

CONTRACT AMENDMENT: 2016-02-001

Agreement number 2016-02 between Deutsche Bank National Trust Company (“DB”) and Western Climate Initiative, Inc. (“WCI, Inc.”), which was executed by the parties on October 19, 2016, is hereby further amended as follows:

SUMMARY OF CHANGES

Amendment Number	001
Effective Date for Amendment:	January 1, 2020
Current Agreement Amount:	██████████ (USD)
Changes to the Agreement Amount:	Net increase of ██████████ (USD)
Amended Maximum Agreement	██████████ (USD)
Current Agreement Term:	Beginning on October 16, 2016 and ending on January 31, 2020. (38 months extension with one (1) one (1) year mutually agreeable option to extend contract through January 31, 2021)
Extension of Tasks:	Financial services for auctions and reserve sales

PURPOSE OF THIS AMENDMENT

Extend the term of the contract so DB can provide continued financial and transactional escrow services to WCI, Inc. Participating Jurisdictions that are implementing cap-and-trade programs. Participating Jurisdictions currently include the Provinces of Quebec and Nova Scotia and the State of California.

SPECIFIC TERMS AND CONDITIONS WHICH CONSTITUTE THE AMENDMENT

The agreement referenced above is modified as follows:

- The term of the agreement is extended to January 31, 2021.
- The Contractor Project Representative is changed to ██████████
- Include the Province of Nova Scotia as a Participating Jurisdiction.
- Pre-auction/reserve sale escrow services for the Province of Nova Scotia shall be provided at a cost of ██████████ per event.
- Post-auction/reserve sale escrow services for the Province of Nova Scotia shall be provided at a cost of ██████████ per event.

EXPLANATION OF CHANGES

DB will continue to provide financial services for auctions and reserve sales to support jurisdiction cap-and-trade programs through January 31, 2021, including, but not limited to:

- Maintaining work plans and schedules;
- Maintaining processes and procedures for financial services for auctions and reserve sales;
- Provide pre-auction/reserve sale escrow services;

- Provide post auction/reserve sale escrow services;
- Providing consigning entity setup and payments;
- Maintaining a system security report;
- Providing service to new Participating Jurisdictions; and
- Optional transition out tasks as requested.

APPROVALS

This document and any attachments described herein constitute an amendment to the above numbered agreement. All provisions of that contract, except those which are explicitly changed by this amendment, shall remain in full force and effect. By signing, the Contractor and WCI, Inc. do hereby accept and approve this amendment.

Deutsche Bank National Trust Company

Signature on file

 Authorized Signature

 Name

12/05/2019

 Date

 Vice President

 Title

Authorized Signature
 Signature on file

 Name

Date
 12/05/2019

 Title
 Assistant Vice President

Western Climate Initiative, Inc.

Signature on file

 Authorized Signature

 Greg Tamblyn
 Name

11/6/2019

 Date

 Executive Director

 Title

Justification for a Contract Amendment to Contract 2016-02: Financial Services for Auctions and Reserve Sales

November 7, 2019

Introduction

Most of the administrative support provided by WCI, Inc. is highly specialized and has been developed through the use of contractors. In October 2016, the WCI, Inc. Board of Directors approved the agreement with Deutsche Bank National Trust Company (“DB”) to provide to provide transactional and escrow services to WCI, Inc. Participating Jurisdictions. The current agreement includes one (1) one (1) year option that can be executed by mutual agreement of WCI, Inc. and DB.

WCI, Inc. proposes to exercise the option and amend the current agreement to extend the agreement through January 31, 2021. No additional funding is needed to exercise the one (1) year option included in the current agreement.

Description of Services

The extension of the agreement will continue the work currently provided by DB including, but not limited to:

- Maintaining work plans and schedules;
- Maintaining processes and procedures for financial services for auctions and reserve sales;
- Provide pre-auction/reserve sale escrow services;
- Provide post auction/reserve sale escrow services;
- Providing consigning entity setup and payments;
- Maintaining a system security report;
- Providing service to new Participating Jurisdictions; and
- Optional transition out tasks as requested.

Procurement Approach

The competitive procurement process that resulted in the initial selection of DB to provide transactional and escrow services has been described previously and approved by the WCI, Inc. Board of Directors.

DB has demonstrated its qualifications to provide the services described above through its performance under the existing WCI, Inc. contract. This contract includes financial services needed by all Participating Jurisdictions.

A contract modification is being proposed as the procurement vehicle to retain these required services.

WCI, Inc. staff approached DB to confirm their interest in and availability to continue this work. The contract amendment with DB was developed by WCI, Inc. staff based on technical requirements provided by the Participating Jurisdictions.

No additional steps have been taken to tender ongoing market monitoring services.

Justification for a Non-Competitive Procurement

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

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

[Contractor's Presentation and Cost Proposal have been removed from the public document for business confidentiality reasons.]