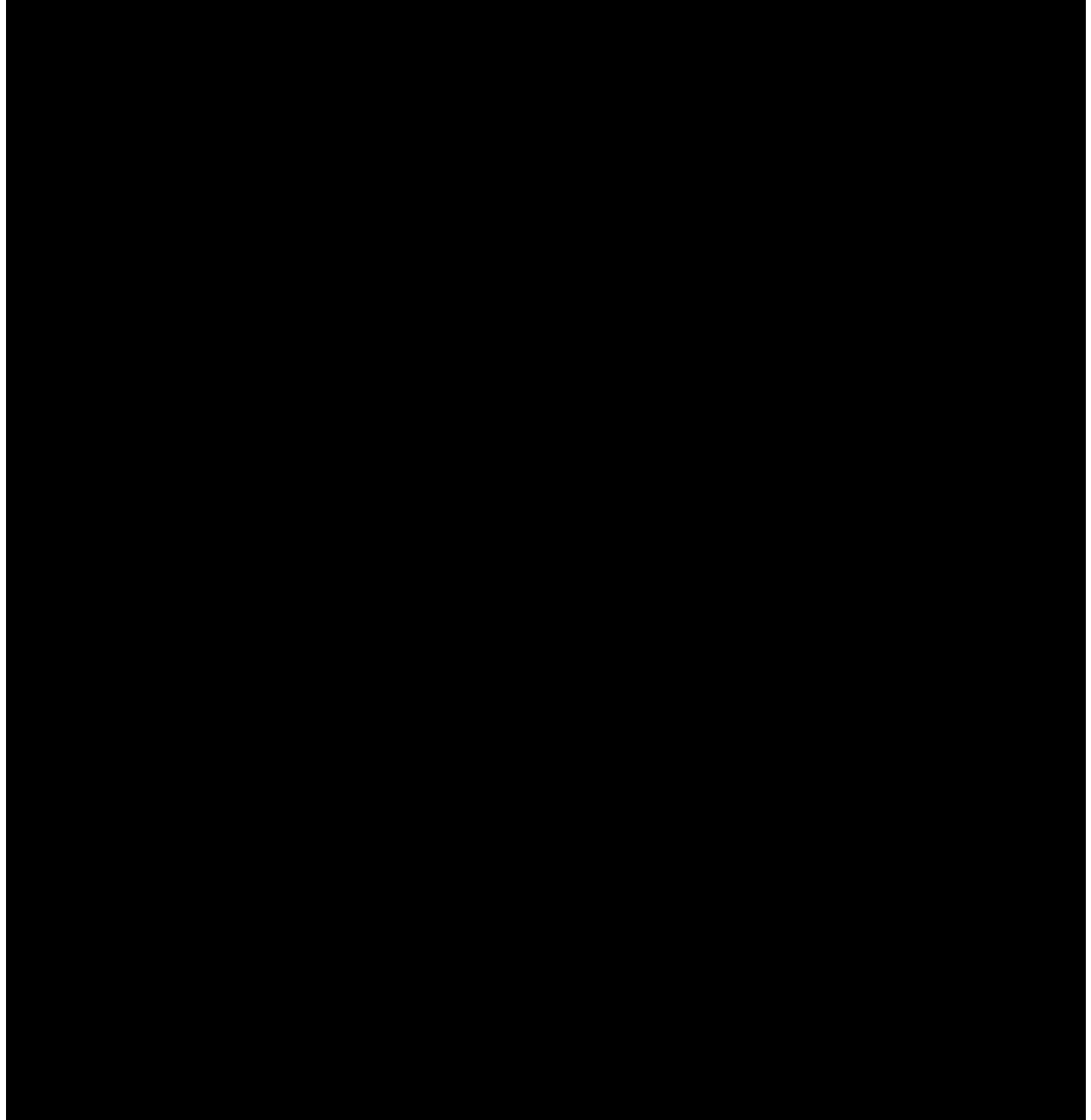
- a. The Contractor shall perform preventative maintenance to cover events, which if not addressed proactively, could impact applications in production. Preventative maintenance shall be an ongoing process and shall include such actions as routine cleaning and inspection of servers, monitoring and changing out equipment and components as they approach end of life, and maintaining facility infrastructure and environmental systems in good operating order.
- b. The Contractor must apply all updates and patches during scheduled maintenance windows as specified in the Service Level Agreement, depending upon scope and risk, to not negatively impact system availability.

- c. The Contractor shall perform maintenance activities to help ensure to the greatest degree possible that application performance is not affected by changes to interfacing applications, new applications or packages, and/or technical environment changes, which if not addressed proactively, could impact applications in production, such as:
 - 1) Upgrades of operating software.
 - 2) New/changed equipment.
 - 3) Interface changes.

C. SECURITY SERVICES

- 1. The Contractor must provide the services in conformance with industry standards and best practices for hardware, software, and network security commensurate with the sensitivity of the application and data (e.g. financial institution and banking industry practices).





D. JURISDICTION FUNCTIONALITY

Jurisdiction Functionality includes application development tasks to incorporate functionality for the Quebec regulation into CITSS, such as loading the French translation of system content, jurisdiction specific text and pages, and jurisdiction forms. This contract complements the existing contract between SRA and the U.S. EPA by providing funding for jurisdiction specific requirements.

The Contractor must integrate jurisdiction functionality into the CITSS consistent with programming standards and practices established by the existing U.S. EPA contract. To harmonize workload assignments, task priorities, and project development, integration of jurisdiction functionality will be coordinated with and subject to concurrence by the Technical Project Manager of the U.S. EPA contract.

ATTACHMENT B
BUDGET DETAIL AND PAYMENT PROVISIONS

A. Invoicing and Payment

1. For services satisfactorily rendered, and upon receipt and approval of the invoice, WCI, Inc. agrees to compensate the Contractor in accordance with the labor rates and incurred other direct costs (ODCs) specified in the proprietary Contractor's Cost Proposal, which is incorporated as Attachment G.. The maximum payable will not exceed the value identified in Standard agreement. Compensation refers to the consideration to be paid to Contractor for all of Contractor's services provided and costs incurred to fulfill its duties and obligations in connection with the Agreement.
2. All tasks shall be payable in arrears for each month of services or hour of labor worked and other direct costs incurred. ODCs shall be invoiced at SRA's Federally approved loading rate. Payment terms are NET 30.
3. Labor rates are valid for the first year of the contract. If an option year is exercised, Contractor reserves the right to adjust the labor rates. The hosting provider costs are subject to change at the renewal of the hosting agreement.
4. Costs for travel will be incurred and charged for on a cost-reimbursable basis, and only if duly authorized by the WCI, Inc. Project Manager. Any applicable general and administrative (G&A) or Material Handling costs will be applied in accordance with SRA's standard, disclosed accounting practices, at the prevailing DCAA-authorized rates. When traveling within the U.S., SRA will abide by U.S. Federal travel regulations and per diem rates per <http://www.gsa.gov/portal/category/21287>. When traveling outside of the U.S., SRA will abide by the per diem rates used by the State Department http://aoprals.state.gov/web920/per_diem.asp.
5. Invoices shall include the Agreement Number and summary of services performed for the amount invoiced. Invoices shall be submitted monthly in arrears. Each item in the invoice must correspond to labor rates identified in proprietary Attachment G. Invoices shall be submitted to the following address:

WCI, Inc.
P.O. Box 1796
Sacramento, CA 95812

B. Budget Detail

Not-to-Exceed T&M budget for this Agreement is [REDACTED]. This number is comprised of an estimated 840 hours and [REDACTED] for the Jurisdiction Functionality work plus 2,175 hours and [REDACTED] for the Service Management, Hosting and Security work discussed in Attachment A, Scope of Work. The second amount includes a total of [REDACTED] of direct costs for hosting provider, penetration testing, anti-virus software licenses, application lifecycle management tool, and phone expenses for on-call staff.

Deliverables and Acceptance Criteria:

Deliverable	Notes	Acceptance Criteria
Monthly Progress Reports	Monthly progress reports describing the work completed during the previous calendar month.	Confirmation of WCI, Inc. receipt.
Monthly Incident Report	Identifies service incidents and resolutions. This may be included as part of the monthly progress report.	Confirmation of WCI, Inc. receipt.
Monthly Service Level Performance Report	Reports the results of performance and capacity measurements relative to requirements. This may be included as part of the monthly progress report.	Confirmation of WCI, Inc. receipt.
Service Level and Performance Management Plan	Service levels shall be defined to evaluate and monitor system operations and the overall delivery of services under this contract. Due to overlap between the Service Level Plan and the Performance Management Plan as outlined in the description of services, these plans shall be combined.	Complete draft of materials delivered to WCI, Inc. and receipt is confirmed. Comments are received within 2 weeks of delivery, and addressed by SRA within 2 weeks of comment receipt.
Backup, Continuity, and Disaster Recovery Plan	Details the backup and recovery procedures, including the backup schedule. Due to overlap between the Backup and Recovery Plan and the Service Continuity and Disaster Recovery Plan as outlined in the description of services, these plans shall be combined.	Complete draft of materials delivered to WCI, Inc. and receipt is confirmed. Comments are received within 2 weeks of delivery, and addressed by SRA within 2 weeks of comment receipt.
System Security Plan	Documents hardware, software, controls, and other system infrastructure and design measures implemented to protect financial data.	Complete draft of materials delivered to WCI, Inc. and receipt is confirmed. Comments are received within 2 weeks of delivery, and addressed by SRA within 2 weeks of comment receipt.
Contract Closeout and Turnover Plan	Details the requirements of WCI, Inc. or another vendor to successfully take over services at the conclusion of the Contract.	Complete draft of materials delivered to WCI, Inc. and receipt is confirmed. Comments are received within 2 weeks of delivery, and addressed by SRA within 2 weeks of comment receipt.
Penetration Tests (x 3)	This plan anticipates three penetration tests corresponding to the three planned production releases.	Complete draft of Penetration Test report is delivered to WCI, Inc. and receipt is confirmed.
Production CITSS deployment (x 3)	This plan anticipates three production releases of CITSS.	CITSS release is successfully deployed into production.

**ATTACHMENT C
GENERAL TERMS AND CONDITIONS**

1. APPROVAL; AUTHORIZATION

The Agreement shall be of no force or effect until signed by both parties and approved by the Board of Directors of WCI, Inc., if required. Contractor may not commence performance until such written approval has been obtained. Contractor represents that the Agreement has been duly authorized by all necessary corporate action on the part of Contractor and that the officer signing the Agreement and any documents related thereto on behalf of Contractor possessed full authority to do so.

2. INSURANCE

Contractor shall, and shall cause any subcontractors to, carry and maintain in effect the insurance coverages set forth on Attachment E: Contract Insurance Requirements at all times while performing the Work, under policies providing that certificate holders be notified by the insurers upon cancellation or material alteration of the policies, or if any policies do not include such provisions, Contractor shall notify WCI, Inc. of the cancellation or material alteration of such policies within 5 days of learning of such impending cancellation or material alteration, and in no case later than the effective dates of such cancellation or alteration. At WCI, Inc.'s request, Contractor shall make available at Contractor's premises during normal business hours true copies of each policy for WCI, Inc.'s inspection. This availability for inspection does not provide WCI, Inc. the opportunity to retain copies. WCI, Inc. shall be named as an additional insured and certificate holder on all such insurance policies under a blanket additional insured endorsement and subrogation against WCI, Inc. shall be waived. Contractor shall pay any deductibles, and all insurance shall be primary, without right of contribution by any insurance carried by WCI, Inc. Contractor shall comply with all financial responsibility standards required by applicable law. Contractor shall provide WCI, Inc. with current insurance certificates evidencing these required terms and coverages within 10 days of commencing the Work.

3. SUBSTITUTION OF KEY PERSONNEL

Key Personnel is the Designated Service Manager. Key Personnel designated by Contractor pursuant to the Agreement may be changed with prior written approval of WCI, Inc.

4. PERFORMANCE

Contractor shall perform the Work safely, in accordance with the highest standard of care, skill, and diligence provided by a professional person or company in performance of work similar to the Work, and all Work shall be of good quality and free from faults and defects. Contractor shall perform the Work in accordance with the Work Schedule. Although the Work may be interrupted, altered, delayed, or accelerated due to a *force majeure* event as listed in Section 40 of these General

Terms and Conditions, the conduct of WCI, Inc.'s business operations, governmental regulation, or similar conditions, except as set forth in Section 5 of these General Terms and Conditions, no changes in the Work Schedule or Compensation shall be made as a result thereof.

5. CHANGE ORDERS

If either party proposes that changes be made in the Scope of Work or the Work Schedule, Contractor shall submit a written change order request with the complete description of the proposed change, a statement of cost, revised Work Schedule impact, and any other information requested by WCI, Inc. Contractor bears all risks of performing, and WCI, Inc. shall be under no obligation to pay for, any changed Work without prior written approval of WCI, Inc. of the changes, which approval may be given or withheld at WCI, Inc.'s sole discretion.

6. FULL UNDERSTANDING; AMENDMENT

The Agreement contains the full and complete understanding of the parties and supersedes all prior understandings or agreements on the subject matter hereof. The language contained in the Agreement shall prevail over any other language, including that of any proposal submitted by Contractor. WCI, Inc. reserves the right to amend the Agreement to allow for additional time and/or additional funding for performance. No amendment or variation of the terms of the Agreement shall be valid unless made in writing and signed by WCI, Inc. No oral understanding or agreement outside of the Agreement is binding on any of the parties.

7. ASSIGNMENT

Neither the Agreement nor any interest in the Agreement is assignable by Contractor, either in whole or in part, without the prior written consent of, and on such terms as may be approved by, WCI, Inc. in the form of a formal written amendment signed by Contractor, WCI, Inc. and Contractor's assignee.

8. AUDIT

If the Agreement allows for Contractor to be paid fees at an hourly rate or for Contractor to be paid or reimbursed for expenses, Contractor shall maintain time records and books of account, invoices, receipts and vouchers of expenses in support of these payments, in form and content reasonably satisfactory to WCI, Inc. Contractor agrees that WCI, Inc. or its designated representative shall have the right to review and to copy any of Contractor's records and supporting documentation pertaining to the performance of tasks that are paid on the basis of an hourly rate or reimbursed as expenses. 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) designated by WCI, Inc., the funding entity, and/or any of their duly authorized representatives 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 WCI, Inc., the funding entity, and/or any of their duly authorized representatives to audit records and interview staff in any subcontract related to performance of tasks that are paid on the basis of a daily or hourly rate or reimbursed as expenses. Contractor shall promptly reimburse WCI, Inc. for any expenditures judged by an audit conducted by any of the above to be not in compliance with the requirements in this Agreement. Contractor shall include the provisions of this paragraph in any subcontract executed in connection with the Agreement.

9. GRATUITIES

If WCI, Inc. finds that Contractor or any of Contractor's employees, agents, or subcontractors offered or gave gratuities (in the form of entertainment, gifts or otherwise) to any director, officer, employee or agent of WCI, Inc. or of any Participating Jurisdiction in any attempt to secure the Agreement or favorable treatment in awarding, amending or making any determinations related to the performance of the Agreement, WCI, Inc. may, by written notice to Contractor, terminate the Agreement, and pursue such other rights and remedies that the law or the Agreement provides.

10. INDEMNIFICATION

Contractor shall indemnify WCI, Inc., the Participating Jurisdictions, any funding entity, and their directors, officers employees and agents (the "Indemnified Parties") from and against any direct damages, excluding indirect, incidental, consequential, and punitive damages, incurred as a result of the negligence or misconduct of Contractor in performing its obligations under this Agreement, provided that the Indemnified Party seeking indemnification shall have given Contractor notice of any claim for indemnification promptly upon learning of such claim.

11. TERMINATION FOR CAUSE

If Contractor fails to perform the requirements of this Agreement at the time and in the manner herein provided, WCI, Inc. may notify Contractor in writing. If Contractor does not cure the failure within 15 days from the notice date, or if such failure is of such a nature that it cannot be cured within such 15-day period, if Contractor does not commence the cure within such 15-day period and promptly and diligently thereafter prosecute such cure to completion, WCI, Inc. may, upon an additional 5 days' written notice, terminate this Agreement and be relieved of any further obligation to make payments for Work performed after the termination date. In the event of such termination, WCI, Inc. has the right to any remaining Work for which it has paid before the termination date. In the event of such termination, the cost incurred by WCI, Inc. to take over and complete the Work on its own behalf, over and above the payments that would have been made to Contractor to complete the Work had there been no termination for cause, shall be deducted from any sums due Contractor under the Agreement, and the balance, if any, shall be paid to WCI, Inc. by Contractor upon demand.

12. INDEPENDENT CONTRACTOR

Contractor, and the agents and employees of Contractor, in the performance of the Agreement, shall act in an independent capacity and not as directors, officers, employees or agents of WCI, Inc. or the Participating Jurisdictions. Contractor is not entitled to receive employee benefits or insurance coverage including worker's compensation, disability insurance, Social Security, unemployment compensation coverage, or any other statutory benefit. Contractor will have the ability to obtain and maintain the required paperwork appropriate to perform the services required by the Agreement. Contractor will pay all the appropriate taxes on its compensation by WCI, Inc. and will indemnify WCI, Inc. for any unpaid tax obligations on fees paid to Contractor.

13. ACKNOWLEDGEMENT

The parties acknowledge that WCI, Inc. is not an agent of any Participating Jurisdiction or the collectivity of Participating Jurisdictions.

14. COMPENSATION

The consideration to be paid to Contractor, as provided in the Agreement, shall be in compensation for all of Contractor's expenses incurred in the performance hereof, including travel, per diem, and taxes, unless otherwise expressly provided to the contrary elsewhere in the Agreement.

15. UNENFORCEABLE PROVISIONS

If any provision of the Agreement is held by a court of competent jurisdiction to be invalid or unenforceable, then the remaining provisions of the Agreement will remain in full force and effect as if such invalid or unenforceable provision had never been included.

16. SETTLEMENT OF DISPUTES

A. In the event a dispute shall arise between Contractor and WCI, Inc., the dispute shall be arbitrated before three arbitrators, one to be selected by each party and the third to be selected by the other two selected arbitrators. Any such arbitration shall be held in California, and notwithstanding anything to the contrary set forth elsewhere in these General Terms and Conditions, this agreement to arbitrate shall be enforceable through a proceeding brought in any court of competent jurisdiction within the state of California. The arbitrators shall apply the substantive law of the state of Delaware, without regard to its Conflicts of Laws provisions. Arbitration may be conducted in accordance with the standard rules of the AAA Commercial Arbitration except that the arbitrators may not make any award not strictly in conformance with this Agreement. The decision of the arbitrators shall be final and conclusive upon the parties and may, notwithstanding anything to the contrary set forth elsewhere in these General Terms and Conditions, be entered and enforced in any court of competent jurisdiction within the state of California. In connection with any

proceeding brought in accordance with this Section 16 in the state of California, Contractor and WCI, Inc. waive any objection to such jurisdiction on the grounds of venue or forum non conveniens and any similar grounds, consent to service of process by mail or in any other manner permitted by law, and agree to be bound by any judgment rendered by any such court in connection with the Agreement.

- B. The existence of a dispute not fully resolved shall not delay Contractor in its performance of the Agreement. Contractor shall continue with its responsibilities under the Agreement, which shall not be affected by the dispute.

17. POTENTIAL SUBCONTRACTORS

Contractor shall not subcontract any of its obligations under the Agreement without prior written approval of WCI, Inc., which approval shall not be unreasonably withheld. Contractor shall require all subcontractors to comply with the obligations of Contractor in these General Terms and Conditions by incorporating the terms of these General Terms and Conditions into all subcontracts.

Nothing contained in the Agreement or otherwise shall create any contractual relation between WCI, Inc., any Participating Jurisdiction or other funding entity, on the one hand, and any subcontractors, on the other, and no subcontract shall relieve Contractor of its responsibilities and obligations under the Agreement. Contractor agrees to be as fully responsible to WCI, Inc. for the acts and omissions of its subcontractors and of persons employed by any of them in their performance of the subcontract as it is for the acts and omissions of persons directly employed by Contractor. Contractor's obligation to pay its subcontractors is an obligation independent from WCI, Inc.'s obligation to make payments to Contractor. As a result, WCI, Inc. shall have no obligation to pay or to enforce the payment of any moneys to any subcontractor.

18. STOP WORK ORDER

WCI, Inc. reserves the right to issue a written order to stop work in the event that a dispute should arise, or in the event that WCI, Inc. gives Contractor a notice that the Agreement will be terminated. The stop-work order will be in effect until WCI, Inc. sends a written order to resume work.

19. TERMINATION

- A. WCI, Inc. reserves the right to terminate the Agreement in its sole discretion at any time upon thirty (30) days' prior written notice to Contractor.
- B. In the case of early termination, Contractor shall submit an invoice and a report covering services to the termination date, following the invoice and progress report requirements of the Agreement. A copy and description of any data collected up to the termination date shall also be provided to WCI, Inc., along with all other materials required by the Agreement

- C. Upon receipt of such invoice, progress report, data and other materials, a final payment will be made to Contractor. This payment shall be for all WCI, Inc.-approved, actually incurred costs that in the opinion of WCI, Inc. are justified and conform to the requirements of the Agreement, and shall include labor and materials purchased or utilized (including all non-cancellable commitments) prior to the termination date, and pro rata indirect costs as specified in the Agreement.

20. COUNTERPARTS

The Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

21. PROGRESS PAYMENTS

To the extent not provided otherwise elsewhere in the Agreement, in computing the amount of any progress payment, WCI, Inc. shall determine what Contractor has earned during the period for which payment is being made on the basis of the Agreement terms, but shall retain out of such earnings an amount equal to 10 percent of the labor thereof. Contractor shall separately invoice for such withheld amount upon the completion of the Work, before the beginning of any option to extend the period of performance, or the earlier termination of this Agreement. Payment at this point may not be withheld for any reason other than as specified under Article 11, Termination for Cause.

22. FINAL PAYMENT

The acceptance by Contractor, or by anyone claiming by or through it, of final payment shall be and shall operate as a full and final release of the Indemnified Parties as to all claims by and all liability to Contractor for all things done or furnished in connection with the Agreement and for every act and neglect of the Indemnified Parties and others relating to or arising out of the Agreement, including claims arising out of breach of contract and claims based on claims of third persons.

23. COMPUTER SOFTWARE

Contractor certifies that it has appropriate systems and controls in place to ensure that WCI, Inc. funds will not be used in the performance of the Agreement for the acquisition, operation or maintenance of computer software in violation of copyright laws.

24. INTELLECTUAL PROPERTY

- A. As set forth in the Scope of Work, the CITSS application is being developed on the RIDGE™ software owned by SRA and subject to license restrictions. SRA retains the intellectual property rights to their platform and all future modifications to it commissioned by WCI, Inc. Source code created as jurisdiction functionality to the CITSS application will be the property of SRA.

- B. Except as set forth in the Scope of Work, the right to use all material, software, firmware, compositions of matter, manufactures, apparatus, appliances or processes required in connection with the Agreement and to which a patent, copyright or other intellectual property right applies or may apply shall be obtained by Contractor without separate or additional compensation whether the same is patented, copyrighted or otherwise protected as an intellectual property right before, during or after the performance of the Agreement.
- C. Contractor shall defend, indemnify, and hold WCI, Inc. harmless against all claims, losses, damages and expenses (including attorney fees) promptly upon the incurrance thereof resulting from any third party claim that the Contractor work product delivered under this Agreement infringes, misappropriates or otherwise violates a trademark, copyright or other third party's proprietary right. Notwithstanding the foregoing, Contractor shall have no obligation or liability with respect to any such claim or liability based upon (i) Contractor's work product that has been altered, modified or revised by anyone other than Contractor and such claim or liability would have been avoided but for the alteration, modification or revision; (ii) the combination, operation or use of Contractor work product with products not furnished by Contractor or set forth in the documentation when such combination is part of any allegedly infringing process; or (iii) use of the Contractor work product(s) in a manner not authorized in the documentation when such claim or liability would have been avoided but for such unauthorized use. WCI, Inc. shall promptly notify Contractor of any such claim. In addition to the obligations above, if Contractor work product becomes the subject of any third party claim, demand or allegation that the Contractor work product(s) infringes, misappropriates or otherwise violates any third party's patent, trademark, copyright, or other proprietary right, then Contractor, at its sole option, shall: (i) promptly obtain, at no expense to WCI, Inc., the right for WCI, Inc. to continue exercising all rights and licenses in such Contractor work product in accordance with the terms of this Agreement; or (ii) replace the subject Contractor work product with non-infringing and substantially equivalent work; or (iii) if the cost to obtain such rights or licenses, or the technical effort required to replace the infringing work product, is disproportionately great when compared with the cost and technical effort required to accomplish the Work pursuant to this Agreement, then Contractor may instead refund to WCI, Inc. all amounts paid with respect to the infringing work product. The foregoing states the entire liability of Contractor with respect to any claims subject to this Section.
- D. Except as set forth in the Scope of Work, Contractor agrees that all work product directly related to WCI, Inc.'s products, services or business, or containing WCI, Inc.'s proprietary or sensitive information, created hereunder by Contractor, its employees or any subcontractors it engages to perform work for WCI, Inc., shall become the absolute and exclusive property of WCI, Inc. (hereinafter "WCI, Inc. Intellectual Property") All such work product shall

automatically be deemed to become the property of WCI, Inc. immediately as soon as made or conceived. Contractor and its subcontractors agree to cooperate with and assist WCI, Inc. to apply for and to execute any applications and/or assignments reasonably necessary to obtain any patent, copyright, trademark, or other statutory protection for WCI, Inc. Intellectual Property. Contractor shall, and shall cause employees and contractors of Contractor to, promptly sign any and all lawful papers, take all lawful oaths and do all lawful acts, including giving testimony, upon request by WCI, Inc., in connection with any patent, trade name, trademark, service mark or copyright application or issued patent, or registered copyright or trademark and/or any divisions, continuations, renewals, re-examinations, reissues or the like of any of them. Such lawful papers include, but are not limited to, any and all declarations, powers, assignments, and other papers deemed by WCI, Inc. to be necessary or advisable in connection with the filing or prosecution of any patent, trademark, service mark or copyright application or in connection with the grant of any letters patent, trademark or service mark registration, or copyright registration, or in connection with the transfer of any rights to any invention, trademark, trade name, service mark, or copyright. Contractor agrees to keep and maintain adequate and current written records of the foregoing described in this paragraph and promptly to disclose to WCI, Inc. all WCI, Inc. Intellectual Property.

- E. WCI, Inc., at its discretion, may grant a nonexclusive and paid-up license to Contractor and its subcontractors to use said copyrightable materials or other intellectual property related to the WCI, Inc. Intellectual Property.
- F. Contractor and its subcontractors shall not disclose any of the WCI, Inc. Intellectual Property, or any portion thereof, to any other organization or person without the prior written consent of WCI, Inc.
- G. Contractor and its subcontractors shall not use the WCI, Inc. Intellectual Property, or any portion thereof, in any other work without the prior written consent of WCI, Inc., subject to any license granted in writing to Contractor by WCI, Inc.

25. RIGHTS IN DOCUMENTS, MATERIALS, AND DATA PRODUCED

All WCI, Inc. Intellectual Property including reports, drawings, studies, specifications, estimates, maps, computations and other data prepared by or for Contractor under the terms of the Agreement plus correspondence, computer programs and materials including books, magazines and periodicals and office material purchased under the Agreement and deemed WCI, Inc. Intellectual Property, shall be delivered to and shall become and remain the property of WCI, Inc. upon delivery to WCI, Inc. or termination or completion of the Work. WCI, Inc. shall have the right to use the same without restriction or limitation and without compensation to Contractor other than that provided for in the Agreement. Any document produced in whole or in part under the Agreement shall not be the

subject of an application for copyright by or on behalf of Contractor or its subcontractors. All reports, maps and other documents completed as a part of the Agreement shall bear on the title page of such report, map, or document, the following legend: *“Prepared by (Insert name of Contractor) for submission under Agreement with the Western Climate Initiative, Inc. The preparation of this (insert report, map or document, as appropriate) was financed in part by funds provided by (insert name of the funding agency, if applicable).”* The month and year in which the document was prepared shall also be shown.

26. CONFIDENTIALITY

Contractor acknowledges that the Confidential Information (as hereinafter defined) of WCI, Inc. has independent economic value, is not known to other persons who might profit from its use and is the subject of efforts by WCI, Inc. to maintain its secrecy that are reasonable under the circumstances. Contractor agrees to use such Confidential Information solely for the purposes permitted by the Agreement and further agrees not to, directly or indirectly, disclose to any other person any Confidential Information except to the extent expressly required by law or authorized by WCI, Inc. For the purposes of the Agreement, “Confidential Information” shall include any information so described elsewhere in the Agreement, all data stored or made accessible through the Compliance Instrument Tracking System Service, unless WCI, Inc. notifies Contractor in writing that such information is not confidential, any information identified as confidential in agreements entered into by WCI, Inc. with Participating Jurisdictions and identified elsewhere in the Agreement, and any of WCI, Inc.’s confidential, proprietary or trade secret information that is disclosed to Contractor or Contractor otherwise obtains in the course of its performance of the Agreement such as, but not limited to, information related to articles, electronic data, recordings, papers, bulletins, reports or other material reporting the plans, progress, analysis or results and findings of the Work, business plans, party lists, benefit plans, designs, pricing offered to or agreed upon by parties, commissions or commission structures, financial statements, software diagrams, flow charts, product plans and other items and information belonging to WCI, Inc., its personnel, customers and affiliates. Confidential Information shall not include any information: (i) that as of the time of receipt by Contractor is in the public domain or subsequently enters the public domain without breach of this Agreement by Contractor; (ii) that as of the time of receipt by Contractor, is already known to or in Contractor’s possession; (iii) is independently developed by or for Contractor as evidenced by Contractor’s own files and records; (iv) is received in good faith by Contractor from a third party that was lawfully in possession of the information; or (v) that the Parties mutually agree in writing to release from the terms of this Agreement. Contractor shall use all reasonable efforts to prevent any disclosure of Confidential Information by Contractor, its subcontractors, or its or their agents and employees. Contractor further agrees to not deliver, “reverse engineer,” reconstruct, reproduce or in any way allow such Confidential Information, knowledge, data or other information, or any documentation relating thereto to be

delivered or used by any third party without specific direction or consent of WCI, Inc. In addition, Contractor shall:

- A. Notify WCI, Inc. promptly and in writing of the circumstances surrounding any possession, use or knowledge of Confidential Information or any part thereof by any person other than those authorized by this paragraph.
- B. Ensure that Contractor's and all subcontractors' senior management with operating knowledge of the Work, and all employees, agents, and representatives working directly under this Agreement sign and submit to Contractor Attachment D: Individual Conflict of Interest and Confidentiality Statement. Contractor will then certify to WCI, Inc. as to the submission of such statements by all such required individuals, and will in addition sign and submit to WCI, Inc. Attachment D1: Conflict of Interest and Confidentiality Statement on its own behalf, and obtain and submit to WCI, Inc. Attachment D1: Conflict of Interest and Confidentiality Statement signed by each subcontractor.
- C. Adhere to all WCI, Inc. confidentiality and disclosure policies disclosed to Contractor in writing and, if directed by WCI, Inc., enter into agreements with Participating Jurisdictions related to the management, sharing, and disclosure of information.
- D. Treat all Confidential Information, Deliverables, and work products as Confidential Information in accordance with this Agreement. No Confidential Information, Deliverables, Work or Work products may be disclosed in any form to any third party without the written consent of the Executive Director of WCI, Inc. or his or her authorized agent, except when required by law or legal process. Contractor is authorized to maintain a copy of all information necessary to comply with its contractual obligations and applicable professional standards. If WCI, Inc.'s Executive Director or his or her authorized agent so requires, the following disclaimer must accompany all Confidential Information: *"Publication of this document shall not be construed as endorsement of the views expressed therein by the Western Climate Initiative, Western Climate Initiative, Inc. or any federal, state or provincial agency."*
- E. Not use, without WCI, Inc.'s written approval, any WCI, Inc. materials for any purpose other than performing the contracted services.
- F. Not remove any WCI, Inc. or Participating Jurisdiction equipment and/or data on any activities from WCI, Inc.'s secured environment without advance written approval from WCI, Inc.
- G. Upon full payment to Contractor, surrender all documents, property (whether in written or electronic form) and transportable recorded media of any kind belonging to WCI, Inc.'s or containing WCI, Inc. Confidential Information at the conclusion of the engagement, upon termination of the Agreement, or upon the written request of WCI, Inc.

- H. Upon confirmation of loss or theft, immediately report to WCI, Inc. any lost or stolen hardware and/or transportable-recorded media connected to the Work.
- I. Provide WCI, Inc. all pass phrases/passwords used as private keys to encrypt data used, produced or acquired in the course of performing duties under the Agreement.
- J. Make reasonable security arrangements to protect Confidential Information from unauthorized access, collection, use, disclosure, alteration or disposal.
- K. Not damage or harm WCI, Inc.'s reputation, goodwill and business relations with any person or entity, including but not limited to customers, official bodies, governmental agencies and WCI, Inc. employees.

27. CONFLICTS OF INTEREST

- A. Contractor must ensure that no conflicts of interest exist between the services required under the Agreement and services provided by Contractor to other clients or Contractor's other business operations.
- B. Contractor must not have any financial interests in the outcome of any services it provides under the Agreement except for fees for service under the Agreement.
- C. Contractor must have in place formal policies and procedures to identify and mitigate conflicts of interest and ensure that Contractor's organization, management and employees avoid financial interests and activities that potentially create conflicts of interest. Complete copies of all such formal policies and procedures shall be provided to WCI, Inc. prior to Contractor's commencement of Work under the Agreement.
- D. Contractor and its subcontractors must not be subject to any laws or regulations specific to any GHG reporting or cap-and-trade program in any WCI, Inc. Participating Jurisdiction. Contractor and its subcontractors must not be a beneficial owner of more than 5% of the voting interests of any entity subject to any of the provisions of any GHG reporting or cap-and-trade program in any WCI, Inc. Participating Jurisdiction. In addition, the Contractor and its subcontractors must not be a beneficial owner of more than 5% of the voting interests of any direct parent company, direct subsidiary or sister company of an entity subject to any of the provisions of any GHG reporting or cap-and-trade program in any WCI, Inc. Participating Jurisdiction.
- E. Contractor must ensure that its employees meet and comply with the requirements described in 27.A through 27.C above.
- F. Notwithstanding the foregoing, WCI, Inc. reserves the right to determine, at its sole discretion, whether information received from any source indicates the existence of an actual or potential conflict of interest. If WCI, Inc. determines that a conflict of interest exists, or that there is an unavoidable appearance of a conflict of interest that cannot be resolved to the satisfaction of WCI, Inc., such

determination shall be grounds for termination of the Agreement immediately for cause.

- G. Contractor agrees to advise WCI, Inc. if performing services for other clients could potentially interfere with Contractor's duties pursuant to this Agreement.

28. PUBLICITY

Neither Contractor nor any of its subcontractors shall issue or permit to be issued any press release, advertisement, or literature of any kind that refers to WCI, Inc. or the Participating Jurisdictions or the Work performed in connection with the Agreement without first obtaining the written approval of WCI, Inc. Such approval may be withheld for any reason.

29. NO CONFLICT

[Intentionally Left Blank]

30. COMPLIANCE WITH LAWS, SAFETY

Contractor shall give all necessary notices, secure all necessary permits, and comply with all applicable federal, state, provincial and local laws, ordinances, rules and regulations applicable to the Work including, without limitation, all nondiscrimination in employment, safety, health, and environmental laws, rules, and regulations.

31. NO VIOLATION OF OTHER AGREEMENTS OR COVENANTS

Contractor has not signed any other agreement, and has not accepted any obligation, that would interfere or conflict with its ability to fulfill its duties and obligations in connection with the Agreement. Contractor has not entered into and is not bound by any other restrictive covenants, laws, rules or regulations applicable to Contractor related to its duties and obligations in connection with the Agreement.

32. STATUS

Contractor has the power and authority to enter into and perform its obligations under this Agreement. To the best of Contractor's knowledge after due inquiry, Contractor's performance pursuant to this Agreement will not violate the legal or equitable rights of any third party.

33. RIGHTS AND REMEDIES

Contractor has no recourse against the Participating Jurisdictions, elected officials, commissioners, employees or agents of any Participating Jurisdiction or other funding entity for any claim, right or demand arising out of or related to the Agreement.

34. LIMITATION OF DAMAGES

Neither Party shall be liable for any indirect, incidental, or consequential damages arising out of or in connection with this Agreement or the performance of the Work, even if such party has been advised of the possibility of such damages. The

Contractor's maximum liability to WCI, Inc. arising for any reason relating to the Contractor's performance under this Agreement shall be limited to a sum equal to twice the amount of this Agreement.

35. THIRD PARTIES

The Parties agree that the California Air Resources Board (CARB) is an intended third-party beneficiary of this Agreement. Other than CARB, there are no other third party beneficiaries with any rights under this Agreement.

36. RESTRICTIONS ON CONTACT WITH WCI, INC. EMPLOYEES AND CONSULTANTS

Unless otherwise agreed to in writing, the parties hereto agree that during the term of this Agreement and for a period of one (1) year after the expiration or termination of this Agreement, neither party shall knowingly solicit for employment any person employed by the other working under this Agreement. This Article shall not restrict in any way the right of either party to solicit or recruit generally in the media, and shall not prohibit either party from hiring an employee of the other who answers any advertisement or who otherwise voluntarily applies for hire without having been personally solicited by the hiring party.

37. REMEDIES OF WCI, INC.

Contractor agrees that it would be impossible or inadequate to measure and calculate WCI, Inc.'s damages from a breach of Article 26 of this Agreement. Accordingly, Contractor agrees that if Contractor breaches or threatens to breach any of such covenants in such Article, WCI, Inc. will have available in addition to any other right or remedy available to it at law or in equity, the right to seek an injunction from a court of competent jurisdiction restraining such breach or threatened breach and ordering specific performance of any such provision of this Agreement. Contractor further agrees that no bond or other security shall be required in obtaining such equitable relief, and Contractor hereby consents to the issuance of such injunction and to the ordering of specific performance.

38. GOVERNING LAW; FORUM

This Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware without reference to its conflict-of-law principles. Contractor and WCI, Inc. consent to the exclusive jurisdiction of the federal and state courts of California, in connection with any action or proceeding arising out of the Agreement, or any document or instrument delivered in connection with the Agreement. Contractor and WCI, Inc. waive any objection to such jurisdiction on the grounds of venue or forum non conveniens and any similar grounds, consent to service of process by mail or in any other manner permitted by law, and agree to be bound by any judgment rendered by any such court in connection with the Agreement.

39. NOTICES

All notices or other communications required or to be given under the Agreement shall be given in writing and delivered personally or by certified mail, postage prepaid, return receipt requested, to the receiving party at the address set forth in the Agreement. Notice shall be deemed given on the date of delivery in the case of personal delivery, or on the delivery or refusal date as specified on the return receipt in the case of certified mail.

40. CONSTRUCTION; HEADINGS

The Agreement shall be construed neutrally and without regard to the party that drew it. Headings used in the Agreement are provided for convenience only and shall not be used to construe meaning or intent.

41. FORCE MAJEURE

Neither Contractor nor WCI, Inc. shall be responsible or liable for any failure or delay in the performance of its obligations under the Agreement arising out of or caused, directly or indirectly, by circumstances beyond its reasonable control, including without limitation, acts of God, earthquakes, fires, floods, wars, civil or military disturbances, sabotage, epidemics, riots, loss or malfunctions of utilities, computer (hardware or software) or communications service disruptions, labor disputes, acts of civil or military authority, or governmental, judicial or regulatory actions, or the unavailability of the Federal Reserve Bank wire or telex or other wire or communication facility that are beyond the Party's reasonable control and that prevent the Party from performing its obligations under the Agreement. Each Party shall notify the other of the occurrence of a *force majeure* event as soon as possible after learning of same.

42. PARTICIPATING JURISDICTIONS' POLICE POWER AND OTHER SOVEREIGN POWERS UNIMPAIRED

Notwithstanding any provision to the contrary elsewhere in this Agreement or these General Terms and Conditions, nothing in this Agreement or these General Terms and Conditions shall limit or otherwise impair in any respect any Participating Jurisdiction's future exercise of their police power or any other sovereign powers.

43. SURVIVAL

The provisions of Sections 8, 10, 15, 16, 24, 25, 26, 28, 33, 34, 35, 36, 37, 38, 39, 40, 42 and 43 hereof shall survive the expiration or termination of the Agreement.

ATTACHMENT D
INDIVIDUAL CONFLICT OF INTEREST AND CONFIDENTIALITY STATEMENT

I certify that I and any member of my immediate family (parents, siblings, spouse, children, or domestic partner) are not a partner, director, officer, key employee, or beneficial owner of more than 5% of the voting interests of any entity that is subject to any of the provisions of the greenhouse gas (GHG) reporting or cap-and-trade programs implemented by any of WCI, Inc. Participating Jurisdictions.

I certify that if I or any member of my immediate family becomes a partner, director, officer, or key employee or acquire beneficial ownership of more than 5% of the voting interests of any entity that is subject to any of the provisions of the GHG reporting or cap-and-trade programs implemented by any of WCI, Inc. Participating Jurisdictions, I will immediately disclose this information to SRA who will disclose this information to WCI, Inc.

I certify that I will not accept any gift, benefit, gratuity or consideration from anyone other than my employer, based on any understanding that it would influence my performance under this Agreement.

I certify that I will keep confidential and secure and will not copy, give, or otherwise disclose to any other person or entity who has not signed a copy of this conflict of interest and confidentiality statement, all appropriately marked or verbally deemed confidential information concerning the Project which I learn or acquire in the course of performing duties under this Agreement, and I will follow any instructions provided by WCI, Inc. Project Manager relating to the confidentiality of Project information. I understand that the information that must be kept confidential (“confidential information”) includes, but is not limited to:

- A. All data, analyses, specifications, requirements, concepts and discussions received from WCI, Inc. in the course of performing requirements under the Project.
- B. Any personally identifying information, proprietary process or sensitive, non-public market data.
- C. Any third-party confidential information included with, or incorporated in, information provided by WCI, Inc., or otherwise obtained in the course of performing requirements under the Project.
- D. Communications with WCI, Inc. staff, related to any of the requirements under the Project, including oral discussions, telephone conversations, emails, attachments, letters and faxes.
- E. All notes, data, analyses, compilations or reports prepared by Receiving Party that contain or are based upon confidential information.

I certify that I will not use confidential information, or any part thereof, in the performance of services or for the benefit of any person or entity, in any form, whether gratuitously or for valuable consideration, except as provided under the Project, without the prior written consent of WCI, Inc. I understand that SRA is authorized to disclose information pursuant to law or legal process.

I certify that if I leave this Project before it ends, or at the termination of the Project, I will return all confidential information and copies thereof in my possession or control to SRA, and I will not disclose such information or otherwise make it available, in any form or manner, to any other person or entity. I certify that I have read and understand this Conflict of Interest and Confidentiality Statement, including the requirements set forth therein related to conflict of interest, confidentiality and limitations on the use of confidential information.

I certify that I understand that any unauthorized disclosure of confidential information will be handled in accordance with Article 26 of this Agreement.

Date: _____
Signature: _____
Printed Name: _____
Title: _____
Organization: _____
Telephone No.: _____
Fax No.: _____
Email Address: _____

**ATTACHMENT D1
ORGANIZATION CONFLICT OF INTEREST AND CONFIDENTIALITY
STATEMENT**

I certify that SRA is not a beneficial owner of more than 5% of the voting interests of any entity that is subject to any of the provisions of the greenhouse gas (GHG) reporting or cap-and-trade programs implemented by any of WCI, Inc. Participating Jurisdictions.

I certify that if SRA acquires beneficial ownership of more than 5% of the voting interests of any entity that is subject to any of the provisions of the GHG reporting or cap-and-trade programs implemented by any of WCI, Inc. Participating Jurisdictions, I will immediately disclose this information to WCI, Inc.

I certify that SRA will not accept any gift, benefit, gratuity or consideration from anyone, based on any understanding that it would influence SRA's performance under this Agreement.

I certify that SRA will keep confidential and secure and will not copy, give, or otherwise disclose to any other person or entity who has not signed a copy of this conflict of interest and confidentiality statement, all appropriately marked or verbally deemed confidential information concerning the Project which SRA learns or acquires in the course of performing duties under this Agreement, and will follow any instructions provided by WCI, Inc. Project Manager relating to the confidentiality of Project information. SRA understands that the information that must be kept confidential ("confidential information") includes, but is not limited to:

- A. All data, analyses, specifications, requirements, concepts and discussions received from WCI, Inc. in the course of performing requirements under the Project.
- B. Any personally identifying information, proprietary process or sensitive, non-public market data.
- C. Any third-party confidential information included with, or incorporated in, information provided by WCI, Inc., or otherwise obtained in the course of performing requirements under the Project.
- D. Communications with WCI, Inc. staff, related to any of the requirements under the Project, including oral discussions, telephone conversations, emails, attachments, letters and faxes.
- E. All notes, data, analyses, compilations or reports prepared by Receiving Party that contain or are based upon confidential information.

I certify that SRA will not use confidential information, or any part thereof, in the performance of services or for the benefit of any person or entity, in any form, whether gratuitously or for valuable consideration, except as provided under the Project, without

the prior written consent of WCI, Inc. I understand that SRA is authorized to disclose information pursuant to law or legal process.

I certify that SRA understands that any unauthorized disclosure of confidential information will be handled in accordance with Article 26 of this Agreement.

Date: _____

Signature: _____

Printed Name: _____

Title: _____

Organization: _____

Telephone No.: _____

Fax No.: _____

Email Address: _____

ATTACHMENT E CONTRACT INSURANCE REQUIREMENTS

WCI, Inc. retains the right to increase insurance requirements when additional risk exposures are evident.

These requirements constitute the Contract Insurance requirements.

Throughout the life of this Contract, the Contractor shall pay for and maintain in full force and effect with an insurance company(s) (Company) rated not less than "A: VII" in Best Insurance Key Rating Guide, the following policies of insurance:

1. COMMERCIAL OR COMPREHENSIVE GENERAL LIABILITY insurance which shall include Contractual Liability, Products and Completed Operations coverages, Bodily Injury and Property Damage (including Fire Legal Liability) Liability insurance with combined single limits of not less than [REDACTED] per occurrence, and if written on an Aggregate basis, [REDACTED] Aggregate limit.
2. COMMERCIAL (BUSINESS) AUTOMOBILE LIABILITY insurance, for "any auto" with combined single limits of liability of not less than [REDACTED] each occurrence.
3. Professional Liability (Errors and Omissions): Insurance appropriate to the Contractor's profession, with limit no less than [REDACTED] per occurrence or claim, [REDACTED] aggregate
4. Cyber liability coverage: Insurance with limit no less than [REDACTED] per occurrence or claim, [REDACTED] aggregate that includes:
 - Security and privacy liability
 - Media liability
 - Business interruption and extra expense
 - Cyber extortion

The Policy(s) shall also provide the following:

1. The Commercial General Liability and Automobile Liability insurance shall be written on ISO approved occurrence form (see item 1 and 2 above) and name WCI, Inc., their officers, representatives, agents, employees and volunteers as additional insureds.
2. For any claims related to Contractor's negligence under this project, the Contractor's insurance coverage shall be primary insurance as respects WCI, Inc., their officers, representative, agents, employees and volunteers. Any coverage maintained by WCI, Inc. shall be excess of the Contractor's insurance and shall not contribute with it. Policy shall waive right of recovery (waiver of subrogation) against WCI, Inc.

3. Should any of the above-described policies be cancelled before the expiration date thereof, notice will be delivered in accordance with the provisions of Paragraph 2 of the General Terms and Conditions, Attachment C.
4. The Company shall furnish WCI, Inc. with the Certificates that include the blanket additional insured endorsement for all required insurance, within 10 days of commencing the Work.
5. Proper Address for Mailing Certificates that include the blanket additional insured endorsement and Notices shall be:

**WCI, Inc.
P.O. Box 1796
Sacramento, CA 95812**

6. Upon notification of receipt by WCI, Inc., of a Notice of Cancellation, major change, modification, or reduction in coverage, the Contractor shall file with WCI, Inc. in accordance with the policy an original certificate of insurance for such policy.

If at any time during the life of the Contract or any extension, the Contractor fails to maintain the required insurance in full force and effect, all work under the Contract shall be discontinued immediately, and all payments due or that may become due to the Contractor shall be withheld until acceptable replacement coverage notice is received by WCI, Inc. Any failure to maintain the required insurance shall be sufficient cause for WCI, Inc. to terminate this Contract.

If the Contractor should subcontract all or any portion of the work to be performed in this contract, the Contractor shall require each subcontractor to adhere to all subparagraphs of this Insurance Requirements Attachment.

ATTACHMENT F
CONTRACTOR'S FINAL TECHNICAL PROPOSAL

FINAL TECHNICAL PROPOSAL

INTERIM HOSTING AND JURISDICTION FUNCTIONALITY FOR THE COMPLIANCE INSTRUMENT TRACKING SYSTEM SERVICE (CITSS)

Submitted to:

Western Climate Initiative, Incorporated (WCI, Inc.)

Submitted by:



Honesty and Service®

SRA International, Inc.
4300 Fair Lakes Court
Fairfax, Virginia 22033

May 7, 2012

I. INTRODUCTION

SRA International, Inc. (SRA) is pleased to provide this proposal for the interim hosting and jurisdiction functionality for the Compliance Instrument Tracking System Service (CITSS). This proposal specifically covers work defined in coordination with WCI, Inc. and documented in Attachment A, Scope of Work. Both the technical and cost proposals included here assume that the CITSS interim hosting and jurisdiction functionality will occur as a parallel work stream to the CITSS development work occurring under the existing contract between SRA and the U.S. EPA with schedules synchronized in coordination with WCI, Inc., participating jurisdictions, EPA, and SRA to ensure that requirements are met on an acceptable schedule.

As the developer of CITSS, SRA is eager to continue our relationship with WCI, Inc. by supporting its objectives and timeframes. With extensive experience in developing and operating emissions unit registries, and strong engagement in the global effort to combat climate change through innovative mechanisms, SRA is an ideal partner for WCI, Inc. and the participating jurisdictions in this effort. This proposal provides SRA's best effort at designing a high-level approach to the work requested taking into consideration the timeframes included in the program.

II. APPROACH

SRA staff worked with WCI, Inc. and participating jurisdiction staff to understand the requirements related to the interim hosting and jurisdiction functionality, and to define the scope of requirements which would be included in this effort (Attachment A, Scope of Work).

III. TECHNICAL PROPOSAL

The following sections describe the proposed tasks. The associated cost proposal, along with relevant assumptions, is presented in Attachment G..

a. Overview

The CITSS interim hosting and jurisdiction functionality will focus on the following areas:

- Project Administration for the interim hosting and jurisdiction functionality
- Service Management
- Hosting
- Security
- Jurisdiction Functionality
 - Quebec user and account registration forms
 - Export labels for translation
 - Loading French translated labels and text

- Quebec identifiers, SCIAN code list
- Loading Quebec Registrar and Authority users
- English / French email language
- Loading Quebec CC and BCC email contacts
- Quebec baseline and budget
- Quebec jurisdiction accounts
- Quebec terms and conditions
- Loading Quebec entities

b. Timeframe

i. Start Date

SRA has assumed a start date of May 9, 2012. If this start date is delayed, the projected schedules must be adapted accordingly.

ii. Production Releases of CITSS

SRA has assumed that this work will include two production releases of CITSS. The Draft CITSS Sprint Schedule (dated April 16, 2012) proposes two releases to accommodate specific CITSS functionality – release 1: user registration and account registration (June 2012) and release 2: transfers (TBD). The specific content and timing of these releases will be coordinated between ARB and SRA as part of the application development work assignment.

Per discussions with participating jurisdictions, SRA has also included a third, unscheduled deployment and penetration test. This provides flexibility for any potential changes to the program schedule requiring an additional release and penetration test.

iii. Projected Schedules

The table below provides the projected schedule for executing the interim hosting work included in Attachment A.

This projected interim hosting schedule includes requirements captured in Attachment A for the initial hosting setup. This schedule assumes a start date of May 9, 2012. If this start date is delayed, the projected schedules must be adapted accordingly. This reflects our best effort to match with WCI, Inc.'s desired schedule for the first release as most recently communicated. It is important to note that many of the activities included in this schedule (e.g., penetration testing) are dependent upon completion of application development, including WCI, Inc. and participating jurisdiction tasks such as system content, translation, and acceptance testing.

Please note that this represents a projected possible schedule for the first release. Actual planning, done in coordination with SRA and WCI, Inc. staff, will take into account the most up to date information, including the CITSS development schedule.

Weeks		Possible Focus
1	May 14-May 20	Project initiation Develop skeleton of required plans
2-4	May 21-June 10	Build out infrastructure, including perimeter, network, servers, security, and backups Complete plans with details validated during build out
4-6	June 4- Jun 24	Deploy application and validate configurations Testing: internal, external, and penetration
7	Jun 25 – July 1	Remediation and mitigation Update plans, as necessary
8	July 2 – July 8	Go-live

The schedule for the hosting activities preceding the September deployment and a third unscheduled deployment will be developed later in conjunction with WCI, Inc.

ATTACHMENT G
CONTRACTOR'S FINAL COST PROPOSAL

FINAL COST PROPOSAL

INTERIM HOSTING AND JURISDICTION FUNCTIONALITY FOR THE COMPLIANCE INSTRUMENT TRACKING SYSTEM SERVICE (CITSS)

Submitted to:

Western Climate Initiative, Incorporated (WCI, Inc.)

Submitted by:



Honesty and Service®

SRA International, Inc.

4300 Fair Lakes Court
Fairfax, Virginia 22033

May 7, 2012

NOTICE OF RESTRICTIONS

This proposal or quotation includes confidential and proprietary data that shall not be disclosed outside of WCI, Inc. and shall not be duplicated, used, or disclosed -- in whole or in part— for any purpose other than to evaluate this proposal or quotation. The data subject to this restriction are contained in all sheets marked with the following legend: "Use or disclosure of data contained on this sheet is subject to the restriction on the title page of this proposal or quotation."

End of Contract

Justification for a Non-Competitive Procurement Process

**Interim Hosting and Jurisdiction Functionality for the
Compliance Instrument Tracking System Service (CITSS)**

May 7, 2012

Introduction 1

Description of Services..... 1

Steps taken to Procure the Services Using Competitive Procurement Procedures 2

Alternative Procurement Approach..... 2

Justification 3

Introduction

In support of its purpose to “provide technical and scientific advisory services” to its Participating jurisdictions, WCI, Inc. proposes to procure Interim Hosting and Jurisdictional Functionality services for the Compliance Instrument Tracking System Service (CITSS). The systems and related services have been defined to meet the specifications and requirements of the two Participating jurisdictions that are in the process of initiating their cap-and-trade programs: California and Quebec. This document summarizes the justification for procuring the services through a non-competitive procurement process.

Description of Services

The services being procured in the proposed contract include Hosting Services and Jurisdictional Functionality Services for CITSS.

Hosting Services include the hardware and software necessary to host the CITSS application and ancillary services and technology necessary to ensure CITSS is available at specified levels of service. The Hosting Services are specified to ensure the necessary level of security for the system, that hardware and software configuration, physical and cyber management and access policies, intrusion testing to ensure maintenance of a secure environment, and human resource, administrative, and management practices that ensure responsibilities are understood and records management is handled in accordance with high security protocols.

Jurisdiction Functionality Services include application development tasks to incorporate functionality for the Quebec regulation into CITSS, such as French translation, jurisdiction specific text and pages, and jurisdiction forms. This application development complements the CITSS development work being performed by SRA International Inc. (SRA) under contract to the U.S. EPA.

The Hosting Services and the Jurisdiction Functionality Services will be performed to support California's and Quebec's program initiation timeline. The Hosting Services are proposed to be provided through the one-year term of the contract.

Steps taken to Procure the Services Using Competitive Procurement Procedures

On January 17, 2012, WCI, Inc. released a Request for Proposals (RFP) for hosting, maintenance and help desk services for CITSS. The RFP included the Participating Jurisdictions' specifications for services that conform to their program requirements, including timelines for hosting CITSS and initiating other services. Proposals were due on February 14, 2012. No proposals were received in response to the RFP.

A survey of contractors who were known to be interested, but chose not to bid, identified a number of areas of concern. The RFP is being revised in order to attract competitive proposals. However, the revised RFP, and the selection of a contractor who may bid in response to the RFP, cannot be completed in time to satisfy the implementation timeline requirements of the Participating jurisdictions currently implementing their cap-and-trade programs. Consequently, an alternative procurement approach was performed to provide an interim solution until a fully competitive RFP process could be undertaken.

Alternative Procurement Approach

To provide the systems required by the Participating jurisdictions implementing cap-and-trade programs, the following approach was taken.

- **Timing:** The procurement was conducted to identify qualified contractors and identify from among them a contractor that can initiate work immediately and reliably meet a tight schedule for initiating the hosting of CITSS.
- **Interim Solution:** The procurement was defined as an interim solution that can provide services until the fully competitive procurement can be completed.
- **Scope:** The scope of work was narrowed to the items essential for the Participating jurisdictions' immediate needs to maintain their implementation timelines.
- **Qualifications:** Potential contractors were evaluated to assess their capabilities to provide the requested services reliably and cost effectively.

Discussions were held with three potential contractors:

SRA International (SRA): Under contract to USEPA, SRA is developing CITSS to provide functionality for the Participating jurisdictions' programs, including allocation, distribution and transfer of compliance instruments, and developing the interface to incorporate the results of the first auction. SRA holds the Intellectual property rights to RIDGE, which is the basis for the CITSS platform. SRA is currently providing CITSS hosting for the development and testing of CITSS. They are also a hosting provider to RGGI and other cap-and-trade program registries. SRA was selected by USEPA through a competitive process.

MARKIT: Under contract to ARB, MARKIT is developing the cap-and-trade program auction platform. MARKIT is knowledgeable regarding the Participating jurisdictions' program implementation requirements, and is working on integration issues regarding the auction platform and CITSS. MARKIT has demonstrated capabilities developing and hosting web based systems of the size and complexity of CITSS. MARKIT was selected by ARB through a competitive process.

ePark Labs: ePark Labs is a diversified business and technology company servicing the commercial aviation, financial services, and general business industries. ePark Labs offers technical integrations application development, and system management services. ePark Labs is not currently under contract to work on the jurisdictions' cap-and-trade programs, and is not familiar with CITSS requirements or the software.

Based on initial discussions with ePark Labs, it was clear that existing knowledge regarding CITSS and the jurisdictions' program requirements was essential for executing the project within the necessary timeline. Discussions with MARKIT and SRA demonstrated that both have extensive knowledge and capabilities needed for this project. However, SRA's current work with USEPA, and its experience hosting RIDGE-based systems, were compelling reasons for focusing on SRA as the provider for the interim hosting and jurisdictional functionality services. In particular, the tight timeframe required by the jurisdictions could only be accomplished reliably by SRA.

Additional discussions with SRA confirmed their interest in and availability for this work. A draft contract was prepared by WCI, Inc., in consultation with jurisdiction staff, and sent to SRA. Through discussions with SRA, the draft contract, including the Scope of Work, Terms and Conditions, Insurance Requirements, Cost, and Schedule, was revised and a complete contract was finalized on May 7, 2012.

During the process of developing the contract with SRA, the draft contract was reviewed by WCI, Inc. counsel. The draft contract was also presented to members of the WCI, Inc. Board for review and discussion. Based on Board direction, the discussions with SRA addressed specific issues regarding the rights of Participating jurisdictions in the contract. The final contract addresses the requirements of the Participating jurisdictions' cap-and-trade programs, and responds to the direction from the WCI, Inc. Board.

The cost proposal from SRA provides detail on expected labor and other direct costs necessary to perform the project. The mix of labor proposed for the project was reviewed and determined to be consistent with the requirements of the project, and in particular the tight timeframe required. The amount of labor was also found to be consistent with the needs of the project. The labor rates were reviewed and found to be comparable to rates for similar services based on the experience of jurisdiction staff providing input regarding the procurement. Overall, the SRA cost proposal was found to be well developed and competitively priced.

Justification

SRA is uniquely qualified to meet the timing, contracting and staffing resources necessary to achieve the objectives of the project. They singularly have the technical understanding of the CITSS program to assure the system is migrated from the development stage to the implementation stage, to provide temporary hosting services until the RFP for these services is reissued and a permanent host is identified through a competitive process, and to complete the additional development tasks required by Quebec.

Interim hosting by SRA also enables the transition to a long term host for CITSS to be performed when CITSS has been developed with full functionality. As a result, the procurement for long-term hosting services can be more competitive.

WCI, Inc.'s Procurement Policy (approved January 12, 2012) provides for non-competitive procurement in certain instances. In this case, the non-competitive procurement is justified based on:

“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.”

In this circumstance, SRA was selected by USEPA and they are uniquely qualified to complete the additional tasks related to tracking system development that Quebec requires. Additionally, their unique knowledge of RIDGE and CITSS obtained through their USEPA work, and their experience hosting similar RIDGE-based systems, makes SRA the sole contractor capable of providing interim hosting services during the testing and start-up phase of the project.