

## TERMINATION, SETTLEMENT AND RELEASE AGREEMENT

This Termination, Settlement and Release Agreement (“Agreement”), dated as of June 14, 2016 (“Effective Date”) is made by and between Western Climate Initiative, Inc. (“WCI, Inc.”) and SRA International, Inc., A CSRA Company (“CSRA”). For purposes of this Agreement, WCI, Inc. and CSRA are sometimes referred to hereinafter individually as a “Party” and together as the “Parties”. Any terms not otherwise defined shall have the meaning set forth in the Contract (defined below).

### RECITALS

WHEREAS, WCI, Inc. and CSRA entered into that certain Auction and Reserve Sale Administrator Services contract, dated October 8, 2015 (“Contract”), for services to provide WCI, Inc. and auction and reserve sale platform;

WHEREAS, the Parties now desire to terminate their rights and obligations with respect to the Contract pursuant to the terms of this Agreement.

### AGREEMENT

NOW THEREFORE, in consideration of the agreements contained herein, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged by each Party, the Parties agree as follows:

1. Recitals Incorporated. The Recitals set forth herein above, are incorporated herein and made a material part hereof.
2. Termination of Relationship. The Parties agree that the Contract is hereby terminated for convenience effective as of the Effective Date (“Termination”).
3. Compensation. On the Effective Date, WCI, Inc. agrees to pay to CSRA the amount of \$181,861.33 for services rendered to, and approved by, WCI, Inc. (“Final Payment”). CSRA acknowledges and agrees that other than the Final Payment, all amounts due and owing to CSRA by WCI, Inc. under the Contract have been paid and it shall not be entitled to receive from WCI, Inc. any other payment or consideration under the terms of the Contract.
4. Survival. As of the Effective Date, neither Party shall have any further rights of obligations under or arising out of the Contract, except for those rights and obligations that survive the Termination pursuant Section 44 of Exhibit C of the Contract.
5. Release of Claims.
  - (a) Release of Claims. WCI, Inc. and CSRA each release and forever discharge one another, and all of their respective predecessors, successors, assigns, Participating Jurisdictions, parents, subsidiaries, divisions, affiliated and related entities, officers, directors, members, employees, shareholders, agents, partners, attorneys, insurance carriers and all persons acting by or through them or on their behalf or in concert with them, from any and all claims, demands, liens, agreements, contracts, covenants, actions, suits, causes of action, obligations, debts, expenses, attorneys’ fees and costs, damages, judgments, orders and liabilities of whatever kind or nature in

law, equity or otherwise, whether now known or unknown, suspected or unsuspected, and whether or not concealed or hidden (collectively, "Damages"), that arise from or relate to the Contract, except (i) as specifically set forth in Section 7 of this Agreement, (ii) any Damages arising from or related to a Party's breach of its obligations set forth in this Agreement, or (iii) any Damages incurred by a Party in enforcing the terms of this Agreement. For clarification purposes only this release of claims shall not apply to obligations between the Parties relating to other agreements entered into prior to or existing as of the Effective Date.

WCI, Inc. and CSRA each acknowledge that after executing this Agreement, they may discover facts in addition to or different from those which they now know or believe to exist with respect to the Contract, as well as to all known or unknown actions, demands, injuries, damages, and/or rights that either party may have against the other that arise from or pertain to the Contract and which, if known or suspected at the time of executing this Agreement, may have materially affected their decision to enter into it. Nevertheless, WCI, Inc. and CSRA each waive any right, claim, or cause of action that might arise as a result of such different or additional facts related to the Contract.

(b) Waiver of Civil Code Section 1542. Additionally, and to the fullest extent permitted under law, and only with regard to or arising out of the Contract, each of the Parties hereto, for itself and its successors, expressly waives the provisions of California Civil Code Section 1542, and any similar law, statute or policy. California Civil Code Section 1542 states as follows:

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR."

Each of the Parties understands and acknowledges the significance and consequences of this waiver of California Civil Code Section 1542 and confirms that it has either discussed or been given an opportunity to discuss such matters with counsel of that Party's choice. For clarification purposes only this waiver pursuant to California Civil Code Section 1542 shall not apply to obligations between the Parties relating to other agreements entered into prior to or existing as of the Effective Date

Each of the Parties further acknowledges that after executing this Agreement, they may discover facts in addition to or different from those which they now know or believe to exist with respect to the Contract, as well as to all known or unknown actions, demands, injuries, damages, and/or rights that either Party may have against the other that arise from or pertain to the Contract and which, if known or suspected at the time of executing this Agreement, may have materially affected their decision to enter into it. Nevertheless, each of the Parties waives any right, claim, or cause of action that might arise as a result of such different or additional facts.

6. No Admission of Liability. This Agreement and compliance with it shall not operate or be construed as an admission by either Party of any liability, misconduct or wrongdoing whatsoever against the other Party or any party released herein, and shall not be construed as an admission of a violation of the rights of any Party, or as a violation of any law, rule, regulation, or ordinance.

Each Party expressly denies and wrongdoing or liability to the other Party. Each Party has freely entered into this Agreement, and neither Party has relied upon any statements, promise, or representation from the other Party in entering into this Agreement.

7. Indemnity. CSRA shall indemnify, defend and hold harmless WCI, Inc., and its Participating Jurisdictions, officers, directors, agents and employees from any Damages arising out of or related to any claims brought against WCI, Inc. by any contractors or subcontractors of CSRA under the Contract.

8. Return of Confidential Information. CSRA and its contractors and subcontracts shall return or destroy all Confidential Information (as defined in the Contract) as required in Section 24(C) of the Contract.

9. Authority. Each person signing this Agreement on behalf of a Party represents and warrants that the execution and performance of this Agreement by such Party has been duly authorized by all necessary laws, resolutions, and corporate action, and this Agreement constitutes the valid, binding, and enforceable obligations of such Party in accordance with its terms.

10. Attorney's Fees. Each Party shall bear its own attorney's fees and costs in the negotiation of this Agreement. Should any action be instituted to enforce any provision of this Agreement, the prevailing Party shall be entitled to recover its costs and reasonable attorney's fees.

11. Successors and Assigns. This Agreement, and in particular the mutual releases contained in Section 5 above, shall be binding on the successors and assigns of each Party and shall be effective as of the date this Agreement is signed by both Parties.

12. Entire Agreement. This Agreement contains the entire agreement and understanding between the Parties with respect to the Contract, and it supersedes and replaces all prior negotiations, proposed agreements and agreements related to the Contract, and may not be amended, modified or changed in any manner without the written consent of each Party hereto.

13. Prior Review of this Agreement. Each Party acknowledges that this Agreement has been fully read, reviewed and understood by each Party.

14. Choice of Law. This Agreement shall be construed in accordance with the laws of the State of California without regard to its conflict of law provisions.

15. Venue and Jurisdiction. Any legal proceeding to enforce any provision of this Agreement or arising out of this Agreement must be brought against either Party in the California Superior Court for the County of Sacramento or the United States Court for the Eastern District of California, as applicable, and each Party consents to the jurisdiction of such courts and waives any objection to venue laid therein. Process may be served on either Party anywhere in the world.

16. Severability. If any provision of this Agreement is held to be invalid, void or unenforceable, the balance of the provisions will, nevertheless, remain in full force and effect and will in no way be affected, impaired, or invalidated.

17. Counterparts. This 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 original document.

18. General Interpretation. This Agreement shall be construed without regard to any presumption or rule requiring construction (i) against the Party causing all or any part of such instrument to be drafted, or (ii) in favor of the Party receiving a particular benefit under this Agreement.

19. Further Assurances. Each Party agrees to execute any additional instruments and take any further actions as may be reasonably necessary or convenient or as may be reasonably requested by the other Party in order to consummate and carry out this Agreement.

**PLEASE READ THIS DOCUMENT CAREFULLY. THIS SETTLEMENT AGREEMENT INCLUDES A WAIVER AND RELEASE OF ALL KNOWN AND UNKNOWN CLAIMS.**

**IN WITNESS WHEREOF**, the Parties hereto have executed this Agreement as of the Effective Date.

WESTERN CLIMATE INITIATIVE, INC.,

SRA INTERNATIONAL, INC.,

By: Signature on File\_\_\_\_\_

By: Signature on File\_\_\_\_\_

Its: \_\_\_\_\_

Its: \_\_\_\_\_

## **Justification of Competitive Procurement Process**

### **Auction and Reserve sale Administrative Services**

**October 8, 2015**

#### **Introduction**

In support of its purpose to “provide administrative and technical services” to its Participating Jurisdictions, WCI, Inc. proposes to procure Auction and Reserve Sale Administrative Services. The scope of work is based on and defined to meet the specifications and requirements of the Participating Jurisdictions that are implementing cap-and trade programs. This document summarizes the justification for procuring this work through a competitive procurement process.

In accordance with the WCI, Inc. Procurement Policy, WCI, Inc. staff, with the assistance and involvement of Participating Jurisdictions, developed and executed an open competitive process for procuring the Auction and Reserve Sale Administrative Services. The result of the procurement process is a unanimous recommendation that the contract be awarded to SRA International. No material deviations from the planned procurement process were required and the procurement was consistent with the WCI, Inc. Procurement Policy.

#### **Description of Auction and Reserve Sale Services**

The purpose of this work is to design, develop, test, conduct, and report Auction Services for jurisdiction-specific and multi-jurisdiction greenhouse gas (GHG) allowance auctions, as well as for jurisdiction-specific allowance sales from the California Allowance Price Containment Reserve and the Québec Allowance Reserve, as required by regulations governing the California Cap-and-Trade Program and Québec Cap-and-Trade System. Services being procured in the proposed WCI, Inc. contract include:

- Develop Final Work Plan and Schedule
- Design, Develop and Document Auction Tool and Services
- Auction Services Testing and Troubleshooting
- Develop Processes and Procedures for Auction and Reserve Sale Services
- Auction and Reserve Sale Set Up, Operations, and Reports
- Prepare a System Security Plan
- New Jurisdictions
- Transition Out
- Other Activities as Directed

## **Process for Procuring the Services Using a Competitive Procurement Process**

The process for soliciting and recommending a contractor was done in accordance with the WCI, Inc. Procurement Policy. The key solicitation and evaluation requirements of the policy are provided below:

To obtain the best value for the Corporation, the procurement process shall ensure open and effective opportunities for competition, including but not limited to the following:

- A. Conduct procurement in a transparent and fair manner.
- B. Provide equal access and timely and accurate procurement information to potential suppliers prior to and during the procurement process.
- C. Make procurement documents and related materials electronically and publicly available in a timely manner, with sufficient time prior to a bid or proposal due date, taking into consideration the complexity of the procurement.
- D. Ensure all bid documents contain the necessary information for proposers to prepare a bid.
- E. Ensure that procurement is conducted in a geographically neutral manner.
- F. Provide flexibility to ensure goods and services are obtained in a timely manner.

To further support obtaining best value and providing a stable procurement environment, the procurement evaluation process will include but is not limited to the following:

- A. Defining administrative bidding requirements that are clear and fair, and applying the requirements consistently to all bidders.
- B. Tailoring technical evaluation criteria and scoring methods to each procurement to obtain best value for the Corporation.
- C. Comprising the evaluation team with personnel that have the requisite technical expertise to evaluate the proposals effectively.
- D. Ensuring that the evaluation process is free of conflicts of interest.

## **Rationale for Recommending SRA International, Inc.**

The SRA proposal meets all the administrative and technical requirements of the RFP and scored higher than any other proposal received. In addition to the overall quality of the proposal, some specific factors that separated SRA's proposal from the other proposals include: demonstrated experience in successfully providing auction services in other markets; long-standing experience supporting emission trading programs; extensive capabilities developing and managing information technology-oriented solutions; extensive experience in the energy and carbon offsets industry; and an experienced project manager. The SRA proposal also contains certain cost management advantages, including a comprehensive risk management framework and a payment basis that scales responsively to the number of events actually held.



## **CONTRACT**

### **Auction and Reserve Sale Administrator Services**

October 8, 2015

# STANDARD AGREEMENT ("Agreement")

AGREEMENT NUMBER  
**2015-01**

1. This Agreement is entered into between Western Climate Initiative, Inc. ("WCI, Inc.") and the Contractor named below:

CONTRACTOR'S NAME  
**SRA International, Inc.**

2. The term of this Agreement is: **October 8, 2015 to January 31, 2021**

3. The maximum amount of this Agreement is: **\$3,380,571.10 (USD)**

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, Inc. Participating Jurisdictions or any of its funding entities.

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 and Cost Proposal

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

<b>CONTRACTOR</b>		<b>WCI, Inc. Use Only</b>
CONTRACTOR'S NAME (if other than an individual, state whether a corporation, partnership, etc.) <b>SRA International, Inc.</b>		
BY (Authorized Signature) <i>Catherine Garris, Signature on file</i>	DATE SIGNED (Do not type) <i>10/13/15</i>	
PRINTED NAME AND TITLE OF PERSON SIGNING		
ADDRESS <b>650 Peter Jefferson Pkwy, Suite 300, Charlottesville, VA 22911</b>		
<b>CONTRACTEE</b>		
CONTRACTEE'S NAME <b>Western Climate Initiative, Inc.</b>		
BY (Authorized Signature) <i>Greg Tamblyn, Signature on file</i>	DATE SIGNED (Do not type) <i>10/13/15</i>	
PRINTED NAME AND TITLE OF PERSON SIGNING		
ADDRESS <b>980 9<sup>th</sup> Street, Suite 1600, Sacramento, CA 95814</b>		



Contractor agrees, as part of the Agreement, to provide to WCI, Inc. the services described in the Agreement and the Attachments to the Agreement, including the services described in Attachment A, Scope of Work, and in Attachment F, Contractor's Technical and Cost Proposal, (all such services, collectively, the "Work" or the "Work Schedule").

This Agreement does not include optional contract extensions. The decision to exercise an extension is at the sole discretion of WCI, Inc. The scope of work of the extension shall be mutually agreed to by WCI, Inc. and the Contractor. The cost of the extension shall be mutually agreed to by WCI, Inc. and the Contractor based on the scope of work of the 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:

Western Climate Initiative, Inc.	Contractor: SRA International, Inc.
Name: Greg Tamblyn	Name: Lisa Citro
Phone: 916-449-9966	Phone: 434-951-2330
Fax: 916-446-7104	Fax: 434-296-2860
Email: gtamblyn@wci-inc.org	Email: lisa_citro@sra.com

Direct all administrative inquiries to:

Western Climate Initiative, Inc.	Contractor: SRA International, Inc.
Attention: Greg Tamblyn	Attention: Catherine Garris
Phone: 916-449-9966	Phone: 434-817-4145
Fax: 916-446-7104	Fax: 434-296-2860
Email: gtamblyn@wci-inc.org	Email: cate_garris@sra.com

## Table of Contents

<b>Purpose / Background / Overview .....</b>	<b>5</b>
A. Purpose.....	5
B. Background.....	5
C. Overview .....	5
<b>Attachment A: Scope of Work.....</b>	<b>6</b>
<b>Attachment B: Budget Detail and Payment Provisions.....</b>	<b>8</b>
A. Invoicing and Payment.....	8
B. Budget Detail .....	8
<b>Attachment C. General Terms and Conditions .....</b>	<b>9</b>
<b>Attachment D. Individual Conflict of Interest and Confidentiality Statement .....</b>	<b>28</b>
<b>Attachment D1. Organization Conflict of Interest and Confidentiality Statement .....</b>	<b>31</b>
<b>Attachment E. Contract Insurance Requirements .....</b>	<b>33</b>
<b>Attachment F. Contractor's Technical and Cost Proposal.....</b>	<b>35</b>

## **PURPOSE / BACKGROUND / OVERVIEW**

### **A. PURPOSE**

The purpose of this work is to design, develop, test, conduct, and report Auction Services for jurisdiction-specific and multi-jurisdiction greenhouse gas (GHG) allowance auctions, as well as for jurisdiction-specific allowance sales, as required by regulations governing the cap-and-trade programs of the Participating Jurisdictions.

### **B. BACKGROUND**

WCI, Inc. supports the Participating Jurisdictions in executing coordinated auctions of greenhouse gas emission allowances that conform to the Participating Jurisdictions' requirements. WCI, Inc. also supports the execution of reserve sales from the Participating Jurisdictions' programs.

### **C. OVERVIEW**

This Agreement provides for jurisdiction specific and multi-jurisdiction GHG allowance auctions, as well as for jurisdiction-specific sales. The scope of work in this Agreement includes: the development of a work plan and schedule; design, development and documentation of auction tools and services; testing and troubleshooting, developing processes and procedures; auction and reserve sale set up, operation and reports; preparation of a security plan, the addition of new jurisdictions, transition out at the end of the contract; and other activities as directed.

## **ATTACHMENT A: SCOPE OF WORK**

This Scope of Work covers nine (9) tasks. A brief description of each task is presented below:

**Task 1 – Develop Final Work Plan and Schedule.** Under this task the Contractor shall develop a Final Work Plan to reflect the final work schedule and task descriptions.

**Task 2 – Design, Develop, and Document Auction Tools and Services.** Under this task the Contractor shall develop the internet-based tools and related services to provide Auction Services. The Contractor will prepare design plans to guide the development of services necessary to administer auction and reserve sale events (events). Following approval of design plans by WCI, Inc. and the Participating Jurisdictions, the Contractor shall develop the internet-based tools and related services per the approved plans to support Participating Jurisdictions' ability to hold joint multi-jurisdiction auctions, jurisdiction-specific auctions, and jurisdiction-specific reserve sales. Currently, jurisdictions conducting auctions and reserve sales include California and Québec.

**Task 3 – Auction Services Testing and Troubleshooting.** Under this task the Contractor will conduct the necessary testing of the internet-based tools and services to ensure that Auction Services meet the needs of WCI, Inc. and the Participating Jurisdictions. The Contractor shall conduct unit, integration, and functional testing, as well as final quality assurance and regression testing. Additionally, the Contractor will conduct security vulnerability assessments and penetration testing as described in Task 6-Prepare a System Security Plan.

**Task 4 – Develop Processes and Procedures for Auction and Reserve Sale Services.** Under this task the Contractor shall prepare Processes and Procedures Documents that describe the steps and requirements needed to conduct multi-jurisdiction joint and jurisdiction-specific auctions and jurisdiction-specific reserve sales, and provide auditing data for all services provided.

**Task 5 – Auction and Reserve Sale Set Up, Operations, and Reports.** The Contractor shall implement the approved processes and procedures and utilize the approved final internet-based auction tools and services to establish and maintain Participant and Administrative Auction Services User accounts, set up events, conduct operations, determine settlement price and allowance awards, and complete reporting for auction and reserve sale events.

**Task 6 – Prepare a System Security Plan.** Under this task the Contractor shall prepare a System Security Plan describing the security approach for all proposed services and ensure compliance with the security process, practices, and requirements of the Participating Jurisdictions' codes and laws.

**Task 7 – New Jurisdictions.** The Contractor shall be prepared to update the Auction Services, materials, and procedures to accommodate the addition of new Participating Jurisdictions.

**Task 8 – Transition Out.** At the conclusion of the Agreement, if necessary, the Contractor will provide materials, documentation, and assistance to transition the Auction Services to a new selected contractor and to fully document activities completed during the course of the Agreement. The Contractor shall work with WCI, Inc. and the new contractor(s) selected by WCI, Inc. to transition the Auction Services, including training and knowledge transfer.

**Task 9 – Other Activities as Directed.** During the course of this contract, WCI, Inc. may request additional support directly related to this Scope of Work. The Contractor will undertake additional activities only when directed in writing by WCI, Inc.

## **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 Contractor's Technical and Cost Proposal, which is incorporated as Attachment F. The maximum payable will not exceed the value identified in the 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.

All tasks shall be payable in arrears for each month. Payment terms are NET 30.

Costs for travel will be incurred and charged for on a cost-reimbursable basis, at cost, and only if duly authorized in writing by the WCI, Inc. Project Manager. When traveling within the U.S., travel cost reimbursement must abide by U.S. Federal travel regulations and per diem rates published by the U.S. General Services Administration (<http://www.gsa.gov/portal/category/21287>). When traveling outside of the U.S., travel cost reimbursement must abide by the per diem rates used by the State Department ([http://aoprals.state.gov/web920/per\\_diem.asp](http://aoprals.state.gov/web920/per_diem.asp)).

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 costs identified in this attachment and Attachment F. Invoices shall be submitted to the following address:

**Western Climate Initiative, Inc.  
980 Ninth Street, Suite 1600  
Sacramento, CA 95814**

### **B. Budget Detail**

Not-to-exceed time and material budget for this agreement is \$3,380,571.10 (USD). See Attachment F-Contractor's Cost and Technical Proposal for invoice basis.

## **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 any such required written approval has been obtained. Contractor represents that the Agreement has been duly authorized by all necessary corporate or other action on the part of Contractor and that the officer or other person 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. Contractor shall provide WCI, Inc. with current insurance certificates evidencing these required coverages prior to commencing the Work, and shall give at least 30 days' advance written notice to WCI, Inc. of the cancellation or material alteration of such policies. At WCI, Inc.'s request, Contractor shall provide WCI, Inc. with evidence that the insurance coverages are being maintained. Contractor shall make available at Contractor's premises during normal business hours true copies of each insurance policy for inspection by WCI, Inc. or its representatives. WCI, Inc., each Participating Jurisdiction (as defined in Section 10 of these General Terms and Conditions), each funding entity and their respective directors, officers, representatives, agents, employees and volunteers shall be named as an additional insured and certificate holder on all such insurance policies 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 provided to Contractor by WCI, Inc. or any of the Participating Jurisdictions or otherwise required by applicable law.

#### **3. SUBSTITUTION OF KEY PERSONNEL**

Key Personnel includes Lisa Citro, Mike Lee, Erica Martunas, and Sean Perry. Key Personnel 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 the performance of work similar to the Work, and all Work shall be of good quality and free from faults and defects. Time is of the essence for the Agreement, and

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 41 of these General Terms and Conditions, the conduct of WCI, Inc.'s business operations, governmental regulation or similar conditions, except as set forth in Sections 5 or 6 of these General Terms and Conditions, no changes in the Work Schedule or any compensation or reimbursement to be paid to Contractor 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. may amend or vary the terms of the Agreement unilaterally, without the need for a change order under Section 5 of these General Terms and Conditions, to allow for additional time or additional funding for performance by providing Contractor with a copy of the applicable amendment or variation signed by WCI, Inc. No other amendment or variation of the terms of the Agreement shall be valid unless made in writing and signed by WCI, Inc. and Contractor. 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. AUDITS

- A. Financial Audit. If the Agreement allows for Contractor to be paid fees at a daily or 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 a daily or 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 required by WCI, Inc. Contractor agrees to allow the auditor(s) designated by WCI, Inc., any Participating Jurisdiction or any funding entity, and/or any of their respective 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., any Participating Jurisdiction or any funding entity, and/or any of their respective duly authorized representatives, to audit records and interview staff in any subcontract related to the 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 of the Agreement. Contractor shall include the provisions of this Section 8.A in any subcontract executed in connection with the Agreement. WCI, Inc. will provide no less than 10 business days' notice prior to performing a financial audit as provided for by this Section 8.A.

- B. Programmatic Audit. 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 through the Agreement to ensure compliance with the Agreement and with regulations governing the greenhouse gas (GHG) reporting or cap-and-trade programs implemented by WCI, Inc., any Participating Jurisdiction or any funding entity.

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 required by WCI, Inc. Contractor agrees to allow the auditor(s) designated by WCI, Inc., any Participating Jurisdiction or any funding entity, and/or any of their respective 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., any Participating Jurisdiction or any funding entity, and/or any of their respective duly authorized representatives, to audit records and interview staff in any subcontract related to the performance of tasks that are paid through the Agreement. Contractor shall include the provisions of this Section 8.B in any subcontract executed in connection with the Agreement. WCI, Inc. will provide no less than 10 business days' notice prior to performing a programmatic audit as provided for by this Section 8.B.

## 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 or of any funding entity 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

- A. To the fullest extent permitted by law, Contractor shall indemnify, defend and hold harmless (i) the provinces of British Columbia and Quebec, the State of California and any other governmental jurisdiction participating in the greenhouse gas (GHG) reporting or cap-and-trade programs administered by WCI, Inc. (together, the "Participating Jurisdictions"), (ii) WCI, Inc., (iii) any funding entity and (iv) the directors, officers, employees and agents of each of the foregoing (clauses (i) through (iv) together, the "Indemnified Parties") from and against any and all debts, losses, claims, damages, costs, expenses, demands, fines, judgments, contracts (implied and expressed, written and unwritten), penalties, obligations, payments and liabilities of every type and nature (whether known or unknown, fixed or contingent), including any costs and expenses of any pending or threatened lawsuit, action or proceeding (including attorneys' fees, out-of-pocket expenses and other costs and expenses incurred in investigating, preparing or defending any such pending or threatened lawsuit, action or proceeding, whether brought by a party to the Agreement or by any other person), (collectively, the "Losses") incurred, suffered or sustained by any Indemnified Party by reason of or in connection with (y) any act or omission or alleged act or omission by Contractor or any of its subcontractor or any of their respective direct or indirect employees, contractors, subcontractors, suppliers or laborers or by any other person, firm or entity furnishing or supplying services, materials or supplies to, for or on behalf of Contractor or any of its subcontractors in connection with the Agreement or (z) any breach or alleged breach of the Agreement by Contractor or any of its subcontractors, including any breach or alleged breach of any representation, warranty, acknowledgement or covenant contained in these General Terms and Conditions or otherwise in the Agreement.
- B. Within a reasonable time after an Indemnified Party obtains actual knowledge of any claim, action, suit or proceeding by a third party (an "Action") as to which recovery may be sought against Contractor pursuant to this Section 10 or Section 24 of these General Terms and Conditions, the Indemnified Party shall give written notice of such Action to the Contractor, which written notice may be provided by WCI, Inc. on its behalf and on behalf

of all other Indemnified Parties. Notwithstanding the foregoing, the right to indemnification under this Section 10 or Section 24 of these General Terms and Conditions shall not be affected by any failure or delay in giving such notice unless, and then only to the extent that, the rights and remedies of the Contractor have been materially prejudiced as a result of such failure or delay. If, within fifteen (15) days after such notice has been given, Contractor notifies the Indemnified Party of its election to defend any Action, then, except as described below, the Contractor may control the defense of such Action at its own expense through counsel reasonably satisfactory to the Indemnified Party, provided that the Indemnified Party may participate in such defense at its own expense but, in any event, Contractor will have the right to control such defense as long as it is actively defending such Action. Failure by Contractor to so notify the Indemnified Party shall be deemed a waiver by Contractor of its rights to defend such Action. In such event, the Indemnified Party may tender the defense to Contractor or, at the Indemnified Party's option, select counsel of its own choosing.

- C. The Indemnified Party can take over and assume control of the defense of an Action, or seek a settlement of any Action, if (i) Contractor has failed to accept the defense of, or to actively defend, the Action, (ii) in the Indemnified Party's reasonable judgment there is a conflict of interest between Contractor and the Indemnified Party in conducting the defense, (iii) the Action relates to or arises in connection with any criminal proceeding, action, indictment, allegation or investigation against Contractor, (iv) the Action seeks an injunction or equitable relief against an Indemnified Party or (v) Contractor fails to provide reasonable assurance to the Indemnified Party that it has the financial capacity to defend such Action. In any of the foregoing cases, Contractor will pay the fees and expenses of one (but no more than one) counsel to all Indemnified Parties.
- D. Except with the prior written consent of the Indemnified Party, Contractor shall not, in the defense of any Action, consent to the entry of any judgment (other than a judgment of dismissal on the merits without costs) or enter into any settlement which does not include as an unconditional term thereof the giving by the claimant or the plaintiff to the Indemnified Party of a release from all Losses in respect of such Action.
- E. Contractor shall not be responsible for any settlement entered into by the Indemnified Party without the prior written consent of Contractor, which consent shall not be unreasonably withheld.
- F. Within ten (10) days of the Indemnified Party's written request, Contractor shall reimburse the Indemnified Party for the amount of any judgment or settlement rendered with respect to any Action and for all Losses incurred by the Indemnified Party relating to such Action.

## 11. TERMINATION FOR CAUSE

- A. If Contractor fails to perform any of the requirements of this Agreement at the time and in the manner herein provided, including any failure to meet the performance standards set forth in Section 4 of these General Terms and Conditions, WCI, Inc. may notify Contractor in writing of such failure. If Contractor does not cure the failure within fifteen (15) days from the notice date, or if such failure is of such a nature that it cannot be cured within such fifteen (15) day period, and Contractor does not commence the cure within such fifteen (15) day period and complete such cure within an additional fifteen (15) day period, WCI, Inc. may, upon an additional five (5) days' written notice, terminate this Agreement and be relieved of any further obligation to make payments for Work performed after the termination date. Additionally, WCI, Inc. shall not be responsible for any additional fees, costs or expenses incurred by Contractor in connection with its efforts to cure any such failure unless WCI, Inc. has agreed to be so responsible in writing. In the event of any such termination, WCI, Inc. has the right to any remaining Work for which it has paid before the termination date. In the event of any 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.
- B. If WCI, Inc. fails to pay any amounts to Contractor under this Agreement when such amounts are due and payable, Contractor may notify WCI, Inc. in writing of such failure. If WCI, Inc. does not cure the failure within thirty (30) days from the notice date, Contractor may, upon an additional five (5) days' written notice, terminate this Agreement, with such termination to be effective ninety (90) days after WCI, Inc. has engaged another company to provide substantially similar services to WCI, Inc. as are provided by Contractor under this Agreement. In the event of such termination, WCI, Inc. has the right to any remaining Work for which it has paid before the effective date of such termination.

## 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 or any funding entity. 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 maintain control over its employees and its subcontractors and will comply with all tax withholding or contribution requirements, whether federal, state, local or foreign, applicable to its employees and subcontractors. 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 any of its funding entities or of any combination of Participating Jurisdictions or its funding entities.

### 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. All compensation shall be paid in accordance with WCI, Inc.'s policies and procedures with respect to the compensation and payment of contractor business expenses. WCI, Inc. shall not be responsible for any expense incurred by Contractor that is not in accordance with WCI, Inc.'s policies and procedures.

### 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. Notwithstanding the foregoing, if such invalid or unenforceable provision could be more narrowly drawn so as not to be invalid or unenforceable in such jurisdiction, it shall, as to such jurisdiction, be so narrowly drawn, without invalidating the remaining provisions of the Agreement or affecting the validity or enforceability of such provision in any other jurisdiction.

### 16. SETTLEMENT OF DISPUTES

- A. In the event a dispute shall arise between Contractor and WCI, Inc. and the parties have not been able to resolve the dispute in good faith within thirty (30) days of the existence of the dispute, 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 Sacramento, 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 California, without regard to its conflicts of laws provisions. Arbitration shall 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 or elsewhere. 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. Each party shall bear its own costs and expenses related to any arbitration, and the parties shall equally share the fees and expenses of the arbitrators and the arbitral body.

- 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 or delegate any of its obligations under the Agreement without prior written approval of WCI, Inc. 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 any funding entity, on the one hand, and any subcontractor, 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 any or all Work in the event that (i) a dispute should arise, (ii) WCI, Inc. receives a request to issue such an order from any Participating Jurisdiction or any funding entity or (iii) WCI, Inc. gives Contractor a notice that the Agreement will be terminated. The order to stop any or all Work will be in effect until WCI, Inc. sends a written order to resume the stopped 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 any 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's terms, but shall retain out of such earnings an amount equal to ten percent (10%) thereof, pending satisfactory completion of the Work to be performed within a calendar year quarter. However, if the Agreement consists of the performance of separate and distinct tasks, then, at the discretion of WCI, Inc., any funds so withheld with regard to a particular task may be paid upon completion of that task. A final invoice must be submitted by Contractor to WCI, Inc. and approved by WCI, Inc. to release the withheld funds.

## 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 or 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 patent or copyright laws or other intellectual property rights of any kind.

## 24. INTELLECTUAL PROPERTY

- A. Except as set forth in the Work Schedule and for the below described rights to use the Exchange (as hereinafter defined) for greenhouse gas (GHG) reporting or cap-and-trade programs implemented by WCI, Inc., any Participating Jurisdiction or any funding entity, 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.
- B. Contractor shall cause EnerNOC, Inc. ("EnerNOC") to deliver to WCI, Inc. prior to or contemporaneously with the execution of this Agreement a license, in form and substance reasonably acceptable to WCI, Inc., by which EnerNOC grants to WCI, Inc. and the representatives of the Participating Jurisdictions who shall have access to the Exchange, for the term of this Agreement, a fully-paid, royalty-free, non-exclusive, non-transferrable and non-sublicensable license to access and use EnerNOC's online procurement system and auction platform (the "Exchange") and related documentation solely for purposes of implementing, administering and conducting the greenhouse gas (GHG) reporting or cap-and-trade programs implemented by WCI, Inc., any Participating Jurisdiction or any funding entity. Such license shall remain in effect for the term of this Agreement and shall not terminate upon the termination of this Agreement unless agreed to in writing by WCI, Inc., Contractor and EnerNOC, such agreement shall not be unreasonably withheld. Except to the extent permitted by this Agreement, WCI, Inc. may not modify, copy, distribute, transmit, display, perform, reproduce, publish, license, reverse engineer, decompile, create derivative works from, transfer, or sell any software, products or services obtained from the Exchange.
- C. Contractor acknowledges and agrees, and shall cause EnerNOC to acknowledge and agree in writing to WCI, Inc. prior to the use of the Exchange, that all data and other information concerning the greenhouse gas (GHG) reporting or cap-and-trade programs implemented by WCI, Inc., any Participating Jurisdiction or any funding entity, including any information relating to bidding entities and their bids, which is entered or inputted into, used, stored, processed, compiled or analyzed by or created, produced or generated by the Exchange (i) shall be deemed to be confidential or proprietary information of WCI, Inc., any Participating Jurisdiction or any funding entity, as the case may be, (ii) shall be treated by Contractor and EnerNOC as Confidential Information of WCI, Inc. in accordance with this



Agreement, including Section 26 of these General Terms and Conditions, and (iii) shall be returned to WCI, Inc. or at WCI, Inc.'s direction at the conclusion of the engagement, upon termination of this Agreement or upon the written request of WCI, Inc. and, in connection with the return of such data and other information, an officer of Contractor and EnerNOC shall each certify in writing to WCI, Inc. that all such data and other information has been returned to WCI, Inc. and that no such data or other information has been retained by Contractor or EnerNOC.

- D. Contractor shall defend, indemnify and hold the Indemnified Parties harmless against all Losses promptly upon the incurrence thereof resulting from any third party claim that work product produced, used, created or delivered by Contractor, its employees or its subcontractors (including the Exchange), including any documentation associated with any work product and any work product which includes any third party content, under the Agreement (the "Contractor Work Product") infringes, misappropriates or otherwise violates a patent, 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 based upon: (i) Contractor Work Product that has been altered, modified or revised by anyone other than Contractor or any of its subcontractors 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 accompanying the Contractor Work Product when such combination, operation or use is part of any allegedly infringing process; or (iii) use of the Contractor Work Product in a manner not authorized in the documentation accompanying the Contractor Work Product when such claim or liability would have been avoided but for such unauthorized use. Contractor will promptly notify the Indemnified Parties of any such claim. In addition to the obligations above, if any Contractor Work Product becomes the subject of any third party claim, demand or allegation that the Contractor Work Product 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 the Agreement; or (ii) replace the subject Contractor Work Product with non-infringing and substantially equivalent work.
- E. Except as set forth in the Work Schedule and for the Exchange, Contractor agrees that all Contractor Work Product created, developed, conceived, made, invented or suggested during the term of the Agreement by or for Contractor, its employees or any of its subcontractors it engages to perform work for WCI, Inc. and relating generally to any matter or thing that may be connected with the Agreement or in any way with WCI, Inc.'s existing or contemplated products, services or business or containing WCI, Inc.'s

proprietary or sensitive information shall become the absolute and exclusive property of WCI, Inc., including (i) concepts, trademarks, slogans, works, ideas, designs, discoveries, inventions, improvements, advances, methods, practices, techniques, and developments and relationships with customers and prospective customers, (ii) reports, drawings, studies, specifications, estimates, maps, computations and other data and correspondence, (iii) software, computer programs and similar processes and (iv) materials, including books, magazines and periodicals and office material, purchased under the Agreement for WCI Inc., (collectively, the "WCI, Inc. Intellectual Property"). All WCI, Inc. Intellectual Property shall automatically be deemed to become the property of WCI, Inc. immediately when made or conceived. Contractor shall, and shall cause its subcontractors 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 any WCI, Inc. Intellectual Property. Contractor shall, and shall cause employees and subcontractors 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.

- F. WCI, Inc., at its discretion, may grant a nonexclusive and paid-up license to Contractor and its subcontractors to use any copyrightable materials or other intellectual property related to the WCI, Inc. Intellectual Property.
- G. 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.
- H. 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

Contractor shall deliver or cause the delivery to WCI, Inc. of all WCI, Inc. Intellectual Property as soon as practical and in any event no later than the termination or completion of the Work. WCI, Inc. shall have the right to use the WCI, Inc. Intellectual Property 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 by Contractor 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 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 in writing 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 or any additional or successor 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 or any funding entity and identified elsewhere in the Agreement, and any confidential, proprietary or trade secret information of WCI, Inc., any Participating Jurisdiction and any funding entity 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 the Agreement by Contractor; (ii) that, as of the time of receipt by Contractor, is already known to or in Contractor's possession other than as a result of an improper disclosure to

Contractor; (iii) is independently developed by or for Contractor without the use of any Confidential Information 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, and entitled to disclose, the information; or (v) that the parties mutually agree in writing to release from the terms of the Agreement. Contractor shall use best endeavors 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 in a manner other than as authorized by this Section 26.
- B. Ensure that Contractor's and all subcontractors' senior management with operating knowledge of the Work, and all of their respective employees, agents, and representatives working directly on the tasks provided for in the 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: Organization Conflict of Interest and Confidentiality Statement on its own behalf, and obtain and submit to WCI, Inc. Attachment D1: Organization 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 and funding entities related to the management, sharing, and disclosure of information. Contractor and any subcontractor in connection with the performance of the Agreement must make available for WCI, Inc.'s inspection all requested background information on staff performing the Work employed by the Contractor and any subcontractor.
- D. Treat all Confidential Information, Work and Contractor Work Product as Confidential Information in accordance with this Agreement. No Confidential Information, Work or Contractor Work Product 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 prepared by Contractor or prepared or provided by WCI, Inc. and copied or reproduced in any form by Contractor: "Publication of this document shall not be construed as endorsement of the views

expressed therein by 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 or any funding entity 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. 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 of Confidential Information in any form, immediately report to WCI, Inc. the occurrence of such loss or theft.
- 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. Use best practices to make security arrangements to protect Confidential Information from unauthorized access, collection, use, disclosure, alteration or disposal. Upon WCI, Inc.'s written request, Contractor shall provide a reasonably detailed report of the security arrangements it maintains to protect Confidential Information. WCI, Inc. or its representatives may conduct security inspections of such security arrangements upon reasonable notice to Contractor during normal business hours.
- 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.
- L. WCI, Inc. acknowledges that the confidential and propriety information and trade secrets of EnerNOC concerning the Exchange (the "EnerNOC Confidential Information") have independent economic value and that the EnerNOC Confidential Information is the subject of efforts by WCI, Inc. to maintain its secrecy that are reasonable under the circumstances. WCI, Inc. agrees to use the EnerNOC Confidential Information solely for the purposes permitted by this Agreement and further agrees not to, directly or indirectly, disclose to any other person any EnerNOC Confidential Information except to the extent (i) expressly required by law or legal process, (ii) necessary to enforce its legal rights under this Agreement or (iii) authorized by Contractor or EnerNOC.

## 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 greenhouse gas (GHG) reporting or cap-and-trade program implemented by WCI, Inc., any Participating Jurisdiction or any funding entity. 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 implemented by WCI, Inc., any Participating Jurisdiction or any funding entity. 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 implemented by WCI, Inc., any Participating Jurisdiction or any funding entity.
- E. Contractor must ensure that its employees and subcontractors meet and comply with the requirements described in Sections 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., WCI, Inc. may terminate the Agreement immediately upon written notice to Contractor.
- G. Contractor will 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., any Participating Jurisdiction or any funding entity 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 covenants, laws, rules or regulations that would restrict, impair or prevent the performance of its duties and obligations under the Agreement.

#### 32. STATUS

Contractor has the power and authority to enter into and perform its obligations under this Agreement. 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 or any funding entities or the elected officials, commissioners, employees or agents of any Participating Jurisdiction or funding entity for any claim, right or demand arising out of or related to the Agreement.

#### 34. LIMITATION OF DAMAGES

- A. WCI, Inc., its directors, officers, employees and agents and any other Indemnified Party shall not be liable for any special, indirect, incidental, or consequential damages, including economic damages such as lost profits, arising out of or in connection with the Agreement or the performance of the Work, regardless of whether any such person or entity has been told, has reason to know or, in fact, knows of the possibility of any such damages or whether any related claim sounds in tort, contract, breach of warranty or any other theory.
- B. Except as provided below, Contractor's liability for direct damages arising out of, related to or connected with this Agreement or the performance of the Work shall not exceed Ten Million Dollars (\$10,000,000.00) in the aggregate (the "Direct Damages Cap"), provided that, if such direct damages exceed the Direct Damages Cap, Contractor shall remain liable for the amount of any

reasonable legal fees or expenses incurred by WCI, Inc., any Participating Jurisdiction or any funding entity in connection with any such direct damages in excess of the Direct Damages Cap.

For purposes of this Agreement, direct damages shall include all costs and expenses related to (i) any repair or replacement of any Work, including any cost and expense relating to the development of an auction platform to replace the auction application developed in CITSS or the Exchange and (ii) any additional third party contractors retained in connection with any repair or replacement described in preceding clause (i).

Notwithstanding anything else to the contrary in this Agreement, Contractor's liability for direct damages arising out of, related to or connected with the following shall not be subject to any limit or cap: (i) any breach of Section 26 (Confidentiality) of these General Terms and Conditions by Contractor or any subcontractor or any unauthorized release of non-public, confidential or proprietary information made, permitted or not prevented by Contractor or EnerNOC or any other subcontractor of Contractor, including any unauthorized release of any Confidential Information; (ii) any third party claim made against WCI, Inc., any Participating Jurisdiction or any funding entity with respect to any intellectual property or work product related to this Agreement or the Work, including the Contractor Work Product, and (iii) any act or omission of Contractor or any subcontractor constituting negligence, willful misconduct or fraud.

- C. Except as provided below, Contractor's liability for special, indirect, incidental or consequential damages, including economic damages such as lost profits, (the "Indirect Damages") directly or indirectly arising out of, related to or connected with this Agreement or the performance of the Work shall not exceed Ten Million Dollars (\$10,000,000.00) in the aggregate (the "Indirect Damages Cap"), provided that, if such Indirect Damages exceed the Indirect Damages Cap, Contractor shall remain liable for the amount of any reasonable legal fees or expenses incurred by WCI, Inc., any Participating Jurisdiction or any funding entity in connection with any such Indirect Damages in excess of the Indirect Damages Cap.

Notwithstanding anything else to the contrary in this Agreement, Contractor's liability for Indirect Damages arising out of, related to or connected with the following shall not be subject to any limit or cap: (i) any breach of Section 26 (Confidentiality) of these General Terms and Conditions by Contractor or any subcontractor or any unauthorized release of non-public, confidential or proprietary information made, permitted or not prevented by Contractor or EnerNOC or any other subcontractor of Contractor, including any unauthorized release of any Confidential Information; (ii) any third party claim made against WCI, Inc., any Participating Jurisdiction or any funding entity with respect to any intellectual property or work product related to this Agreement or the Work, including the Contractor Work Product, and (iii) any



act or omission of Contractor or any subcontractor constituting negligence, willful misconduct or fraud.

### 35. THIRD PARTIES

The parties agree that the Participating Jurisdictions and any funding entity are intended third-party beneficiaries of the Agreement. Other than the Participating Jurisdictions and any funding entity, there are no other third party beneficiaries with any rights under the 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 Section 36 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 the covenants of the Agreement. Accordingly, Contractor agrees that if Contractor breaches or threatens to breach any of such covenants in the Agreement, 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 California without reference to its conflict-of-law principles. Subject to the requirements of Section 16 of these General Terms and Conditions, 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 nationally recognized overnight courier 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, on the date of delivery or refusal of delivery in the case of delivery by overnight courier or on the delivery or refusal date as specified on the return receipt in the case of certified mail.

### 40. CONSTRUCTION

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. Where the context allows, the word “including” shall mean “including without limitation.” The word “or” not exclusive.

### 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, governmental, judicial or regulatory actions, or the unavailability of the Federal Reserve Bank wire or telex or other wire or communication facility. Each party shall notify the other of the occurrence of a *force majeure* event as soon as possible after learning of same, and any notifying party shall resume or begin the performance of any delayed or unperformed obligations as soon as reasonably practicable after the end of the *force majeure* event.

### 42. PARTICIPATING JURISDICTIONS' AND FUNDING ENTITIES' 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 or any funding entity's future exercise of their police power or any other sovereign powers.

### 43. WAIVER

Each party may extend or waive compliance with any of the agreements of the other party or conditions to such other party's obligations contained in the Agreement. Any such extension or waiver shall be valid only if set forth in a writing signed by the party to be bound thereby. Any waiver of any term or condition of the Agreement shall not be construed as a subsequent waiver of the same term or condition or a

waiver of any other term or condition of this Agreement. The delay or failure of any party to assert any of its rights under the Agreement shall not constitute a waiver of any such rights or in any way affect the validity of such rights. All rights and remedies existing under this Agreement are cumulative to, and not exclusive of, any rights or remedies otherwise available.

#### 44. SURVIVAL

The provisions of Sections 8, 10, 15, 16, 24, 25, 26, 28, 33, 34, 35, 36, 37, 38, 39, 40, 42, 43 and 44 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, manager, 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 WCI, Inc., any Participating Jurisdiction or any funding entity.

I certify that if I or any member of my immediate family becomes a partner, director, manager, 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 WCI, Inc., any Participating Jurisdiction or any funding entity, I will immediately disclose this information to \_\_\_\_\_ who will disclose this information to WCI, Inc.

I certify that I and any member of my immediate family are not a partner, director, manager, officer or key employee of, or a beneficial owner of more than 5% of the voting interests of, any entity that owns, trades, facilitates trades, or advises on trades in instruments (such as derivatives) that derive their value in whole or in part from the greenhouse gas (GHG) reporting or cap-and-trade programs implemented by WCI, Inc., any Participating Jurisdiction or any funding entity.

I certify that if I or any member of my immediate family becomes a partner, director, manager, officer or key employee of, or a beneficial owner of more than 5% of the voting interests of, any entity that owns, trades, facilitates trades, or advises on trades in instruments (such as derivatives) that derive their value in whole or in part from the greenhouse gas (GHG) reporting or cap-and-trade programs implemented by WCI, Inc., any Participating Jurisdiction or any funding entity, I will immediately disclose this information to \_\_\_\_\_ 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 (as defined in the Work Schedule) and any other confidential or proprietary information which I learn or acquire in the course of performing duties under the Agreement, and I will follow any instructions provided by the 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., any Participating Jurisdiction or any funding entity 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., any Participating Jurisdiction or any funding entity, or otherwise obtained in the course of performing requirements under the Project.
- D. Communications with staff of WCI, Inc., any Participating Jurisdiction or any funding entity 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 me 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 \_\_\_\_\_ 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 \_\_\_\_\_, 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 Section 26 of the Agreement.

Date: \_\_\_\_\_  
Signature: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Organization: \_\_\_\_\_

Telephone No.: \_\_\_\_\_

Fax No.: \_\_\_\_\_

Email Address: \_\_\_\_\_

Capitalized terms used but not defined in this Conflict of Interest and Confidentiality Statement shall have the meanings assigned to such terms in the Standard Agreement, dated\_\_\_\_\_, between Western Climate Initiative, Inc. and\_\_\_\_\_.

## ATTACHMENT D1

### ORGANIZATION CONFLICT OF INTEREST AND CONFIDENTIALITY STATEMENT

I certify that **SRA International, Inc.** 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 WCI, Inc., any Participating Jurisdiction or any funding entity.

I certify that if **SRA International, Inc.** 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 WCI, Inc., any Participating Jurisdiction or any funding entity, I will immediately disclose this information to WCI, Inc.

I certify that **SRA International, Inc.** is not a beneficial owner of more than 5% of the voting interests of any entity that owns, trades, facilitates trades, or advises on trades in instruments (such as derivatives) that derive their value in whole or in part from the greenhouse gas (GHG) reporting or cap-and-trade programs implemented by WCI, Inc., any Participating Jurisdiction or any funding entity.

I certify that if **SRA International, Inc.** acquires beneficial ownership of more than 5% of the voting interests of any entity that owns, trades, facilitates trades, or advises on trades in instruments (such as derivatives) that derive their value in whole or in part from the greenhouse gas (GHG) reporting or cap-and-trade programs implemented by WCI, Inc., any Participating Jurisdiction or any funding entity, I will immediately disclose this information to WCI, Inc.

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

I certify that \_\_\_\_\_ 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 and any other confidential or proprietary information which **SRA International, Inc.** learns or acquires in the course of performing duties under the Agreement, and will follow any instructions provided by the WCI, Inc. Project Manager relating to the confidentiality of Project information. **SRA International, Inc.** 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., any Participating Jurisdiction or any funding entity 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., any Participating Jurisdiction or any funding entity, or otherwise obtained in the course of performing requirements under the Project.
- D. Communications with staff of WCI, Inc., any Participating Jurisdiction or any funding entity 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 **SRA International, Inc.** that contain or are based upon confidential information.
- F. All other information identified in the Agreement as Confidential Information.

I certify that **SRA International, Inc.** 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 International, Inc.** is authorized to disclose information pursuant to law or legal process.

I certify that **SRA International, Inc.** understands that any unauthorized disclosure of confidential information will be handled in accordance with Section 26 of the Agreement.

Date: \_\_\_\_\_

Signature: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Organization: \_\_\_\_\_

Telephone No.: \_\_\_\_\_

Fax No.: \_\_\_\_\_

Email Address: \_\_\_\_\_

Capitalized terms used but not defined in this Conflict of Interest and Confidentiality Statement shall have the meanings assigned to such terms in the Standard Agreement, dated \_\_\_\_\_, between Western Climate Initiative, Inc. and **SRA International, Inc.**



## ATTACHMENT E

### CONTRACT INSURANCE REQUIREMENTS

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

Throughout the life of the Agreement, 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 General Liability Insurance** Commercial General Liability insurance written on an occurrence basis (Insurance Services Office, Form CG 00 01 or equivalent) with limits of at least [REDACTED] per occurrence and at least [REDACTED] products/completed operations aggregate and a [REDACTED] general aggregate limit. Contractor shall not provide general liability insurance under any Claims Made General Liability form. The General Liability Insurance policy must expressly cover, without limitation, all liability to third parties arising out of or related to Contractor's services or other activities associated with the Agreement, including, without limitation, Contractor's indemnification obligations under the Agreement. Contractor's liability insurance must be issued by responsible insurance companies, maintaining an A.M. Best's Rating of A-VII or better. The insurance policy shall waive right of recovery (waiver of subrogation) against WCI, Inc., each Participating Jurisdiction and each funding entity.
2. **Additional Insured on General Liability Policy** WCI, Inc., each Participating Jurisdiction and each funding entity and their respective directors, officers, representatives, agents, employees and volunteers as additional insureds under each commercial general liability policy identified in the preceding paragraph above. The additional insured status shall include ongoing operations and completed operations coverage. Specifically, the policy shall include a combination of ISO forms CG2010 10/01 and CG 2037 10/01 or is equivalent and shall stipulate that the insurance afforded the additional insureds shall apply as primary insurance, and that any other insurance coverage carried by or otherwise available to an "Additional Insured" will be excess only and will not contribute with this insurance.
3. **Workers Compensation Insurance** Contractor's Workers Compensation Insurance with minimum limits of [REDACTED] each for bodily injury by accident (per accident per person), bodily injury by disease (policy limit) and bodily injury by disease (each employee). Contractor must maintain such a policy and provide a certificate of insurance and must provide a waiver of subrogation endorsement.
4. **Automobile Insurance** If applicable, Automobile Liability Insurance, including liability for all owned, hired and non-owned vehicles, with a limit of [REDACTED] combined single limit per occurrence; such coverage must be for (A) "any auto" or (B) "all owned autos, hired autos and non-owned autos".
5. **Professional E&O Insurance** Professional Liability Insurance in an amount of [REDACTED] per claim and in the aggregate and written on a claims made bases.

6. **CYBER LIABILITY COVERAGE:** Insurance with limits of [REDACTED] per claim and in the aggregate that includes:

- Security and privacy liability
- Media liability
- Cyber extortion

7. If the **PROFESSIONAL LIABILITY (ERRORS AND OMISSIONS)** and/or **CYBER LIABILITY COVERAGE** insurance above is written on a claims-made basis, it shall be maintained continuously for a period of no less than 3 years after the date of Final Completion. The insurance shall have a retroactive date of placement prior to or coinciding with the date services are first provided that are governed by the terms of the Agreement and shall include, without limitation coverage for professional services as called for in the Agreement.

8. **General Insurance Provisions**

- Certificates of Insurance, as evidence of the insurance required by this Contract Insurance Requirements Attachment shall be submitted by Contractor to WCI,, Inc. The Certificates of Insurance shall provide for no cancellation or modification of coverage without prior written notice to WCI, Inc. in accordance with policy provisions.
- Proper Address for Mailing Certificates, Endorsements and Notices shall be:

**Western Climate Initiative, Inc.  
980 Ninth Street, Suite 1600  
Sacramento, CA 95814**

- If at any time during the life of the Agreement or any extension, the Contractor fails to maintain the required insurance in full force and effect, all work under the Agreement 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 immediately terminate the Agreement.
- Contractor shall ensure that its sub-contractors of every tier also carry insurance with the provisions of this Contract Insurance Requirements Attachment

## **ATTACHMENT F CONTRACTOR'S TECHNICAL AND COST PROPOSAL**

# TECHNICAL AND COST PROPOSAL

## AUCTION AND RESERVE SALE ADMINISTRATOR SERVICES

**RFP No. 2015-01**

*Submitted to:*

**Western Climate Initiative, Incorporated (WCI, Inc.)**

*Submitted by:*



**SRA International, Inc.**

4300 Fair Lakes Court  
Fairfax, Virginia 22033

**April 27, 2015**

**NOTICE OF RESTRICTIONS**

*This proposal or quotation includes 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. If, however, a contract is awarded to SRA International, Inc. as a result of— or in connection with— the submission of this data, WCI, Inc. shall have the right to duplicate, use, or disclose the data to the extent provided in the resultant contract to the extent permitted by under the California Public Records Act (Government Code Section 6250 et seq.). This restriction does not limit WCI, Inc.'s right to use information contained in this data if it is obtained from another legitimate source without restriction. 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."*

CONFIDENTIAL

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Cate Garris  
Director of Civil Contracts  
SRA International, Inc.  
650 Peter Jefferson Pkwy, Ste 300  
Charlottesville, VA 22911

April 27, 2015

WCI, Inc.  
980 Ninth Street, Suite 1600  
Sacramento, CA, 95814

Attention: Ms. Jennifer Major  
Re: RFP No. 2015-01, Auction and Reserve Sale Administrator Services

Dear Ms. Major:

SRA International, Inc. is pleased to submit our Technical and Cost Proposals to provide support to the Western Climate Initiative, Inc. (WCI, Inc.) and Participating Jurisdictions for Auction and Reserve Sale Administrator Services. As a trusted partner to WCI, Inc. and Participating Jurisdictions since 2012, SRA appreciates the importance of this support to your flagship emissions trading program. We are proud of the opportunity to serve this important program and deliver outstanding service. Over the past several years, we have worked closely with WCI, Inc. and the jurisdictions to design, build, and operate an emissions trading registry customized to meet the unique requirements of WCI, Inc. and the jurisdictions. We are excited about the opportunity to bring our open and transparent management, thoughtful design, skillful technical execution, and reliable operations to the Auction and Reserve Sale Administrator Services.

The enclosed proposal is submitted in response to the above-referenced Request for Proposal, including any addenda. Through submission of this proposal we agree to all of the terms and conditions of the Request for Proposal (with the exceptions to the WCI, Inc. Standard Contract Form noted in Section V of the Request for Proposal and Section 4 of our response) and agree that any inconsistent provisions in our proposal will be as if not written and do not exist. We have carefully read and examined the Request for Proposal, and have conducted such other investigations as were prudent and reasonable in preparing the proposal. We agree to be bound by statements and representations made in our proposal.

We look forward to continuing to provide excellent service in support of your important programs. If you have any questions, please contact me.

Sincerely,

Catherine Garris, Director of Civil Contracts

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## TABLE OF CONTENTS

<b>Cover Letter .....</b>	<b>3</b>
<b>1 Summary.....</b>	<b>7</b>
<b>2 Technical Proposal.....</b>	<b>8</b>
2.1 Technical Approach and Understanding .....	9
2.1.1 Task 1 – Develop Final Work Plan and Schedule.....	9
2.1.2 Task 2 – Design, Develop, and Document Auction Tools and Services .....	9
2.1.3 Task 3 – Auction Services Testing and Troubleshooting.....	15
2.1.4 Task 4 – Develop Processes and Procedures for Auction and Reserve Sale Services .....	18
2.1.5 Task 5 – Auction and Reserve Sale Set Up, Operations, and Reports.....	20
2.1.6 Task 6 – Prepare a System Security Plan.....	24
2.1.7 Task 7 – New Jurisdictions .....	26
2.1.8 Task 8 – Transition Out.....	26
2.1.9 Task 9 – Other Activities as Directed .....	27
2.1.10 Draft Work Schedule.....	27
2.1.11 Technical Barriers and Recommendations.....	29
2.1.12 Possible Risks by Task.....	30
2.1.13 Demonstrated Ability to Work with Organizations Responsible for Market-based Environmental Compliance Mechanisms .....	33
2.2 Corporate Experience.....	35
2.2.1 Regional Greenhouse Gas Initiative, Inc. (RGGI, Inc.).....	37
2.2.2 U.S. EPA Clean Air Markets Division (CAMD) .....	38
2.2.3 Massachusetts Department of Energy Resources (DOER).....	38
2.3 Personnel.....	39
2.3.1 Subcontractors.....	40
2.3.2 Personnel Summary .....	40
2.3.3 Key Personnel .....	41
2.3.4 Other Personnel.....	43
2.4 Management Plan .....	46
2.4.1 Management Structure .....	46
2.4.2 Management Plan.....	47
<b>3 Cost Proposal.....</b>	<b>55</b>
3.1 Staffing Approach/Basis of Estimate.....	55
3.1.1 Task 2 – Design, Develop, and Document Auction Tools and Services .....	55
3.1.2 Task 5 – Auction and Reserve Sale Set Up, Operations, and Reports.....	55
3.2 Assumptions.....	56
3.2.1 Task 2 – Design, Develop, and Document Auction Tools and Services .....	56
3.2.2 Task 5 – Auction and Reserve Sale Set Up, Operations, and Reports.....	56
3.3 Contract Type.....	56
3.4 Cyber Security.....	56
3.5 Organizational Conflict of Interest.....	56
3.6 Term of Offer .....	57
<b>4 Exceptions to WCI, Inc. Standard Contract Form.....</b>	<b>58</b>
<b>Appendix C: Offeror References Form .....</b>	<b>74</b>

Reference 1: Regional Greenhouse Gas Initiative, Inc.....	74
Reference 2: U.S. EPA, Clean Air Markets Division.....	75
Reference 3: Massachusetts Department of Energy Resources .....	76
<b>Appendix D: Cost Tables.....</b>	<b>78</b>
4.1 SRA.....	78
4.2 EnerNOC.....	82
4.3 Combined.....	86
<b>Resumes .....</b>	<b>92</b>
SRA Resumes.....	92
EnerNOC Resumes.....	107

## TABLE OF FIGURES

Figure 1: Branded Bidder Login Page .....	10
Figure 2: Approved Bidder Events.....	11
Figure 3: Auction Bid Submission Screen .....	11
Figure 4: Bidder's Bid History .....	12
Figure 5: Results Screen.....	12
Figure 6: Bidder's Award History .....	13
Figure 7: Bidder's Award History .....	23
Figure 8: Proposed Work Schedule for Non-recurring Tasks and First Quarterly Auction and Reserve Sale .....	27
Figure 9: SRA offers nearly two decades of experience supporting domestic and international market-based environmental compliance mechanisms. ....	33
Figure 10: The SRA team offers current and directly relevant experience with auction and reserve sale services. ....	37
Figure 11: Personnel Summary.....	41
Figure 12: The SRA team provides jurisdiction program and auction expertise. ....	46
Figure 13: The SRA team is available and ready to begin on day 1.....	47
Figure 14: The SRA team will use familiar and proven mechanisms to communicate with WCI, Inc. and Participating Jurisdictions. ....	49
Figure 15: The SRA team will use familiar application development performance metrics and provide insight into predictability and planning future features. ....	50
Figure 16: The SRA team will track performance related to hosting and user support to provide an excellent user experience and stellar customer service. ....	51


## 1 SUMMARY

*Details have been removed for business confidentiality and competitiveness reasons.*

SRA International, Inc. (SRA) is pleased to respond to the request for Auction and Reserve Sale Administrator Services (RFP No. 2015-01). Since 2012, SRA has supported the Western Climate Initiative, Inc. (WCI, Inc.) and the jurisdictions' leading role in GHG emissions trading programs through our work with the Compliance Instrument Tracking System Service (CITSS). We welcome the opportunity to continue to support WCI's world leadership in transitioning to a low carbon society.

As a provider of information systems for emissions trading programs worldwide, SRA has the experience and subject matter expertise to provide dependable, scalable, and efficient auction services seamlessly integrated with your registry and business processes. To do so in the most efficient and cost effective manner, we have partnered with EnerNOC (formerly World Energy Solutions, Inc.), a leader in carbon allowance auctions, to provide the auction platform and to lead the operations of auctions and reserve sales. Together, SRA and EnerNOC have unrivaled expertise, a stellar track record, and a thorough understanding of the tasks necessary to implement and operate a quarterly auction and reserve sale. The strengths of this proposed team are:

- Unmatched understanding of jurisdiction programs and business processes;
- Unsurpassed experience with complex high-value auctions of national significance backed by the leading online auction platform for energy commodities;
- Demonstrated capacity for an effective day-to-day working relationship with WCI, Inc. and Participating Jurisdictions; and
- Demonstrated subject matter and technical expertise and capability, both corporately and in the proposed staff.

 We will leverage low-risk and time-tested auction operations experience, including security and user support, to deliver a streamlined, comprehensive auction solution ensuring increased customer satisfaction and reduced administrative burden and risk to jurisdictions.

To effectively operate and support the auctions and reserve sales, SRA and EnerNOC will bring to bear their combined expertise in auction management, including our work together in support of RGGI, Inc. EnerNOC has conducted more than 41,000 auctions over 15 years. This has allowed EnerNOC to develop the internal tools, processes, and personnel to support high-value auctions. Under SRA's direction, EnerNOC will provide support services to users and administrators of the system including stakeholder engagement via communication, training, and support. We will provide multi-lingual helpdesk capability, communications and outreach, and multimedia training materials. As with other systems that SRA supports, implementation support will include the development of security plans, backup and recovery plans, and other documentation and processes to ensure reliable and secure end-to-end auction support. We will be ready to support the February 2016 joint auction.

SRA greatly appreciates the opportunity to propose a solution for the next generation of allowance auctions and reserve sales. Following years of work for governments and organizations around the world that are tasked with developing policies and programs to tackle the global problem of climate change, we continue to be passionate about these challenges and remain eager to share the critical lessons we have learned along the way. We look forward to the possibility of sharing this challenge with you in the coming years.

## 2 TECHNICAL PROPOSAL

The SRA team has carefully reviewed all requirements, tasks, and subtasks contained in the RFP. As the CITSS developer from its inception, SRA possesses both a broad and deep understanding of the CITSS technical and business requirements while EnerNOC has a similar level of experience with and understanding of commodity auction systems and operations through their work with RGGI and many others. The convergence of these sets of expertise, combined with the broader capabilities possessed by our respective organizations, makes the SRA team ideally positioned to deliver a successful auction and reserve sale solution that meets the requirements described by the RFP. Our specific responses to the requirements demonstrate our depth of understanding of the objectives reflected in the RFP and why we firmly believe that partnering with our team represents the best possible value to WCI, Inc. and Participating Jurisdictions.

The SRA team will operate as a single entity, synchronizing development activities across the auction platform and CITSS, including all integration activities between systems. Software development activities will follow an iterative Agile methodology to rapidly deliver working code upon completion of each short iteration or “sprint”. This provides numerous advantages such as the opportunity for stakeholders to give specific feedback early in the project lifecycle and to adjust priorities and direction based on the latest available information rather than older and possibly out of date information. Further, the team will work transparently using state of the practice application lifecycle management tools so that WCI, Inc. and Participating Jurisdictions will have direct access to real-time project status information and project content. This ensures the earliest possible identification of issues and helps avoid unwanted surprises late in the development cycle.

Designing and implementing a successful auction solution will require streamlined data management, which will in turn require a careful analysis of the requirements for data collection, management, and sharing. Determining where and how data will be collected and managed must take into account existing and anticipated future business processes. As such, the SRA team proposes to enhance CITSS, and leverage its existing design patterns, to include the participant user application and approval process. This process will include secure storage and management of sensitive financial information following a model similar to that of the Consignment wiring instructions process already supported by CITSS. All requirements downstream of this process will be handled directly by the auction platform.

Going beyond the requirements specifically stated in the RFP, the SRA team will be positioned to provide enhanced systems integration capabilities under Task 9 to better align with WCI, Inc. and Participating Jurisdictions’ business processes. By operating as a single entity, the SRA and EnerNOC team arrangement will facilitate secure, structured, and seamless data sharing between CITSS and the auction platform enabling logical separation of functions across systems. This would likely involve sharing entity, representative, and bidding limitation data as well as automating the processing of auction results and the resulting distributions. It may also involve enhanced user experience through single sign-on (SSO) should WCI, Inc. and Participating Jurisdictions elect to implement this. SSO implementation will require analysis and design of the specific requirements, but given its anticipated role in the auction solution, we believe that CITSS would serve as the identity provider while the auction platform would act as a client of that identity provider.

This section (Technical Proposal) is divided into four parts; the first part describes our technical approach and understanding via a discussion of each task and subtask and the work required. The second part details our relevant corporate experience and the third part presents our engagement team personnel. The final part presents our management plan.

## ***2.1 Technical Approach and Understanding***

In this section, we describe the draft work schedule, approach, and methodology for performing each of the nine tasks in the Statement of Work (SOW). We also identify the specific techniques that will be used, and the administrative and operational management controls that will be used to ensure timely delivery and high-quality performance of each task.

### **2.1.1 Task 1 – Develop Final Work Plan and Schedule**

The following subtasks detail how the SRA team will develop a draft work plan and schedule to execute each task.

#### **Subtask 1.1 Create Draft Work Plan and Schedule**

The SRA team will start preparing a work task plan and schedule immediately after the official notification of award. The draft work plan and schedule will build upon the information presented in this proposal and will incorporate any new information and known schedule constraints. All members of the SRA team will assist in the internal review and preparation of this document. It will be delivered to WCI, Inc. prior to the kickoff meeting.

#### **Subtask 1.2 Hold Kickoff Meeting**

The SRA team will schedule a kickoff meeting to be held immediately after contract initiation. Key team members will participate in the meeting with WCI, Inc. and Participating Jurisdictions. The meeting objectives are to present the team, review the draft work plan and schedule, understand the roles and responsibilities of the WCI, Inc. and Participating Jurisdictions' team members, and get up to date on any pending decisions that could affect the work plan and schedule. The SRA team will prepare a presentation covering these items in advance of the kickoff meeting.

#### **Subtask 1.3 Finalize Work Plan and Schedule**

The SRA team will update the draft work plan and schedule based on WCI, Inc. and Participating Jurisdictions' comments received after the kickoff meeting. The final plan will be submitted to WCI, Inc. one week after WCI Inc.'s comments have been received.

### **2.1.2 Task 2 – Design, Develop, and Document Auction Tools and Services**

*Details have been removed for business confidentiality and competitiveness reasons.*

The following subtasks describe how the SRA team, working collaboratively with WCI, Inc. and the Participating Jurisdictions, shall host, develop, test, and implement the internet-based tools to provide the necessary auction services to support WCI, Inc.'s quarterly joint auctions and jurisdiction-specific reserve sales. Each subtask is discussed separately.

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### Subtask 2A Auction Platform Design and Development

Based on our assessment, our auction platform (the “Exchange<sup>®</sup>”) currently meets dozens of the business and technical specifications contained in the RFP. For instance, the Exchange currently does the following:

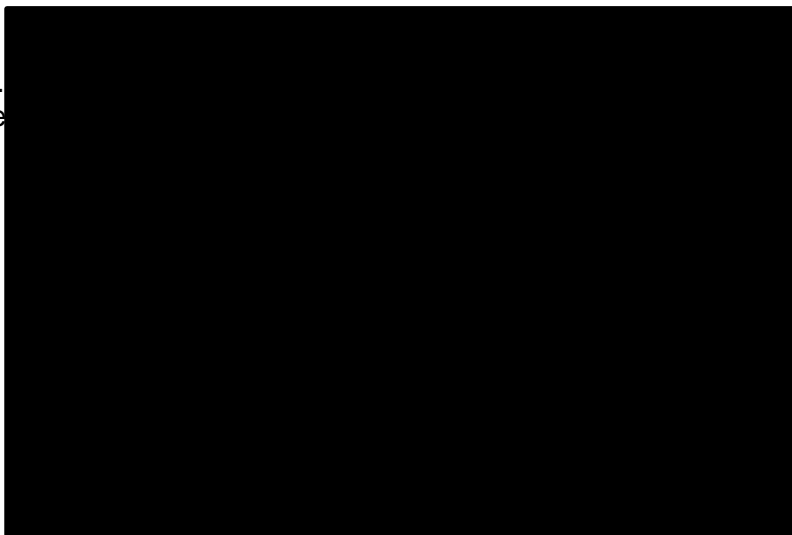
- Provides secure access to qualified bidders;
- Utilizes state-of-the-practice security controls;
- Protects the confidentiality of bids;
- Allows us to manage sensitive bidder information;
- Rejects bids that violate any bid limitation at the time of submission, providing bidders with an opportunity to revise their bid in real time;
- Handles hundreds of concurrent bidders and bids;
- Provides different tie-breaking options such as random or pro-rata; and
- Permits bidders to submit bids with relative ease and minimal training.

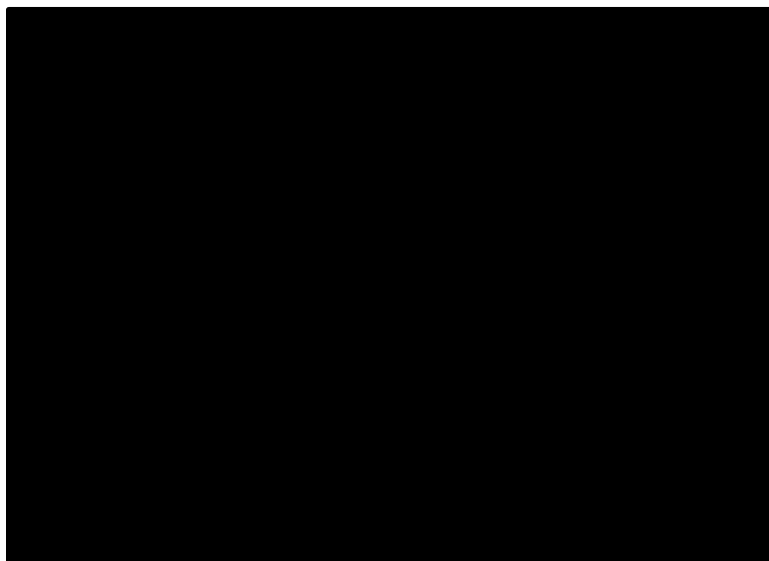
The Exchange is an existing auction platform that is used day-in and day-out to plan, manage, and run events – it is not new, untested, or unproven software. As such, new functionality and other enhancements are continuously being implemented. This benefits WCI, Inc. and Participating Jurisdictions in many ways. It eliminates future maintenance and configuration costs since WCI, Inc. is not receiving a standalone product but rather access to specific auction functionality built into the Exchange. Additionally, we keep the Exchange up to date and operating to support all our customers, not just WCI, Inc.

The Exchange is the product of millions of dollars of IT investment and consultation with leading economists from the University of Chicago, Oxford University, and the Massachusetts Institute of Technology. It has been built and designed from the ground up exclusively for energy and environmental commodities. The Exchange is not merely an auction website but an end-to-end auction management system including a task management module, a request for pricing (RFP) creation and auction module, and a portfolio management and reporting system that tracks all customer contracts and transactions.

To understand how the Exchange supports the auction and reserve sale

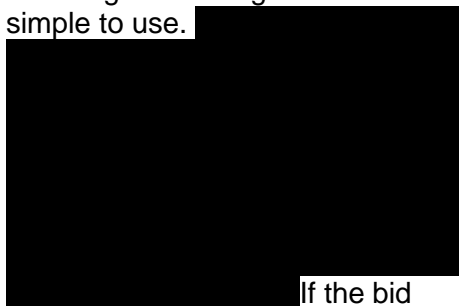
requirements, the following screen shots are provided. Figure 1 displays the bidder login page for a RGGI auction. The SRA team created what we term a “branded version” of the Exchange with a unique URL address for bidders. We propose creating a similar branded version for WCI, Inc.



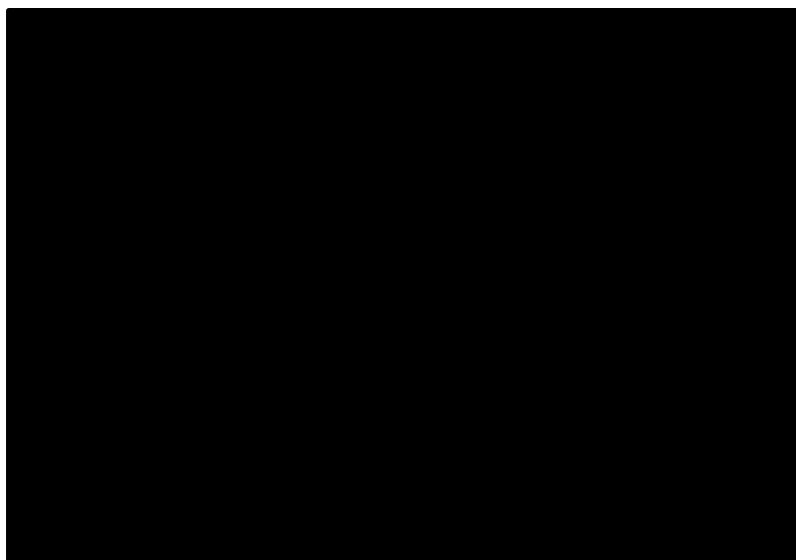


Once logged in, a bidder is able to view the events they are approved for (see Figure 2). We have complete control on the assignment of bidders. Even if multiple events are being run concurrently, bidders can only submit bids for those events they are approved for. Figure 3 shows the bid submission screen. For a uniform price, sealed bid auction, a bidder must input both a bid price and bid quantity. The SRA team can also fix the bid price so that a bidder only submits a bid quantity, which meets the requirements for a reserve sale.

The bid submission screens on the Exchange are straightforward and simple to use.

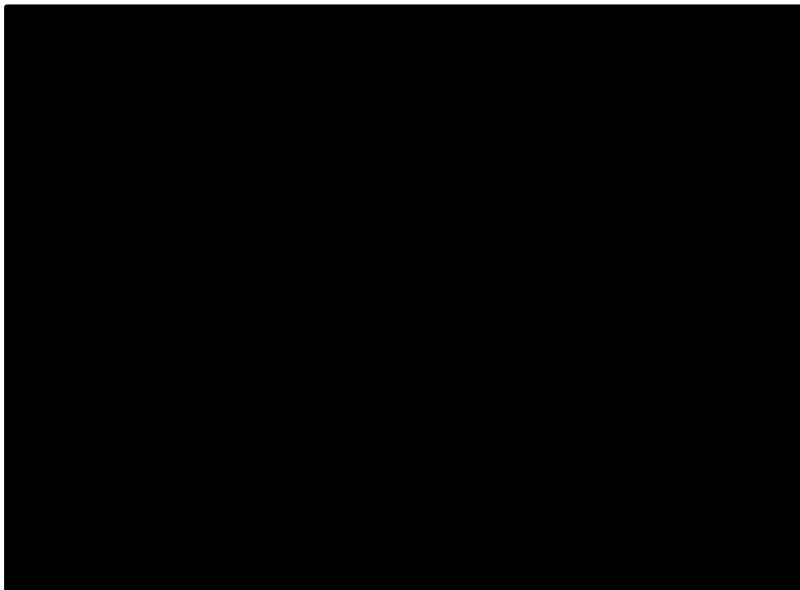


If the bid violates any limitation, the Exchange provides the bidder with an error message indicating which limitation was violated, allowing them to revise the bid and resubmit. If the bid conforms to the

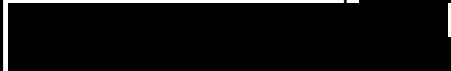


rules, the bidder is presented with their bid and asked to confirm it or cancel it. To confirm it, the bidder clicks Submit Bid to officially submit their bid.





Once a bid has been submitted and accepted by the Exchange, a bidder can review their bid history (see Figure 4). All submitted bids for a bidder are shown here along with a date and time stamp

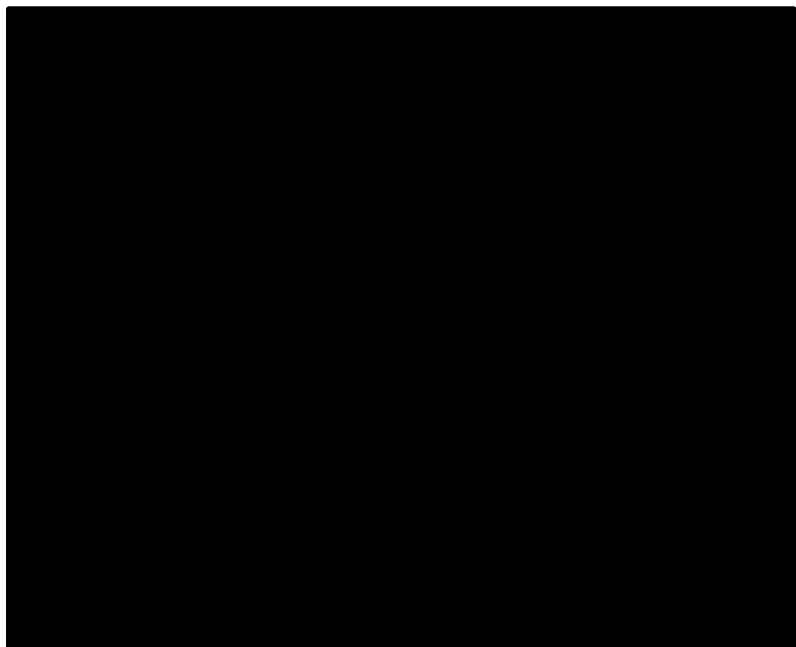
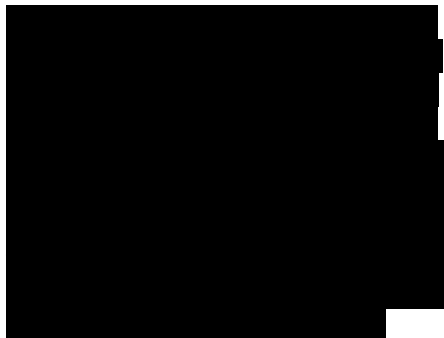
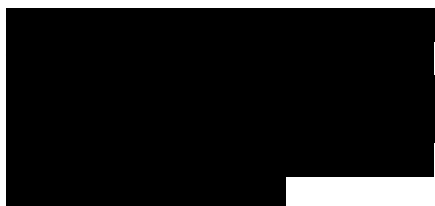
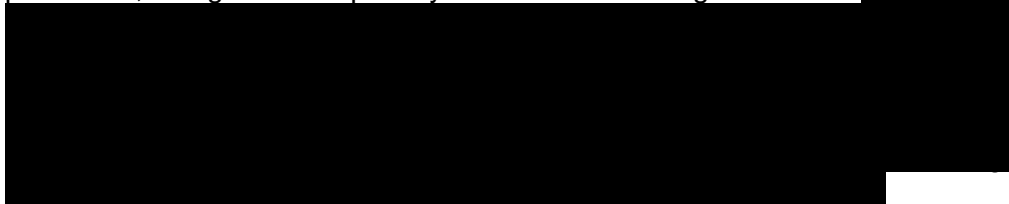


From this screen, a bidder can also cancel bids up to the close of the bidding window.

The next screen shot (see Figure 5) provided here shows the results from a test auction. This screen is for event viewing.

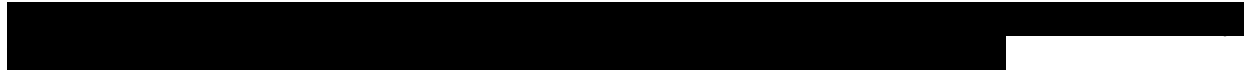
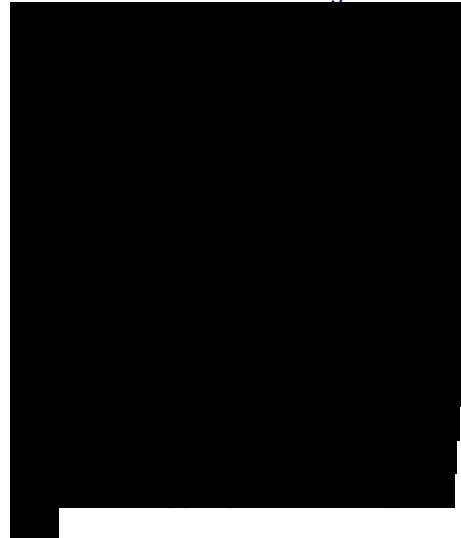
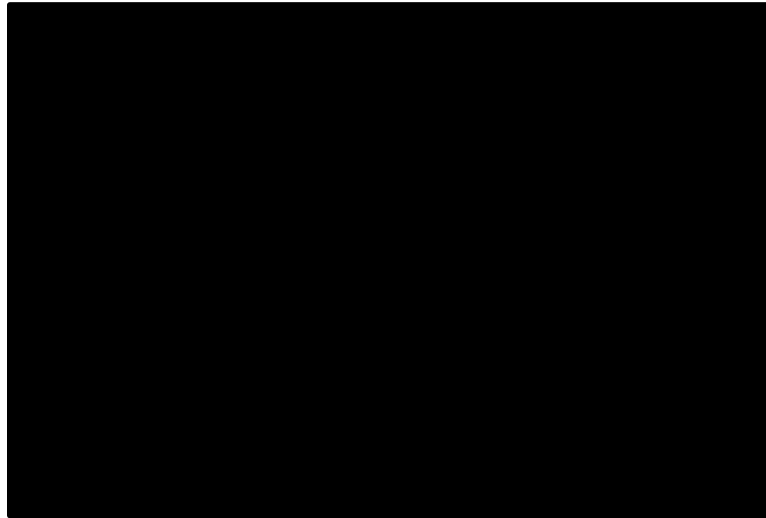


This screen shows the automatic audit trail of time stamped bids and information for each bidder. Capturing this type of information is important. First, it creates auditable information that attests to the transparency and fairness of the event. Second, customers can defend and easily explain award decisions. Information on the status of the auction is presented, along with the quantity of allowances being auctioned.









In preparing this response, the SRA team has conducted a preliminary gap analysis comparing the Exchange to the business and technical specifications contained in the RFP. We have determined that the Exchange currently meets many specifications. Despite this fact, we know that the Exchange does not meet some including multiple language support, multiple currencies, integration with CITSS, unique role-based access and landing pages, amongst others. The following subtasks describe how the SRA team will design and develop the auction platform to incorporate the technical enhancements necessary to support the specifications identified in the RFP.

#### **Subtask 2A.1 Define Phase**

The SRA team will finalize the gap analysis comparing the Exchange to the business and technical specifications contained in the RFP. This is critical so that the SRA team, WCI, Inc. and Participating Jurisdictions can focus solely on those specifications that need to be met. A final document will be provided to WCI, Inc. for review and comment to ensure a consistent understanding of all specifications that need to be implemented.

#### **Subtask 2A.2 Design Phase**

Based on the results of the gap analysis, the SRA team will create a series of documents, which will be delivered to WCI, Inc. These documents include the draft and final design plans and master release schedule.

The define and design phases are the most critical phases and require active participation from WCI, Inc. and Participating Jurisdictions. We believe that weekly meetings with the WCI Auction Technical Work Group throughout the define and design phases are needed. We will facilitate and participate in the Auction Technical Work Group meetings. This support will include setting up the webinars, setting the agenda, distributing materials, circulating meeting notes, and updating design documents. This phase will culminate with the approval of the design documents by WCI, Inc. and Participating Jurisdictions.

### **Subtask 2A.3 Build Phase**

The SRA team will implement the auction application process in CITSS. The CITSS updates will include all aspects of the auction application process including jurisdiction and entity view of auction and reserve sale timeframes and details, entity auction application and intent to bid, jurisdiction approval of auction applications, auction application reporting, auction reports, and Financial Services Provider integration.

The SRA team will build out the Exchange to support the auction and reserve sale events based on the final design documents and specifications developed in the previous tasks. In addition to regular delivery of working software, The SRA team will provide status reports to the Auction Technical Work Group during implementation meetings.

### **Subtask 2B. Hosting Services**

Since the Exchange is used to manage and run thousands of auctions a year, the viability of our business requires an exceptional, reliable, state of the practice hosting services provider/application service provider (ASP). [REDACTED]

#### **Subtask 2B.1 Prepare Auction Services Hosting Plan**

To provide maximum uptime and system availability, our auction platform, the Exchange, is hosted in a multi-tiered, highly secure, highly reliable fault tolerant environment. [REDACTED]

[REDACTED]

Additionally, our hosting provider has undergone independent auditing that resulted in the issuance of an [REDACTED] standard is used for reporting on controls at service organizations and effectively replaces SAS 70 as the authoritative guidance for reporting on service organizations. By achieving [REDACTED] compliance, we have demonstrated that effective control objectives and control activities are in place throughout the organization. This report reflects Network's continued commitment to operate at the highest standards.

The SRA team will document our current hosting services arrangement and deliver it to WCI, Inc. as a draft Auction Services Hosting Plan for review and comment.

#### **Subtask 2B.2 Finalize Auction Services Hosting Plan**

The SRA team will update the Auction Services Hosting Plan based on WCI, Inc.'s comments. The master plan will be submitted to WCI, Inc. one week after WCI, Inc.'s comments have been received.

#### **Subtask 2B.3 Provide Hosting Services**

The SRA team will utilize Network to provide hosting services for WCI, Inc.

#### **Subtask 2B.4 Provide Hosting Environments**

We currently utilize three environments to support our developers and product managers, as well as our auction operations team:

- Testing Environment – This environment lets our developers and product management team develop and test new Exchange functionality before it is put into staging and production environments. We can also provide access to this test environment to allow WCI, Inc. and Participating Jurisdictions' staff, and other stakeholders to test and confirm that design and business and technical specifications are being met.
- Staging Environment – This environment lets our developers and product management team troubleshoot Exchange functionality. This environment is identical to the production environment except that all auction related data has been scrubbed so that confidential or business sensitive information is protected. This environment is only updated upon a new release of the Exchange so that functionality of the staging environment always aligns with the production environment.
- Production Environment – This environment contains the current release of the Exchange and is used daily by our auction managers, bidders, and customers to conduct auctions. All auction related data, information, and results is maintained as a historical archive in the production environment.

The SRA team will continue to utilize these three environments for the provision of auction services.

### **2.1.3 Task 3 – Auction Services Testing and Troubleshooting**

*Details have been removed for business confidentiality and competitiveness reasons.*

The SRA team has a long and successful track record developing, testing, releasing software to support high stakes auctions. Our work with RGGI, Inc. as well as with numerous utilities is a testament to this. The following subtasks describe how we intend to provide testing and troubleshooting services. Each subtask is discussed separately.

#### **Subtask 3A Testing**

The following subtasks describe the SRA team's approach to user acceptance testing (UAT). Our approach will provide WCI, Inc. and Participating Jurisdictions' representatives, and

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personnel from other WCI, Inc. contractors that support auction and reserve sales with the ability to test all functionality across the entire application.

#### **Subtask 3A.1 Develop Acceptance Criteria**

Based on the Final Design and Master Release Plans developed in previous tasks, the SRA team will develop acceptance criteria for use by WCI, Inc. and Participating Jurisdictions during the UAT. The criteria will cover end-to-end functionality. The acceptance criteria will be agreed upon by the SRA team, WCI, Inc. and Participating Jurisdictions.

#### **Subtask 3A.2 Conduct Initial Testing**

We will provide each UAT participant (i.e., WCI, Inc. representatives, jurisdiction staff, and personnel from other WCI, Inc. contractors that support auction and reserve sales) with a checklist containing the acceptance criteria, as well as information on how to access the testing environment. As discussed previously, the test environment will allow all UAT participants to simulate auction or reserve sale test scenarios that are similar to actual events.

UAT participants will complete the checklist and provide it to the SRA team for compilation. Based on the checklists and comments, the SRA team will prepare a draft memo describing the initial testing results as well as an initial prioritization of issue resolution. Additional rounds of UAT testing will be scheduled as needed; however, we believe the number of rounds should be capped at three.

#### **Subtask 3A.3 Issue Resolution**

The SRA team will discuss the UAT results with WCI, Inc. and review the initial prioritization of issue resolution. Upon approval by WCI, Inc., the SRA team will commence issue resolution tracking progress against the prioritized list. Periodic status reports will be provided as necessary.

#### **Subtask 3A.4 Conduct Final Testing**

A final round of UAT will be conducted and focus on the issues identified in the previous rounds. New checklists will be provided to all testers and will serve as the final application approvals. At the conclusion of the final round of testing, the SRA team will prepare a final memo describing the testing results.

#### **Subtask 3B Troubleshooting**

The following subtasks describe the SRA team's approach to troubleshooting. Our approach will provide WCI, Inc. and Participating Jurisdictions' representatives and authorized jurisdiction staff the ability to investigate and diagnose concerns or problems reported by stakeholders and users.

### **Subtask 3B.1 Provide Access to Staging Environment**

Once the auction platform and related services have been accepted by the customer, the software will be released to both the staging and production environments. We will provide authorized jurisdiction staff with access to the staging environment.

As discussed previously, the staging environment will allow authorized jurisdiction staff to simulate auction or reserve sale test scenarios that are similar to actual events. The staging environment will also enable authorized jurisdiction staff to take on the roles of Participants, Jurisdiction Administrators, Financial Services Administrators, and Market Monitor users.

### **Subtask 3B.2 Prioritize Issue Troubleshooting**

It is important to differentiate between issues discovered by or reported to the SRA team during the course of an auction event. Such issues could jeopardize the success of the auction.

[REDACTED]. In the event an auction performance-rated issue arises, WCI, Inc. and Participating Jurisdictions' staff will be notified immediately and the set procedures will be put into place.

For other issues, identified outside of the auction, they will be prioritized by severity and whether they impact the performance of the auction. High priority issues will be immediately moved forward to issue documentation and resolution. These issues will be brought to the attention of WCI, Inc. and Participating Jurisdictions' staff promptly.

### **Subtask 3B.3 Conduct Troubleshooting**

Authorized jurisdiction staff will investigate and diagnose concerns or problems reported by stakeholders and users. Any issues and findings that are not consistent with the business and technical specifications contained in the RFP and jurisdictions' regulatory requirements will be identified and promptly brought to the attention of the SRA team. The SRA team will support jurisdiction troubling through analysis, issue confirmation, reporting, etc.

### **Subtask 3B.4 Document Troubleshooting Activities**

The SRA team will document and issues and findings by the jurisdictions in a memo which describes the issue as well as all troubleshooting activities. In addition, the memo will describe the preliminary resolution plans. Issues will be resolved according the performance parameters provided in the RFP.

### **Subtask 3B.5 Report on Troubleshooting Results and Resolution of Issues**

After an issue has been resolved, a final memo on troubleshooting results will be prepared and delivered to WCI, Inc.

## **2.1.4 Task 4 – Develop Processes and Procedures for Auction and Reserve Sale Services**

*Details have been removed for business confidentiality and competitiveness reasons.*

The SRA team has extensive experience in this area, [REDACTED]. The following subtasks describe how we intend to develop the processes and procedures for the auctions and reserve sales.

### **Subtask 4A Processes and Procedures Documents**

The following tasks are related to the development of the necessary processes and procedures to conduct an auction and reserve sale. The following tasks are based on the assumption that WCI, Inc. and Participating Jurisdictions are relatively satisfied with the current processes and documents that have been used to conduct auctions and reserve sales to date. Therefore, the tasks focus on modifying the documents to account for how the SRA team proposes to conduct the auctions and reserve sales. The development of these processes and procedures only occurs once during this engagement. Throughout the rest of the engagement, they will be utilized to conduct the auction and reserve sales.

#### **Subtask 4A.1 Review Current Processes and Documents**

The SRA team will review the current processes and procedures utilized by WCI, Inc. and Participating Jurisdictions. We will come prepared to the kickoff meeting to discuss the current processes and procedures. We feel that it is essential to begin this discussion early since it will involve team personnel, WCI, Inc., Participating Jurisdictions, and all the contractors that support the auctions. Understanding roles and responsibilities throughout the entire qualification and approval process is critical to developing an efficient process.

#### **Subtask 4A.2 Modify Current Processes and Procedures**

The SRA team will update the current processes and procedures to align them with the new auction platform but also based on recommendations on how the auctions and reserve sales can be conducted more efficiently. Some of the processes and procedures that will be modified or if they don't exist, created include the following:

- Financial settlement procedures.
- Emissions permit settlement procedures.
- Bidder qualification remediation procedures.
- Establishing participant, jurisdiction, financial services, and market monitor auction services user accounts.
- Establishing user account management processes (password and security question requirements, resetting passwords and security questions, account restrictions, account deactivation, etc.).
- Auction or reserve sale set up processes.
- Opening of an auction or reserve sale bidding period.
- Procedures to manage a state of emergency (e.g., power outage or natural disaster creating barrier to bidding or monitoring).

All modified processes and procedures will be delivered to WCI, Inc. at the completion of this task.

#### **Subtask 4A.2 Modify Current Documents**

As part of this task, the following documents will be modified to align them with the new auction platform and processes and procedures. We understand the importance of clear and concise auction and reserve sale documentation based on our work with RGGI. It helps ensure transparency, which increases competition. The documentation is critical to providing potential bidders with an understanding of how the auction and reserve sale operates, what the contractual documents are, and the steps to become qualified. The documents to be modified include:

- Auction and Reserve Sale Notices – The SRA team will modify the current Auction and Reserve Sales Notices, as necessary. The auction and reserve sale notices will at a minimum describe the auction and reserve sale format, the amount and emission permits to be offered for sale, the schedule of events and dates, qualification procedures, financial security requirements and procedures, and all other applicable participation requirements.
- Qualification Application – The SRA team intends on building out CITSS to include additional functionality for the collection, maintenance, and tracking of the auction application process. Since this data is relatively static, it makes sense to capture and maintain it in CITSS. This will create a more seamless user experience.
- Frequently Asked Questions (FAQ) - The SRA team will update the FAQ document as necessary to align it with the new auction platform and process and procedure changes.
- Bidder Webinar – The SRA team will update the webinar. The webinar will cover the auction and reserve sale format, the amount of emission permits to be offered for sale, the schedule of events and dates, qualification procedures, financial security requirements and procedures, and all applicable participation requirements.
- Auction and Reserve Sale Training Materials – The SRA team update the training materials including the auction platform user guide.

All modified documents will be delivered to WCI, Inc. at the completion of this task.

#### **Subtask 4A.3 Present Modified Current Processes and Documents**

The SRA team will present the draft processes, procedures, and documents to WCI, Inc. The documents will be discussed and comments and feedback from WCI, Inc. and Participating Jurisdictions will be solicited.

#### **Subtask 4A.4 Finalize Current Processes and Documents**

The SRA team will update the processes, procedures, and documents based on comments received during and after the presentation. The final processes, procedures, and documents will be submitted to WCI, Inc. two week after comments have been received.

#### **Subtask 4A.5 Update Current Processes and Documents**

Based on lessons learned, bidder feedback, and stakeholder comments, all processes, procedures, and documents may be periodically updated.



## **2.1.5 Task 5 – Auction and Reserve Sale Set Up, Operations, and Reports**

The SRA team has extensive experience in this area, having conducted 27 auctions for RGGI. We understand that the number of events to be conducted from 2016 through 2020 includes:

- Quarterly Joint Auctions – Conduct a maximum of four quarterly joint auctions per year or eight jurisdiction specific auctions per year. We are able to conduct one joint auction or two jurisdiction-specific auctions each quarter and can support simultaneously occurring jurisdiction-specific auctions.
- Jurisdiction-specific Reserve Sales – Conduct a maximum of eight jurisdiction-specific reserve sales per year (four California reserve sales and up to four Québec reserve sales).

The following subtasks describe how we intend to set up and conduct the auctions and reserve sales. Each subtask is discussed separately. We understand that Task 5 must be conducted in accordance with the jurisdiction's regulatory requirements (i.e., currently, California Cap-and-Trade Program and Québec Cap-and-Trade System) and the business and technical specifications contained in the RFP.

### **Subtask 5A Set-Up and Conduct Operations**

We do not differentiate between an auction and reserve sale since the tasks are the same. The following subtasks describe the setup and conduct of an auction or reserve sale.

#### **Subtask 5A.1 Update Auction or Reserve Sale Documents**

We will update the auction and reserve sale notices according to the quarterly schedule or upon notification by WCI, Inc. Typically, only the schedule and the number of emission permits offered for sale are updated. The revised documents in both English and French will be delivered to WCI, Inc. for final review and approval.

#### **Subtask 5A.2 Release Auction or Reserve Sale Documents**

After WCI, Inc. grants approval to release the documents, we will provide final documents in PDF format to WCI, Inc. for uploading to the appropriate website. We will immediately notify any interested party.

#### **Subtask 5A.3 Open Question and Answer Window**

Simultaneously with the release of either the auction or reserve sale documents, the question and answer (Q&A) window will open allowing potential bidders to officially submit questions.

#### **Subtask 5A.4 Host Bidders' Conference**

We will host and facilitate a bidders' conference. In our experience, holding the conference one week after release of the auction and reserve sale documents provides sufficient time for bidders to review all the documents. Our webinar platform allows the session to be recorded for playback at a later date. We have learned from previous auctions that conference calls are an important means of communication and help maintain transparency.

During the SRA team's first quarterly auction cycle, we propose conducting a demonstration process (e.g., a practice auction) for all qualified bidders. This would be a one-time event to provide all bidders with an opportunity to participate in a practice auction with the new auction platform. We would conduct this practice auction in a similar way we conduct bidder training. During the first quarterly auction, bidders would also be able to participate in a training auction. In fact, we recommend a training auction for every auction or reserve sale.

#### **Subtask 5A.5 Close Question and Answer Window**

A couple of days after the bidders' conference, the Q&A window will close. At this time, all submitted questions are reviewed and grouped by topic. We will prepare draft responses to all questions, update the FAQs as needed, and submit them to WCI, Inc. for review and approval. Once approved, they will be posted on the appropriate website.

#### **Subtask 5A.6 Manage Bidder Application Process**

As stated previously, the auction application process will occur in CITSS and be managed by the Participating Jurisdictions. They will be responsible for reviewing any new qualification applications and approving them.

#### **Subtask 5A.7 List of Potential, Qualified Bidders**

The qualified bidders will be available as a report in CITSS.

#### **Subtask 5A.8 Receive Approved List of Bidders**

WCI, Inc. and Participating Jurisdictions will approve the list of potential, qualified bidders, and provide the list to the SRA team. Following receipt of this list, we will notify these potential bidders that they are qualified to bid in the upcoming auction or reserve sale provided that they meet financial security requirements.

#### **Subtask 5A.9 Conduct Bidder Training**

We will distribute training materials (i.e., instruction manuals and training presentation) to the list of potential, qualified bidders along with the training schedule. All bidders will be given an opportunity to participate in the online training session. We will provide two live training sessions for both the auction and reserve sale. Bidders will be able to participate in the online training without the need to travel. The training session will mimic a live event so that bidders obtain a high comfort level with the Exchange. In order to maintain bidder confidentiality during the training sessions, all bidders will be placed on listen-only mode but will be able to submit questions in real time via the chat function during the webinar.

#### **Subtask 5A.10 Notify Approved Bidders**

We will receive a list of approved financial security by bidder from the Financial Services Contractor. Following this receipt of this list, we will notify these bidders that they are approved to bid in the upcoming auction or reserve sale.

### **Subtask 5A.11 Administer Auction or Reserve Sale Tasks**

The activities associated with this task include creating the bidding events (auction or reserve sale) and running them.

#### **Subtask 5A.11.1 Build Auction or Reserve Sale Event**

We will build the individual events, either for the auction or reserve sale on the Exchange. Financial security information for the qualified applicants will be transmitted to the Exchange from the Financial Services Contractor. Bid limitation information will be transmitted to the Exchange from CITSS before the auction or reserve sale. Before the event is released to the approved bidders, we will perform a thorough quality check and require sign off from WCI, Inc.

#### **Subtask 5A.11.2 Run Auction or Reserve Sale**

Once the event has been released to the bidders and bidding commences, the Exchange tracks all bidding activity, with U.S. atomic clock time stamps, and permanently archives all results. We can set the bidding window to be any length of time from 5 minutes to over 24 hours. Initially, we believe a three hour bidding window is appropriate. The results of any auction or reserve sale can be accessed at any time by us or any of the participating bidders. In addition, specific auction or reserve sale result reports can be run to support any due diligence or market monitoring protocols. The SRA team is familiar with these protocols from working on a number of standard offer procurements, as well as the RGGI auctions.

#### **Subtask 5A.11.3 Monitor Auction or Reserve Sale**

*Details have been removed for business confidentiality and competitiveness reasons.*

We will monitor the event and the performance of the Exchange from two standpoints. The first is above the surface (what a bidder sees), which entails monitoring system response times and overall performance. The second is below the surface (the information technology [IT] equipment necessary to run the auction), which includes servers and all network equipment such as load balancers, web servers, application servers, and database servers. [REDACTED]

### **Subtask 5A.12 Support Market Monitor**

We will work with WCI, Inc.'s Market Monitor, to verify the results of the auction or reserve sale. We have experience working with Market Monitors and the Exchange fully supports all reporting necessary to facilitate the verification of results. [REDACTED]

#### **Subtask 5A.13 Make Awards**

The Exchange has built in functionality to quickly make awards. We will be responsible for utilizing this functionality to make draft awards and create an award history report [REDACTED]. Bidders cannot view the draft awards until we release the results to bidders. We will only do this once the results are officially approved.

#### **Subtask 5A.14 Report Results**

We will report the results of the auction or reserve sale to WCI, Inc. The reports will provide a summary of emission permits sold, the clearing price, and total procedures. In addition, the reports will detail awards by bidder. Other information, as detailed in the RFP, will also be included in the report.

Once the auction or reserve sale results are approved, we will release the results to the bidders. [REDACTED]

Once this happens, we will email all the bidders informing them that the results are final and that they should log back on to the Exchange to see their awards, if any. Figure 7 displays a bidder's award history. The history shows what bids received an award, the clearing price, the total quantity awarded, and the total cost. Having the notification through the Exchange eliminates the possibility of communication errors and saves significant time making awards.

#### **Subtask 5A.15 Support Financial Settlement**

We will provide the Financial Services Contractor with information necessary to manage financial settlement.

We have successfully done this for [REDACTED]

[REDACTED] We have a complete and thorough understanding of financial settlement activities and the information necessary to make

it run smoothly. We are ready to work with WCI's Financial Services Contractor.

#### **Subtask 5A.16 Support Emission Permit Settlement**

We will prepare a report containing the information necessary to transfer compliance instruments from jurisdiction accounts to the registry accounts of the winning bidders in CITSS.

[REDACTED] We understand the reporting necessary to make these distributions.

### **Subtask 5B. Support Services**

*Details have been removed for business confidentiality and competitiveness reasons.*

The following subtasks describe the support services we will provide in the conduct of an auction or reserve sale.

#### **Subtask 5B.A. Support Services: Support**

We understand the type of support necessary to conduct an auction based on our work with RGGI as well as thousands of other customers. As discussed previously, our pre-auction and reserve sale support includes a webinar, open question window, FAQs, and online training on the auction platform. In addition to these services, we will provide a WCI-specific email address to submit questions as well as staff to answer phone inquiries. We believe that this is more than sufficient to provide excellent customer service.

#### **Subtask 5B.B. Support Services: Language**

We will provide support services in the primary language of each participating jurisdiction. This includes English and French for live telephone support and email correspondence. As discussed previously, the auction and reserve sale notices will be in both English and French as well as the training materials, FAQ, user guide, etc.

#### **Subtask 5B.C. Support Services: Accommodations**

We will make reasonable accommodations for disabled accessibility to support services.

#### **Subtask 5B.D. Support Services: Documentation**

We will document the support-related procedures and activities prior to implementation and provide them to WCI, Inc. As discussed previously, we believe a FAQ document is a very useful tool in education and customer support. This type of document also provides staff with pre-approved responses to common questions.

### **Subtask 5C. Reporting**

We will provide all the reports listed in the RFP. Information will be presented in a formal, clear, and accurate manner. In addition, we will provide a written report for each event conducted. The following deliverable will be provided as part of this task:

- Demonstration Process (e.g., Practice Auction)
- Draft Support Procedures Manual
- Revised Support Procedures Manual
- Auction Services Support Summary, at least bi-weekly during an event
- Participants and Administrative User Reports, as needed during an event
- Auctions Operation Report

## **2.1.6 Task 6 – Prepare a System Security Plan**

The SRA team will develop a System Security Plan (SSP) within sixty (60) days of the effective date of this Agreement and an update will be submitted by January 15 annually thereafter.

[REDACTED] The SRA team understands the importance of maintaining high security standards and complies with [REDACTED] is used for reporting on controls at service organizations and effectively replaces [REDACTED] as the authoritative guidance for reporting on service organizations. The following tasks describe how the System Security Plan (SSP) will be developed.

#### **Subtask 6.1 Initial Research**

The SRA team will conduct initial research into current security policies and procedures, as well as applicable laws and standards, and best security practices. The research will also define all the relevant security requirements as set forth in National Institute of Standards and Technology (NIST) 800-53, Federal Information Processing Standards (FIPS) 200, and California State's State Administrative Manual (CA SAM) 5300.

#### **Subtask 6.2 Create Draft System Security Plan**

After completion of the initial research, the SRA team will create a draft SSP. The plan will define all the relevant requirements that must be met including data classification, information security risk assessments and testing, computer networks and data security, identity management and infrastructure, authentication and authorization services, electronic auditing, data transfer and encryption protocols, information security incidents reporting, and disaster recovery and business continuity management.

#### **Subtask 6.3 Develop Assessment Strategy**

The SRA team will create an assessment strategy and checklist. The assessment strategy will include the assessment process, assessment roles, and the time frame for the assessment.

#### **Subtask 6.4 Conduct Assessment**

The assessment will be conducted in a systematic manner according to the previously developed checklist. If new issues are found, the SRA team will report them to WCI, Inc. in a timely manner. The SRA team will also document all security issues and include them in the Assessment Report.

#### **Subtask 6.5 Prepare Draft Assessment Report**

The SRA team will prepare a draft assessment report that includes:

- Executive Summary;
- Purpose of the Assessment;
- Scope of the assessment;
- Findings and Recommendations; and
- Conclusion.

The report will be utilized by the SRA team to identify weaknesses and improve system security. If necessary, The SRA team will create tasks for any remediation/mitigation and establish a schedule for future assessments.

### **Subtask 6.6 Finalize System Security Plan**

Based on the activities in the previous tasks, a final SSP will be prepared by the SRA team and delivered to WCI, Inc.

## **2.1.7 Task 7 – New Jurisdictions**

The following subtasks detail how the SRA team will add a new jurisdiction.

### **Subtask 7.1 Prepare Draft Plan to Add a New Jurisdiction**

Upon notification that a new jurisdiction is joining WCI, Inc. and requires auction services, the SRA team will prepare a draft New Jurisdiction Plan describing the activities required to include the new jurisdiction such as design and development activities, materials (i.e. documents, training materials, etc.) to be updated, additional support resources needed, the schedule to perform the work, and estimated costs.

### **Subtask 7.2 Present Draft Plan to Add a New Jurisdiction**

The SRA team will present the draft New Jurisdiction Plan to WCI, Inc. The Plan details will be discussed and comments and feedback from WCI, Inc. will be solicited.

### **Subtask 7.3 Finalize Plan to Add a New Jurisdiction**

The SRA team will update the New Jurisdiction Plan based on comments received during and after the presentation. The final Plan will be submitted to WCI, Inc. one week after comments have been received.

### **Subtask 7.4 Execute Plan to Add a New Jurisdiction**

The SRA team will execute all elements of the New Jurisdiction Plan. As necessary, the SRA team will provide WCI, Inc. and the new jurisdiction with a status update to ensure all required elements are completed on schedule.

## **2.1.8 Task 8 – Transition Out**

The following subtasks detail how the SRA team will transition out at the end of the contract period.

### **Subtask 8.1 Prepare Draft Transition Plan**

Upon notification that the SRA team's contract with WCI, Inc. will not be renewed, the SRA team will prepare a Draft Transition Plan in conjunction with WCI, Inc. and the other contractor(s) selected by WCI, Inc. The Plan will describe all the activities and materials used to provide Auction Services and the approach to transitioning the service to a new provider. If deemed necessary, the Plan will include training and knowledge transfer. The objective of the Plan is to provide a smooth transition of services at the end of the period of performance of the contract.



### **Subtask 8.2 Present Draft Transition Plan**

The SRA team will present the draft Transition Plan to WCI, Inc. and the other contractor(s) selected by WCI, Inc. The Plan details will be discussed and comments and feedback from WCI, Inc. and the other contractor(s) selected by WCI, Inc. will be solicited.

### **Subtask 8.3 Finalize Transition Plan**

The SRA team will update the Transition Plan based on comments received during and after the presentation. The final Plan will be submitted to WCI, Inc. one week after comments have been received.

### **Subtask 8.4 Execute Transition Plan**

The SRA team will execute all elements of the Transition Plan including the transfer of all data and files in a format that can be accessed using standard business software such as Microsoft Office. As necessary, the SRA team will provide WCI, Inc. with a status update to ensure all required elements are completed on schedule.

## **2.1.9 Task 9 – Other Activities as Directed**

If directed by WCI, Inc., the SRA team will prepare a Work Plan and Schedule and accompanying budget for any other activity proposed by WCI, Inc. No work will commence until the Plan and budget have been approved by WCI, Inc.

## **2.1.10 Draft Work Schedule**

Figure 8 contains a draft work schedule for the non-recurring tasks (1-4, and 6) as well as for the recurring tasks (5). However, for the recurring tasks we only show one auction cycle. The schedule is modified from the original proposal, dated April 27, 2015, to show delivery of the quarterly joint auction in August 2016. The schedule assumes an October 12, 2015 start date.

*Details have been removed for business confidentiality and competitiveness reasons.*

Subtask Description	Responsible Party	Start Date(s)	End Date(s)
Task 1 – Develop Final Work Plan and Schedule			
Subtask 1.1 Create Draft Work Plan and Schedule	SRA team		
Provide comments on Work Plan and Schedule	WCI, Inc., Jurisdictions		
Subtask 1.2 Hold Kickoff Meeting	SRA team		
Subtask 1.3 Finalize Work Plan and Schedule	SRA team		
Task 2 – Design, Develop, and Document Auction Tools and Services			
Subtask 2A Auction Platform Design and Development			
Subtask 2A.1 Define Phase	SRA team		
Subtask 2A.2 Design Phase	SRA team		
Review and approve requirements and design documents	WCI, Inc., Jurisdictions		
Subtask 2A.3 Build Phase	SRA team		

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Subtask Description	Responsible Party	Start Date(s)	End Date(s)
Iterative testing of technical enhancements	WCI, Inc., Jurisdictions		
Subtask 2B. Hosting Services			
Subtask 2B.1 Prepare Auction Services Hosting Plan	SRA team		
Provide comments on hosting plan	WCI, Inc., Jurisdictions		
Subtask 2B.2 Finalize Auction Services Hosting Plan	SRA team		
Subtask 2B.3 Provide Hosting Services	SRA team		
Subtask 2B.4 Provide Hosting Environments	SRA team		
Task 3 –Testing and Troubleshooting			
Subtask 3A Testing			
Subtask 3A.1 Develop Acceptance Criteria	SRA team		
Subtask 3A.2 Conduct Initial Testing	SRA team, WCI, Inc., Jurisdictions		
Subtask 3A.3 Issue Resolution	SRA team		
Subtask 3A.4 Conduct Final Testing	SRA team, WCI, Inc., Jurisdictions		
Subtask 3B Troubleshooting			
Subtask 3B.1 Provide Access to Stage Environment	SRA team		
Subtask 3B.2 Prioritize Issue Troubleshooting	SRA team		
Subtask 3B.3 Conduct Troubleshooting	SRA team, Jurisdictions		
Subtask 3B.4 Document Troubleshooting Activities	SRA team		
Subtask 3B.5 Report on Troubleshooting Results & Resolution of Issues	SRA team		
Task 4 – Dev. Processes & Procedures for Auction & Reserve Sale Serv.			
Subtask 4A Processes and Procedures Documents			
Subtask 4A.1 Review Current Processes and Documents	SRA team		
Subtask 4A.2 Modify Current Processes and Procedures	SRA team		
Subtask 4A.2 Modify Current Documents	SRA team		
Subtask 4A.3 Present Modified Current Processes and Documents	SRA team		
Subtask 4A.4 Finalize Current Processes and Documents	SRA team		
Subtask 4A.5 Update Current Processes and Documents	SRA team		
Task 5 – Auction and Reserve Sale Set Up, Operations, and Reports			
Subtask 5A Set-Up and Conduct Operations			
Subtask 5A.1 Update Auction or Reserve Sale Documents	SRA team		
Subtask 5A.2 Release Auction or Reserve Sale Documents	SRA team		
Subtask 5A.3 Open Question and Answer Window	SRA team		
Subtask 5A.4 Host Bidders' Conference	SRA team		
Subtask 5A.5 Close Question and Answer Window	SRA team		
Review and approve responses and updated FAQs	WCI, Inc., Jurisdictions		
Subtask 5A.6 Manage Bidder Application Process	Jurisdictions		
Subtask 5A.7 Deliver List of Potential, Qualified Bidders	Jurisdictions		
Subtask 5A.8 Receive Approved List of Bidders	SRA team		

Subtask Description	Responsible Party	Start Date(s)	End Date(s)
Subtask 5A.9 Conduct Bidder Training	SRA team		
Subtask 5A.10 Notify Approved Bidders	SRA team		
Subtask 5A.11 Administer Auction or Reserve Sale Tasks			
Send bid limitation, sign-off on event	WCI, Inc. Jurisdictions		
Subtask 5A.11.1 Build Auction or Reserve Sale Event	SRA team		
Subtask 5A.11.2 Run Auction or Reserve Sale	SRA team		
Subtask 5A.11.3 Monitor Auction or Reserve Sale	SRA team		
Subtask 5A.12 Support Market Monitor	SRA team		
Subtask 5A.13 Make Awards	SRA team		
Subtask 5A.14 Report Results	SRA team		
Subtask 5A.15 Support Financial Settlement	SRA team		
Subtask 5A.16 Support Emission Permit Settlement	SRA team		
Distribute allowances in CITSS	Jurisdictions		
Subtask 5B. Support Services			
Subtask 5B.A. Support Services: Support	SRA team		
Subtask 5B.B. Support Services: Language	SRA team		
Subtask 5B.C. Support Services: Accommodations	SRA team		
Subtask 5B.D. Support Services: Documentation	SRA team		
Subtask 5C. Reporting	SRA team		
Task 6 – Prepare a System Security Plan			
Subtask 6.1 Initial Research	SRA team		
Subtask 6.2 Create Draft System Security Plan	SRA team		
Subtask 6.3 Develop Assessment Strategy	SRA team		
Subtask 6.4 Conduct Assessment	SRA team		
Subtask 6.5 Prepare Draft Assessment Report	SRA team		
Subtask 6.6 Finalize System Security Plan	SRA team		
Task 7 – New Jurisdictions			
Subtask 7.1 Prepare Draft Plan to Add a New Jurisdiction	SRA team		
Subtask 7.2 Present Draft Plan to Add a New Jurisdiction	SRA team		
Subtask 7.3 Finalize Plan to Add a New Jurisdiction	SRA team		
Subtask 7.4 Execute Plan to Add a New Jurisdiction	SRA team		
Task 8 – Transition Out			
Subtask 8.1 Prepare Draft Transition Plan	SRA team		
Subtask 8.2 Present Draft Transition Plan	SRA team		
Subtask 8.3 Finalize Transition Plan	SRA team		
Subtask 8.4 Execute Transition Plan	SRA team		
Task 9 – Other Activities as Directed			

*Figure 8: Proposed Work Schedule for Non-recurring Tasks and First Quarterly Auction and Reserve Sale*

## 2.1.11 Technical Barriers and Recommendations

As demonstrated in our descriptions of Tasks 1-9 above and in our experience in the following sections, the SRA team has a very detailed understanding of what it takes to successfully integrate registry and auction platforms and provide reliable and secure auction and reserve sale services. We have worked extensively before and during this procurement to develop a solution that addresses your stated requirements, solves your pressing issues, and provides a

foundation for the continual improvement of services over the life of the contract. As discussed above, we will customize the registry and the auction platform to meet your specific needs. In particular, we will address the following areas:

- Develop an custom auction application in CITSS;
- Develop French language support in the Exchange; and
- Customize the Exchange to support jurisdiction user roles.

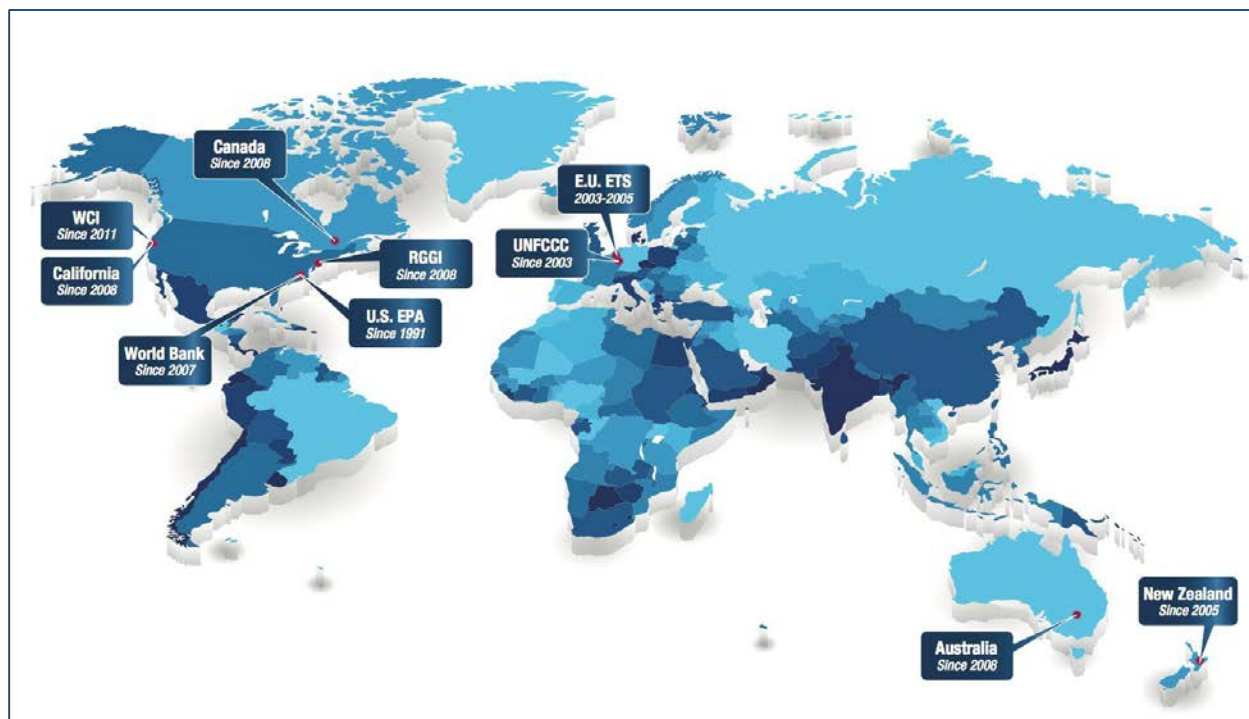
Based on our detailed understanding of your programs and systems and our extensive experience, we do not anticipate any major difficulties in the implementation of our solution. Each of these areas has been analyzed in detail and is well understood. Inevitably, some challenges will arise, but as demonstrated on CITSS, we have the experience, personnel, and management approach to address these openly, collaboratively, and efficiently. The following section details possible risks by task and our planned mitigation strategies.

### **2.1.12 Possible Risks by Task**

*Details have been removed for business confidentiality and competitiveness reasons.*

### 2.1.13 Demonstrated Ability to Work with Organizations Responsible for Market-based Environmental Compliance Mechanisms

SRA offers nearly two decades of experience supporting domestic and international market-based environmental compliance mechanisms. During this time, we have worked extensively with the U.S. Environmental Protection Agency (EPA), U.S. state environmental agencies, the UNFCCC Secretariat, the California Air Resources Board, WCI, RGGI, Environment Canada, the World Bank, the Australia CER, and the New Zealand Environmental Protection Authority to support emissions trading and emissions reporting programs for both criteria pollutants and GHGs. SRA's team of subject matter experts, business analysts, and software engineers have successfully built and continue to build reliable, scalable, and secure registry systems around the world.



*Figure 9: SRA offers nearly two decades of experience supporting domestic and international market-based environmental compliance mechanisms.*

Our experience with emissions trading began in the early 1990s with our support of the EPA's Clean Air Markets Division (CAMD) and the nascent Acid Rain Program. We started our work

with CAMD as subject matter experts and developed capability to support the IT systems underpinning CAMD's mission, including a major systems reengineering effort from 2001 to 2007. As the benefits of emissions trading programs became clear through the Acid Rain Program's overwhelming success, we worked with the U.S. Environmental Protection Agency to develop an international outreach program, including both outreach materials and systems support. With their backing and starting in 2003, we developed a generic emissions trading registry (named EATS) that eventually grew to support nine separate programs.

At the same time, the UNFCCC Secretariat was tasked with determining the technical basis for implementing the global trading program established by the Kyoto Protocol and the subsequent Conference of the Parties (COP) and Meeting of the Parties (MOP) decisions. In late 2003, the Secretariat asked us for assistance in designing the infrastructure and standards that would govern the exchange of carbon units between parties. Our senior staff members worked closely with UNFCCC staff to develop a process and design that provided standardized, international trading while maintaining sovereignty for each signatory--a mandatory requirement of the Kyoto Protocol. As part of this, SRA developed the Data Exchange Standards (DES), including the requirements for the design, testing, and deployment of national registries for the Kyoto Protocol. SRA later prepared and delivered DES training to new Secretariat staff. During this period, SRA also designed the ITL, a critical component of the Kyoto Protocol enabling the UNFCCC Secretariat to fulfil its role as the centralized authority. This work included addressing complex issues relating to the European GHG carbon trading program, which was integrated and overlaid with the Kyoto Protocol. SRA continues to advise the UNFCCC today and is considered an international expert in the industry on the standards and procedures that have governed national carbon registries since 2005.

Building on the knowledge and experience of the DES, the ITL, the EU programs, and a close relationship with the UNFCCC Secretariat, SRA designed, developed, implemented, and still supports the major flexibility mechanism, the UNFCCC Clean Development Mechanism (CDM) registry. We also designed, developed, implemented, and operate several Kyoto Protocol national registries including New Zealand, Australia, and Canada--the latter two within just a few months in order to meet looming deadlines. As emissions trading continued to rise in popularity, we also began work with RGGI and the World Bank in 2008, providing registry development, hosting, and help desk services. It was a fast growing and fast changing time for emissions trading. To meet these aggressive deadlines, SRA leveraged the generic emissions trading tools that had been developed by SRA for the EPA as an outreach effort to promote global emissions trading.

With the Kyoto Protocol Commitment Period 1 under way, many countries turned their attention to national programs. SRA helped New Zealand extend its Kyoto registry to support a national ETS and, subsequently, the emissions reporting underpinning the ETS. We also began similar efforts with Australia's CPRS program. SRA's experience with these programs reaffirmed the value of emissions trading schemes and their role in the context of national efforts to address climate change.

Australia and New Zealand are examples of how carbon program have expanded beyond the basic needs of a registry. Over time, the expansion of programs has made it necessary for the Registries to expand to support very specific needs of program with elements unique to each jurisdiction. In addition, the rapidly evolving global carbon market has revealed escalating security risks, both procedural and technical. To address these new needs, SRA began in 2009 to invest in research and development to develop the skills, understanding, and technical approaches necessary to support the future of climate change programs. When Australia resumed development of a comprehensive national carbon registry in 2010 after a political delay, we leveraged this investment to redevelop their registry and then expand it to support

their Carbon Farming Initiative and Carbon Pricing Mechanism, all while maintaining compliance and interconnectivity with the ITL. We continue to work with Australia to support their evolving program, including anticipating and staying ahead of security threats.

In 2011, SRA continued its emissions trading efforts by designing and building a registry system that currently supports California's and Quebec's GHG cap-and-trade programs. This bi-lingual registry is designed to support the growth of WCI, Inc. and Participating Jurisdiction programs by enabling multiple jurisdictions to operate their programs within a single registry solution. In addition to the registry, we also designed and implemented a cloud-based hosting infrastructure to accommodate growing and changing program needs. With support from WCI and the jurisdictions, we have incorporated additional registry security concepts in the application and the hosting environment. Constrained by a looming fixed legislative deadline, SRA was able to work closely with WCI and Participating Jurisdictions to review legislation, plan development, gather requirements, and review functionality throughout the project. SRA's expertise in emissions reporting combined with experience implementing data systems allowed WCI, Inc. and the Participating Jurisdictions to meet their production release target. CITSS went live on July 9, 2012.

Since CITSS was first implemented, the legislation has been amended numerous times. Each expansion has involved legislative review, close coordination with support staff to develop implementation strategies, and changes to the registry.

With this experience, the SRA team is uniquely qualified to support WCI, Inc. and Participating Jurisdictions in their pioneering market-based compliance programs and offers the best possible combination of relevant experience, subject matter expertise, software development capability, and proven management methods to ensure success. We have remained at the forefront of air pollution policy and regulatory development and have a thorough knowledge of the regulations and policies underlying domestic and international air quality and climate change goals. SRA would welcome the opportunity to leverage this knowledge and information technology capability to deliver a solution that fully supports WCI, Inc. and the Participating Jurisdictions.

## ***2.2 Corporate Experience***

*Details have been removed for business confidentiality and competitiveness reasons.*

With four years of experience working with WCI, Inc. and Participating Jurisdictions and over six years supporting the auction and sale of emissions allowances for cap-and-trade programs, the SRA team is well qualified to provide auction and reserve sale services based on our institutional knowledge, flexibility, commitment, and excellent working relationships with WCI, Inc. and jurisdiction staff and other WCI, Inc. contractors. We have a proven track record of success delivering user-friendly, low-maintenance, and low-risk auctions to the U.S. Environmental Protection Agency (EPA), Regional Greenhouse Gas Initiative (RGGI), and other clients. We will leverage this and our longstanding and effective relationships with WCI, Inc. and the jurisdictions to provide quality products and services while applying innovative solutions.

As highlighted in Section 2.1.13, SRA offers nearly two decades of experience supporting domestic and international emissions trading programs. SRA began supporting WCI Participating Jurisdictions in 2011 with the implementation of a multi-jurisdictional trading platform. SRA worked with the jurisdictions and, once formed, WCI, Inc. to customize a registry to support a multi-jurisdictional program while serving jurisdictions' specific needs. From the start, SRA worked closely with the jurisdictions to ensure effective communication and coordination, including providing regular releases of software and real-time access to status information. Our collaborative relationship has resulted in five major releases and several minor releases of CITSS since 2012, progressively delivering new and enhanced functionality.

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EnerNOC offers 15 years of experience conducting auctions for federal and state customers. During this time, EnerNOC has worked extensively with RGGI, Inc.; U.S. General Services Administration (GSA); the States of Maryland, New Jersey, Delaware, Massachusetts, Connecticut, and Pennsylvania; and major U.S. utilities. EnerNOC administers and monitors the auction, provides bidder outreach, develops auction documentation and training, and provides secure access to the auction platform. The auctions for these customers demonstrates EnerNOC's expertise in conducting auctions, ability to plan, manage, and run complex, high stakes auctions, as well as the flexibility, scalability, and reliability of the auction platform.

SRA and EnerNOC have worked together in support of the RGGI since its inception in 2008. We've built, integrated, and operated the registry and auction platforms to deliver secure and reliable services at low cost. Since 2008, we've conducted 27 auctions for RGGI, Inc. selling over \$2 billion in proceeds covering over 740 million allowances. Our collaboration has enabled the smooth and successful integration of registry and auction processes, reducing the administrative burden and facilitating a streamlined auction process.

To illustrate our knowledge and experience, our performance references (shown in Figure 10) contain examples of large-scale auction tools and services that we have managed, designed, and developed; our experience developing auction and reserve sale processes and procedures; our ability to conduct and support auctions and reserve sales; our experience managing system infrastructures that are secure and highly available; our innovative techniques, methods, and documentation in accomplishing key project tasks; and our ability to provide multi-tiered technical user support for various systems and Websites. We provide two relevant past performance references from SRA, as well as one relevant reference from our partner EnerNOC, that have been conducted within the last five years and are similar in scope, complexity, and level of service.

*Details have been removed for business confidentiality and competitiveness reasons.*

Contract	POP	Contract Value	# of Staff	Auction Tools & Services	Auction Processes	Set Up, Operations, & Reports	Security Procedures	Business Systems Integration
RGGI				•	•	•	•	•
EPA, CAMD	2006 – Present		3-5	•	•		•	•

Contract		Contract Value	# of Staff	Auction Tools & Services	Auction Processes	Set Up, Operations, & Reports	Security Procedures	Business Systems Integration
Massachusetts Department of Energy Resources (DOER)	06/2011 – Present		3	•	•	•	•	

*Figure 10: The SRA team offers current and directly relevant experience with auction and reserve sale services.*

The remainder of this section presents performance summaries for each of the three contracts shown in Figure 10. In addition, as requested in the RFP, included in Appendix C are corporate experience reference forms providing additional detail to demonstrate relevance and success in execution of work similar to that described in the RFP.

REFERENCE 1	
[REDACTED]	
[REDACTED]	
[REDACTED]	[REDACTED]
[REDACTED]	

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]





## 2.2.2 U.S. EPA Clean Air Markets Division (CAMD)

REFERENCE 2	
<b>Name of Organization</b> U.S. EPA, Clean Air Markets Division (CAMD)	
<b>Dates of Service</b> 2006-present	<b>Value or Cost of Service</b>

### *Brief Description of Service Provided*

In 2006-2007, SRA developed functionality in CAMD's applications to support the annual Acid Rain Program SO<sub>2</sub> auction. Electronic bidding using CAMD's web application is supported, and CAMD administrators may process any paper auction bids, identify methods of payment, run the auction, and produce reports for the results. Support is included for CAMD's auction reserve allowances and the offering of private allowances for sale.

### *Relevance to WCI Auction and Reserve Sale Administrator Services*

- Developed custom auction functionality that integrates seamlessly with other CAMD business systems
- Tailored the solution to meet the particular requirements of CAMD programs
- Provided flexibility for both electronic and paper-based processes to accommodate a range of stakeholders
- Developed functionality to provide CAMD auction administrators with key review, monitoring, and approval functions

## 2.2.3 Massachusetts Department of Energy Resources (DOER)

REFERENCE 3	
<b>Name of Organization</b> Massachusetts Department of Energy Resources (DOER)	
<b>Dates of Service</b> 06/2011 – Ongoing	<b>Value or Cost of Service</b>

### **Brief Description of Service Provided**

In June 2011, EnerNOC, then World Energy Solutions, Inc., was awarded a contract to provide the Commonwealth of Massachusetts Department of Energy Resources (DOER) with auction design and operational services for the Solar Credit Clearinghouse Auction (SCCA). World Energy had approximately four weeks to prepare for the first auction.

### **Relevance to WCI Auction and Reserve Sale Administrator Services**

- Auction format is similar to a reserve sale (i.e., the bid price is fixed and the bidder on inputs quantity demanded).
- Developed the Auction Notice and Qualification Application.
- Developed all auction processes and procedures including bidder qualification review, remediation, and approval process; and the financial security review and approval process
- Support financial and solar credit settlement activities.

## **2.3 Personnel**

*Details have been removed for business confidentiality and competitiveness reasons.*

The SRA team has unrivaled experience implementing, managing, and operating auctions at the state/province level, the leading online auction platform for energy commodities, unmatched understanding of WCI, Inc. and jurisdiction programs, unsurpassed experience with complex high value auctions, a scalable solution, and a team of seasoned professionals. This depth across all facets of the engagement ensures that WCI, Inc. will have a partner capable of mitigating and overcoming any challenges that arise over the course of the engagement.

[REDACTED] will serve as the Project Manager. [REDACTED]

[REDACTED] will be supported by other key personnel [REDACTED]

[REDACTED], Technical Leads for CITSS and the Exchange respectively, will work closely to securely integrate the registry and auction platform. Together, the team will work to eliminate current pain points and provide a seamless user experience between CITSS and the auction platform.

Through our work with WCI, Inc. and the Participating Jurisdictions, we have developed an effective and transparent management structure and approach. Our team has developed the combination of staff and resources to serve your needs and efficiently assign the right people at the right time. As shown by our work over the past 4 years, our personnel are trained and highly qualified (as demonstrated by resumes and details provided in this section) and have been fully evaluated for security purposes. While our proposed SRA team is fully available and ready to continue supporting WCI, Inc., we are bolstered by a depth of available personnel and resources to address future shifts in requirements and technology advancements. We have the

commitment of our team personnel and are pleased to offer this team in support of your mission.

This section presents the personnel proposed for this engagement. This is the team that will work with WCI, Inc. The team has expertise across all critical areas and the capacity and flexibility to handle surge demands as well as to cover any contingencies, thereby reducing the risk of schedule slips.

### **2.3.1 Subcontractors**

As discussed, SRA will partner with EnerNOC to provide auction services. EnerNOC will provide the auction platform and lead the operations of auctions and reserve sales.

EnerNOC is a global energy management company of more than 1,000 employees with offices in North and South America, Europe, Australia, New Zealand, and Asia. In 2001, EnerNOC first delivered technology-enabled demand response services to commercial and industrial customers. In the 13 years since we were founded, our company has built on our powerful technology to deliver a comprehensive suite of energy intelligence software (EIS) applications.

EnerNOC has invested to create a technology platform that delivers on the promise of enabling our business, utility, and grid operator customers to make more intelligent energy decisions. Whether that's providing over 1.8 gigawatts of capacity to the grid in the largest demand response dispatch in history, or analyzing billions of data points a day to uncover hidden savings opportunities for customers, EnerNOC's technology makes actionable energy intelligence possible.

EnerNOC's EIS solutions include applications that help organizations buy energy better, manage utility bills, optimize energy consumption, and manage peak demand. EnerNOC collects and analyzes millions of data points from clients all over the world and marries that information with grid and market signals, such as real-time prices, weather, and overall system peaks. As a result, enterprises get actionable insights into how they can save money and use energy more productively, and utilities and grid operators get firm, reliable demand-side resources.

EnerNOC has been the recipient of numerous awards for industry leadership in energy management and clean technology. A complete list is available at <http://www.enernoc.com/about/awards>.

In January 2015, EnerNOC purchased World Energy Solutions, Inc. based in Worcester, MA. World Energy is now a wholly owned subsidiary and continues to operate under the name World Energy. World Energy brings to EnerNOC over 15 years of experience. In that time, World Energy has conducted approximately 41,000 online events and awarded over \$49.3 billion in contracts. This includes awards for more than 174,000,000 megawatt hours (MWhs) of electricity and more than 4.2 trillion cubic feet (Tcf) of natural gas. Starting in 2006, World Energy adapted the Exchange to transact environmental commodities. Since then, World Energy has assisted customers buy and sell more than 675 million renewable energy certificates (RECs), verified emissions reductions (VERs), and carbon dioxide (CO<sub>2</sub>) allowances. In fact, the value of the CO<sub>2</sub> allowances transacted is nearly \$1.7 billion.

### **2.3.2 Personnel Summary**

The following table lists the personnel proposed for this engagement. Key personnel are identified with an asterisk (\*).

Name	Title (Role)	Company	Years of Experience	Degrees and Professional Certification	Tasks
	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED] [REDACTED]	[REDACTED]
	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	[REDACTED] [REDACTED] [REDACTED]	[REDACTED]	[REDACTED]	[REDACTED] [REDACTED]	[REDACTED]
	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	[REDACTED] [REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

Each member of the team is discussed below along with their responsibilities. Full resumes are included as an Appendix.

*Details have been removed for business confidentiality and competitiveness reasons.*

The following personnel are listed alphabetically by organization. The titles listed are consistent with company job titles and do not directly identify each person's role on the team or the labor category they are assigned for this proposal.

*Details have been removed for business confidentiality and competitiveness reasons.*

## 2.4 Management Plan

The foundation of the SRA team's management approach is impeccable responsiveness in delivering high-quality software and support services. Effective project management begins in the planning phase, continues through the execution phase, and extends through project completion. SRA's management approach, led by is empowered by iterative feedback and continuous improvement. This approach ensures that we manage our work to produce client satisfaction with high-quality results.

The SRA team offers a practical approach to agility for delivering and maintaining software. Our approach is primarily based on the Scrum agile framework and Extreme Programming (XP) software engineering practices but also incorporates other methods and practices where appropriate. We feel that these techniques minimize the frustrations that clients commonly face with traditional software methodologies and provide better project outcomes. They put an emphasis on WCI, Inc. and the Participating Jurisdictions engagement and collaboration, help us to avoid long wait times between requirements discovery and delivery of valuable working software, allow for adapting the software to changing requirements during development, and provide only necessary, valuable, and up-to-date documentation.

The Exchange will be used to manage the auction and reserve sale events. A successful auction or reserve sale event is the proof that all of the necessary planning and pre-event activities were properly performed. For this reason, the Exchange is more than just an auction platform. The Exchange is utilized throughout the entire process; it does not merely come into play on the day of an event. The Exchange provides us with an end-to-end auction management tool. It contains a task planning module that allows us to monitor progress against critical tasks and milestones. This capability also includes standard task templates to ensure lessons learned are automatically incorporated into future events. New tasks are then added to address the specific customer requirements. This type of detailed plan is prepared for each and every event. It is provided to the customer, and once it is approved, it is incorporated into the Exchange. The visibility, accountability, and auditability provided by the Exchange ensure that an event is performed successfully and to the highest standard. [REDACTED]

[REDACTED] While risk can never be entirely eliminated, a well thought out and executed plan can minimize it.

### 2.4.1 Management Structure

Another way to minimize risk is to assemble a team of professionals with extensive and relevant expertise and backgrounds. The team of seasoned professionals proposed for this engagement has it. In fact, many of the proposed individuals have worked on CITSS and the RGGI auctions since inception.

*Details have been removed due to the sensitive nature of the potential contents.*

*Figure 12: The SRA team provides jurisdiction program and auction expertise.*

The team proposed for this engagement meets all of the requirements articulated in the RFP. The proposed Project Manager (PM) for this engagement has been with SRA since 2004 and has served as the CITSS project manager since 2011. Will work closely with the SRA team and EnerNOC team to:

- Provide the development plan and release schedule;
- Harmonize the key integration points between CITSS and the auction platform;
- Review work products and deliverables;
- Monitor the performance of tasks;
- Coordinate the activities of the team members; and
- Provide auction administration expertise.

As demonstrated in our Technical Proposal, the SRA team has experience implementing, managing, and operating auctions at the state level, the leading online auction platform for energy commodities, [REDACTED] unsurpassed experience with complex high value auctions, a scalable solution, and a team of seasoned professionals. This depth of experience ensures that WCI, Inc. and the Participating Jurisdictions will have a partner capable of managing this broad-reaching landmark program, as well as mitigating and overcoming any challenges that arise over the course of the engagement.

### **Key Personnel**

The following table identifies the level at which each of the Key Personnel will be dedicated to the Agreement. Percent availability and number of hours per month reflect the time when the personnel are actively engaged in the technical enhancements or auction operations activities.

Name	Role	Percent Availability (Total Time)	Number of Hours per Month
	Project Manager	[REDACTED]	[REDACTED]
	Auction Administrator	[REDACTED]	[REDACTED]
	Technical Lead	[REDACTED]	[REDACTED]
	CITSS Access	[REDACTED]	[REDACTED]

*Figure 13: The SRA team is available and ready to begin on day 1.*

## **2.4.2 Management Plan**

The remainder of this section discusses how the PM will manage communication, scope, schedule, costs, quality, resources, and risk. Each subsection provides details on the teams' processes, tools, and techniques to ensure we meet or exceed WCI needs for all tasks.

### **Subcontractor Management**

The SRA PM will hold routine technical meetings with EnerNOC to coordinate project activities, and meet as needed with subcontractor points of contact to discuss project schedules/milestones and performance feedback. Monthly progress and financial reports will be submitted to SRA to track project status/cost.

### Communication Management

An important attribute of the SRA team's agile approach is real-time transparency. We will make project artifacts and tools visible to WCI, Inc. and the Participating Jurisdictions and encourage you to understand and use them with us. We will set aside time to explain or demonstrate any tool or process we utilize in order to help WCI, Inc. and the Participating Jurisdictions understand the work we are doing for you. We prefer that WCI, Inc. and the Participating Jurisdictions are highly engaged and aware of the project's progress by communicating and collaborating with us on a regular basis rather than through the periodic exchange of documents, reports, and artifacts.

The following table provides a summary of the strategies, including meetings, documents, and reports, the SRA team will use to communicate with WCI, Inc. and Participating Jurisdictions.

Reporting Mechanism	Frequency	Required Attendees / Distributio	Purpose / Content	Key Topics
Product Backlog	Continuous	SRA team, Auction Technical Work Group	Prioritized list of requirements and tasks.	Requirements
Implementation Status Meeting	Weekly or Bi- weekly	SRA team, Auction Technical Work Group	Provide updates on status, action items, risks, release plan, and requirements.	Status, updates, planning, action items, risks, requirements
Implementation Status Meeting Notes	Weekly or Bi- weekly	Posted to project portal	Summarize actions, decisions, and discussions during Implementation Status Meeting.	Status, updates, plans, action items, risks, requirements
Requirements Review	Weekly	SRA team, Auction Technical Work Group	Review requirements with Auction Technical Work Group.	Requirements
Sprint Backlog	2-3 weeks	SRA team, Auction Technical Work Group	Prioritized list of development items in the current sprint.	Feature development
Demo	Last week of each sprint	SRA team, Auction Technical Work Group	Demonstrate functionality developed during the sprint. Collect stakeholder feedback.	Feature development
Progress Report	Monthly	Emailed to Auction Technical Project Manager	<ul style="list-style-type: none"> <li>Activities, tasks, deliverables accomplished in the month,</li> <li>Activities, tasks, deliverables planned for the following month,</li> <li>Difficulties and proposed remediation,</li> <li>Service level performance report, and</li> </ul>	Status, financials



Reporting Mechanism	Frequency	Required Attendees / Distributio	Purpose / Content	Key Topics
			<ul style="list-style-type: none"> <li>Cost tracking and projections.</li> </ul>	
SRA-WCI Management Meeting	Monthly	SRA PM, EnerNOC PM, Auction Technical Project Manager	Review monthly progress report, invoice and any other management issues.	Status, financials, planning
Product Backlog	Continuous	SRA team, Auction Technical Work Group	Prioritized list of requirements and tasks.	Requirements
Implementatio n Status Meeting	Weekly	SRA team, Auction Technical Work Group	Provide updates on status, action items, risks, release plan, and requirements.	Status, updates, planning, action items, risks, requirements
Implementatio n Status Meeting Notes	Weekly	Posted to project portal	Summarize actions, decisions, and discussions during Implementation Status Meeting.	Status, updates, plans, action items, risks, requirements

*Figure 14: The SRA team will use familiar and proven mechanisms to communicate with WCI, Inc. and Participating Jurisdictions.*

### Performance Metrics

The SRA team will use familiar agile development metrics to measure application development progress over the course of the technical enhancement effort. The team will track metrics consistent with current CITSS development.

Metric	Description	Purpose	Goal
<b>Scrum</b>			
Sprint Burndown	The chart shows planned versus actual trends of work remaining	Determine how much work remains to be completed by comparing the actual work remaining to planned work remaining.	
Points Completed (Velocity)	Number of points completed in a sprint	Helps team plan future sprints and see if the velocity is sustainable. Points are not adjusted based on actual level of effort for a particular ticket.	When the team remains constant, increase in points over time until the value becomes steady based on a consistent team size.
Average Points per story	Average number of points per ticket in the sprint	Helps team understand the relationship between the relative size of a ticket compared with how many tickets are completed in a sprint.	Value becomes steady over time.
<b>Predictability</b>			
Story completio	Number of Committed Stories Completed /	Become predictable in estimating and sprint planning. Encourages	Within 10%



Metric	Description	Purpose	Goal
Ratio	Number of Committed Stories	Smaller stories and more effort getting work ready prior to the sprint.	
Story Stability	Number of Stories in the Sprint at the end of the Sprint / Number of Committed Stories	Helps team understand how much a sprint changes.	Within 10% of 1.
Point Completion Ratio	Number of Committed Points Completed / Number of Committed Points	Become predictable in estimating and sprint planning. Encourages smaller stories and more effort getting work ready prior to the sprint.	Within 10%
Point Stability	Number of Points in sprint at the end of the Sprint / Number of Committed Points	Helps team understand how much a sprint changes.	Within 10% of 1.
Hours per point	Number of hours billed to project during sprint / Number of points completed in a sprint	Become predictable in how much a feature will cost (in terms of hours) to implement.	Reduction in hours over time until the value becomes steady
Developer hours per point	Number of hours billed by developers to project during sprint / Number of points completed in a sprint	Become predictable in how much a feature will cost (in terms of developer hours) to implement.	Reduction in hours over time until the value becomes steady
Hours variation	Recent hours per point / Average hours per point	Helps team understand how changes to the team impact the time it takes to complete a point.	i. within 20% of average ii. Reduction in the standard deviation of the hours over time
Velocity Variation	Recent Velocity / Average Velocity	Helps team become stable in performance. Encourages managing risks and dependencies ahead of the sprints, and not over committing within the sprint.	i. recent velocity is within 20% of average ii. reduction in the standard deviation of the velocity over time
<b>Quality</b>			
Defect Rates	Number of bug and improvement points / Number of points in sprint	Provide indication of how well we are capturing the requirements. Encourages ticket review with clients so that tickets are accurate and limited changes will be required after development occurs.	less than 10%
Technical Debt Ratio	Number of points on technical debt / Number of points in the sprint	Helps team understand the impact of technical debt to forward development progress. Encourages managing risks and dependencies ahead of the sprints, and not over committing to feature development within the sprint.	~20% of sprint points

*Figure 15: The SRA team will use familiar application development performance metrics and provide insight into predictability and planning future features.*

The SRA team will use the following key metrics for hosting and support services: uptime/downtime, outages, average response time, support requests, and support request response time.

Metric	Description	Purpose	Goal
Auction Platform Uptime / Downtime	System availability in terms of days, hours, and minutes.	Use every reasonable effort to ensure the auction platform is available to users during key timeframes.	Minimum 18 hours per day, with scheduled downtime between 3 AM and 6 AM EST.
Outages	Number of unplanned downtimes during a month.	Use every reasonable effort to ensure the auction platform is available to users during key timeframes.	<ul style="list-style-type: none"> <li>No unplanned outages, and</li> <li>Appropriate messaging to minimize the impact of outages if they occur.</li> </ul>
Average Response Time	Amount of time required for a page to refresh or reload in seconds.	Positive user experience for auction participants.	Not more than 30 seconds on auction platform web pages.
Support Requests	Number of support requests received during an event.	Determine appropriate effort necessary to provide excellent customer service.	N/A
Support Request Response Time	Response time for a support request.	Provide excellent customer service for auction participants.	<ul style="list-style-type: none"> <li>Open bidding window: within 30 minutes of receiving inquiry and prior to the close of the event bidding period.</li> <li>Last 4 days prior to event: within 2 hours of request (normal business hours) or 1 hour after start of day (received after business hours).</li> <li>Any other time: 1 business day</li> </ul>

*Figure 16: The SRA team will track performance related to hosting and user support to provide an excellent user experience and stellar customer service.*

Following the conclusion of each month, SRA will prepare and deliver a monthly progress report. This report will follow a similar format and include similar content to that currently used successfully for monthly reporting on CITSS. In particular, the monthly progress report will include:

1. Activities Performed and Deliverables Completed (by task or functional area)
  - a. Activities
  - b. User Stories Completed
  - c. Difficulties Encountered and Proposed Remediation
2. Anticipated Activities for Next Reporting Period (by task or functional area)
3. Service Level Performance Report
4. Incident Report
5. Cost Summary
6. Spending Forecast

## 7. Supporting Material

### Scope and Schedule Management

*Details have been removed for business confidentiality and competitiveness reasons.*

[REDACTED]

[REDACTED]

Since both SRA and EnerNOC adhere to agile development methodologies, implementation activities occur in time box intervals of 2-3 weeks. The development intervals provide flexibility to change with changing requirements, and to reprioritize backlog tasks and requirements if we experience any unplanned deviations from the schedule.

### Cost Management

Time cards will be utilized for all team personnel to track hours by task. As work progresses, the PM will use the monthly Progress Report to provide WCI, Inc. and the Participating Jurisdictions with the budget status for each task and the overall budget status. SRA will also provide actual monthly costs to date and projected monthly costs.

### Quality Management

The SRA team will use automated testing and build processes and on-demand testing environments to ensure quality during the development process.

[REDACTED]

[REDACTED]

[REDACTED]

The SRA team will use consistent management and oversight techniques to guide each step in the auction process [REDACTED]

[REDACTED]

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each process step, identifies the party responsible, the task inputs and outputs, and the relevant quality assurance/quality control activities. Some of the techniques that we will utilize from the RGGI auctions for this engagement include:

[REDACTED]

### **Resource Management**

The most important tool at our disposal that we will bring to bear is our personnel. Our proposed team includes individuals who have both implemented CITSS and worked on the RGGI auctions. Understanding what tasks are consuming resources above or below the optimal burn rate will enable the PM to manage resources effectively. The SRA team has additional staff to draw upon if necessary; however, given our understanding of the requirements, we are confident we have adequate resources.

The SRA team understands how to integrate the two applications seamlessly and operate a successful auction or reserve sale. The SRA team knows the entity and representative data as many of the proposed team members have worked on CITSS since 2012 or earlier. Our software engineers are cross-trained to reduce risk and enable us to work on all areas of CITSS including the web front end, database and integration with the auction application. We can call on known subcontractors [REDACTED] to provide staff augmentation when we need to quickly increase our development capacity.

### **Risk Management**

In addition to the risks discussed in detail in Section 2.1.12, the SRA team identified the following broad risks and the step to mitigate these risks.

- Technical Scope Creep – Technical scope creep is one of our single biggest risks. Scope creep can occur during the define and design phases of Task 2. They can also occur during the testing phase. Scope creep occurs when new ideas and functionality beyond what is envisioned in the business and technical specifications, is requested. Our plan to mitigate scope creep risk is to lock down the design plans after approval. Any new requests will be queued up and discussed with WCI, Inc. on a periodic basis as a potential investment under Task 9.

[REDACTED]



### **3 COST PROPOSAL**

SRA International, Inc., hereafter referred to as SRA, submits this response to solicitation No. 2015-01 to offer the WCI, Inc. comprehensive staffing, management, engineering, and IT capabilities that, when coupled with our competitive costs, provides a low risk, best-value solution to the WCI, Inc. The information found throughout this Cost/Price Volume will enable the WCI, Inc. to determine that SRA is a true partner, dedicated and focused on successfully achieving the WCI, Inc.'s goals and objectives. This Cost Narrative discusses the methodologies and assumptions used in our price determination for the Auction and Reserve Sale Administrator Services contract. As required by the RFP, the detailed Cost Tables can be found in Appendix D.

#### **3.1 Staffing Approach/Basis of Estimate**

##### **3.1.1 Task 2 – Design, Develop, and Document Auction Tools and Services**

In staffing this project, the SRA team sought to leverage efficiencies across WCI, Inc. and jurisdiction projects, as well as with similar work for other clients, to provide best value. As such, the initial customization of auction tools and services will be performed with a combination of existing teams and new personnel to deliver the right level of service at the right time. Specific highlights of our staffing approach include:

- Will manage this contract, while continuing to manage CITSS development. By managing both efforts, will establish common and coordinated collaboration and communication with WCI, Inc. and the jurisdictions. Will maintain management responsibilities throughout the life of the contract, providing oversight of auctions and reserve sales.
- To leverage their deep project and application understanding, SRA's current CITSS development team will perform CITSS tasks under this contract. If additional capacity is required to concurrently support other CITSS initiatives, SRA will expand the team to accommodate the work load. Based on current planning, SRA expects to have capacity within the current team.
- EnerNOC's development team will perform the customization of the auction platform.

##### **3.1.2 Task 5 – Auction and Reserve Sale Set Up, Operations, and Reports**

For Task 5, the SRA team carefully reviewed the information WCI, Inc. provided in the RFP for the Auction and Reserve Sale Set Up, Operations, and Reports and determined our staffing approach and level of effort.

- The level of effort for auctions and reserve sales are primarily driven by how far it progresses (set up only versus complete auction) and the number of applicants.
- Therefore, our estimates for joint auctions, California reserve sales, and Quebec reserve sales are identical for the same number of applicants.
- By their nature, we expect that reserve sales will cost less to conduct due fewer applicants or no applicants.

## **3.2 Assumptions**

### **3.2.1 Task 2 – Design, Develop, and Document Auction Tools and Services**

- Hours for SRA staff cover only the development effort for the auction improvements in CITSS (does not include software upgrades, hosting operations, general CITSS bug fixes or improvements, etc.)
- CITSS development cost does not include penetration testing or any other activity related to CITSS releases. Those costs are covered under the CITSS contract.
- After initial development effort, any changes to CITSS are covered by the CITSS contract unless Task 9 is used to provide additional funding for SSO or integration

### **3.2.2 Task 5 – Auction and Reserve Sale Set Up, Operations, and Reports**

- For Tables B-1 through B-3, the SRA team has interpreted Tasks 5a, 5b, and 5c to be three separate scenarios, and not additive tasks. Based on how the descriptions were written, it appears that WCI, Inc. is seeking the total cost for each of three scenarios. Therefore, the total matches the third scenario, 5c, which represents a complete event.

## **3.3 Contract Type**

The pricing contained in this proposal is based on Time-and-Materials (T&M). All travel and other direct costs will include SRA indirect costs but will not include fee.

## **3.4 Cyber Security**

*Details have been removed for business confidentiality and competitiveness reasons.*

## **3.5 Organizational Conflict of Interest**

SRA hereby represents that, to the best of its knowledge, it is not aware of any facts that create any actual or potential organizational conflicts of interest relating to the subject task order. SRA and its team members do not wish to unknowingly receive any information that would preclude them from consideration of future work opportunities. Such information may include advance notification of RFPs, statements of work, system requirements definitions or evaluations, cost estimates, etc. Accordingly, SRA respectfully requests advance notification and the opportunity to institute additional appropriate mitigation measures if receipt of certain information would result in ineligibility for participation in future related initiatives.

## **3.6 Term of Offer**

This proposal will remain valid for 180 calendar days from the offer closing date of April 27, 2015. Any questions can be directed to SRA Program Director by email. SRA's representative for contract matters is Contracts Manager, who can be reached by email.

*Details have been removed for business confidentiality and competitiveness reasons.*

## 4 EXCEPTIONS TO WCI, INC. STANDARD CONTRACT FORM

SRA understands and shares the desire to have a short contract negotiation period. With this in mind, SRA did a thorough review of the contract and provided that review in an effort to be clear and forthright. We believe this approach allows for efficient negotiations. For the most part, the following exceptions are intended to align with the terms and conditions of our current agreement with WCI, Inc. under which we have been operating successfully since 2012.

*Details have been removed for business confidentiality and competitiveness reasons.*

## APPENDIX C: OFFEROR REFERENCES FORM

*Pages 74-77 of the cost proposal from SRA International Inc., contains information about organizational references. Details have been removed for business confidentiality and competitiveness reasons.*

## APPENDIX D: COST TABLES

*Details have been removed for business confidentiality and competitiveness reasons.*

### 4.1 SRA

**TABLE A-1: COST FOR TASK 1**

Labor Category	Proposed Hours	Rate (\$/hour)	Total Cost (\$)*
Project Manager			
Senior Consultant			
Consultant			
Junior Consultant			
Senior Systems Consultant			
Systems Consultant			
Systems Analyst			
Clerical/Admin Support			
<b>TOTAL</b>			<b>\$4,462.99</b>

**TABLE A-2: COST FOR TASK 2**

Labor Category	Proposed Hours	Rate (\$/hour)	Total Cost (\$)*
Project Manager			
Senior Consultant			
Consultant			
Junior Consultant			
Senior Systems Consultant			

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Systems Consultant			
Systems Analyst			
Clerical/Admin Support			
<b>TOTAL</b>			<b>\$386,294.65</b>

**TABLE A-3: COST FOR TASK 3**

<b>Labor Category</b>	<b>Proposed Hours</b>	<b>Rate (\$/hour)</b>	<b>Total Cost (\$)*</b>
Project Manager			
Senior Consultant			
Consultant			
Junior Consultant			
Senior Systems Consultant			
Systems Consultant			
Systems Analyst			
Clerical/Admin Support			
<b>TOTAL</b>			<b>4,707.64</b>

**TABLE A-4: COST FOR TASK 4**

<b>Labor Category</b>	<b>Proposed Hours</b>	<b>Rate (\$/hour)</b>	<b>Total Cost (\$)*</b>
Project Manager			
Senior Consultant			
Consultant			
Junior Consultant			
Senior Systems Consultant			
Systems Consultant			
Systems Analyst			
Clerical/Admin Support			
<b>TOTAL</b>			

**TABLE A-5: COST FOR TASK 5**

<b>Labor Category</b>	<b>Proposed Hours</b>	<b>Rate (\$/hour)</b>	<b>Total Cost (\$)*</b>
Project Manager			
Senior Consultant			
Consultant			
Junior Consultant			
Senior Systems Consultant			
Systems Consultant			
Systems Analyst			
Clerical/Admin Support			
<b>TOTAL</b>			<b>\$165,870.60</b>

**TABLE A-6: COST FOR TASK 6**

<b>Labor Category</b>	<b>Proposed Hours</b>	<b>Rate (\$/hour)</b>	<b>Total Cost (\$)*</b>
Project Manager			
Senior Consultant			
Consultant			
Junior Consultant			
Senior Systems Consultant			
Systems Consultant			
Systems Analyst			
Clerical/Admin Support			
<b>TOTAL</b>			

**TABLE A-7: COST FOR TASK 7**

<b>Labor Category</b>	<b>Proposed Hours</b>	<b>Rate (\$/hour)</b>	<b>Total Cost (\$)*</b>
Project Manager			
Senior Consultant			
Consultant			
Junior Consultant			
Senior Systems Consultant			
Systems Consultant			
Systems Analyst			
Clerical/Admin Support			
<b>TOTAL</b>			<b>\$1,023.40</b>

**TABLE A-8: COST FOR TASK 8**

<b>Labor Category</b>	<b>Proposed Hours</b>	<b>Rate (\$/hour)</b>	<b>Total Cost (\$)*</b>
Project Manager			
Senior Consultant			
Consultant			
Junior Consultant			
Senior Systems Consultant			
Systems Consultant			
Systems Analyst			
Clerical/Admin Support			
<b>TOTAL</b>			<b>\$19,159.70</b>

**TABLE A-9: COST FOR TASK 9**

<b>Labor Category</b>	<b>Proposed Hours</b>	<b>Rate (\$/hour)</b>	<b>Total Cost (\$)*</b>
Project Manager			
Senior Consultant			
Consultant			
Junior Consultant			
Senior Systems Consultant			
Systems Consultant			
Systems Analyst			
Clerical/Admin Support			
<b>TOTAL</b>			<b>\$24,866.45</b>

**TABLE A-10: LABOR BY TASK**

Person	Labor Category	Rate (\$/hour )	Task 1 (hrs)	Task 2 (hrs)	Task 3 (hrs)	Task 4 (hrs)	Task 5 (hrs)	Task 6 (hrs)	Task 7 (hrs)	Task 8 (hrs)	Task 9 (hrs)	Total Hours	Total Cost (\$)*
	Project Manage												
	Consultant												
	Senior Systems Consultant												
	Senior Systems Consultant												
	Systems Consultan												
	Systems Consultan												
	Systems Analyst												
	Clerical/Admin Support												
	<b>TOTAL</b>												<b>\$606,386.00</b>

## 4.2 EnerNOC

**TABLE A-1: COST FOR TASK 1**

<b>Labor Category</b>	<b>Proposed Hours</b>	<b>Rate (\$/hour)</b>	<b>Total Cost (\$)*</b>
Project Manager			
Senior Consultant			
Consultant			
Junior Consultant			
Senior Systems Consultant			
Systems Consultant			
Systems Analyst			
Clerical/Admin Support			
<b>TOTAL</b>			<b>\$12,315.02</b>

**TABLE A-2: COST FOR TASK 2**

<b>Labor Category</b>	<b>Proposed Hours</b>	<b>Rate (\$/hour)</b>	<b>Total Cost (\$)*</b>
Project Manager			
Senior Consultant			
Consultant			
Junior Consultant			
Senior Systems Consultant			
Systems Consultant			
Systems Analyst			
Clerical/Admin Support			
<b>TOTAL</b>			<b>\$261,055.26</b>

**TABLE A-3: COST FOR TASK 3**

<b>Labor Category</b>	<b>Proposed Hours</b>	<b>Rate (\$/hour)</b>	<b>Total Cost (\$)*</b>
Project Manager			
Senior Consultant			
Consultant			
Junior Consultant			
Senior Systems Consultant			
Systems Consultant			
Systems Analyst			
Clerical/Admin Support			
<b>TOTAL</b>			<b>\$69,986.44</b>

**TABLE A-4: COST FOR TASK 4**

<b>Labor Category</b>	<b>Proposed Hours</b>	<b>Rate (\$/hour)</b>	<b>Total Cost (\$)*</b>
Project Manager			
Senior Consultant			
Consultant			
Junior Consultant			
Senior Systems Consultant			
Systems Consultant			
Systems Analyst			
Clerical/Admin Support			
<b>TOTAL</b>			<b>\$21,456.78</b>

**TABLE A-5: COST FOR TASK 5**

<b>Labor Category</b>	<b>Proposed Hours</b>	<b>Rate (\$/hour)</b>	<b>Total Cost (\$)*</b>
Project Manager			
Senior Consultant			
Consultant			
Junior Consultant			
Senior Systems Consultant			
Systems Consultant			
Systems Analyst			
Clerical/Admin Support			
<b>TOTAL</b>			<b>\$2,097,776.20</b>

**TABLE A-6: COST FOR TASK 6**

<b>Labor Category</b>	<b>Proposed Hours</b>	<b>Rate (\$/hour)</b>	<b>Total Cost (\$)*</b>
Project Manager			
Senior Consultant			
Consultant			
Junior Consultant			
Senior Systems Consultant			
Systems Consultant			
Systems Analyst			
Clerical/Admin Support			
<b>TOTAL</b>			<b>\$47,353.64</b>

**TABLE A-7: COST FOR TASK 7**

<b>Labor Category</b>	<b>Proposed Hours</b>	<b>Rate (\$/hour)</b>	<b>Total Cost (\$)*</b>
Project Manager			
Senior Consultant			
Consultant			
Junior Consultant			
Senior Systems Consultant			
Systems Consultant			
Systems Analyst			
Clerical/Admin Support			
<b>TOTAL</b>			<b>\$37,512.02</b>

**TABLE A-8: COST FOR TASK 8**

<b>Labor Category</b>	<b>Proposed Hours</b>	<b>Rate (\$/hour)</b>	<b>Total Cost (\$)*</b>
Project Manager			
Senior Consultant			
Consultant			
Junior Consultant			
Senior Systems Consultant			
Systems Consultant			
Systems Analyst			
Clerical/Admin Support			
<b>TOTAL</b>			<b>\$32,158.30</b>

**TABLE A-9: COST FOR TASK 9**

<b>Labor Category</b>	<b>Proposed Hours</b>	<b>Rate (\$/hour)</b>	<b>Total Cost (\$)*</b>
Project Manager			
Senior Consultant			
Consultant			
Junior Consultant			
Senior Systems Consultant			
Systems Consultant			
Systems Analyst			
Clerical/Admin Support			
<b>TOTAL</b>			<b>\$38,832.45</b>

**TABLE A-10: LABOR BY TASK**

Person	Labor Category	Rate (\$/hour)	Task 1 (hrs)	Task 2 (hrs)	Task 3 (hrs)	Task 4 (hrs)	Task 5 (hrs)	Task 6 (hrs)	Task 7 (hrs)	Task 8 (hrs)	Task 9 (hrs)	Total Hours	Total Cost (\$)*
	Senior Consultant												
	Consultant												
	Consultant												
	Junior Consultant												
	Junior Consultant												
	Senior Systems Consultant												
	<b>TOTAL</b>												<b>\$2,618,446.00</b>



### 4.3 Combined

**TABLE A-1: COST FOR TASK 1**

Labor Category	Proposed Hours	Rate (\$/hour)	Total Cost (\$)*
Project Manager			
Senior Consultant			
Consultant			
Junior Consultant			
Senior Systems Consultant			
Systems Consultant			
Systems Analyst			
Clerical/Admin Support			
<b>TOTAL</b>			<b>\$16,778.01</b>

**TABLE A-2: COST FOR TASK 2**

Labor Category	Proposed Hours	Rate (\$/hour)	Total Cost (\$)*
Project Manager			
Senior Consultant			
Consultant			
Junior Consultant			
Senior Systems Consultant			
Systems Consultant			
Systems Analyst			
Clerical/Admin Support			
<b>TOTAL</b>			<b>\$647,349.91</b>

**TABLE A-3: COST FOR TASK 3**

Labor Category	Proposed Hours	Rate (\$/hour)	Total Cost (\$)*
Project Manager			
Senior Consultant			
Consultant			
Junior Consultant			
Senior Systems Consultant			
Systems Consultant			
Systems Analyst			
Clerical/Admin Support			
<b>TOTAL</b>			<b>\$74,694.08</b>

**TABLE A-4: COST FOR TASK 4**

<b>Labor Category</b>	<b>Proposed Hours</b>	<b>Rate (\$/hour)</b>	<b>Total Cost (\$)*</b>
Project Manager			
Senior Consultant			
Consultant			
Junior Consultant			
Senior Systems Consultant			
Systems Consultant			
Systems Analyst			
Clerical/Admin Support			
<b>TOTAL</b>			<b>\$21,456.78</b>

**TABLE A-5: COST FOR TASK 5**

<b>Labor Category</b>	<b>Proposed Hours</b>	<b>Rate (\$/hour)</b>	<b>Total Cost (\$)*</b>
Project Manager			
Senior Consultant			
Consultant			
Junior Consultant			
Senior Systems Consultant			
Systems Consultant			
Systems Analyst			
Clerical/Admin Support			
<b>TOTAL</b>			<b>\$2,263,646.80</b>

**TABLE A-6: COST FOR TASK 6**

<b>Labor Category</b>	<b>Proposed Hours</b>	<b>Rate (\$/hour)</b>	<b>Total Cost (\$)*</b>
Project Manager			
Senior Consultant			
Consultant			
Junior Consultant			
Senior Systems Consultant			
Systems Consultant			
Systems Analyst			
Clerical/Admin Support			
<b>TOTAL</b>			<b>\$47,353.64</b>

**TABLE A-7: COST FOR TASK 7**

<b>Labor Category</b>	<b>Proposed Hours</b>	<b>Rate (\$/hour)</b>	<b>Total Cost (\$)*</b>
Project Manager			
Senior Consultant			
Consultant			
Junior Consultant			
Senior Systems Consultant			
Systems Consultant			
Systems Analyst			
Clerical/Admin Support			
<b>TOTAL</b>			<b>\$38,535.42</b>

**TABLE A-8: COST FOR TASK 8**

<b>Labor Category</b>	<b>Proposed Hours</b>	<b>Rate (\$/hour)</b>	<b>Total Cost (\$)*</b>
Project Manager			
Senior Consultant			
Consultant			
Junior Consultant			
Senior Systems Consultant			
Systems Consultant			
Systems Analyst			
Clerical/Admin Support			
<b>TOTAL</b>			<b>\$51,318.00</b>

**TABLE A-9: COST FOR TASK 9**

<b>Labor Category</b>	<b>Proposed Hours</b>	<b>Rate (\$/hour)</b>	<b>Total Cost (\$)*</b>
Project Manager			
Senior Consultant			
Consultant			
Junior Consultant			
Senior Systems Consultant			
Systems Consultant			
Systems Analyst			
Clerical/Admin Support			
<b>TOTAL</b>			<b>\$63,698.90</b>

**TABLE A-10: LABOR BY TASK**

Person	Labor Category	Rate (\$/hour )	Task 1 (hrs)	Task 2 (hrs)	Task 3 (hrs)	Task 4 (hrs)	Task 5 (hrs)	Task 6 (hrs)	Task 7 (hrs)	Task 8 (hrs)	Task 9 (hrs)	Total Hours	Total Cost (\$)*
	Project Manager												
	Senior Consultan												
	Consultant												
	Consultant												
	Consultant												
	Junior Consultan												
	Junior Consultan												
	Senior Systems Consultant												
	Senior Systems Consultant												
	Senior Systems Consultant												
	Systems Consultan												
	Systems Consultan												
	Systems Analyst												
	Clerical/Admin Support												
	<b>TOTAL</b>												<b>\$3,224,831.54</b>

**TABLES B-1 THROUGH B-3: COSTS PER AUCTION, CALIFORNIA RESERVE SALE, OR QUEBEC RESERVE SALE (\$)**

Description of Services	For up to 25 applicants	For 26 to 50 applicants	For 51 to 100 applicants	For 100+ applicants
<b>Task 5a.</b> Set up of an event only (no Applicants)				
<b>Task 5b.</b> Set up of an event through applicant approval (no Qualified Applicants)				
<b>Task 5c.</b> Complete event through certification and closure				
<b>Total Costs per Auction*</b>	<b>\$31,795</b>	<b>\$31,795</b>	<b>\$34,898</b>	<b>\$37,609</b>

\* For Tables B-1 through B-3, the SRA team has interpreted Tasks 5a, 5b, and 5c to be three separate scenarios, and not additive tasks. Based on how the descriptions were written, it appears that WCI, Inc. is seeking the total cost for each of three scenarios. Therefore, the total matches the third scenario, 5c, which represents a complete event.

**TABLE B-4: TOTAL COSTS FOR TASK 5\***

Description of Services			Total Costs
<b>Demonstration Process (e.g., Practice Auction)</b>	One-Time Cost for Training Entities		
<b>Other Initial Set-up Costs</b>	Procedures Manual, etc. (excluding Demonstration Process)		Included in Task 4
<b>Joint Auction</b>	Per Auction Cost: From Table B-1	X 20	\$752,172
<b>CA Reserve Sale</b>	Per Reserve Sale Cost: From Table B-2	X 20	\$752,172
<b>QC Reserve Sale</b>	Per Reserve Sale Cost: From Table B-3	X 20	\$752,172
<b>Total Cost Proposal</b>			<b>\$2,263,647</b>

\* All costs in this table should use the maximum total cost estimate, i.e., the estimate assuming 100+ applicants for an event completed through certification and closure. All Offerors are directed to assume 20 events for each event type over the period of performance of the contract. The actual number may vary depending on the needs of the Participating Jurisdictions.

**TABLE C: OTHER DIRECT COSTS (SPECIAL)**

Other Direct Cost (Special)	Unit Cost (\$)	Annual Cost (\$)	Total Program Cost (\$)
<i>Brief description of cost*</i>	<i>Per event</i>	<i>Total Annual Cost</i>	<i>Total Annual Cost X 5 years</i>
Conduct Ongoing Security Vulnerability Assessments			
<b>TOTAL</b>			<b>\$105,739.56</b>

**TABLE D: SUMMARY OF COSTS BY TASK**

T/A	Other Direct Cost (Special)		Unit Cost (\$)
	<b>Task 1.</b> Develop Final Work Plan and Schedule		\$16,778.01
	<b>Task 2.</b> Design, Develop, and Document Auction Tools and Services		\$647,349.91
	<b>Task 3.</b> Testing and Troubleshooting		\$74,694.08
	<b>Task 4.</b> Develop Processes and Procedures for Auction and Reserve Sale Services		\$21,456.78
	<b>Task 5.</b> Auction and Reserve Sale Set Up, Operations, and Reports		\$2,263,646.80
	<b>Task 6.</b> Prepare a System Security Plan		\$47,353.64
	<b>Task 7.</b> New Jurisdictions		\$38,535.42
	<b>Task 8.</b> Transition Out		\$51,318.00
	<b>Task 9.</b> Other Activities as Directed		\$63,698.90
	<b>Other Direct Costs (General--assume \$10,000/year)</b>		\$50,000.00
	<b>Other Direct Costs (Special)</b>		\$105,739.56
	<b>TOTAL</b>		<b>\$3,380,571.10</b>

*Details have been removed for business confidentiality and competitiveness reasons.*

## RESUMES

*Pages 92-118 of the proposal from SRA International, contains information about key personnel, and organizational information. Details have been removed for business confidentiality and competitiveness reasons.*