MEMORANDUM OF UNDERSTANDING

Administration of Energy Efficiency and Conservation Block Grant funds by the San Joaquin Valley Unified Air Pollution Control District for the City of Hughson

This agreement is made this ____ day of _____, 2011, by and between the City of Hughson ("City") and the San Joaquin Valley Unified Air Pollution Control District ("SJVUAPCD").

Recitals

WHEREAS, the California Energy Commission ("CEC") administers the Energy Efficiency and Conservation Block Grant Program ("Program"), a program created by the Energy Independence and Security Act of 2007 ("EISA") and funded by the American Recovery and Reinvestment Act of 2009 ("ARRA"), for small cities and counties in the State of California for cost-effective energy efficiency activities and programs;

WHEREAS, the SJVUAPCD has partnered with the San Joaquin Valley Clean Energy Organization ("SJVCEO") to form the San Joaquin Valley Clean Energy Partnership ("Partnership") to assist small cities and counties in applying for and administering the Program; and

WHEREAS, the City was allocated $36,712 under Award Agreement CBG-09-135 ("Award Agreement") to implement certain identified projects; and

WHEREAS, the parties agreed the City would direct its allocation under the Award Agreement to SJVUAPCD and that the Partnership will implement the Program within the City.

Terms

NOW THEREFORE, in consideration of the terms and conditions set forth herein, the parties agree as follows:

1. PROJECT FUNDS

The allocation was specified in the Award Agreement as follows:

Total City Allocation: $36,712.00

Projects Non-Labor Allocation: $18,576.82

Maximum Labor Expense: $15,198.57

Amount held for Program administration (approximate): $2,936.61

To implement the following project(s):

Hughson Community Senior Center, 2307 4th St., 1970s

29 units -- 2-lamp F40 T12 to 2-lamp F32 RLO ballast

30 units -- 4-lamp F40 T12 to 3-lamp F32 RLO ballast

Hughson City Hall, 7018 Pine St., 1970s

27 units -- 2-lamp F40 T12 to 2-lamp F32 RLO ballast

15 units – 4-lamp F40 T12 to 3-lamp F32 RLO ballast

Hughson Corp Yard, 2301 1st St., 1970s

25 units -- 2-lamp F40 T12 to 2-lamp F32 RLO ballast

15 units – 4-lamp F40 T12 to 3-lamp F32 RLO ballast

Hughson Police Department, 7018 Pine St., 1970s

23 units – 2-lamp F40 T12 to 2-lamp F32 RLO ballast

10 units – 4-lamp F40 T12 to 3-lamp F32 RLO ballast

1 5-ton AC unit replacement

28 units – Occupancy sensors throughout city buildings

Street lights

25 units – HPS to induction

Traffic lights

4-way stop – Convert traffic lights to LED

2. PROGRAM IMPLEMENTATION

Upon receipt of Program funds awarded to the City, SJVUAPCD shall utilize the funds for Program implementation within the City and be responsible for any and all monitoring and reporting requirements associated with the Program. SJVUAPCD agrees to implement the City's local program in accordance with the applicable terms of the City Award Agreement. The SJVCEO shall be the Partnership's implementation agent for the collection of data and coordination of the projects' implementation.

The City, SJVUAPCD, SJVCEO and the Partnership, as applicable, agree to comply with all applicable requirements of the Award Agreement General Terms and Conditions which are incorporated herein by reference and are available on the web address: www.energy.ca.gov/recovery/documents/EXHIBIT-C_ARRA_Grant_T+C_EECBG.pdf

3. PERMITS

The City is responsible for proper permitting for applicable projects identified in the Award Agreement.

4. PROJECT BIDDING

The City will be offered multiple options for contracting work for energy efficiency projects. The City will work with the SJVCEO to establish the most effective process or processes to procure services. Available methods of procurement include one or more of the following:

1. Jurisdiction Procurement- The City will conduct its own bidding process and subcontractor selection using its standard procedures. RFP templates with Award Agreement requirements will be available for use. The Partnership will work to

provide any other assistance the jurisdiction requires.

2. Sole Source Selection- If necessary and eligible the City can choose to make a sole source selection of a contractor. If this option is chosen, justification must be submitted in written form for the CEC to review.
3. Assisted Procurement- The Partnership can provide assistance with the bidding and selection of a contractor if the resources are not available for the City to conduct the procurement themselves.
4. Job Order Contracting- The option is available to utilize a yet to be determined Job Order Contractor. The process will consist of the Partnership bidding and selecting a Contractor, followed by that contractor bidding out work to subcontractors to do the work. The selected Job Order Contractor will be responsible for all project procurement, reporting and wage submission.
5. PG&E Streetlight Program- For Jurisdictions with a portion of their work through the LED Streetlight Program; PG&E will be responsible for the bidding and reporting requirements associated with that portion of the project. However, PG&E will submit all invoices to the Jurisdiction.

Under the guidance of the Partnership all RFP's must require eligible bidders to meet the applicable requirements of ARRA and CEC funding including but not limited to Buy American, Davis Bacon Act, and Weekly Payroll Submission. To ensure all the applicable requirements are met, RFP's are subject to Partnership review and approval prior to release.

The Partnership will review winning bids as well to ensure subcontractor is eligible to compete for and receive Federal Funding. Per CEC requirements, the City is not permitted to let project work begin until there is notification from the CEC approving applicable subcontracts and wage determinations.

5. REPORTING

Concurrent with the submittal of any Program reports to the California Energy Commission, U.S. Department of Energy, or U.S. Office of Management and Budget, SJVUAPCD shall provide the City with such reports.

The City shall provide all necessary reports requested by the Partnership for reporting purposes in a timely manner. Such reports may include utility records 12 months prior to project

installation and 12 months after. Additional reporting requirements may include photographs, permits and additional proof of project installation.

6. REIMBURSEMENT

The City shall submit invoices from subcontractor to SJVCEO to ensure timely reimbursement. Invoices will be collected by SJVCEO staff and reviewed by SJVUAPCD before submitting the reimbursement request to the CEC. Following review and payment from the State Controller's Office, payment will be received by the SJVUAPCD and distributed to the Jurisdiction. The SJVUAPCD will pursue expedited reimbursement from CEC.

7. AUDITING

The SJVUAPCD shall reserve the right to perform audits to ensure the jurisdictions are accurately reporting project information and meeting all the necessary requirements of ARRA, the CEC and the SJVUAPCD. Upon written request, the City shall provide SJVUAPCD detailed documentation of all related expenses. The City shall also allow reasonable access to the records upon written request for three years as specified in the Award Agreement.

8. PAYMENT WITHOLDING

The SJVUAPCD reserves the right to withhold or if necessary deny payment if the expenditure is not deemed eligible. Examples may include, but are not limited to: City is not eligible to receive federal funds, City does not maintain current registration with the Central Contract Registration (CCR), Subcontractor is on Excluded Parties List, or the project cost incurred is not qualified for Energy Efficiency and Conservation Block Grant funding.

9. INDEMNIFICATION

The City agrees to indemnify, save, hold harmless, and, at SJVUAPCD's request, defend SJVUAPCD, its boards, committees, representatives, officers, agents, and employees from and against any and all costs and expenses (including reasonable attorneys' fees and litigation costs), damages, liabilities, claims, and losses (whether in contract, tort, or strict liability, including, but not limited to, personal injury, death, and property damage) occurring or resulting to SJVUAPCD which arises from any grossly negligent or wrongful acts or omissions of the City, its officers, agents, subcontractors, or employees in their performance of this Agreement.

SJVUAPCD agrees to indemnify, save, hold harmless, and at the City's requests, defend the City, its boards, committees, representatives, officers, agents, and employees from and

against any and all costs and expenses (including reasonable attorneys' fees and litigation costs), damages, liabilities, claims, and losses (whether in contract, tort, or strict liability, including , but not limited to, personal injury, death, and property damage) occurring or resulting to the City which arises from any negligent or wrongful acts or omissions of SJVUAPCD, its officers, agents, subcontractors, or employees in their performance of this Agreement.

10. RECORD RETENTION

The City shall maintain all applicable records for three years following the completion of the project to comply with the CEC requirements outlined in the Award Agreement. These records may include but are not limited to invoices, receipts and contracts.

11. TERMINATION

Either party may terminate this Agreement at any time upon giving the other party at least thirty (30) days advance written notice of intention to terminate.

12. AMENDMENT

This agreement may be amended upon the mutual written consent of both parties.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed on the date first written above.

PARTICIPANT	**DISTRICT**
City of Hughson	**San Joaquin Valley Unified Air Pollution Control District**
By:_____	
Approved as to legal form:	_____
By:_____	J. Steven Worthley
City Legal Counsel	Governing Board Chair
	By:_____
	Seyed Sadredin
	Executive Director/APCO
	Approved as to legal form:
	By:_____
	Philip M. Jay
	District Counsel
	Approved as to accounting form:
	By:_____
	Cindi Hamm
	Director of Administrative Services