Sole Source Contract
between the
State of Washington
Office of Financial Management
and
Evolved Energy Research

This Contract is made and entered into by and between the state of Washington, Office of Financial Management, hereinafter referred to as the "**AGENCY,**" and the below named firm, hereinafter referred to as "**CONTRACTOR**."

Evolved Energy Research
2443 Fillmore St #380-5304
San Francisco, CA, 94115
(415) 580 - 1804
Ben.Haley@evolved.energy

BACKGROUND

Under RCW 70.235.020, Washington State is required to reduce its greenhouse gas emissions to 1990 levels by 2020; twenty-five percent below 1990 levels by 2035; and fifty percent below 1990 levels by 2050. This statute also requires the executive branch to recommend updates to these limits based on new scientific information, and new international and national climate assessments. New national and international climate assessments were released in 2014. In 2015, government leaders from around the world committed to cutting by the year 2050 greenhouse gas emissions 80-95 percent below 1990 levels, to meet the emission reductions indicated by the latest scientific consensus. Washington State is under court order to recommend new emissions limits by December 2016. (King County Superior Court - Foster, et al. v. WA Department of Ecology (14-2-25295-1 SEA)).

PURPOSE

Achieving the needed reductions in greenhouse gas emissions will require significant changes in the way energy is produced and used in Washington. The Contractor will develop a set of options to produce and use energy which rely on the minimal use of fossil fuels for the state of Washington's energy system, in support of achieving the mid-century emissions targets. A clear strategy to achieve these significant reductions is needed to support the recommended changes in statutory limits, and to identify best policies and investments for the State going forward. The Contractor will also evaluate these options for their economic costs and effectiveness. This information is required to support legislative deliberations of recommended changes and related policy and budget decisions.

In addition to informing the executive branch recommendations and legislative deliberations, the State will use the Contractor's product to initiate a broader stakeholder

process and public discussion about the effectiveness of current policies, and the options going forward for State policies and investments. The State will also present and discuss the product with other members of the Pacific Coast Collaborative, as jurisdictions on the West Coast consider similar collaborative work on climate.

SCOPE OF WORK

A. Exhibit A, attached hereto and incorporated by reference, contains the *General Terms and Conditions* governing work to be performed under this contract, the nature of the working relationship between the AGENCY and the CONTRACTOR, and specific obligations of both parties.

B. The CONTRACTOR will provide services and staff, and otherwise do all things necessary for or incidental to the performance of work, as set forth in Exhibit B- Scope of Work & Deliverables.

C. The CONTRACTOR shall produce the written reports or other documents (deliverables) by the dates indicated in Exhibit B- Scope of Work & Deliverables.

PERIOD OF PERFORMANCE

The period of performance under this contract will be from September 19, 2016, or date of execution, whichever is later, through June 30, 2017.

DES FILING REQUIREMENT

The provisions of Chapter 39.26 RCW require the agency to file this sole source contract with the Department of Enterprise Services (DES) for approval. No contract so filed is effective nor shall work commence under it until the tenth (10th) working day following the date of filing subject to DES approval.

COMPENSATION

Total compensation payable to CONTRACTOR for satisfactory performance of the work under this contract shall not exceed Ninety-Nine Thousand, Nine Hundred Twenty Dollars ($99,920.00) including all travel and per diem expenses and shall be based on the summary table set forth in Exhibit C, Compensation and Budget. Compensation for travel expenses shall be made at current state of Washington reimbursement rates (State Administrative & Accounting Manual Section 10.90 http://www.ofm.wa.gov/policy/10.90.htm) and shall not exceed $2,000.00, which amount is included in the contract total above.

BILLING PROCEDURES AND PAYMENT

AGENCY will pay CONTRACTOR upon acceptance of each task described in Exhibit B, Statement of Work & Deliverables, and per Exhibit C – Compensation and Budget, and receipt of properly completed invoices, which shall be submitted to the Contract Manager not more often than monthly.

The invoices shall describe and document, to the AGENCY'S satisfaction, a description of the work performed, the applicable Task, the name of the Associate performing the work,

the number of hours worked by each Associate and the corresponding fees. The invoices shall be accompanied by a monthly status/progress report. Payment shall be made following the satisfactory completion of each task described in Exhibit B, Statement of Work & Deliverables, and per Exhibit C – Compensation and Budget. The invoice shall include the contract reference number K1979. If expenses are invoiced, provide a detailed breakdown of each type. A receipt must accompany any single expenses in the amount of $50.00 or more in order to receive reimbursement.

Payment shall be considered timely if made by the AGENCY within thirty (30) calendar days after receipt of properly completed invoices. Payment shall be sent to the address designated by the CONTRACTOR.

The AGENCY may, in its sole discretion, terminate the contract or withhold payments claimed by the CONTRACTOR for services rendered if the CONTRACTOR fails to satisfactorily comply with any term or condition of this contract.

No payments in advance or in anticipation of services or supplies to be provided under this contract shall be made by the AGENCY.

CONTRACT MANAGEMENT

The Contract Manager for each of the parties shall be the contact person for all communications and billings regarding the performance of this contract.

CONTRACTOR Contract Manager	**AGENCY Contract Manager**
Benjamin Haley Evolved Energy Research 2443 Fillmore St #380-5304 San Francisco, CA 94115 *Phone :* (415) 580-1804 *Fax:* (510) 336-8286 *Email address:* ben.haley@evolved.energy	Jim Cahill WA Office of Financial Management P.O. Box 43113 Olympia, WA 98504-3113 *Phone:* (360) 902-0569 *Email address:* jim.cahill@ofm.wa.gov

INSURANCE

The CONTRACTOR shall provide insurance coverage, which shall be maintained in full force and effect during the term of this contract, as follows:

1. Commercial General Liability Insurance Policy. Provide a Commercial General Liability Insurance Policy, including contractual liability, in adequate quantity to protect against legal liability arising out of contract activity but no less than $1,000,000 per occurrence.

Additionally, the CONTRACTOR is responsible for ensuring that any subcontractors provide adequate insurance coverage for the activities arising out of subcontracts.

2. Automobile Liability. In the event that services delivered pursuant to this contract involve the use of vehicles, either owned or unowned by the CONTRACTOR, automobile liability insurance shall be required. The minimum limit for automobile liability is:

   $1,000,000 per occurrence, using a Combined Single Limit for bodily injury and property damage.

3. The insurance required shall be issued by an insurance company/ies authorized to do business within the state of Washington, and shall name the state of Washington, its agents and employees as additional insureds under the insurance policy/ies.

   All policies shall be primary to any other valid and collectable insurance. CONTRACTOR shall instruct the insurers to give AGENCY thirty (30) calendar days advance notice of any insurance cancellation.

CONTRACTOR shall submit to AGENCY within fifteen (15) calendar days of the contract effective date, a certificate of insurance that outlines the coverage and limits defined in the *Insurance* section. CONTRACTOR shall submit renewal certificates as appropriate during the term of the contract.

ASSURANCES

AGENCY and the CONTRACTOR agree that all activity pursuant to this contract will be in accordance with all the applicable current federal, state and local laws, rules, and regulations.

ORDER OF PRECEDENCE

Each of the exhibits listed below is by this reference hereby incorporated into this contract. In the event of an inconsistency in this contract, the inconsistency shall be resolved by giving precedence in the following order:

1. Applicable federal and state of Washington statutes and regulations
2. Special terms and conditions as contained in this basic contract instrument
3. Exhibit A – General Terms and Conditions
4. Exhibit B – Statement of Work & Deliverables
5. Exhibit C – Compensation and Budget
6. Exhibit D - The Office of Financial Management, Style, Design and Graphics Guidelines for Contractors
7. Any other provision, term or material incorporated herein by reference or otherwise incorporated

ENTIRE AGREEMENT

This contract, including referenced exhibits, represents all the terms and conditions agreed upon by the parties. No other statements or representations, written or oral, shall be deemed a part hereof.

CONFORMANCE

If any provision of this contract violates any statute or rule of law of the state of Washington, it is considered modified to conform to that statute or rule of law.

APPROVAL

This contract shall be subject to the written approval of the AGENCY'S authorized representative and shall not be binding until so approved. The contract may be altered, amended, or waived only by a written amendment executed by both parties.

EVOLVED ENERGY RESEARCH		**OFFICE of FINANCIAL MANAGEMENT**	
Signature		Roselyn Marcus	
Co-Founder Title	Date	Assistant Director Legal & Legislative Affairs	Date

Contractor Information:
Did you retire from a Department of Retirement Systems (DRS) covered employer under the Early Retirement Factors (ERF) 2008?
☐ Yes ☐ No

Is your business a Small, Mini, or Micro Business, per RCW 39.26.101?
☐Yes ☐ No

Small Business means an in-state business, including a sole proprietorship, corporation, partnership, or other legal entity, that:

(a) Certifies, under penalty of perjury, that it is owned and operated independently from all other businesses and has either:

(I) Fifty or fewer employees; or

(II) A gross revenue of less than seven million dollars annually as reported on its federal income tax return or its return filed with the department of revenue over the previous three consecutive years; or

(b) Is certified with the office of women and minority business enterprises under chapter 39.19 RCW

Mini Business means any business entity, including a sole proprietorship, corporation, partnership, or other legal entity, that:

(a) Is owned and operated independently from all other businesses; and

(b) has a gross revenue of less than three million dollars, but one million dollars or more annually as reported on its federal tax return or on its return filed with the department of revenue.

Micro business means any business entity, including a sole proprietorship, corporation, partnership, or other legal entity, that:

(a) Is owned and operated independently from all other businesses; and

(b) has a gross revenue of less than one million dollars annually as reported on its federal tax return or on its return filed with the department of revenue.

EXHIBIT A -
GENERAL TERMS AND CONDITIONS

1. DEFINITIONS

As used throughout this contract, the following terms shall have the meaning set forth below:

a. "AGENCY" shall mean the Office of Financial Management of the State of Washington, any division, section, office, unit or other entity of the AGENCY, or any of the officers or other officials lawfully representing that AGENCY.

b. "AGENT" shall mean the Director, and/or the delegate authorized in writing to act on the Director's behalf.

c. "CONTRACTOR" shall mean that firm, provider, organization, individual or other entity performing service(s) under this contract, and shall include all employees of the CONTRACTOR.

d. "SUBCONTRACTOR" shall mean one not in the employment of the CONTRACTOR, who is performing all or part of those services under this contract under a separate contract with the CONTRACTOR. The terms "SUBCONTRACTOR" and "SUBCONTRACTORS" means SUBCONTRACTOR(s) in any tier.

2. ACCESS TO DATA

In compliance with RCW 39.26.180(2), the CONTRACTOR shall provide access to data generated under this contract to AGENCY, the Joint Legislative Audit and Review Committee, and the State Auditor at no additional cost. This includes access to all information that supports the findings, conclusions, and recommendations of the CONTRACTOR'S reports, including computer models and methodology for those models.

3. ADVANCE PAYMENTS PROHIBITED

No payments in advance of or in anticipation of goods or services to be provided under this contract shall be made by the AGENCY.

4. AMENDMENTS

With the exception of administrative changes, this contract may be amended by mutual agreement of the parties. Such amendments shall not be binding unless they are in writing and signed by personnel authorized to bind each of the parties. In the case of administrative changes, both parties agree that changes can be memorialized by letter.

5. **AMERICANS WITH DISABILITIES ACT (ADA) OF 1990, PUBLIC LAW 101-336, also referred to as the "ADA" 28 CFR Part 35**

The CONTRACTOR must comply with the ADA, which provides comprehensive civil rights protection to individuals with disabilities in the areas of employment, public accommodations, state and local government services, and telecommunications.

6. **ASSIGNMENT**

Neither this contract, nor any claim arising under this contract, shall be transferred or assigned by the CONTRACTOR without prior written consent of the AGENCY.

7. **ATTORNEYS' FEES**

In the event of litigation or other action brought to enforce contract terms, each party agrees to bear its own attorney fees and costs.

8. **CONFIDENTIALITY/SAFEGUARDING OF INFORMATION**

The CONTRACTOR shall not use or disclose any information concerning the AGENCY, or information that may be classified as confidential, for any purpose not directly connected with the administration of this contract, except with prior written consent of the AGENCY, or as may be required by law.

9. **CONFLICT OF INTEREST**

Notwithstanding any determination by the Executive Ethics Board or other tribunal, the AGENCY may, in its sole discretion, by written notice to the CONTRACTOR terminate this contract if it is found after due notice and examination by the AGENT that there is a violation of the Ethics in Public Service Act, Chapter 42.52 RCW; or any similar statute involving the CONTRACTOR in the procurement of, or performance under this contract.

In the event this contract is terminated as provided above, the AGENCY shall be entitled to pursue the same remedies against the CONTRACTOR as it could pursue in the event of a breach of the contract by the CONTRACTOR. The rights and remedies of the AGENCY provided for in this clause shall not be exclusive and are in addition to any other rights and remedies provided by law. The existence of facts upon which the AGENT makes any determination under this clause shall be an issue and may be reviewed as provided in the "Disputes" clause of this contract.

10. **COPYRIGHT PROVISIONS**

Unless otherwise provided, all materials produced under this contract shall be considered "works for hire" as defined by the U.S. Copyright Act and shall be owned by the AGENCY. The AGENCY shall be considered the author of such materials. In the event the materials are not considered "works for hire" under the U.S. Copyright laws, CONTRACTOR hereby irrevocably assigns all right,

title, and interest in materials, including all intellectual property rights, to the AGENCY effective from the moment of creation of such materials.

Materials means all items in any format and includes, but is not limited to, data, reports, documents, pamphlets, advertisements, books, magazines, surveys, studies, computer programs, films, tapes, and/or sound reproductions. Ownership includes the right to copyright, patent, register and the ability to transfer these rights.

For materials that are delivered under the contract, but that incorporate pre-existing materials not produced under the contract, CONTRACTOR hereby grants to the AGENCY a nonexclusive, royalty-free, irrevocable license (with rights to sublicense others) in such materials to translate, reproduce, distribute, prepare derivative works, publicly perform, and publicly display. The CONTRACTOR warrants and represents that CONTRACTOR has all rights and permissions, including intellectual property rights, moral rights and rights of publicity, necessary to grant such a license to the AGENCY.

The CONTRACTOR shall exert all reasonable effort to advise the AGENCY, at the time of delivery of materials furnished under this contract, of all known or potential invasions of privacy contained therein and of any portion of such document that was not produced in the performance of this contract.

The AGENCY shall receive prompt written notice of each notice or claim of infringement received by the CONTRACTOR with respect to any data delivered under this contract. The AGENCY shall have the right to modify or remove any restrictive markings placed upon the data by the CONTRACTOR.

11. COVENANT AGAINST CONTINGENT FEES

The CONTRACTOR warrants that no person or selling agent has been employed or retained to solicit or secure this contract upon an agreement or understanding for a commission, percentage, brokerage or contingent fee, excepting bona fide employees or bona fide established agents maintained by the CONTRACTOR for securing business.

The AGENCY shall have the right, in the event of breach of this clause by the CONTRACTOR, to annul this contract without liability or, in its discretion, to deduct from the contract price or consideration or recover by other means the full amount of such commission, percentage, brokerage or contingent fee.

12. DEBARMENT: CERTIFICATION REGARDING DEBARMENT, SUSPENSION OR INELIGIBILITY AND VOLUNTARY EXCLUSION—PRIMARY AND LOWER TIER COVERED TRANSACTIONS

a. Contractor, defined as the primary participant and it principals, certifies by signing these General Terms and Conditions that to the best of its knowledge and belief that they:

1) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency.

2) Have not within a three-year period preceding this Contract, been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public or private agreement or transaction, violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, tax evasion, receiving stolen property, making false claims, or obstruction of justice;

3) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State, or local) with commission of any of the offenses enumerated in paragraph (1)(b) of federal Executive Order 12549; and

4) Have not within a three-year period preceding the signing of this Contract had one or more public transactions (Federal, State, or local) terminated for cause of default.

b. Where the Contractor is unable to certify to any of the statements in this Contract, the Contractor shall attach an explanation to this Contract.

c. The Contractor agrees by signing this Contract that it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by AGENCY.

d. The Contractor further agrees by signing this Contract that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion-Lower Tier Covered Transaction," as follows, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions:

LOWER TIER COVERED TRANSACTIONS

1) The lower tier contractor certifies, by signing this Contract that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared

ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.

2) Where the lower tier contractor is unable to certify to any of the statements in this Contract, such contractor shall attach an explanation to this Contract.

e. The terms covered transaction, debarred, suspended, ineligible, lower tier covered transaction, person, primary covered transaction, principal, and voluntarily excluded, as used in this section, have the meanings set out in the Definitions and Coverage sections of the rules implementing Executive Order 12549. You may contact AGENCY for assistance in obtaining a copy of these regulations.

13. DISALLOWED COSTS

The Contractor is responsible for any audit exceptions or disallowed costs incurred by its own organization or that of its Subcontractors.

14. DISPUTES

Except as otherwise provided in this contract, when a dispute arises between the parties and it cannot be resolved by direct negotiation, either party may request a dispute hearing with AGENT.

a. The request for a dispute hearing must:

- Be in writing;
- State the disputed issue(s);
- State the relative positions of the parties;
- State the CONTRACTOR'S name, address, and contract number; and
- Be mailed to the AGENT and the other party's (respondent's) contract manager within 3 working calendar days after the parties agree that they cannot resolve the dispute.

b. The respondent shall send a written answer to the requester's statement to both the agent and the requester within 5 working calendar days.

c. The AGENT shall review the written statements and reply in writing to both parties within 10 working days. The AGENT may extend this period if necessary by notifying the parties.

d. The parties agree that this dispute process shall precede any action in a judicial or quasi-judicial tribunal.

Nothing in this contract shall be construed to limit the parties' choice of a mutually acceptable alternate dispute resolution method in addition to the dispute resolution procedure outlined above.

15. DUPLICATE PAYMENT

The AGENCY shall not pay the CONTRACTOR, if the CONTRACTOR has charged or will charge the State of Washington or any other party under any other contract or agreement, for the same services or expenses.

16. GOVERNING LAW

This contract shall be construed and interpreted in accordance with the laws of the State of Washington, and the venue of any action brought hereunder shall be in the Superior Court for Thurston County.

17. INDEMNIFICATION

To the fullest extent permitted by law, CONTRACTOR shall indemnify, defend, and hold harmless State, agencies of State and all officials, agents and employees of State, from and against all claims for injuries or death arising out of or resulting from the performance of the contract. "Claim," as used in this contract, means any financial loss, claim, suit, action, damage, or expense, including but not limited to attorney's fees, attributable for bodily injury, sickness, disease, or death, or injury to or destruction of tangible property including loss of use resulting therefrom.

CONTRACTOR'S obligations to indemnify, defend, and hold harmless includes any claim by CONTRACTORS' agents, employees, representatives, or any subcontractor or its employees.

CONTRACTOR expressly agrees to indemnify, defend, and hold harmless the State for any claim arising out of or incident to CONTRACTOR'S or any subcontractor's performance or failure to perform the contract. CONTRACTOR'S obligation to indemnify, defend, and hold harmless the State shall not be eliminated or reduced by any actual or alleged concurrent negligence of State or its agents, agencies, employees and officials.

CONTRACTOR waives its immunity under Title 51 RCW to the extent it is required to indemnify, defend and hold harmless State and its agencies, officials, agents or employees.

18. INDEPENDENT CAPACITY OF THE CONTRACTOR

The parties intend that an independent contractor relationship will be created by this contract. The CONTRACTOR and his or her employees or agents performing under this contract are not employees or agents of the AGENCY. The CONTRACTOR will not hold himself/herself out as or claim to be an officer or employee of the AGENCY or of the State of Washington by reason hereof, nor will the CONTRACTOR make any claim of right, privilege or benefit that would accrue

to such employee under law. Conduct and control of the work will be solely with the CONTRACTOR.

19. INDUSTRIAL INSURANCE COVERAGE

The CONTRACTOR shall comply with the provisions of Title 51 RCW, Industrial Insurance. If the CONTRACTOR fails to provide industrial insurance coverage or fails to pay premiums or penalties on behalf of its employees, as may be required by law, AGENCY may collect from the CONTRACTOR the full amount payable to the Industrial Insurance accident fund. The AGENCY may deduct the amount owed by the CONTRACTOR to the accident fund from the amount payable to the CONTRACTOR by the AGENCY under this contract, and transmit the deducted amount to the Department of Labor and Industries, (L&I) Division of Insurance Services. This provision does not waive any of L&I's rights to collect from the CONTRACTOR.

20. LICENSING, ACCREDITATION AND REGISTRATION

The CONTRACTOR shall comply with all applicable local, state, and federal licensing, accreditation and registration requirements/standards, necessary for the performance of this contract.

21. LIMITATION OF AUTHORITY

Only the AGENT or AGENT'S delegate by writing (delegation to be made prior to action) shall have the express, implied, or apparent authority to alter, amend, modify, or waive any clause or condition of this contract. Furthermore, any alteration, amendment, modification, or waiver or any clause or condition of this contract is not effective or binding unless made in writing and signed by the AGENT.

22. NONCOMPLIANCE WITH NONDISCRIMINATION LAWS

In the event of the CONTRACTOR'S non-compliance or refusal to comply with any nondiscrimination law, regulation, or policy, this contract may be rescinded, canceled or terminated in whole or in part, and the CONTRACTOR may be declared ineligible for further contracts with the AGENCY. The CONTRACTOR shall, however, be given a reasonable time in which to cure this noncompliance. Any dispute may be resolved in accordance with the "Disputes" procedure set forth herein.

23. NONDISCRIMINATION

During the performance of this contract, the CONTRACTOR shall comply with all federal and state nondiscrimination laws, regulations and policies.

24. PRIVACY

Personal information including, but not limited to, "Protected Health Information," collected, used, or acquired in connection with this contract shall be protected against unauthorized use, disclosure, modification or loss. CONTRACTOR shall ensure its directors, officers, employees,

subcontractors or agents use personal information solely for the purposes of accomplishing the services set forth herein. CONTRACTOR and its subcontractors agree not to release, divulge, publish, transfer, sell or otherwise make known to unauthorized persons personal information without the express written consent of the agency or as otherwise required by law.

Any breach of this provision may result in termination of the contract and the demand for return of all personal information. The CONTRACTOR agrees to indemnify and hold harmless the AGENCY for any damages related to the CONTRACTOR'S unauthorized use of personal information.

25. PUBLICITY

The CONTRACTOR agrees to submit to the AGENCY all advertising and publicity matters relating to this contract wherein the AGENCY'S name is mentioned or language used from which the connection of the AGENCY'S name may, in the AGENCY'S judgment, be inferred or implied. The CONTRACTOR agrees not to publish or use such advertising and publicity matters without the prior written consent of the AGENCY.

26. RECORDS MAINTENANCE

The CONTRACTOR shall maintain books, records, documents, data and other evidence relating to this contract and performance of the services described herein, including but not limited to accounting procedures and practices that sufficiently and properly reflect all direct and indirect costs of any nature expended in the performance of this contract.

CONTRACTOR shall retain such records for a period of six years following the date of final payment. At no additional cost, these records, including materials generated under the contract, shall be subject at all reasonable times to inspection, review or audit by the AGENCY, personnel duly authorized by the AGENCY, the Office of the State Auditor, and federal and state officials so authorized by law, regulation or agreement.

If any litigation, claim or audit is started before the expiration of the six (6) year period, the records shall be retained until all litigation, claims, or audit findings involving the records have been resolved.

27. REGISTRATION WITH DEPARTMENT OF REVENUE

The CONTRACTOR shall complete registration with the Washington State Department of Revenue and be responsible for payment of all taxes due on payments made under this contract.

28. RIGHT OF INSPECTION

The CONTRACTOR shall provide right of access to its facilities to the AGENCY, or any of its officers, or to any other authorized agent or official of the state of Washington or the federal

government, at all reasonable times, in order to monitor and evaluate performance, compliance, and/or quality assurance under this contract.

29. SAVINGS

In the event funding from state, federal, or other sources is withdrawn, reduced, or limited in any way after the effective date of this contract and prior to normal completion, the AGENCY may terminate the contract under the "Termination for Convenience" clause, without the ten-day notice requirement, subject to renegotiation at the AGENCY'S discretion under those new funding limitations and conditions.

30. SEVERABILITY

The provisions of this contract are intended to be severable. If any term or provision is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the validity of the remainder of the contract.

31. SITE SECURITY

While on AGENCY premises, CONTRACTOR, its agents, employees, or subcontractors shall conform in all respects with physical, fire or other security policies or regulations.

32. SUBCONTRACTING

Neither the CONTRACTOR nor any SUBCONTRACTOR shall enter into subcontracts for any of the work contemplated under this contract without obtaining prior written approval of the AGENCY. In no event shall the existence of the subcontract operate to release or reduce the liability of the contractor to the Department for any breach in the performance of the contractor's duties. This clause does not include contracts of employment between the contractor and personnel assigned to work under this contract.

Additionally, the CONTRACTOR is responsible for ensuring that all terms, conditions, assurances and certifications set forth in this agreement are carried forward to any subcontracts. CONTRACTOR and its subcontractors agree not to release, divulge, publish, transfer, sell or otherwise make known to unauthorized persons personal information without the express written consent of the agency or as provided by law.

33. TAXES

All payments accrued because of payroll taxes, unemployment contributions, any other taxes, insurance or other expenses for the CONTRACTOR or its staff shall be the sole responsibility of the CONTRACTOR.

34. TERMINATION DUE TO CHANGE IN FUNDING

If the funds OFM relied upon to establish this Contract are withdrawn or reduced, or if additional or modified conditions are placed on such funding, OFM may immediately terminate this Contract by providing written notice to the Contractor. The termination shall be effective on the date specified in the notice of termination.

35. TERMINATION FOR CAUSE

In the event the AGENCY determines the CONTRACTOR has failed to comply with the conditions of this contract in a timely manner, the AGENCY has the right to suspend or terminate this contract. Before suspending or terminating the contract, the AGENCY shall notify the CONTRACTOR in writing of the need to take corrective action. If corrective action is not taken within 30 calendar days, the contract may be terminated or suspended.

In the event of termination or suspension, the CONTRACTOR shall be liable for damages as authorized by law including, but not limited to, any cost difference between the original contract and the replacement or cover contract and all administrative costs directly related to the replacement contract, e.g., cost of the competitive bidding, mailing, advertising and staff time.

The AGENCY reserves the right to suspend all or part of the contract, withhold further payments, or prohibit the CONTRACTOR from incurring additional obligations of funds during investigation of the alleged compliance breach and pending corrective action by the CONTRACTOR or a decision by the AGENCY to terminate the contract. A termination shall be deemed a "Termination for Convenience" if it is determined that the CONTRACTOR: (1) was not in default; or (2) failure to perform was outside of his or her control, fault or negligence.

The rights and remedies of the AGENCY provided in this contract are not exclusive and are, in addition to any other rights and remedies, provided by law.

36. TERMINATION FOR CONVENIENCE

Except as otherwise provided in this contract, the AGENCY may, by 10 calendar days written notice, beginning on the second day after the mailing, terminate this contract, in whole or in part. If this contract is so terminated, the AGENCY shall be liable only for payment required under the terms of this contract for services rendered or goods delivered prior to the effective date of termination.

37. TERMINATION PROCEDURES

Upon termination of this contract, the AGENCY, in addition to any other rights provided in this contract, may require the CONTRACTOR to deliver to the AGENCY any property specifically produced or acquired for the performance of such part of this contract as has been terminated. The provisions of the "Treatment of Assets" clause shall apply in such property transfer.

The AGENCY shall pay to the CONTRACTOR the agreed upon price, if separately stated, for completed work and services accepted by the AGENCY, and the amount agreed upon by the CONTRACTOR and the AGENCY for (i) completed work and services for which no separate price is stated, (ii) partially completed work and services, (iii) other property or services that are accepted by the AGENCY, and (iv) the protection and preservation of property, unless the termination is for default, in which case the AGENT shall determine the extent of the liability of the AGENCY. Failure to agree with such determination shall be a dispute within the meaning of the "Disputes" clause of this contract. The AGENCY may withhold from any amounts due the CONTRACTOR such sum as the AGENT determines to be necessary to protect the AGENCY against potential loss or liability.

The rights and remedies of the AGENCY provided in this section shall not be exclusive and are in addition to any other rights and remedies provided by law or under this contract.

After receipt of a notice of termination, and except as otherwise directed by the AGENT, the CONTRACTOR shall:

a. Stop work under the contract on the date, and to the extent specified, in the notice;

b. Place no further orders or subcontracts for materials, services, or facilities except as may be necessary for completion of such portion of the work under the contract that is not terminated;

c. Assign to the AGENCY, in the manner, at the times, and to the extent directed by the AGENT, all of the rights, title, and interest of the CONTRACTOR under the orders and subcontracts so terminated, in which case the AGENCY has the right, at its discretion, to settle or pay any or all claims arising out of the termination of such orders and subcontracts;

d. Settle all outstanding liabilities and all claims arising out of such termination of orders and subcontracts, with the approval or ratification of the AGENT to the extent AGENT may require, which approval or ratification shall be final for all the purposes of this clause;

e. Transfer title to the AGENCY and deliver in the manner, at the times, and to the extent directed by the AGENT any property which, if the contract had been completed, would have been required to be furnished to the AGENCY;

f. Complete performance of such part of the work as shall not have been terminated by the AGENT; and

g. Take such action as may be necessary, or as the AGENT may direct, for the protection and preservation of the property related to this contract, which is in

the possession of the CONTRACTOR and in which the AGENCY has or may acquire an interest.

38. TREATMENT OF ASSETS

a. Title to all property furnished by the AGENCY shall remain in the AGENCY. Title to all property furnished by the CONTRACTOR, for the cost of which the CONTRACTOR is entitled to be reimbursed as a direct item of cost under this contract, shall pass to and vest in the AGENCY upon delivery of such property by the CONTRACTOR. Title to other property, the cost of which is reimbursable to the CONTRACTOR under this contract, shall pass to and vest in the AGENCY upon (i) issuance for use of such property in the performance of this contract, or (ii) commencement of use of such property in the performance of this contract, or (iii) reimbursement of the cost thereof by the AGENCY in whole or in part, whichever first occurs.

b. Any property of the AGENCY furnished to the CONTRACTOR shall, unless otherwise provided herein or approved by the AGENCY, be used only for the performance of this contract.

c. The CONTRACTOR shall be responsible for any loss or damage to property of the AGENCY that results from the negligence of the CONTRACTOR or which results from the failure on the part of the CONTRACTOR to maintain and administer that property in accordance with sound management practices.

d. If any AGENCY property is lost, destroyed or damaged, the CONTRACTOR shall immediately notify the AGENCY and shall take all reasonable steps to protect the property from further damage.

e. The CONTRACTOR shall surrender to the AGENCY all property of the AGENCY prior to settlement upon completion, termination or cancellation of this contract

f. All reference to the CONTRACTOR under this clause shall also include CONTRACTOR'S employees, agents or SUBCONTRACTORS.

39. U.S. Department of Treasury, Office of Foreign Assets Control

The agency complies with U.S. Department of the Treasury, Office of Foreign Assets Control (OFAC) payment rules. OFAC prohibits financial transactions with individuals or organizations, which have been placed on the OFAC Specially Designated Nationals (SDN) and Blocked Persons sanctions list located at http://www.treas.gov/offices/enforcement/ofac/index.html. Compliance with OFAC payment rules ensures that the agency does not conduct business with individuals or organizations that have been determined to be supporters of terrorism and international drug dealing or that pose other dangers to the United States.

Prior to making payment to individuals or organizations, the agency will download the current OFAC SDN file and compare it to agency and statewide vendor files. In the event of a positive match, the agency reserves the right to: (1) make a determination of "reasonability" before taking the positive match to a higher authority, (2) seek assistance from the Washington State Office of the State Treasurer (OST) for advanced assistance in resolving the positive match, (3) comply with an OFAC investigation, if required, and/or (4) if the positive match is substantiated, notify the contractor in writing and terminate the contract according to the Termination for Convenience provision without making payment. The agency will not be liable for any late payment fees or missed discounts that are the result of time required to address the issue of an OFAC match.

40. WAIVER

Waiver of any default or breach shall not be deemed a waiver of any subsequent default or breach. Any waiver shall not be construed to be a modification of the terms of this contract unless stated to be such in writing and signed by authorized representative of the AGENCY.

Exhibit B
Statement of Work & Deliverables

Statement of Work

1. Project Team

The Contractor's project team will be composed of key members from the United States Deep Decarbonization Pathways Project USDDPP team, including Dr. Jim Williams, Director of the Deep Decarbonization Pathways Project and Lead of the USDDPP research team, and Ben Haley, co-founder of Evolved Energy Research and Technical Lead of the USDDPP.

2. Project Plan

The USDDPP (United States Deep Decarbonization Pathways Project) Team shall develop a model of the Washington State energy system by downscaling an existing model of the U.S. energy system with census region granularity. This approach will leverage several years of prior analysis needed to faithfully represent the U.S. energy system and allow for a complete representation of climate action external to Washington State, which is particularly important in the electricity sector. The Washington State model will include detailed representations of buildings and building equipment stocks; industrial energy demand; and vehicle fleets and transportation demand (freight and passenger). Additional validation and calibration steps will be taken to ensure an accurate representation of the state's current and future energy systems.

To conduct this analysis, the Contractor will use the EnergyPATHWAYS model, a sophisticated bottom-up energy sector model designed to support analyses of deep decarbonization in a stakeholder context. It was first constructed to support long-term energy transformation analysis in California and since has been used by the USDDPP team to support analysis nationally.

Task 1: Develop a Washington State Energy System Representation

Contractor shall customize the USDDPP model to create a Washington State representation within the US model. This will be achieved by separating Washington from the rest of the Pacific census division and using state level data, which will allow output of Washington-specific results.

Task 2: Reference Case Validation and Calibration

Contractor shall use additional state level energy data to reconcile any differences between historical energy use and historical energy use predicted by the model. This calibration will ensure faithful representation of the Washington State system and lend confidence to modeling mid-century climate strategies. The Reference Case will reflect current regulations and policies, and projected economic and demographic trends.

Task 3: Deep Decarbonization Pathway Case Creation
Contractor shall develop up to four unique cases for the state of Washington to examine relevant mitigation opportunities in the high-impact areas of electricity generation; biomass use and allocation; buildings strategies, and light-duty vehicle strategies.

Task 4: Report
Contractor shall summarize results into a Microsoft Power Point presentation with a detailed set of results and figures that focuses on key policy takeaways derived from the analysis. In addition, raw model outputs will also be provided including but not limited to: (a) emissions metrics, such as electricity sector emissions, emissions intensity by sector, emissions by fuel, etc.; and (b) cost metrics including energy system costs, sectoral cost changes, and detailed electricity rate breakdowns. The DDPP model for Washington will be provided for review to the State Energy Office or other state government agencies. All reports and presentation shall comply with Exhibit D, Style, Design and Graphics Guidelines for Contractors

Deliverables
The Contractor will complete the project within three months of contract execution. This includes the development of the initial Washington State EnergyPATHWAYS model, a detailed PowerPoint presentation delivering the analytical findings and key policy messages, and travel for a team of three people for two meetings in Washington State.

A phone call to finalize the work plan will occur in the middle of September 2016 after contract execution. The first in-person meeting in September or early October, 2016, will be to finalize desired cases and identify key outputs. At the second meeting in December 2016, the Contractor will present the final results. The Contractor's results will be delivered by December 16, 2016. The project team will be available to support questions concerning the work products through June 30, 2017.

Exhibit C

COMPENSATION AND BUDGET

Detailed Budget Summary Table – September 2016 to June 30, 2017

Task	Hours	Staff Rate (Hourly)	Staff Expenses	Associated Travel Expenses	Total	Notes
Task 1: Develop a Washington State Energy System	133	$ 180	$23,940	$1,000	$24,940	Assumed 2 plane tickets and 2 hotel rooms for 1 night
Task 2: Reference Case Validation and Calibration	56	$ 180	$10,080	$0	$10,080	
Task 3: Deep Decarbonization Pathway Case Creation	222	$ 180	$39,960	$0	$39,960	
Task 4: Report	133	$ 180	$23,940	$1,000	$24,940	Assumed 2 plane tickets and 2 hotel rooms for 1 night
Total	**544**		**$97,920**	**$2,000**	**$99,920**	

Exhibit D

The Office of Financial Management

Style, Design and Graphics Guidelines for Contractors

Contractors are required to submit materials that adhere to the Office of Financial Management's style guides and to the following standards. Materials that deviate from the style guide will not be accepted. We use these guidelines to assure quality and consistency among the many reports we distribute and post online on behalf of the Governor's Office and the Office of Financial Management. OFM's style guides can be found at ofm.wa.gov/reports/OFM_style_guide.pdf and ofm.wa.gov/reports/OFM_graphics_guide.pdf.

OFM uses **Microsoft** and **Adobe** computer products. All final documents must be submitted in those formats. All sources files become the property of OFM and will be provided to OFM staff upon request.

ADA compliant format

Information posted on public websites is required to meet federal Americans with Disabilities Act standards (see http://www.ada.gov for more information) and must be submitted to OFM in an accessible (ADA-complaint) format. Image files (.jpg, .tiff, .png) are not accessible; neither are text or graphic files that are created by scanning.

Design guidelines

Please follow these instructions:

- Use standard Microsoft fonts. OFM's preferred fonts are:
  - » Garamond font, 12 font size, for body of text.
  - » Arial narrow font, 10 font size, for tables and charts.
  - » Arial narrow font, 16 and 14 font size bold, for headings, titles and subtitles.
- Keep tables and graphs on one page — do not split among pages if they can be kept intact.
- The use of photos, drawings, illustrations and other images is discouraged. They create file bloat and are not accessible (see section on **ADA compliant format** for more information).
- Do not use bullets for single items.

Graphic guidelines

The goal of any communication is that the reader/viewer gets the intended message. This can be achieved by keeping three things in mind:

- Consider your readers and what they need or want to know;
- Choose the right type of chart for your data and message; and
- Reduce "chart junk" such as grid lines, background colors, shadowing, 3D, tick marks, borders, excess zeroes, several decimal places and unnecessary text to improve your message delivery.

Charts should be created in PowerPoint, Excel or Illustrator and imported into your Word document in an accessible format. Tables can either be created in Word or imported from Excel in an accessible format. Importing a screen shot is not acceptable as it is not accessible.

Pictures increase file sizes substantially so should be used sparingly and never for decoration.

Logo

Your firm's logo can appear on the front cover, title page and/or back cover pages only. Logos will not be allowed on the inside pages or in headers and footers because they unnecessarily increase file size. As your materials will be posted on OFM's website, size is an important consideration.