

**INVITATION FOR BID
Notice to Prospective Bidders
IFB – Jackson versus Rank (JvR) Printing and Mailing Services
CR-23-162998**

July 19, 2024

You are invited to review and respond to this Invitation for Bid (IFB) for Jackson versus Rank (JvR) Printing and Mailing Services being offered by the Department of General Services, Office of State Publishing (OSP).

Note that all agreements entered into with the State of California will include by reference General Terms and Conditions (GTC 4/2017) and Contractor Certification Clauses (CCC 4/2017) that may be viewed and downloaded at the following internet site:

<https://www.dgs.ca.gov/OLS/Resources/Page-Content/Office-of-Legal-Services-Resources-List-Folder/Standard-Contract-Language>. If you do not have Internet access, a hard copy can be provided by contacting the Acquisition Analyst listed below.

Bidders are encouraged to carefully read the entire solicitation. The need to verify all documentation and responses prior to the submission of bids is the responsibility of the bidder and cannot be overemphasized. Please ensure insurance requirements and, if applicable, prevailing wages are considered in your bid amounts. Should prevailing wage be required, **February 2024 rates will apply**. Note: Bidder (and any listed subcontractor) must be registered with the Department of Industrial Relations (DIR), if required by law to do so.

In the opinion of the Office of Business and Acquisition Services (OBAS), this IFB is complete and without need of explanation. However, if you have questions regarding this IFB please contact the below listed Acquisition Analyst. Please note that verbal information given will not be binding on the State unless such information is issued in writing as an official addendum to this IFB.

Phoebe Hsu, Acquisition Analyst
Office of Business and Acquisition Services
Contract Services Section
(279) 946-8275
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A. Purpose and Description of Services

- 1) The Department of General Services (DGS), Office of State Publishing (OSP) has been mandated to provide printing services to all California state departments as requested pursuant to Government Code 14850. In order to perform such services, OSP requests the Contractor to perform services as described in Attachment 10, Sample Standard Agreement and Exhibits.
- 2) The Contractor shall provide Health Insurance Portability and Accountability Act (HIPAA) covered Printing and Mass Mailing of Jackson versus Rank on behalf of the Department of Health Care Services.
- 3) The Contractor shall run National Change Of Address (NCOA) and certify using Coding Accuracy Support System (CASS) for United States Postal Service (USPS) processing. Digitally print, proof, and insert the Jackson versus Rank to First Class Presort Mail and deliver to a United States Post Office. Any error lists produced by NCOAing the original address file will be processed to mail full rate first class mail. Any move lists produced by NCOAing the original address file will be ignored and the original OSP provided address will be processed to mail full rate first class mail. Absolutely no mail forwarding is allowed.
- 4) On a quarterly basis the Contractor shall produce a minimum of 500,000 and up to a maximum of 11,000,000, Jackson versus Rank. The intent of this Agreement is to have a coordinated plan in place, should OSP be impacted by unforeseen production circumstances that would jeopardize OSP's ability to finish by the mandated deadline.
- 5) Contractor shall pick up materials including printed inserts and printed indicia envelopes at the following locations:
 - a. 885 Riverside Parkway, West Sacramento, CA 95605
 - Or
 - b. 1000 Riverside Parkway, West Sacramento, CA 95605
- 6) The Contractor shall provide the printing of the letter and mailing services and deliver to USPS SCF's (Sectional Center Facilities). See Exhibit A, Scope of Work for more details.
- 7) The Contractor shall coordinate all phases of data processing for variable printing, inserting, palletizing, shipping to USPS with postal paperwork for Presort First Class mail per USPS Guidelines.
- 8) The anticipated term of this contract will be one (1) year. The State reserves the right to extend the term of this Agreement for two additional one (1) year terms. The Contractor's rates will stay in effect for the entire Agreement term.
- 9) The Bidder's required services are provided in Attachment 10, Sample Standard Agreement and Exhibits. The winning Bidder will be required to adhere to all Agreement terms as indicated in Attachment 10, Sample Standard Agreement and Exhibits. Please note that any orange font language

in the attached sample contract is for informational purpose only and will not appear in the final contract.

- 10) The Bidder must be advised of Executive Order N-6-22 Russia Sanctions. On March 4, 2022, Governor Gavin Newsom issued Executive Order (EO) N-6-22 regarding Economic Sanctions against Russia and Russian entities and individuals. "Economic Sanctions" refers to sanctions imposed by the U.S. government in response to Russia's actions in Ukraine, as well as any sanctions imposed under state law. By submitting a bid, Bidder represents that it is not a target of Economic Sanctions. Should the State determine Bidder is a target of Economic Sanctions or is conducting prohibited transactions with sanctioned individuals or entities, that shall be grounds for rejection of the Bidder's bid any time prior to contract execution, or, if determined after contract execution, shall be grounds for termination by the State.

B. Bidder Minimum Requirements

NOTE: Bidder that do not meet all minimum requirements will be rejected.

- 1) Licenses:
 - a. A Bidder must be registered with the State of California, Secretary of State, if required by law.
- 2) Insurance:

A Bidder must submit current proof of insurance for the following:

- a. General Liability
- b. Commercial Automobile Insurance
- c. Worker's Compensation

A certificate of insurance (COI) may be provided as proof of insurance. The COI or proof of insurance documents will be named Attachment 8, Proof of Insurance, and be submitted with the bid.

Endorsements to insurance policies are not required for bid submission. Endorsements to insurance policies are only required by the winning Bidder as indicated in Attachment 10, Sample Standard Agreement and Exhibits.

NOTE: Contact your insurance representative to ensure your insurance program satisfies the requirements of the sample contract found in IFB Attachment 9, Exhibit D, Section 9, prior to bidding.

- 3) References: Bidders must provide three (3) or more references. Required Attachment 5, Bidder References, must be completed and submitted with the bid submission. NOTE: References to include satisfactory job performance on operations within the last five (5) years that are similar to printing and mailing services as required in this solicitation.
- 4) Pursuant to Public Contract Code section 10115 subdivision (c) and Military and Veterans Code (MVC) section 999.2 subdivision (a), Bidders must meet a Disabled Veteran Business Enterprise (DVBE) participation goal. The required participation for this agreement is 3%. Bidder must document the required DVBE program participation on Attachment 3, Bidder Declaration (GSPD-05-105).

NOTES:

- Multiple DVBEs can be used to fulfill the requirements of this contract. Each DVBE must be listed on Attachment 3 (GSPD-05-105)
- Pursuant to MVC section 999.5, only a DVBE who performs a Commercially Useful Function (CUF) relevant to the Scope of Work included in this IFB may qualify the Bidder, or be used to qualify the Bidder, for DVBE participation.

C. Bid Requirements and Information

1) Key Action Dates

Listed below are the important action dates and times by which actions must be taken or completed. If OBAS finds it necessary to change any of these dates, it will be accomplished by addendum to this IFB.

Event	Date	Time (PT)
IFB available to prospective bidders	July 19, 2024	
Written Question Submission Deadline	July 24, 2024	
Questions and Answers to be Posted	July 29, 2024	
Deadline for Final Bid Submission	August 06, 2024	2:00 p.m.
Bid Opening: May be attended In-person at address identified in Section C.7 below, or virtually via the following link) Teams meeting link: Join the meeting now Teams meeting ID: 211 716 258 117 Teams Passcode: cq9X7b	August 07, 2024	10:00 a.m.

2) Written Questions

- a. Bidders requiring clarification of the intent or content of this IFB, or on procedural matters regarding the competitive procurement process, may request clarification by submitting questions in writing. Bidders may submit questions to the Acquisitions Analyst listed on the Notice to Prospective Bidders via email or via U.S. mail. If sending via U.S. mail, the envelope must be clearly marked "Questions Relating to IFB – Jackson vs Rank Printing and Mailing Services" and sent to the Acquisition Analyst listed on the Notice to Prospective Bidders for this IFB. To ensure a response, questions must be received in writing by the date given for written questions in Key Action Dates (See Section C.1.). Question and Answer Sets will be provided to all Bidders and will be posted as an official Addendum.
- b. Requests for Changes to the IFB – If the Bidder believes that one or more of the IFB requirements is onerous, unfair, or imposes unnecessary constraints to the Bidder in proposing less costly or alternate solutions, the Bidder may request a change to the IFB by submitting, in writing, the recommended change(s) and the facts substantiating this belief and reasons for making the recommended change. Such requests must be submitted to the Acquisition Analyst by the date specified herein for written questions concerning the IFB. Such changes will be made at the sole option of OBAS. If OBAS determines that any requested change is in the best interest of the State, all Bidders will be notified of the change in the form of an Addendum to this IFB.
- c. If a Bidder discovers any ambiguity, conflict, discrepancy, omission or other error in this IFB, the Bidder will immediately notify OBAS of such error(s) in writing and request clarification or modification of the document. If a Bidder fails to notify OBAS, prior to the Deadline for Final Bid Submission, of an error known to the Bidder, or an error that reasonably should have been known, the Bidder will bid at their own risk, and if awarded the contract, will not be entitled to additional compensation or time by reason of the error or its later correction.

3) Submission of Bid

- a. The bid submission is a mandatory step for all Bidders. Bidders are strongly encouraged to carefully read the entire solicitation prior to a submission of bid. The need to verify all documentation and responses prior to the submission of the bid cannot be overemphasized.
- b. Introduction letters, expensive bindings, colored displays, promotional materials, etc., should not be included in the bid submission and may cause the bid to be rejected. Emphasis should be concentrated on conformance to the IFB instructions, responsiveness to the IFB requirements and completeness and clarity of content. Developing the bid submission is entirely the responsibility of the Bidder and will not be chargeable to the State.
- c. The bid submission must be complete in all respects as described in this IFB. A bid submission may be rejected if it is conditional or incomplete, or if it contains any alterations of form or other irregularities of any kind. A bid submission will be rejected if any such defect or irregularity constitutes a material deviation from the IFB requirements.
- d. A completed bid package must consist of all items identified in the Attachment 1, Bid Submission Attachment Checklist, including Attachment 1. Documents must be submitted in the order listed in Attachment 1, Bid Submission Attachment Checklist. A bid submission not including all required attachments will be deemed non-responsive. A non-responsive bid is one that does not meet the basic bid requirements, and is considered a material deviation which is cause for rejection.
- e. An individual who is authorized to bind the bidding firm contractually will sign Attachment 2, Bid/Bidder Certification Sheet. The signature must indicate the title or position that the individual holds in the firm. An unsigned bid may be rejected. The "Bid/Bidder Certification Sheet" must be submitted with bid submission/package.
- f. Bids and related documents must be completed in ink, typewritten or electronically prepared. No erasures or "white out" are permitted. Errors may be crossed out and corrections printed in ink or typewritten adjacent to the error. The person signing Attachment 2, Bid/Bidder Certification Sheet, must initial corrections, in ink.
- g. All documents requiring a signature must bear an original (wet) signature of a person authorized to bind the bidding firm. The Bidder will submit one copy of all required documents with original (wet) signatures. Electronic signatures including scans of wet signatures are permissible for all proposal documents.
- h. The Bidder will deliver their sealed bid in such a way that the outside is clearly labeled as indicated below:

IFB Jackson vs. Rank (JvR) Printing and Mailing Services -- CR: 23-162998
DO NOT OPEN
Department of General Services, The Ziggurat
Attn: Phoebe Hsu, Office of Business and Acquisition Services, Mailstop 508
707 Third Street
West Sacramento, CA 95605

- i. **MAILED BIDS:** Shall be sent to the address above.
- j. **HAND DELIVERED BIDS:** Shall be placed in the DGS/OBAS Bid/Proposal Drop Box located in the lobby at 707 3rd Street, West Sacramento, CA 95605. The Drop Box will be opened at

2:00PM Tuesday through Thursday and bids in the box will be certified as being received before 2:00PM that day.

- k. It is the responsibility of the Bidder to ensure timely delivery of the bid. A postmark or facsimile transmission will not be accepted as meeting the delivery time requirements. Bidders hand-delivering their bids should allow extra time for traffic, sparse parking, slow elevators and clearing security procedures.
- l. The bid submission implies no obligation on the part of OSP to purchase or contract for services.

4) Rejection of Bid Submissions

- a. **A bid submission not received by the date and time specified in Section C.1. Key Action Dates, or not sealed, will be rejected.**
- b. Facsimile (FAX) and electronic submissions will not be considered.
- c. The bid submission must not contain false or misleading statements, or provide contradictory attributes or conditions claimed by the Bidder. If, in the opinion of OBAS, such information was intended to mislead OBAS in its evaluation of the bid, and the attribute, condition, or capability is a requirement of this IFB, it will be the basis for rejection of the bid submission.
- d. Deviations in the bid submission, whether or not intentional, may cause the bid submission to be non-responsive and not considered for award.
- e. Any material submitted by any Bidder in the final bid submission that is marked "CONFIDENTIAL" or "PROPRIETARY" will cause the entire bid submission to be deemed non-responsive and rejected.
- f. The State does not accept alternate contract language from a prospective contractor. A bid submission with such language will be considered a counter proposal and will be rejected. The State's General Terms and Conditions (GTC) are not negotiable.
- g. OBAS is not required to award a contract. OBAS reserves the right to reject any or all bids and to waive informalities and minor irregularities in bids received and to accept all or any portion of a bid, if deemed in the best interest of the State and not contrary to law. OBAS's waiver of any immaterial deviation or defect will in no way modify the IFB documents or excuse the contractor from full compliance with the IFB specification, if awarded the contract.

5) Errors in the Bid Submission

- a. The Bidder is cautioned to not rely on OBAS during the evaluation to discover and report to the Bidder any defects and errors in the submitted documents. The Bidder, before providing a bid submission, should carefully proof their documents for errors and adherence to the IFB requirements.
- b. The Bidder may modify a bid after its submission by withdrawing its original bid and resubmitting a new bid prior to the final bid submission deadline. Modifications offered in any other manner, oral or written, will not be considered.
- c. The Bidder may withdraw a bid by submitting a written withdrawal request to OBAS, signed by the Bidder or an authorized agent. A Bidder may thereafter submit a new bid prior to the final bid submission deadline. Bids may not be withdrawn without cause subsequent to final bid submission deadline.

- d. OBAS may modify the IFB prior to the key action date for submission of bids by posting an Addendum on the CSCR website, located at the following address:
<https://caleprocure.ca.gov/pages/Events-BS3/event-search.aspx>
- e. OBAS reserves the right to reject any/all bid submissions. OBAS is not required to award an agreement.

6) Evaluation and Selection

- a. The bid opening is open to the public and will be held at the below location. If Bidders choose to attend the bid opening, to maintain proper social distancing, the bid opening may move to the 1st floor atrium.

Ziggurat Building – 5th Floor Reception Area
707 Third Street
West Sacramento, CA 95605

The bid opening will consist of the opening of each bid received in a timely manner, checking the bid for the presence or absence of required signatures and checking the bid for the required attachments as identified on Attachment 1, Bid Submission Attachment Checklist. Bid submissions received after the Deadline for Final Bid Submission will not be opened. During the bid opening, OBAS will read aloud and record the Bidder's Name and their Total Term Calculated Amount onto a Preliminary Bid Tabulation. Bidders do not need to attend the bid opening as the Preliminary Bid Tabulation will be made available immediately after the bid opening is completed and it will be emailed to the bidders that submitted a bid.

- b. OBAS will appoint State employee(s) to further verify and evaluate the bid submissions as described in the IFB to identify the lowest responsive responsible bidder. The further review may also include, but is not limited to:
 - i. Cost Sheet calculations have been verified;
 - ii. SB Preferences have been evaluated, confirmed and calculated;
 - iii. DVBE Participation Requirement and Incentives have been evaluated, confirmed and calculated;
 - iv. Darfur certification has been evaluated;
 - v. Iran certification has been evaluated;
 - vi. California Civil Rights Attachment has been evaluated;
 - vii. Largest tax delinquents eligibility confirmed;
 - viii. Corporate standing has been verified with State of California, Secretary of State;
 - ix. Review of Russia Sanctions, pursuant to EO N-6-22;
 - x. Validation of References
 - xi. Commercially Useful Function (CUF) analysis;
- c. During further review, if any of the required documents are missing, the evaluation committee may reject the bid submission as non-responsive. If any of the required documents are incomplete, the evaluation committee may reject the bid submission as non-responsive. If any of the required documents have been modified or contain alterations, the evaluation committee may reject the bid submission as non-responsive.
- d. The documents provided by the Bidder in their bid submission enable OBAS to evaluate for responsiveness. OBAS reserves the right to ask clarifying questions during evaluation, such as for CUF; however, the answers cannot change or alter the bid submission. Should a

discrepancy exist between the answer provided and the bid submission, the bid submission will be considered correct.

- e. The Bidder will need to complete the Cost Sheet including the calculations in the table(s) provided in IFB Attachment 9, Cost Sheet.

Sample of calculations for IFB Attachment 9, Cost Sheet, as follows:

A	B	C	D	E
Description	Price per 1,000	Quantity in 1,000s	Frequency per year	Extended Total (BXCXD)
Printing and Mail Pieces (2-page letter)	\$ 5.00	11,000	4	\$ 220,000.00
Printing and Mail Pieces (4-page letter)	\$ 2.50		4	\$ 110,000.00
Sales Tax (8.25%)				27,225.00
Total Year 1 (Sum of Column E)				\$ 357,225.00

- f. If, in the further review of IFB Attachment 9, Cost Sheet, a mathematical discrepancy is found, the rate amount listed in column B of Year 1, 2, and 3 will be considered correct and the discrepancy will be adjusted accordingly.

If a field within the Cost sheet is left blank, it will be construed as a bid of \$0.00.

If a field within the Cost Sheet is marked with anything other than a number (i.e. N/A) the bid may be deemed nonresponsive.

- g. The Agreement Total identified in the cost sheet summary will become the Net Bid Amount. The Net Bid Amount will be used to determine the lowest responsive responsible bidder to apply preference and incentives, as applicable, in a Final Bid Tabulation.

Sample Final Bid Tabulation:

Bidder	A	B	C	D
Responsive & Responsible?				
Small Business				
NET BID AMOUNT				
Initial Ranking				
SB Preference Amount				
Subtotal - 1				
Ranking after SB Preferences				
NSB Preference Amount (Applied only if Rank 1 bidder is not an SB after application of SB Preference)				
Subtotal - 2				

Ranking after NSB Preference				
DVBE Incentive % (Applied only to SBs if Rank 1 bidder is an SB after application of SB Preference)				
DVBE Incentive Amount				
Subtotal - 3				
Ranking after DVBE Incentive				
TACPA Worksite				
TACPA Worksite Preference (Applied only if Rank 1 bidder is not an SB after application of SB Preference)				
TACPA Workforce				
TACPA Workforce Preference (Applied only if Rank 1 bidder is not an SB after application of SB Preference)				
Evaluated Bid Total				
Ranking after TACPA Preferences				

- h. OBAS will determine the validity of references, and signatory authority of winning bidder prior to awarding contract or posting Notice of Intent to Award. OBAS's determination of a bid being responsive and responsible will be final.
- i. Nothing in this section will require the awarding of the contract if no bids are received offering a contract price that, in the opinion of OSP, is a reasonable price.

8) Award and Protest

- a. Contract award, if made, will be awarded to the Bidder whose bid has the lowest responsive responsible submission.
 - i. In the event of a tie, representatives of the State will flip a coin to determine the winning bidder. The coin flip will be witnessed and documented by two (2) or more State employees.
- b. A Notice of Intent (NOI) to Award will be posted on the Department of General Services Office of Business and Acquisition Services webpage five (5) working days before the award of the contract, if required by law. NOIs will be posted on the Award Notifications Resource page at the following link: <https://www.dgs.ca.gov/OBAS/Resources/Page-Content/OBAS-Resources-List-Folder/Award-Notifications>.
- c. If a Bidder, prior to the award of agreement, files a notice of protest with DGS/OLS, specifying the grounds that the Protestant was the lowest priced responsible Bidder, then the agreement will not be awarded until either the protest has been withdrawn or DGS/OLS has decided the matter.

Within five (5) days after filing the notice of protest, the Protestant will file with DGS a full and complete detailed written statement specifying the grounds for the protest. The notice of protest and the full and complete detailed written statement must be sent to:

Department of General Services, Office of Legal Services (OLS),
Attention: Bid Protest Coordinator;
707 Third Street, 7th Floor, Suite 7-330;

West Sacramento, CA 95605;
Email Address: OLSProtests@dgs.ca.gov.

OLS will accept protests via mail, email or hand delivery; although, the preference is via email.

- d. News releases pertaining to any award resulting from this IFB may not be made without prior written approval of:

The Public Information Officer
707 Third Street, MS 101
West Sacramento, CA 95605
Phone: (916) 376-5037
Email: DGSPublicAffairs@dgs.ca.gov

9) Disposition of Bids

- a. Upon bid opening, all documents submitted in response to this IFB will become the property of the State of California, and will be regarded as public records under the California Public Records Act (Gov Code § 6250 et seq.) and subject to review by the public.
- b. Upon cancellation of the solicitation, the OBAS Acquisition Analyst will offer to return the bid at Bidder's expense. A Bidder may request that OBAS destroy the bid, rather than pay for its return.

10) Performance of Service

- a. Upon award of contract, the winning Bidder must provide a COI within ten (10) working days from award of contract. This COI will identify the required insurance as indicated in Attachment 9, Standard Sample Agreement, Exhibit D, Item 9, Insurance Requirement and will provide the required insurance endorsements as indicated in Attachment 10, Standard Sample Agreement, in Exhibit D, Item 9, Insurance.
- b. Upon award of the contract, the winning Bidder agrees to sign the contract on the State's Standard Agreement (STD 213), with Exhibits. The STD 213 (See sample contract agreement provided in Attachment 10) must be signed by an individual authorized to bind the firm contractually.
- c. Upon award of the contract, the winning Bidder will need to submit a signed certification page of the Contractor's Certification Clauses (CCC 04/2017). If you do not have Internet access, a hard copy can be provided by contacting the Acquisitions Analyst listed on the Notice to Prospective Bidders of the IFB. Otherwise, the Contractor's Certification Clauses are available on the [OLS Standard Contract Language for Non-It Services web page](#).
- d. Upon award of the contract, the winning bidder must provide a Payee Data Record STD 204 for each subcontractor listed on Attachment 3, Bidder Declaration (GSPD-05-105), within ten (10) working days.
- e. Upon award of the contract, the winning bidder may need to provide a DGS PD 843 Disabled Veteran Business Enterprise Declarations form if the contractor is a DVBE and for all DVBE subcontractors identified on Attachment 3, Bidder Declaration (GSPD-05-105) within ten (10) working days. If you do not have Internet access, a hard copy can be provided by contacting the Acquisitions Analyst listed on the Notice to Prospective Bidders of the IFB. Otherwise, the DGS PD 843 is available at the following link:
https://www.documents.dgs.ca.gov/dgs/fmc/gsp/pd/pd_843.pdf

D. Preference and Incentive Programs

Preference and Incentive Programs are each identified below. When the Bidder satisfies the requirements and requests bid preferences and incentives, the Bidder must clearly identify in their bid submission for which of the programs it qualifies. Denial of those preference or incentive requests is not a basis for rejection of the bid.

1) Small Business Preference:

California Government Code (GC) section 14835, et seq., requires a preference be given to Bidders who are California Certified Small Business (SB). The rules and regulations of this law, including the definition of a SB for the delivery of goods and services, are contained in California Code of Regulations, title 2, section 1896 et seq.

- a. A preference is available to a certified SB. A Bidder claiming this preference must be certified by the Office of Small Business and Disabled Veteran Enterprise Services (OSDS) as a SB. Questions regarding certification should be directed to the OSDS at (916) 375-4940.

To be considered as a certified SB, the Bidder must have a complete application package on file with the OSDS by 5:00 p.m. on the Deadline for Final Bid Submission date. Questions regarding the certification approval process should be directed to the OSDS. A copy of the regulations, instructions and format for claiming the Small Business Preference is available at: <https://www.dgs.ca.gov/PD/Services/Page-Content/Procurement-Division-Services-List-Folder/Certify-or-Re-apply-as-Small-Business-Disabled-Veteran-Business-Enterprise>

To claim the Small Business Preference please see Attachment 3, Bidder Declaration (GSPD-05-105).

NOTE: Pursuant to GC 14837, only a SB who performs a Commercially Useful Function (CUF) relevant to the Scope of Work included in this IFB may qualify the Bidder for a SB preference. A business that is performing a commercially useful function is one that does **ALL** of the following:

- i. Is responsible for execution of a distinct element of the work of the contract;
- ii. Carries out its obligation by actually performing, managing, or supervising the work involved;
- iii. Performs work that is normal for its business, services and function;
- iv. Is not further subcontracting a portion of the work that is greater than that expected to be subcontracted by normal industry practices; and
- v. Is responsible, with respect to products, inventories, materials, and supplies required for the contract, for negotiating price, determining quality and quantity, ordering, installing, if applicable, and making payment.

b. Non-Small Business Subcontractor Preference:

A preference is available to a non-small business (NS) claiming 25% California-certified small business subcontractor participation. A Bidder claiming this preference must list one or more SB subcontractor(s), whom the Bidder commits to subcontract in an amount of at least twenty-five percent (25%) of the work performed under this contract.

To claim the Non-Small Business Subcontractor Preference please see Attachment 3, Bidder Declaration (GSPD-05-105).

NOTE: Pursuant to GC 14837, only a SB who performs a Commercially Useful Function (CUF) relevant to the Scope of Work included in this IFB may be used to qualify the Bidder for the Non-Small Business Subcontractor Preference. A business that is performing a commercially useful function is one that does **ALL** of the following:

- i. Is responsible for execution of a distinct element of the work of the contract;
- ii. Carries out its obligation by actually performing, managing, or supervising the work involved;
- iii. Performs work that is normal for its business, services and function;
- iv. Is not further subcontracting a portion of the work that is greater than that expected to be subcontracted by normal industry practices; and
- v. Is responsible, with respect to products, inventories, materials, and supplies required for the contract, for negotiating price, determining quality and quantity, ordering, installing, if applicable, and making payment.

2) Disabled Veteran Business Enterprise Requirement and Incentive:

There is a 3% DVBE participation minimum requirement for this contract. Pursuant to Military and Veterans Code Section 999.5, subdivision (a), an incentive will be given to Bidders who provide **additional** (**more than** the minimum requirement of 3%) DVBE participation on the contract.

The DVBE Incentive is as follows:

Confirmed DVBE Participation	Incentive
7% and above	5%
6% to 6.99%	4%
5% to 5.99%	3%
4% to 4.99%	2%
3.01% to 3.99%	1%
3%	No incentive – minimum 3% participation required
0% - 2.99%	Participation less than 3% is considered non-responsive

A Bidder is eligible to receive this additional DVBE incentive if they are a certified DVBE or if a non DVBE Bidder commits to use a certified DVBE(s) as subcontractor(s).

- a. Certified DVBE Bidder additional incentive considerations:
 - i. Document DVBE participation on Attachment 3, Bidder Declaration (GSPD-05-105).
 - ii. At the State's option a DVBE Bidder working in combination with other DVBE(s) will submit proof of its commitment by submitting a written confirmation from the DVBE(s) identified as a subcontractor on Attachment 3, Bidder Declaration (GSPD-05-105). When requested, the written confirmation must be submitted via email within the timeframe identified in the notification. Failure to submit the written confirmation as specified may be grounds for bid rejection.
- b. Non-DVBE Bidder additional incentive considerations:

- i. Commit to using certified DVBE(s) for more than 3% of the bid value.
- ii. Document DVBE participation on Attachment 3, Bidder Declaration (GSPD-05-105).
- iii. At the State's option prior to contract award, a Bidder is to submit proof of its commitment by submitting a written confirmation from each DVBE identified as a subcontractor on Attachment 3, Bidder Declaration (GSPD-05-105). The IFB Acquisitions Analyst named in the solicitation may contact each listed DVBE, by mail, email, fax or telephone, for verification of the Bidder's submitted DVBE information. When requested, the document(s) must be submitted to the address specified and within the timeframe identified in the notification. Failure to submit the written confirmation as specified may be grounds for bid rejection.

c. Locating DVBE Subcontractors

- i. State Resources: Access the list of all certified DVBEs by using the Department of General Services, Procurement Division (DGS-PD), online certified firm database at: www.caleprocure.ca.gov

To begin your search, click on "Small Business and Disabled Veteran Business Enterprise Services," then click "SB/DVBE Search." Search by "Keywords" or "United Nations Standard Products and Services Codes (UNSPSC) that apply to the elements of work you want to subcontract to a DVBE. Check for subcontractor ads that may be placed on the California State Contracts Register (CSCR) for this solicitation prior to the closing date. You may access the CSCR at: www.caleprocure.ca.gov. For questions regarding the online certified firm database and the CSCR, please call the OSDS at (916) 375-4940 or send an email to: OSDSHelp@dgs.ca.gov

- ii. Local Resources: For a list of local DVBE organizations: <https://www.dgs.ca.gov/-/media/Divisions/PD/OSDS/Certification/CUF/Referral-Organizations.pdf?la=en&hash=83C2593E5D854FB850909D64CEE110C00BE264BE>

NOTE: Pursuant to Military and Veterans Code section 999 only a DVBE who performs a Commercially Useful Function (CUF) relevant to the Scope of Work included in this IFB may qualify the Bidder or be used to qualify the Bidder for a DVBE participation and/or DVBE incentive. A business that is performing a commercially useful function is one that does **ALL** of the following:

- i. Is responsible for execution of a distinct element of the work of the contract;
- ii. Carries out its obligation by actually performing, managing, or supervising the work involved;
- iii. Performs work that is normal for its business, services and function;
- iv. Is not further subcontracting a portion of the work that is greater than that expected to be subcontracted by normal industry practices; and
- v. Is responsible, with respect to products, inventories, materials, and supplies required for the contract, for negotiating price, determining quality and quantity, ordering, installing, if applicable, and making payment.

- 3) TACPA Preference: This contract opportunity provides an optional TACPA workplace and workforce preference. Bidders are not required to apply for this preference. Denial of the TACPA preference request is not a basis for rejection of the bid.

California-based companies seeking TACPA preferences will request the preference in their bid submission. The following webpage contains required preference request forms and an interactive map to determine if a business is located within a TACPA qualified zone:

<https://www.dgs.ca.gov/PD/Services/Page-Content/Procurement-Division-Services-List-Folder/Request-Target-Area-Contract-Preference>. Should clarifying information or documentation be required for this preference, Bidder will be notified and must provide the information within two (2) business days.

4) Applying Preference and Incentives

- a. Preferences and incentives are used for bid tabulation purposes to determine the lowest responsive responsible bid. Strict adherence to the laws and regulations to apply the preferences and incentives will be followed. If awarded the contract, the preference and/or incentive does not alter the amount of the resulting contract. Please be aware that contracts awarded with applied preferences or incentives will be monitored throughout the life of the contract for compliance to statutory, regulatory and contractual requirements.
- b. The SB preference of 5% will be applied when a responsible bidder that is not a CA certified SB submits the lowest responsive bid. NS will receive a 5% preference if the lowest responsive bid is not a SB. (Note: NS claiming SB subcontractor preference cannot displace an award from a certified SB.)
- c. The DVBE incentive will be applied to each qualified bidder's verified DVBE participation percentage from the number 1 ranked responsive and responsible net bid, regardless if the number 1 bidder is an SB/DVBE. If a SB is ranked number 1 after SB preference has been applied, the DVBE incentive is only calculated for bidders certified as SBs.
- d. The TACPA Worksite Preference of 5% and Workforce Preference of 1-4% will be applied when a responsive and responsible bidder that is not a CA certified SB submits the lowest responsive bid. Pursuant to Government Code 14838(g), application of a bidder preference shall not result in the denial of the award to a small business or micro business. If a SB is ranked number 1 after SB preference has been applied, the TACPA preferences are calculated for bidders certified as SBs.

Sample bid tabulation with TACPA on next page:

Small Business	SB	NSB	No	SB
NET BID AMOUNT	\$110,100.00	\$109,500.00	\$107,300.00	110,200.00
Initial Ranking	3	2	1	4
SB Preference Amount	\$5,365.00	none	none	\$5,365.00
Subtotal -1	\$104,735.00	\$109,500.00	\$107,300.00	\$104,835.00
Ranking after SB Preferences	1	4	3	2
NSB Preference Amount (Applied only if Rank 1 bidder is not an SB after application of SB Preference)	-	\$5,365.00 (Not applied as SB is rank 1 after SB Preference is Applied)	-	-
Subtotal -2	\$104,735.00	\$109,500.00	\$107,300.00	\$104,835.00
Ranking after NSB Preference	1	4	3	2

DVBE Incentive % (Applied only to SBs if Rank 1 bidder is an SB after application of SB Preference)	2%	None	3%	3%
DVBE Incentive Amount	\$2,146.00	-	\$3,219.00 (Not applied as SB is rank 1 after SB Preference is Applied)	\$3,219.00
Subtotal - 3	\$102,589.00	\$109,500.00	\$107,300.00	\$101,616.00
Ranking after DVBE Incentive	2	4	3	1
TACPA Worksite	Yes	Yes	None	Yes
TACPA Worksite Preference (Applied only if Rank 1 bidder is not an SB after application of SB Preference)	\$5,365.00	\$5,365.00 (Not applied as SB is rank 1 after SB Preference is Applied)	-	\$5,365.00
TACPA Workforce	None	2%	None	2%
TACPA Workforce Preference (Applied only if Rank 1 bidder is not an SB after application of SB Preference)	-	\$2,146.00 (Not applied as SB is rank 1 after SB Preference is Applied)	-	\$2,146.00
Evaluated Bid Total	\$97,224.00	\$109,500.00	\$107,300.00	\$94,105.00
Ranking after TACPA Preferences	2	4	3	1

IFB ATTACHMENTS

ATTACHMENT 1 - BID SUBMISSION ATTACHMENT CHECKLIST

A complete bid submission will consist of the items identified below. Complete this checklist to confirm the items in your bid. Place a check mark or "X" next to each item that you are submitting to the State. For your bid to be responsive, all required attachments must be returned. This checklist should be returned with your bid submission.

<u>Attachment</u>	<u>Required</u>	<u>Attachment Name/Description</u>
_____ Attachment 1	YES	Bid Submission Attachment Checklist
_____ Attachment 2	YES	Bid/Bidder Certification Sheet
_____ Attachment 3	YES	Bidder Declaration
_____ Attachment 4	YES	Payee Data Record
_____ Attachment 5	YES	Bidder References
_____ Attachment 6	YES	Certifications - Darfur Contracting Act
_____ Attachment 6A	YES	Certifications - Iran Contracting Act
_____ Attachment 6B	YES	Certifications – Unruh Civil Rights Act (California Civil Rights Laws Attachment)
_____ Attachment 7	YES	GenAI Disclosure & Factsheet
_____ Attachment 8	YES	Proof of Insurance
_____ Attachment 9	YES	Cost Sheet

The following attachment is included in the IFB as reference only and should **not** be included in the bid submission.

<u>N/A</u> Attachment 10	NO	Sample Standard Agreement (STD 213) and Exhibits
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ATTACHMENT 2 - BID/BIDDER CERTIFICATION SHEET

This Bid/Bidder Certification Sheet must be signed and returned along with all the "required attachments" as an entire package with electronic or original signatures. The bid must be transmitted in a sealed envelope in accordance with IFB instructions.

- A. **Our all-inclusive bid is submitted as identified on IFB Attachment 1, Bid Submission Attachment Checklist.**
- B. All required attachments are included with this certification sheet.
- C. I have read and understand the DVBE participation requirements.
- D. The signature affixed hereon and dated certifies compliance with all the requirements of this bid document. The signature below authorizes the verification of this certification.

An Unsigned Bid/Bidder Certification Sheet May Be Cause for Rejection

1. Company Name	2. Telephone Number ()	2a. Email Address
3. Address		
Indicate your organization type:		
4. ☐ Sole Proprietorship	5. ☐ Partnership	6. ☐ Corporation
Indicate the applicable employee and/or corporation number:		
7. Federal Employee ID No. (FEIN)	8. California Corporation No.	
9. Indicate applicable license and/or certification information:		
10. Bidder's Name (Print)		11. Title
12. Signature		13. Date
14. Are you certified with the Department of General Services, Office of Small Business and Disabled Veteran Business Enterprise (OSDS) as:		
a. California Small Business Yes ☐ No ☐ If yes, enter certification number: _____		
b. Disabled Veteran Business Enterprise Yes ☐ No ☐ If yes, enter your certification number below: _____		
NOTE: A copy of your Certification is required to be included if either of the above items is checked "Yes" . Date application was submitted to OSDS, if an application is pending:		

Completion Instructions for Bid/Bidder Certification Sheet

Complete the numbered items on the
Bid/Bidder Certification Sheet by following the instructions below.

Item Numbers	Instructions
1, 2, 2a, 3	Must be completed. These items are self-explanatory.
4	Check if your firm is a sole proprietorship. A sole proprietorship is a form of business in which one person owns all the assets of the business in contrast to a partnership and corporation. The sole proprietor is solely liable for all the debts of the business.
5	Check if your firm is a partnership. A partnership is a voluntary agreement between two or more competent persons to place their money, effects, labor, and skill, or some or all of them in lawful commerce or business, with the understanding that there will be a proportional sharing of the profits and losses between them. An association of two or more persons to carry on, as co-owners, a business for profit.
6	Check if your firm is a corporation. A corporation is an artificial person or legal entity created by or under the authority of the laws of a State or nation, composed, in some rare instances, of a single person and his successors, being the incumbents of a particular office, but ordinarily consisting of an association of numerous individuals.
7	Enter your federal employee tax identification number.
8	Enter your corporation number assigned by the California Secretary of State's Office. This information is used for checking if a corporation is in good standing and qualified to conduct business in California.
9	Complete, if applicable, by indicating the type of license and/or certification that your firm possesses and that is required for the type of services being procured.
10, 11, 12, 13	Must be completed. These items are self-explanatory.
14	If certified as a California Small Business, place a check in the "Yes" box, and enter your certification number on the line. If certified as a Disabled Veterans Business Enterprise, place a check in the "Yes" box and enter your certification number on the line. If you are not certified to one or both, place a check in the "No" box. If your certification is pending, enter the date your application was submitted to OSDS.

ATTACHMENT 3 - BIDDER DECLARATION

A Bidder must complete the Bidder Declaration form GSPD-05-105, located at the following internet site:
<http://www.documents.dgs.ca.gov/dgs/fmc/gspd/gspd05-105.pdf>

If you do not have Internet access, a hard copy can be provided by contacting the Acquisition Analyst listed on the Notice to Prospective Bidders.

When completing the declaration, Bidders must identify all subcontractors proposed for participation in the contract. Bidders awarded a contract are contractually obligated to use the subcontractors for the corresponding work identified unless the State agrees to a substitution.

The completed Bidder Declaration GSPD-05-105 must be included in the bid submission, as Attachment 3.

ATTACHMENT 4 - PAYEE DATA RECORD

A Bidder must complete the Payee Data Record form STD 204, located at the following internet site:

<http://www.documents.dgs.ca.gov/dgs/fmc/pdf/std204.pdf>

If you do not have Internet access, a hard copy can be provided by contacting the Acquisition Analyst listed on the Notice to Prospective Bidders.

The completed Payee Data Record STD 204 must be included in the bid submission, as Attachment 4.

ATTACHMENT 5 - BIDDER REFERENCES

Submission of this attachment is mandatory. Failure to complete and return this attachment with your bid will cause your bid to be rejected and deemed nonresponsive.

References to include satisfactory job performance on operations by the Bidder within the last five (5) years that are similar in scope and type of work required in this solicitation.

REFERENCE 1

Name of Firm			
Street Address	City	State	Zip Code
Contact Person	Telephone Number		
Dates of Service	Value or Cost of Service		
Brief Description of Service Provided			

REFERENCE 2

Name of Firm			
Street Address	City	State	Zip Code
Contact Person	Telephone Number		
Dates of Service	Value or Cost of Service		
Brief Description of Service Provided			

REFERENCE 3

Name of Firm			
Street Address	City	State	Zip Code
Contact Person	Telephone Number		
Dates of Service	Value or Cost of Service		
Brief Description of Service Provided			

ATTACHMENT 6 - DARFUR CONTRACTING ACT

Bidder must complete and submit the Darfur Contracting Act Certification with their bid submission as Attachment 6.

Effective January 1, 2009, a company will not bid on or submit a proposal for a contract for goods or services without addressing the requirements of the Darfur Contracting Act of 2008 (Act). The Act was passed to preclude State agencies generally from contracting with "scrutinized" companies that do business in the African nation of Sudan (of which the Darfur region is a part). Understand that a scrutinized company is a company doing business in Sudan as defined in Public Contract Code Section 10476. Scrutinized companies are ineligible to, and cannot, bid on or submit a proposal for a contract with a State agency for goods or services unless it has been granted permission by the Department of General Services. (Pub. Contract Code § 10477, subd. (a)). The Department of General Services may permit a scrutinized company, on a case-by-case basis, to bid on or submit a proposal for a contract with a State agency for goods or services, if it is in the best interest of the State.

Public Contract Code Sections 10475-10481, applies to any company that currently or within the previous three (3) years has had business activities or other operations outside of the United States. For such a company to bid on or submit a proposal for a State of California contract, the company must certify that it is either:

1. A contractor that has NOT had business activities or other operations outside of the United States within the previous three (3) years;
or
2. A contractor that has had business activities or other operations outside of the United States within the previous three (3) years, but is NOT a scrutinized company per Public Contract Code section 10476;
or
3. A contractor that is a scrutinized company as defined in Public Contract Code section 10476, but has received written permission from the Department of General Services to submit a bid or proposal pursuant to Public Contract Code section 10477, subdivision (b).

Darfur Contracting Act Certification

1. I, the official named below who is authorized to legally bind the bid submission, Certify under Penalty of Perjury that the contractor listed below has **NOT** had, within the previous three (3) years, business activities or other operations outside of the United States.

Contractor/ Company Name (Printed)	Federal ID Number
By (Authorized Signature)	
Printed Name and Title of Person Signing	

OR

2. I, the official named below who is authorized to legally bind the bid submission, Certify Under Penalty of Perjury that the contractor listed below has had, within the previous three (3) years, business activities or other operations outside of the United States, but is NOT a scrutinized company per Public Contract Code section 10476. This certification is made under the laws of the State of California.

Contractor/ Company Name (Printed)	Federal ID Number
By (Authorized Signature)	
Printed Name and Title of Person Signing	
Date Executed	Executed in the County and State of

OR

3. We are a scrutinized company as defined in Public Contract Code section 10476, but we have received written permission from the Department of General Services (DGS) to submit a bid or proposal pursuant to public Contract Code section 10477, subdivision (b). A copy of the written permission from DGS is included with our bid submission.

Contractor/ Company Name (Printed)	Federal ID Number
By (Authorized Signature)	
Printed Name and Title of Person Signing	

ATTACHMENT 6A - IRAN CONTRACTING ACT CERTIFICATION

1. CERTIFICATION:

I, the official named below, certify I am duly authorized to execute this certification on behalf of the vendor/financial institution identified below, and the vendor/financial institution identified below is **not** on the current list of persons engaged in investment activities in Iran created by DGS and is not a financial institution extending twenty million dollars (\$20,000,000) or more in credit to another person/vendor, for 45 days or more, if that other person/vendor will use the credit to provide goods or services in the energy sector in Iran and is identified on the current list of persons engaged in investment activities in Iran created by DGS.

<i>Vendor Name/Financial Institution Name (Printed)</i>	<i>Federal ID Number</i>
<i>By (Authorized Signature)</i>	
<i>Printed Name and Title of Person Signing</i>	
<i>Date Executed</i>	<i>Executed in the County and State of</i>

OR

2. EXEMPTION:

Pursuant to Public Contract Code sections 2203(c) and (d), a public entity may permit a vendor/financial institution engaged in investment activities in Iran, on a case-by-case basis, to be eligible for, or to bid on, submit a proposal for, or enters into or renews, a contract for goods and services.

If you have obtained an exemption from the certification requirement under the Iran Contracting Act, please fill out the information below, and attach documentation demonstrating the exemption approval.

<i>Vendor Name/ Financial Institution Name (Printed)</i>	<i>Federal ID Number</i>
<i>By (Authorized Signature)</i>	
<i>Printed Name and Title of Person Signing</i>	<i>Date</i>

ATTACHMENT 6B - CALIFORNIA CIVIL RIGHTS LAWS ATTACHMENT

STATE OF CALIFORNIA

CALIFORNIA CIVIL RIGHTS LAWS ATTACHMENT

DGS OLS 04 (Rev. 01/17)

DEPARTMENT OF GENERAL SERVICES

OFFICE OF LEGAL SERVICES

Pursuant to Public Contract Code section 2010, a person that submits a bid or proposal to, or otherwise proposes to enter into or renew a contract with, a state agency with respect to any contract in the amount of \$100,000 or above shall certify, under penalty of perjury, at the time the bid or proposal is submitted or the contract is renewed, all of the following:

1. **CALIFORNIA CIVIL RIGHTS LAWS**: For contracts executed or renewed after January 1, 2017, the contractor certifies compliance with the Unruh Civil Rights Act (Section 51 of the Civil Code) and the Fair Employment and Housing Act (Section 12960 of the Government Code); and
2. **EMPLOYER DISCRIMINATORY POLICIES**: For contracts executed or renewed after January 1, 2017, if a Contractor has an internal policy against a sovereign nation or peoples recognized by the United States government, the Contractor certifies that such policies are not used in violation of the Unruh Civil Rights Act (Section 51 of the Civil Code) or the Fair Employment and Housing Act (Section 12960 of the Government Code).

CERTIFICATION

I, the official named below, certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Proposer/Bidder Firm Name (Printed)

Federal ID Number

By (Authorized Signature)

Printed Name and Title of Person Signing

Executed in the County of

Executed in the State of

Date Executed

ATTACHMENT 7 - GenAI DISCLOSURE & FACTSHEET

The State of California seeks to realize the potential benefits of Generative Artificial Intelligence (GenAI), through the development and deployment of GenAI tools, while balancing the risks of these new technologies.

Bidders must notify the State in writing if their solution or service includes, or makes available, any GenAI technology, including GenAI from third parties or subcontractors.

The State has developed a [GenAI Disclosure & Factsheet](#) to be completed by the Bidder. Failure to disclose GenAI to the State and submit the GenAI Disclosure & Factsheet will result in disqualification of the Bidder and may void any resulting contract. The State reserves its right to seek any and all relief it may be entitled to as a result of such non-disclosure.

Upon receipt of a Bidder GenAI Disclosure & Factsheet, the state reserves the right to incorporate GenAI Special Provisions into the final contract or reject bids/offers that present an unacceptable level of risk to the state.

A Bidder must complete the STD 1000 Generative Artificial Intelligence (GenAI) Disclosure & Factsheet, located at the following internet site:

<https://www.documents.dgs.ca.gov/dgs/fmc/pdf/std1000.pdf>

If you do not have Internet access, a hard copy can be provided by contacting the Acquisition Analyst listed on the Notice to Prospective Bidders.

The completed STD 1000 Generative Artificial Intelligence (GenAI) Disclosure & Factsheet must be included in the bid submission, as Attachment X. If the GenAI Disclosure & Factsheet is not submitted by the Bidder, the bid shall be deemed nonresponsive.

ATTACHMENT 8 - PROOF OF INSURANCE

A Bidder must submit current proof of insurance as Attachment 7 for the following:

- General Liability
- Commercial Automobile Insurance
- Worker's Compensation

A certificate of insurance (COI) may be provided as proof of insurance. The COI and/or proof of insurance documents will be named Attachment 7 and be submitted with the bid submission. Endorsements to insurance policies are not required for bid submission.

Contact your insurance representative to ensure your insurance program satisfies the requirements of the IFB Sample Standard Agreement, Exhibit D, Section 9, prior to bidding.

ATTACHMENT 9 - COST SHEET

CONTRACTOR:

The Potential Contractor declares to have carefully examined the Scope of Work, and any Terms and Conditions that were included. Potential Contractor is familiar with all requirements, and agrees if the contract is accepted, to complete the above project in accordance with the contract document specifications, as well as within the timeline as herein stated.

TABLE 1: Printing and Mailing up to 11 million and a minimum of 500,000 pieces of mail. Note: page count will be determined prior to printing for each quarter per year.

Year 1				
A	B	C	D	E
Description	Price per 1,000	Quantity in 1,000s	Frequency per year	Extended Total (B x C x D)
Printing and Mail Pieces (2-page letter)	\$	11,000	4	\$
Printing and Mail Pieces (4-page letter)	\$		4	\$
Printing and Mail Pieces (6-page letter)	\$		4	\$
Printing and Mail Pieces (8-page letter)	\$		4	\$
Sales Tax				\$
Total Year 1 (Sum of Column E)				\$

TABLE 2: On-Site Inspection

A	B	C	D
Description On-Site Inspection	Service Rate per Year	State's Estimate Inspection (Min. of 1 per year)	Extended Total (B x C)
Year 1	\$	1	\$

TABLE 1A (Option Year 1): Printing and Mailing up to 11 million and a minimum of 500,000 pieces of mail. Note: page count will be determined prior to printing for each quarter per year.

Option Year 1				
A	B	C	D	E
Description	Price per 1,000	Quantity in 1,000s	Frequency per year	Extended Total (B x C x D)
Printing and Mail Pieces (2-page letter)	\$	11,000	4	\$
Printing and Mail Pieces (4-page letter)	\$		4	\$
Printing and Mail Pieces (6-page letter)	\$		4	\$
Printing and Mail Pieces (8-page letter)	\$		4	\$
Sales Tax				\$
Option Year 1 (Sum of Column E)				\$

TABLE 2A (Option Year 1): On-Site Inspection

A	B	C	D
Description On-Site Inspection	Service Rate per Year	State's Estimate Inspection (Min. of 1 per year)	Extended Total (B x C)
Option Year 1	\$	1	\$

TABLE 1B (Option Year 2): Printing and Mailing up to 11 million and a minimum of 500,000 pieces of mail. Note: page count will be determined prior to printing for each quarter per year.

Option Year 2				
A	B	C	D	E
Description	Price per 1,000	Quantity in 1,000s	Frequency per year	Extended Total (B x C x D)
Printing and Mail Pieces (2-page letter)	\$	11,000	4	\$
Printing and Mail Pieces (4-page letter)	\$		4	\$
Printing and Mail Pieces (6-page letter)	\$		4	\$
Printing and Mail Pieces (8-page letter)	\$		4	\$
Sales Tax				\$
Option Year 2 (Sum of Column E)				\$

TABLE 2B (Option Year 2): On-Site Inspection

A	B	C	D
Description On-Site Inspection	Service Rate per Year	State's Estimate Inspection (Min. of 1 per year)	Extended Total (B x C)
Option Year 2	\$	1	\$

TABLE 3: Cost Sheet Summary

A	B
Description	Total per Table
Table 1 - Printing and Mailing	\$
Table 2 - On-Site Inspection	\$
Agreement Total (Year 1) (Sum of Column B)	\$

Rate quoted in Tables 1, 2 and 3 includes and covers all freight, the furnishing of all materials, tax, and the performance of all labor requisite of, and the proper providing of all necessary machinery, tools, apparatus, and other means of service which also includes the performance and completion of all work in the manner set forth, described, and shown in Exhibit A, "Scope of Work".

Please Note:

- The State does not guarantee any amount of work.
- The State will not pay fees not listed on this Cost Sheet.
- The State reserves the right to amend this agreement in the event of a Sales Tax rate change.

ATTACHMENT 10 - SAMPLE AGREEMENT

Reset Form	Print Form	SCO ID: 7760-23162998		
STATE OF CALIFORNIA - DEPARTMENT OF GENERAL SERVICES STANDARD AGREEMENT STD 213 (Rev. 04/2020)		<table border="1"> <tr> <td>AGREEMENT NUMBER 23-13162998</td> <td>PURCHASING AUTHORITY NUMBER (if Applicable)</td> </tr> </table>	AGREEMENT NUMBER 23-13162998	PURCHASING AUTHORITY NUMBER (if Applicable)
AGREEMENT NUMBER 23-13162998	PURCHASING AUTHORITY NUMBER (if Applicable)			

1. This Agreement is entered into between the Contracting Agency and the Contractor named below:

CONTRACTING AGENCY NAME

Department of General Services - Office of State Publishing

CONTRACTOR NAME

TBD

2. The term of this Agreement is:

START DATE

TBD

THROUGH END DATE

TBD

3. The maximum amount of this Agreement is:

TBD

4. The parties agree to comply with the terms and conditions of the following exhibits, which are by this reference made a part of the Agreement.

Exhibits	Title	Pages
Exhibit A	SCOPE OF WORK	4
Exhibit A, Attachment 1	PRODUCTION CONTINUITY PLAN - POTENTIAL SUBCONTRACTORS	2
Exhibit A, Attachment 2	ADDITIONAL PROVISIONS: INFORMATION PRIVACY AND SECURITY	1
+ Exhibit A, Attachment 3	BUSINESS ASSOCIATE DATA SECURITY REQUIREMENTS	4
+ Exhibit A, Attachment 4	HIPAA BUSINESS ASSOCIATE ADDENDUM	4
+ Exhibit B	BUDGET DETAIL AND PAYMENT PROVISIONS	2
+ Exhibit B, Attachment 1	COST SHEET	
+ Exhibit C*	GENERAL TERMS AND CONDITIONS	04/2017
+ Exhibit D	SPECIAL TERMS AND CONDITIONS	5

Items shown with an asterisk (*), are hereby incorporated by reference and made part of this agreement as if attached hereto.
These documents can be viewed at <https://www.dgs.ca.gov/OLS/Resources>

EXHIBIT A

SCOPE OF WORK

The Department of General Services (DGS), Office of State Publishing (OSP) has been mandated to provide printing services to all California state departments as requested pursuant to Government Code section 14850. In addition, this agreement will cover all or part of the Jackson versus Rank (JvR) Printing and Mailing services for the Department of Health Care Services.

1. PROJECT SUMMARY

- A. The (Insert Contractor's Name) Contractor shall provide Health Insurance Portability and Accountability Act (HIPAA) covered Printing and Mass Mailing as well as providing the labor, equipment, and materials required for printing, and mailing services for each quarter per year. The Contractor shall produce a minimum of 500,000 up to a maximum of 11,000,000 mail pieces. Services include but are not limited to:
- a. Contractor shall pick up materials including printed inserts and printed indicia envelopes at the following locations:
 - 1. 885 Riverside Parkway, West Sacramento CA 95605
 - Or
 - 2. 1000 Riverside Parkway, West Sacramento CA 95605
 - b. Contractor shall provide the printing of the letter and mailing services.
 - c. Delivery to USPS SCF's (Sectional Center Facilities). (See 7. Work Details. K, L, & M.)
- B. The Contractor shall coordinate all phases of data processing for variable printing, inserting, palletizing, shipping to USPS with postal paperwork for Presort First Class mail per USPS Guidelines.
- C. The anticipated term of this contract will be one (1) year upon DGS's Approval. The State reserves the right to extend the term of this Agreement for two additional one (1) year terms. The maximum Agreement term shall be no more than three (3) years. The rates are specified in Exhibit B, Attachment 1, Cost Sheet and will stay in effect for the entire contract term.

2. PROJECT REPRESENTATIVES

- A. The Contract Administrator during the term of this Agreement will be:

OSP Contract Administrator	Contractor's Contract Administrator
To Be Entered	To Be Determined

- B. Any changes in the Contractor's Contract Administrator must be reported in writing to the OSP Contract Administrator or OSP Designated Representative.
- C. The State reserves the right to identify an OSP Designated Representative in the absence of the OSP Contract Administrator.

3. CONFIDENTIALITY

- A. Contractor is agreeing to perform the described work and agrees to adhere to all privacy guidelines and will not in any way distribute material to third party agencies or individuals under any circumstances.
- B. Contractor agrees to discuss job information and/or job content only in the workplace and only for job related purposes with others who have a work related need to know the information being conveyed. Under no circumstances shall Contractor release information regarding a project or any printed material to anyone other than OSP personnel. Contractor's responsibility for confidentiality extends to the personnel employed by Contractor and continues through the term of this Agreement. In the event of a breach or threatened breach, the State reserves the right to seek reimbursement for any monetary damages that occur because of the information being improperly released and will result in termination of this agreement.
- C. Contractor agrees personnel performing work under this Agreement will maintain confidentiality in premise regarding exposed written or graphic material, sensitive information, etc. Failure to adhere to this requirement will result in termination of this Agreement.

4. PERFORMANCE DETAILS

- A. Work shall be performed by qualified staff using print and bindery equipment sufficient to successfully fulfill the needs of this Agreement.
- B. The Contractor is agreeing to perform the described work and agrees to adhere to all privacy guidelines and will not in any way distribute material to third party agencies or individuals under any circumstances.
- C. The Contractor shall perform the printing and delivery requirements of this Agreement in a manner that will not impede or obstruct the deadlines set forth in Section 8. Quarterly Production.
- D. The Contractor shall be responsible for replacing any materials damaged or lost by the Contractor through negligence, inexperienced personnel, or use of inappropriate equipment at no additional cost to the State.
- E. The Contractor is required to provide a listing of all potential subcontractors who may be used for the production of the JvR. The Contractor shall not use any subcontractors in states subject to travel restrictions stemming from California Government Code section 11139.8. A list of those states can be found on the California Attorney General's website (www.oag.ca.gov/ab1887).

- F. The Contractor must pick up and deliver proofs, samples, and other materials at 885 Riverside Parkway, West Sacramento, CA 95605. The public counter is open from 7:00 am to 5:00 pm Monday through Friday. Pick-up before or after normal business hours requires prior arrangements to be made with the OSP Contract Administrator or their designee.

5. SERVICE DETAILS

- A. The State's normal business hours are Monday through Friday from 8:00 a.m. (PT) to 5:00 p.m. (PT).
- B. If Contractor is required to provide on-site services, it is not anticipated they will be requested on State holidays. The state holiday schedule may be subject to change; however, the current state holidays are New Year's Day, Martin Luther King, Jr. Day, Presidents' Day, Cesar Chavez Day, Memorial Day, Independence Day, Labor Day, Veteran's Day, Thanksgiving Day, Day after Thanksgiving, and Christmas Day.

6. TECHINICAL SPECIFICATIONS

- A. Security: The Contractor shall meet all HIPAA security requirements as well as any protections identified in Exhibit A, Attachment 3, Additional Provisions Information Privacy and Security; Exhibit A, Attachment 4, Business Associate Data Security Requirements; Exhibit A, Attachment 5, HIPPA Business Associate Addendum.
- B. Quality Control: The Contractor shall comply with all HIPAA requirements for protection/safeguarding of Personal Health Information. Due to the sensitive nature of the information, there is ZERO tolerance for mailing errors specifically the mailing of multiple letters in one envelope ("Double Stuffs") or the intermixing of data, i.e. mismatching the letter and forms between different individuals.
- C. Production Continuity Plan: The Contractor must identify potential subcontractors in the Production Continuity Plan- Potential Subcontractor List to complete the work in the event of equipment failure or other unforeseen circumstances. This list will be incorporated as Exhibit A, Attachment 2 in the final contract,
- D. The Contractor shall provide the following services: pick-up of printed inserts and printed indicia envelopes printing, folding, inserting, processing, and mailing of the JvR.
- E. The Contractor must estimate and include in bid, all miscellaneous costs, goods, or materials incidental to the service such as but not limited to, freight, taxes, and packing material.
- F. The JvR is a variable 2 to 8-page 8.5" x 11", K/K letter, folds to 8.5" x 5.5", insert with one to four (1 to 4) supplied printed inserts into 6" x 9.5" window envelope, to be mass mailed under Permit 2023 Presort First Class.
- G. The Contractor shall perform all services necessary to successfully process and mail the JvR to CA residents. Anticipated services include, but are not limited to the following:

- 1) NCOA and CASS certify. When processing using NCOA, do not forward any mail files that error out of the NCOA process. Addresses that error out of the NCOA process should be sent to the original OSP-provided address.
 - 2) Digitally Print up to 8-page letters (4 sheets) 8.5" x 11" on contractor supplied white 20# bond offset K/K, or approved alternative.
 - 3) Address block is on first page and must show through the envelope window.
 - 4) Fold and insert the letters, along with any pre-supplied scheduled inserts into the OSP supplied envelopes with return address.
 - 5) Coordinate all drops with the OSP Contract Administrator.
 - 6) Deliver to USPS SCF's (Sectional Center Facilities) in California via physical truck or using the USPS "Mail Anywhere" process. (See 7. Work Details. K, L, & M.)
- H. All estimated costs related to freight of materials shall be based on shipments from OSP to Contractor. OSP reserves the right to arrange for direct shipment of envelopes from OSP or the paper mill to the Contractor if it determines it is in the best interest of OSP.
- I. OSP reserves the right to conduct an on-site inspection of the facility as well as the facility of any subcontractors for integrity, quality control, and press and bindery checks at any time during the production process as required, at Contractor expense. The State request a minimum of 1 at the start of the year and any additional visits should there be issues. This includes all transportation, overnight stay, and food expenses as needed.
- J. The State does not guarantee the amount of work or services that may be requested from the Contractor throughout the term of this Agreement.

7. WORK DETAILS

- A. The Contractor shall provide all personnel and equipment to complete the work outlined as described herein.
- C. The Contractor shall provide a production schedule as to the printing, binding, and delivery of product to OSP and the USPS.
- D. The Contractor shall Submit a proof for approval, digitally print 8.5" x11", K/K letter, 2- 8 pages (1-4 sheets) address block on first page and fold to 8.5" x 5.5", so the address shows through the envelope window. In addition, insert with up to four (4) supplied and printed inserts into 6" x 9.5" window envelopes. Mass mail per DHCS Permit 2023 Presort First Class including the following: Paperwork, run list, tray tags, pallet tags, load tags per USPS Presort First Class specifications.
- E. Coordinate all phases of printing, folding, inserting, processing, shipping and mailing of all mail pieces with OSP, trucking company and USPS. Coordinate with and include in all correspondence the OSP Contract Administrator for all phases of production.
- F. Contractor to provide copies of Form 3600 Postage Statement and all PS Form 8017 Plant-Verified Drop Shipment for each mailing to the OSP Contract Administrator within 24 of mail drops.

- G. The OSP will provide previous JvR samples upon Contractor's request.
- H. The Contractor shall print on 20# White bond paper stock or approved alternative.
- I. Quantities will be a minimum of 500,000 to a maximum of 11,000,000 finished JvR per quarter.
- J. Printing and Delivery
- 1) As the USPS cannot accept all of the JvR delivered at one time (same day), the Contractor shall deliver to the USPS on a continual flow basis.
 - 2) The Contractor must contact and coordinate shipping and delivery with the USPS as well as OSP for the following, but not limited to delivery schedules and USPS requirements and limitations, and truck access.
- K. The Postal Service has launched the new "Mail Anywhere" service that allows the customer (Mail Preparer) to use the same permit at every mailing location across the country. According to the United States Postal Service "Mail Anywhere Program Customer Participation Guide", dated August 20, 2021, this service is only available to Mail Preparers who have mailed at 90% Full-Service for the Mail Preparer's given business location and met the electronic Full-Service verification criteria explained in section 1.5 of the Mail Anywhere Program Customer Participation Guide, during the month prior to their request to participate for Mail Anywhere Program.
- L. Note: Section 1.4 Sign up process Step 2 states that the Mail Preparer's Customer Registration ID (CRID) provided must be the location of where the mail will be prepared. Mail preparer is not to use the CRID of any other Customer or Business location. If the Mail Preparer will be using multiple locations to process the mail, the mailer will need to provide the CRID for each location.
- M. Signing up for the Mail Anywhere program is the responsibility of the Mail Preparer.

8. QUARTERLY PRODUCTION

January of each year	Art files shall be provided the first week of each quarter. Production shall start within 5 working days of receiving art files. Production must be completed by the end of each quarter (end of March).
April of each year	Art files shall be provided the first week of each quarter. Production shall start within 5 working days of receiving art files. Production must be completed by the end of each quarter (end of June).
July of each year	Art files shall be provided the first week of each quarter. Production shall start within 5 working days of receiving art files. Production must be completed by the end of each quarter (end of September).

October of each year	Art files shall be provided the first week of each quarter. Production shall start within 5 working days of receiving art files. Production must be completed by the end of each quarter (end of December).
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9. CONTRACTOR RESPONSIBILITIES

- A. Contractor should provide their own Customer Registration ID (CRID) and Mailing ID (MID) for the mailings. Under no circumstances is the Contractor to use a CRID or MID belonging to OSP.
- B. Within 48 hours of receiving the print-ready PDF file, the Contractor shall submit two (2) composed proofs to the OSP Contract Administrator or designated representative (allow for possible multiple rounds of proofing).
- C. In the event of a revision, the Contractor shall re-submit a proof within 24 hours after receiving the revised print-ready PDF file.
- D. The Contractor shall begin printing within 24 hours after receiving proof approval by the OSP Contract Administrator or designated representative.
- E. The Contractor shall submit daily reports, to the OSP Contract Administrator, or designated representative, due at 11:00 am (PST) via e-mail, of the prior day's production status, including quantity totals for press, bindery, delivery, and mailing, along with projected totals for the following seven (7) calendar days.
- F. Any and all materials supplied by OSP, including but not limited to printed inserts and envelopes shall be returned to OSP by the Contractor, at the Contractor's expense.

10. STATE RESPONSIBILITIES

- A. OSP shall supply raw Data Address Files for Digital Print, (Recipient address Block) for the letter. Job will mail USPS Presort First Class.
- B. OSP to supply up to four (4) printed inserts.
- C. OSP to supply printed 6" x 9.5" window envelopes.

EXHIBIT A, ATTACHMENT 1

PRODUCTION CONTINUITY PLAN - POTENTIAL SUBCONTRACTORS

Even if the Contractor is capable of producing up to the total maximum quantity of 16,000,000 1095-B forms and does not intend to use subcontractors to complete the work, it is still the Contractor's responsibility to have a back-up production plan to subcontract, manage and quality control any portion of the quantity that cannot be completed by the deadline due to unforeseen circumstances. Unforeseen circumstances include but are not limited to equipment failure, lack of staffing, and natural disaster.

If the Production Continuity plan is initiated, Contractor must notify in writing to OSP Contract Administrator within one business day. OSP may dispatch a Project Representative to the subcontractor's facility to inspect and confirm the subcontractor's production capabilities.

If these potential subcontractors change, Contractor must notify OSP Contract Administrator in writing within one business day.

Complete the following information listing one or more Subcontractors:

Subcontractor #1 Name:

Available within how much notice?

Address:

Email:

Phone Number:

Printing Capabilities:

Mailing Capabilities:

Subcontractor #2 Name:

Available within how much notice?

Address:

Email:

Phone Number:

Printing Capabilities:

Mailing Capabilities:

EXHIBIT A, ATTACHMENT 2

ADDITIONAL PROVISIONS: INFORMATION PRIVACY AND SECURITY

DATA PRIVACY AND SECURITY

A. DEFINITIONS

1. "Authorized Persons" means the Service Provider's employees, Contractors, subcontractors or other agents who need to access the State's Data to enable, the Service Provider to perform the services required.
2. "Data Breach" means the unauthorized access that results in the use, disclosure, destruction, modification, loss or theft of the State's unencrypted Personal Data or Non-Public Data.
3. "Non-Public Data" means data submitted to the Service Provider, other than Personal Data, that is not subject to distribution to the public as public information. It is deemed to be sensitive and confidential by the State because it contains information that is exempt by statute, regulation or policy from access by the general public as public information. Unless otherwise identified by the Department as "Personal Data," all Department data received by Service Provider shall be deemed "Non-Public Data."
4. "Personal Data" means data submitted to the Service Provider that includes information relating to a person that identifies the person by name and has any of the following personally identifiable information (PII): government-issued identification numbers (e.g., Social Security, driver's license, passport); financial account information, including account number, credit or debit card numbers; or protected health information (PHI) relating to a person.
5. "Protected Health Information" (PHI) means Individually Identifiable Health Information transmitted by electronic media, maintained in electronic media, or transmitted or maintained in any other form or medium. PHI excludes education records covered by the Family Educational Rights and Privacy Act (FERPA) as amended, 20 U.S.C. 1232g, records described at 20 U.S.C. 1232g(a)(4)(B)(iv) and employment records held by a covered entity in its role as employer.
6. "Security Incident" means the potentially unauthorized access to Personal Data or Non-Public Data the Service Provider believes could reasonably result in the use, disclosure or theft of the State's unencrypted Personal Data or Non-Public Data within the possession or control of the Service Provider. A Security Incident may or may not turn into a Data Breach.
7. "Service Provider" means the Contractor, subcontractors, agents, resellers, third parties and affiliates who are providing the services agreed to under the Contract.
8. "State Data" means all data created or in any way originating with the State, and all data that is the output of computer processing of or other electronic manipulation of any data that was created by or in any way originated with the State, whether such data or output is stored on the State's hardware, the Service Provider's hardware or exists in any system owned, maintained or otherwise controlled by the State or by the Service Provider.

9. "Contract" means Agreement between California Department of General Services, Office of State Publishing and Contractor.
10. "State" or "Department" means the California Department of General Services, Office of State Publishing.

B. DATA OWNERSHIP

The State will own all right, title and interest in State Data that is related to the services provided by this Contract.

C. DATA PROTECTION

Protection of personal privacy and data shall be an integral part of the business activities of the Service Provider to ensure there is no inappropriate or unauthorized use of State information at any time. To this end, the Service Provider shall safeguard the confidentiality, integrity and availability of State information within its control and comply with the following conditions:

1. In addition to the Compliance with Statutes and Regulations provisions set forth in the General Provisions – Information Technology, the Service Provider shall comply as required with:
 - a. The California Information Practices Act (Civil Code Sections 1798 et seq).
 - b. NIST Special Publication 800-53 Revision 4 or its successor.
 - c. Privacy provisions of the Federal Privacy Act of 1974.
2. All State Data obtained by the Service provider within its control in the performance of this Contract shall become and remain the property of the State. At no time shall any Personal Data and Non-Public Data or processes —which either belong to or are intended for the use of State or its officers, agents or employees — be copied, disclosed or retained by the Service Provider or any party related to the Service Provider for subsequent use in any transaction without the express written consent of the State except as permitted in Section 2 above.

D. DATA LOCATION

The Service Provider shall provide its services to the State solely from data centers in the continental United States. Storage of State Data at rest shall be located solely in data centers in the continental United States. The Service Provider shall not allow its personnel or contractors to store State Data on portable devices, including personal computers, except for devices that are used and kept; only at its U.S. data centers, or devices that are encrypted at rest: The Service Provider shall permit its personnel and contractors to access State Data remotely only to perform work as described by the Contract.

E. SECURITY INCIDENT OR DATA BREACH NOTIFICATION

The Service Provider shall inform the State of any Security Incident or Data Breach related to State Data within the possession or control of the Service Provider and related to the service provided under this Contract.

1. Security Incident Reporting Requirements: Unless otherwise set forth in the Contract, the Service Provider shall promptly report a Security Incident related to its service under the Contract to the appropriate State Identified Contact.
2. Breach Reporting Requirements: If the Service Provider has actual knowledge of a confirmed Data Breach that affects the security of any State Data that is subject to applicable Data Breach notification law, the Service Provider shall (1) promptly notify the appropriate State Identified Contact within 24 hours or sooner, unless otherwise required by applicable law, and (2) take commercially reasonable measures to address the Data Breach in a timely manner.

F. DATA BREACH RESPONSIBILITIES

This section only applies when a Data Breach occurs with respect to Personal Data and/or Non-Public Data within the possession or control of a Service Provider and related to service provided under this Contract.

1. The Service Provider shall promptly notify the appropriate State Identified Contact within 24 hours or sooner by telephone, unless shorter time is required by applicable law, if it confirms that there is or reasonably believes that there has been a Data Breach. The Service Provider shall (1) cooperate with the State as reasonably requested by the State to investigate and resolve the Data Breach; (2) promptly implement necessary remedial measures, if necessary; and (3) document responsive actions taken related to the Data Breach, including any post-incident review of events and actions taken to make changes in business practices in providing the services, if necessary.
2. Service Provider will provide daily updates, or more frequently if required by the State, regarding findings and actions performed by Service Provider to the State Identified Contact until the Data Breach has been effectively resolved to the State's satisfaction.
3. Service Provider shall quarantine the Data Breach and ensure secure access to Data. Failure to do so may result in the State exercising its options for assessing damages or other remedies under this Contract.
4. Unless otherwise set forth in the Contract, if a Data Breach is a direct result of the Service Provider's breach of its Contract obligation to encrypt Personal Data and/or Non-Public Data or otherwise prevent its release, the Service Provider shall bear the costs associated with (1) the investigation and resolution of the Data Breach; (2) notifications to individuals, regulators or others required by State law; (3) a credit monitoring service required by State (or Federal) law; (4) a website or a toll-free number and call center for affected individuals required by State law; and (5) complete all corrective actions as reasonably determined by the Service Provider based on root cause; all [(1) through (5)] subject to this Contract's Limitation of Liability provision as set forth in the Contract.

G. NOTIFICATION OF LEGAL REQUESTS

Unless otherwise required by law, the Service Provider shall contact the State upon receipt of any electronic discovery, litigation holds, discovery searches and expert testimonies related to the State's Data under this Contract, or which in any way might reasonably require access to State's Data. The Service Provider shall not respond to subpoenas, service of process and other legal requests related to the State without first notifying the State, unless prohibited by law from providing such notice. Unless otherwise required by law, Service Provider agrees to provide its intended responses to the State with adequate time for the State to review, revise and, if necessary, seek a protective order in a court of competent jurisdiction. Service Provider shall not respond to legal requests directed at the State unless authorized in writing to do so by the State.

H. DATA DESTRUCTION

After termination of the Contract, the Service Provider shall securely dispose of all State Data in all forms. State Data shall be permanently deleted and shall not be recoverable, according to NIST-approved methods. Certificates of destruction shall be provided to the State.

I. BACKGROUND CHECKS

As permitted or required by law, the Service Provider shall conduct criminal background checks and not utilize any staff, including subcontractors, to fulfill the obligations of the Contract who have been convicted of any crime of dishonesty, including but not limited to criminal fraud, or otherwise convicted of any felony or any misdemeanor offense for which incarceration for up to 1 year is an authorized penalty. The Service Provider shall promote and maintain an awareness of the importance of securing the State's information among the Service Provider's employees and agents.

J. ACCESS TO SECURITY LOGS AND REPORTS

Upon request, the Service Provider shall provide reports to the State directly related to the infrastructure the Service Provider controls upon which the State account resides. The report will be sufficient to enable the State to perform security analysis, resource change tracking and compliance auditing.

K. CONTRACT AUDIT

The Service Provider shall allow the State to audit conformance to the Contract terms. The State may perform this audit or Contract with a third party at its discretion and at the State's expense.

EXHIBIT A, ATTACHMENT 3

BUSINESS ASSOCIATE DATA SECURITY REQUIREMENTS

1. PERSONNEL CONTROLS

- A. **Employee Training.** All workforce members who assist in the performance of functions or activities on behalf of DHCS, or access or disclose DHCS PHI or PI must complete information privacy and security training, at least annually, at Business Associate's expense. Each workforce member who receives information privacy and security training must sign a certification, indicating the member's name and the date on which the training was completed. These certifications must be retained for a period of six (6) years following contract termination.
- B. **Employee Discipline.** Appropriate sanctions must be applied against workforce members who fail to comply with privacy policies and procedures or any provisions of these requirements, including termination of employment where appropriate.
- C. **Confidentiality Statement.** All persons that will be working with DHCS PHI or PI must sign a confidentiality statement that includes, at a minimum, General Use, Security and Privacy Safeguards, Unacceptable Use, and Enforcement Policies. The statement must be signed by the workforce member prior to access to DHCS PHI or PI. The statement must be renewed annually. The Contractor shall retain each person's written confidentiality statement for DHCS inspection for a period of six (6) years following contract termination.
- D. **Background Check.** Before a member of the workforce may access DHCS PHI or PI, a thorough background check of that worker must be conducted, with evaluation of the results to assure that there is no indication that the worker may present a risk to the security or integrity of confidential data or a risk for theft or misuse of confidential data. The Contractor shall retain each workforce member's background check documentation for a period of three (3) years following contract termination.

2. TECHNICAL SECURITY CONTROLS

- A. **Workstation/Laptop encryption.** All workstations and laptops that process and/or store DHCS PHI or PI must be encrypted using a FIPS 140-2 certified algorithm which is 128bit or higher, such as Advanced Encryption Standard (AES). The encryption solution must be full disk unless approved by the DHCS Information Security Office.
- B. **Server Security.** Servers containing unencrypted DHCS PHI or PI must have sufficient administrative, physical, and technical controls in place to protect that data, based upon a risk assessment/system security review.
- C. **Minimum Necessary.** Only the minimum necessary amount of DHCS PHI or PI required to perform necessary business functions may be copied, downloaded, or exported.
- D. **Removable media devices.** All electronic files that contain DHCS PHI or PI data must be encrypted when stored on any removable media or portable device (i.e. USB thumb drives, floppies, CD/DVD, smartphones, backup tapes etc.). Encryption must be a FIPS 140-2 certified algorithm which is 128bit or higher, such as AES.

- E. **Antivirus software.** All workstations, laptops and other systems that process and/or store DHCS PHI or PI must install and actively use comprehensive anti-virus software solution with automatic updates scheduled at least daily.
- F. **Patch Management.** All workstations, laptops and other systems that process and/or store DHCS PHI or PI must have critical security patches applied, with system reboot if necessary. There must be a documented patch management process which determines installation timeframe based on risk assessment and vendor recommendations. At a maximum, all applicable patches must be installed within 30 days of vendor release.
- G. **User IDs and Password Controls.** All users must be issued a unique user name for accessing DHCS PHI or PI. Username must be promptly disabled, deleted, or the password changed upon the transfer or termination of an employee with knowledge of the password, at maximum within 24 hours. Passwords are not to be shared. Passwords must be at least eight characters and must be a non-dictionary word. Passwords must not be stored in readable format on the computer. Passwords must be changed every 90 days, preferably every 60 days. Passwords must be changed if revealed or compromised. Passwords must be composed of characters from at least three of the following four groups from the standard keyboard:
 - 1) Upper case letters (A-Z)
 - 2) Lower case letters (a-z)
 - 3) Arabic numerals (0-9)
 - 4) Non-alphanumeric characters (punctuation symbols)
- H. **Data Destruction.** When no longer needed, all DHCS PHI or PI must be cleared, purged, or destroyed consistent with NIST Special Publication 800-88, Guidelines for Media Sanitization such that the PHI or PI cannot be retrieved.
- I. **System Timeout.** The system providing access to DHCS PHI or PI must provide an automatic timeout, requiring re-authentication of the user session after no more than 20 minutes of inactivity.
- J. **Warning Banners.** All systems providing access to DHCS PHI or PI must display a warning banner stating that data is confidential, systems are logged, and system use is for business purposes only by authorized users. User must be directed to log off the system if they do not agree with these requirements.
- K. **System Logging.** The system must maintain an automated audit trail which can identify the user or system process which initiates a request for DHCS PHI or PI, or which alters DHCS PHI or PI. The audit trail must be date and time stamped, must log both successful and failed accesses, must be read only, and must be restricted to authorized users. If DHCS PHI or PI is stored in a database, database logging functionality must be enabled. Audit trail data must be archived for at least 3 years after occurrence.
- L. **Access Controls.** The system providing access to DHCS PHI or PI must use role based access controls for all user authentications, enforcing the principle of least privilege.
- M. **Transmission encryption.** All data transmissions of DHCS PHI or PI outside the secure internal network must be encrypted using a FIPS 140-2 certified algorithm which is 128bit or

higher, such as AES. Encryption can be end to end at the network level, or the data files containing PHI can be encrypted. This requirement pertains to any type of PHI or PI in motion such as website access, file transfer, and E- Mail.

- N. **Intrusion Detection.** All systems involved in accessing, holding, transporting, and protecting DHCS PHI or PI that are accessible via the Internet must be protected by a comprehensive intrusion detection and prevention solution.

3. **AUDIT CONTROLS**

- A. **System Security Review.** All systems processing and/or storing DHCS PHI or PI must have at least an annual system risk assessment/security review which provides assurance that administrative, physical, and technical controls are functioning effectively and providing adequate levels of protection. Reviews should include vulnerability scanning tools.
- B. **Log Reviews.** All systems processing and/or storing DHCS PHI or PI must have a routine procedure in place to review system logs for unauthorized access.
- C. **Change Control.** All systems processing and/or storing DHCS PHI or PI must have a documented change control procedure that ensures separation of duties and protects the confidentiality, integrity and availability of data.

4. **BUSINESS CONTINUITY / DISASTER RECOVERY CONTROLS**

- A. **Emergency Mode Operation Plan.** Contractor must establish a documented plan to enable continuation of critical business processes and protection of the security of electronic DHCS PHI or PI in the event of an emergency. Emergency means any circumstance or situation that causes normal computer operations to become unavailable for use in performing the work required under this Agreement for more than 24 hours.
- B. **Data Backup Plan.** Contractor must have established documented procedures to backup DHCS PHI to maintain retrievable exact copies of DHCS PHI or PI. The plan must include a regular schedule for making backups, storing backups offsite, an inventory of backup media, and an estimate of the amount of time needed to restore DHCS PHI or PI should it be lost. At a minimum, the schedule must be a weekly full backup and monthly offsite storage of DHCS data.

5. **PAPER DOCUMENT CONTROLS**

- A. **Supervision of Data.** DHCS PHI or PI in paper form shall not be left unattended at any time, unless it is locked in a file cabinet, file room, desk or office. Unattended means that information is not being observed by an employee authorized to access the information. DHCS PHI or PI in paper form shall not be left unattended at any time in vehicles or planes and shall not be checked in baggage on commercial airplanes.
- B. **Escorting Visitors.** Visitors to areas where DHCS PHI or PI is contained shall be escorted and DHCS PHI or PI shall be kept out of sight while visitors are in the area.
- C. **Confidential Destruction.** DHCS PHI or PI must be disposed of through confidential means, such as cross cut shredding and pulverizing.

- D. **Removal of Data.** DHCS PHI or PI must not be removed from the premises of the Contractor except with express written permission of DHCS.
- E. **Faxing.** Faxes containing DHCS PHI or PI shall not be left unattended and fax machines shall be in secure areas. Faxes shall contain a confidentiality statement notifying persons receiving faxes in error to destroy them. Fax numbers shall be verified with the intended recipient before sending the fax.
- F. **Mailing.** Mailings of DHCS PHI or PI shall be sealed and secured from damage or inappropriate viewing of PHI or PI to the extent possible. Mailings which include 500 or more individually identifiable records of DHCS PHI or PI in a single package shall be sent using a tracked mailing method which includes verification of delivery and receipt, unless the prior written permission of DHCS to use another method is obtained.

EXHIBIT A, ATTACHMENT 4

HIPAA BUSINESS ASSOCIATE ADDENDUM

1. RECITALS

- A. This Contract (Agreement) has been determined to constitute a business associate relationship under the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 ("HIPAA"), the Health Information Technology for Economic and Clinical Health Act, Public Law 111-005 ("the HITECH Act"), 42 U.S.C. section 17921 et seq., and their implementing privacy and security regulations at 45 CFR Parts 160 and 164 ("the HIPAA regulations").
- B. The Department of General Services ("DGS"), Office of State Publishing ("OSP") on behalf of Health Care Services ("DHCS") wishes to disclose to Business Associate certain information pursuant to the terms of this Agreement, some of which may constitute Protected Health Information ("PHI"), including protected health information in electronic media ("phi"), under federal law, and personal information ("PI") under state law.
- C. As set forth in this Agreement, Contractor, here and after, is the Business Associate of DHCS acting on DHCS' behalf and provides services, arranges, performs or assists in the performance of functions or activities on behalf of DHCS and creates, receives, maintains, transmits, uses or discloses PHI and PI. DHCS and Business Associate are each a party to this Agreement and are collectively referred to as the "parties."
- D. The purpose of this Addendum is to protect the privacy and security of the PHI and PI that may be created, received, maintained, transmitted, used or disclosed pursuant to this Agreement, and to comply with certain standards and requirements of HIPAA, the HITECH Act and the HIPAA regulations, including, but not limited to, the requirement that DHCS must enter into a contract containing specific requirements with Contractor prior to the disclosure of PHI to Contractor, as set forth in 45 CFR Parts 160 and 164 and the HITECH Act, and the Final Omnibus Rule as well as the Alcohol and Drug Abuse patient records confidentiality law 42 CFR Part 2, and any other applicable state or federal law or regulation. 42 CFR section 2.1(b)(2)(B) allows for the disclosure of such records to qualified personnel for the purpose of conducting management or financial audits, or program evaluation. 42 CFR Section 2.53(d) provides that patient identifying information disclosed under this section may be disclosed only back to the program from which it was obtained and used only to carry out an audit or evaluation purpose or to investigate or prosecute criminal or other activities, as authorized by an appropriate court order.
- E. The terms used in this Addendum, but not otherwise defined, shall have the same meanings as those terms have in the HIPAA regulations. Any reference to statutory or regulatory language shall be to such language as in effect or as amended.

2. DEFINITIONS

- A. Breach shall have the meaning given to such term under HIPAA, the HITECH Act, the HIPAA regulations, and the Final Omnibus Rule.

- B. Business Associate shall have the meaning given to such term under HIPAA, the HITECH Act, the HIPAA regulations, and the final Omnibus Rule.
- C. Covered Entity shall have the meaning given to such term under HIPAA, the HITECH Act, the HIPAA regulations, and Final Omnibus Rule.
- D. Electronic Health Record shall have the meaning given to such term in the HITECH Act, including, but not limited to, 42 U.S.C Section 17921 and implementing regulations.
- E. Electronic Protected Health Information (ePHI) means individually identifiable health information transmitted by electronic media or maintained in electronic media, including but not limited to electronic media as set forth under 45 CFR section 160.103.
- F. Individually Identifiable Health Information means health information, including demographic information collected from an individual, that is created or received by a health care provider, health plan, employer or health care clearinghouse, and relates to the past, present or future physical or mental health or condition of an individual, the provision of health care to an individual, or the past, present, or future payment for the provision of health care to an individual, that identifies the Individual or where there is a reasonable basis to believe the information can be used to identify the individual, as set forth under 45 CFR section 160.103.
- G. Privacy Rule shall mean the HIPAA Regulation found at 45 CFR Parts 160 and 164.
- H. Personal Information shall have the meaning given to such term in California Civil Code section 1798.29.
- I. Protected Health Information means individually identifiable health information that is transmitted by electronic media, maintained in electronic media, or is transmitted or maintained in any other form or medium, as set forth under 45 CFR section 160.103.
- J. Required by law, as set forth under 45 CFR section 164.103, means a mandate contained in law that compels an entity to make a use or disclosure of PHI that is enforceable in a court of law. This includes, but is not limited to, court orders and court-ordered warrants, subpoenas or summons issued by a court, grand jury, a governmental or tribal inspector general, or an administrative body authorized to require the production of information, and a civil or an authorized investigative demand. It also includes Medicare conditions of participation with respect to health care providers participating in the program, and statutes or regulations that require the production of information, including statutes or regulations that require such information if payment is sought under a government program providing public benefits.
- K. Secretary means the Secretary of the U.S. Department of Health and Human Services ("HHS") or the Secretary's designee.
- L. Security Incident means the attempted or successful unauthorized access, use, disclosure, modification, or destruction of PHI or PI, or confidential data that is essential to the ongoing operation of the Business Associate's organization and intended for internal use; or interference with system operations in an information system.

- M. Security Rule shall mean the HIPAA regulation found at 45 CFR Parts 160 and 164.
- N. Unsecured PHI shall have the meaning given to such term under the HITECH Act, 42 U.S.C. section 17932(h), any guidance issued pursuant to such Act, and the HIPAA regulations.

3. TERMS OF AGREEMENT

A. Permitted Uses and Disclosures of PHI by Business Associate

Permitted Uses and Disclosures. Except as otherwise indicated in this Addendum, Business Associate may use or disclose PHI only to perform functions, activities or services specified in this Agreement, for, or on behalf of DHCS, provided that such use or disclosure would not violate the HIPAA regulations, if done by DHCS. Any such use or disclosure must, to the extent practicable, be limited to the limited data set, as defined in 45 CFR section 164.514(e)(2), or, if needed, to the minimum necessary to accomplish the intended purpose of such use or disclosure, in compliance with the HITECH Act and any guidance issued pursuant to such Act, the HIPAA regulations, the Final Omnibus Rule and 42 CFR Part 2.

- i. Specific Use and Disclosure Provisions. Except as otherwise indicated in this Addendum, Business Associate may:
 - a. Use and disclose for management and administration. Use and disclose PHI for the proper management and administration of the Business Associate provided that such disclosures are required by law, or the Business Associate obtains reasonable assurances from the person to whom the information is disclosed that it will remain confidential and will be used or further disclosed only as required by law or for the purpose for which it was disclosed to the person, and the person notifies the Business Associate of any instances of which it is aware that the confidentiality of the information has been breached.
 - b. Provision of Data Aggregation Services. Use PHI to provide data aggregation services to DHCS. Data aggregation means the combining of PHI created or received by the Business Associate on behalf of DHCS with PHI received by the Business Associate in its capacity as the Business Associate of another covered entity, to permit data analyses that relate to the health care operations of DHCS.

B. Prohibited Uses and Disclosures

- i. Business Associate shall not disclose PHI about an individual to a health plan for payment or health care operations purposes if the PHI pertains solely to a health care item or service for which the health care provider involved has been paid out of pocket in full and the individual requests such restriction, in accordance with 42 U.S.C. section 17935(a) and 45 CFR section 164.522(a).
- ii. Business Associate shall not directly or indirectly receive remuneration in exchange for PHI, except with the prior written consent of DHCS and as permitted by 42 U.S.C. section 17935(d)(2).

C. Responsibilities of Business Associate

Business Associate agrees:

- i. **Nondisclosure.** Not to use or disclose Protected Health Information (PHI) other than as permitted or required by this Agreement or as required by law.
- ii. **Safeguards.** To implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of the PHI, including electronic PHI, that it creates, receives, maintains, uses or transmits on behalf of DHCS, in compliance with 45 CFR sections 164.308, 164.310 and 164.312, and to prevent use or disclosure of PHI other than as provided for by this Agreement. Business Associate shall implement reasonable and appropriate policies and procedures to comply with the standards, implementation specifications and other requirements of 45 CFR section 164, subpart C, in compliance with 45 CFR section 164.316. Business Associate shall develop and maintain a written information privacy and security program that includes administrative, technical and physical safeguards appropriate to the size and complexity of the Business Associate's operations and the nature and scope of its activities, and which incorporates the requirements of section 3, Security, below. Business Associate will provide DHCS with its current and updated policies.
- iii. **Security.** To take any and all steps necessary to ensure the continuous security of all computerized data systems containing PHI and/or PI, and to protect paper documents containing PHI and/or PI. These steps shall include, at a minimum:
 1. Complying with all of the data system security precautions listed in Attachment A, the Business Associate Data Security Requirements;
 2. Achieving and maintaining compliance with the HIPAA Security Rule (45 CFR Parts 160 and 164), as necessary in conducting operations on behalf of DHCS under this Agreement;
 3. Providing a level and scope of security that is at least comparable to the level and scope of security established by the Office of Management and Budget in OMB Circular No. A-130, Appendix III - Security of Federal Automated Information Systems, which sets forth guidelines for automated information systems in Federal agencies; and
 4. In case of a conflict between any of the security standards contained in any of these enumerated sources of security standards, the most stringent shall apply. The most stringent means that safeguard which provides the highest level of protection to PHI from unauthorized disclosure. Further, Business Associate must comply with changes to these standards that occur after the effective date of this Agreement.
 5. Business Associate shall designate a Security Officer to oversee its data security program who shall be responsible for carrying out the requirements of this section and for communicating on security matters with DHCS.

- D. Mitigation of Harmful Effects. To mitigate, to the extent practicable, any harmful effect that is known to Business Associate of a use or disclosure of PHI by Business Associate or its subcontractors in violation of the requirements of this Addendum.
- E. Business Associate's Agents and Subcontractors.
- i. To enter into written agreements with any agents, including subcontractors and vendors, to whom Business Associate provides PHI or PI received from or created or received by Business Associate on behalf of DHCS, that impose the same restrictions and conditions on such agents, subcontractors and vendors that apply to Business Associate with respect to such PHI and PI under this Addendum, and that comply with all applicable provisions of HIPAA, the HITECH Act the HIPAA regulations, and the Final Omnibus Rule, including the requirement that any agents, subcontractors or vendors implement reasonable and appropriate administrative, physical, and technical safeguards to protect such PHI and PI. Business associates are directly liable under the HIPAA Rules and subject to civil and, in some cases, criminal penalties for making uses and disclosures of protected health information that are not authorized by its contract or required by law. A business associate also is directly liable and subject to civil penalties for failing to safeguard electronic protected health information in accordance with the HIPAA Security Rule. A "business associate" also is a subcontractor that creates, receives, maintains, or transmits protected health information on behalf of another business associate. Business Associate shall incorporate, when applicable, the relevant provisions of this Addendum into each subcontract or sub award to such agents, subcontractors and vendors, including the requirement that any security incidents or breaches of unsecured PHI or PI be reported to Business Associate.
 - ii. In accordance with 45 CFR section 164.504(e)(1)(ii), upon Business Associate's knowledge of a material breach or violation by its subcontractor of the agreement between Business Associate and the subcontractor, Business Associate shall:
 1. Provide an opportunity for the subcontractor to cure the breach or end the violation and terminate the agreement if the subcontractor does not cure the breach or end the violation within the time specified by DHCS; or
 2. Immediately terminate the agreement if the subcontractor has breached a material term of the agreement and cure is not possible.
- F. Availability of Information to DHCS and Individuals. To provide access and information:
- i. To provide access as DHCS may require, and in the time and manner designated by DHCS (upon reasonable notice and during Business Associate's normal business hours) to PHI in a Designated Record Set, to DHCS (or, as directed by DHCS), to an Individual, in accordance with 45 CFR section 164.524. Designated Record Set means the group of records maintained for DHCS that includes medical, dental and billing records about individuals; enrollment, payment, claims adjudication, and case or medical management systems maintained for DHCS health plans; or those records used to make decisions about individuals on behalf of DHCS. Business Associate shall use the forms and processes developed by DHCS for this purpose and shall respond to requests for

access to records transmitted by DHCS within fifteen (15) calendar days of receipt of the request by producing the records or verifying that there are none.

- ii. If Business Associate maintains an Electronic Health Record with PHI, and an individual requests a copy of such information in an electronic format, Business Associate shall provide such information in an electronic format to enable DHCS to fulfill its obligations under the HITECH Act, including but not limited to, 42 U.S.C. section 17935(e).
 - iii. If Business Associate receives data from DHCS that was provided to DHCS by the Social Security Administration, upon request by DHCS, Business Associate shall provide DHCS with a list of all employees, contractors and agents who have access to the Social Security data, including employees, contractors and agents of its subcontractors and agents.
- G. Amendment of PHI. To make any amendment(s) to PHI that DHCS directs or agrees to pursuant to 45 CFR section 164.526, in the time and manner designated by DHCS.
- H. Internal Practices. To make Business Associate's internal practices, books and records relating to the use and disclosure of PHI received from DHCS, or created or received by Business Associate on behalf of DHCS, available to DHCS or to the Secretary of the U.S. Department of Health and Human Services in a time and manner designated by DHCS or by the Secretary, for purposes of determining DHCS' compliance with the HIPAA regulations. If any information needed for this purpose is in the exclusive possession of any other entity or person and the other entity or person fails or refuses to furnish the information to Business Associate, Business Associate shall so certify to DHCS and shall set forth the efforts it made to obtain the information.
- I. Documentation of Disclosures. To document and make available to DHCS or (at the direction of DHCS) to an Individual such disclosures of PHI, and information related to such disclosures, necessary to respond to a proper request by the subject Individual for an accounting of disclosures of PHI, in accordance with the HITECH Act and its implementing regulations, including but not limited to 45 CFR section 164.528 and 42 U.S.C. section 17935(c). If Business Associate maintains electronic health records for DHCS as of January 1, 2009, Business Associate must provide an accounting of disclosures, including those disclosures for treatment, payment or health care operations, effective with disclosures on or after January 1, 2014. If Business Associate acquires electronic health records for DHCS after January 1, 2009, Business Associate must provide an accounting of disclosures, including those disclosures for treatment, payment or health care operations, effective with disclosures on or after the date the electronic health record is acquired, or on or after January 1, 2011, whichever date is later. The electronic accounting of disclosures shall be for disclosures during the three years prior to the request for an accounting.
- J. Breaches and Security Incidents. During the term of this Agreement, Business Associate agrees to implement reasonable systems for the discovery and prompt reporting of any breach or security incident, and to take the following steps:
- i. Notice to DHCS. (1) To notify DHCS immediately upon the discovery of suspected security incident that involves data provided to DHCS by the Social Security Administration. This notification will be by telephone call plus email or fax upon the

discovery of the breach. (2) To notify DHCS within 24 hours by email or fax of the discovery of unsecured PHI or PI in electronic media or in any other media if the PHI or PI was, or is reasonably believed to have been, accessed or acquired by an unauthorized person, any suspected security incident, intrusion or unauthorized access, use or disclosure of PHI or PI in violation of this Agreement and this Addendum, or potential loss of confidential data affecting this Agreement. A breach shall be treated as discovered by Business Associate as of the first day on which the breach is known, or by exercising reasonable diligence would have been known, to any person (other than the person committing the breach) who is an employee, officer or other agent of Business Associate.

Notice shall be provided to the DHCS Program Contract Manager, the DHCS Privacy Officer and the DHCS Information Security Officer. If the incident occurs after business hours or on a weekend or holiday and involves data provided to DHCS by the Social Security Administration, notice shall be provided by calling the DHCS EITS Service Desk. Notice shall be made using the "DHCS Privacy Incident Report" form, including all information known at the time. Business Associate shall use the most current version of this form, which is posted on the DHCS Privacy Office website (www.dhcs.ca.gov), then select "Privacy" in the left column and then "Business Use" near the middle of the page) or use this link:

<http://www.dhcs.ca.gov/formsandpubs/laws/priv/Pages/DHCSBusinessAssociatesOnly.aspx>

Upon discovery of a breach or suspected security incident, intrusion or unauthorized access, use or disclosure of PHI or PI, Business Associate shall take:

1. Prompt corrective action to mitigate any risks or damages involved with the breach and to protect the operating environment; and
 2. Any action pertaining to such unauthorized disclosure required by applicable Federal and State laws and regulations.
- ii. Investigation and Investigation Report. To immediately investigate such security incident, breach, or unauthorized access, use or disclosure of PHI or PI. If the initial report did not include all of the requested information marked with an asterisk, then within 72 hours of the discovery, Business Associate shall submit an updated "DHCS Privacy Incident Report" containing the information marked with an asterisk and all other applicable information listed on the form, to the extent known at that time, to the DHCS Program Contract Manager, the DHCS Privacy Officer, and the DHCS Information Security Officer.
- iii. Complete Report. To provide a complete report of the investigation to the DHCS Program Contract Manager, the DHCS Privacy Officer, and the DHCS Information Security Officer within ten (10) working days of the discovery of the breach or unauthorized use or disclosure. If all of the required information was not included in either the initial report, or the Investigation Report, then a separate Complete Report must be submitted. The report shall be submitted on the "DHCS Privacy Incident Report" form and shall include an assessment of all known factors relevant to a determination of whether a breach occurred under applicable provisions of HIPAA, the HITECH Act, the

HIPAA regulations and/or state law. The report shall also include a full, detailed corrective action plan, including information on measures that were taken to halt and/or contain the improper use or disclosure. If DHCS requests information in addition to that listed on the "DHCS Privacy Incident Report" form, Business Associate shall make reasonable efforts to provide DHCS with such information. If necessary, a Supplemental Report may be used to submit revised or additional information after the completed report is submitted, by submitting the revised or additional information on an updated "DHCS Privacy Incident Report" form. DHCS will review and approve or disapprove the determination of whether a breach occurred, is reportable to the appropriate entities, if individual notifications are required, and the corrective action plan.

- iv. Notification of Individuals. If the cause of a breach of PHI or PI is attributable to Business Associate or its subcontractors, agents or vendors, Business Associate shall notify individuals of the breach or unauthorized use or disclosure when notification is required under state or federal law and shall pay any costs of such notifications, as well as any costs associated with the breach. The notifications shall comply with the requirements set forth in 42 U.S.C. section 17932 and its implementing regulations, including, but not limited to, the requirement that the notifications be made without unreasonable delay and in no event later than 60 calendar days. The DHCS Program Contract Manager, the DHCS Privacy Officer, and the DHCS Information Security Officer shall approve the time, manner and content of any such notifications and their review and approval must be obtained before the notifications are made.
 - v. Responsibility for Reporting of Breaches. If the cause of a breach of PHI or PI is attributable to Business Associate or its agents, subcontractors or vendors, Business Associate is responsible for all required reporting of the breach as specified in 42 U.S.C. section 17932 and its implementing regulations, including notification to media outlets and to the Secretary. If a breach of unsecured PHI involves more than 500 residents of the State of California or its jurisdiction, Business Associate shall notify the Secretary of the breach immediately upon discovery of the breach. If Business Associate has reason to believe that duplicate reporting of the same breach or incident may occur because its subcontractors, agents or vendors may report the breach or incident to DHCS in addition to Business Associate, Business Associate shall notify DHCS, and DHCS and Business Associate may take appropriate action to prevent duplicate reporting. The breach reporting requirements of this paragraph are in addition to the reporting requirements set forth in subsection 1, above.
 - vi. DHCS Contact Information. To direct communications to the above referenced DHCS staff, the Contractor shall initiate contact as indicated herein. DHCS reserves the right to make changes to the contact information below by giving written notice to the Contractor. Said changes shall not require an amendment to this Addendum or the Agreement to which it is incorporated.
- K. Termination of Agreement. In accordance with Section 13404(b) of the HITECH Act and to the extent required by the HIPAA regulations, if Business Associate knows of a material breach or violation by DHCS of this Addendum, it shall take the following steps:
- i. Provide an opportunity for DHCS to cure the breach or end the violation and

terminate the Agreement if DHCS does not cure the breach or end the violation within the time specified by Business Associate; or

- ii. Immediately terminate the Agreement if DHCS has breached a material term of the Addendum and cure is not possible.

- L. Due Diligence. Business Associate shall exercise due diligence and shall take reasonable steps to ensure that it remains in compliance with this Addendum and is in compliance with applicable provisions of HIPAA, the HITECH Act and the HIPAA regulations, and that its agents, subcontractors and vendors are in compliance with their obligations as required by this Addendum.
- M. Sanctions and/or Penalties. Business Associate understands that a failure to comply with the provisions of HIPAA, the HITECH Act and the HIPAA regulations that are applicable to Business Associate may result in the imposition of sanctions and/or penalties on Business Associate under HIPAA, the HITECH Act and the HIPAA regulations.

4. OBLIGATIONS OF DHCS

DHCS agrees to:

- A. Notice of Privacy Practices. Provide Business Associate with the Notice of Privacy Practices that DHCS produces in accordance with 45 CFR section 164.520, as well as any changes to such notice. Visit the DHCS Privacy Office to view the most current Notice of Privacy Practices at: <http://www.dhcs.ca.gov/formsandpubs/laws/priv/Pages/default.aspx> or the DHCS website at www.dhcs.ca.gov (select "Privacy in the left column and "Notice of Privacy Practices" on the right side of the page).
- B. Permission by Individuals for Use and Disclosure of PHI. Provide the Business Associate with any changes in, or revocation of, permission by an Individual to use or disclose PHI, if such changes affect the Business Associate's permitted or required uses and disclosures.
- C. Notification of Restrictions. Notify the Business Associate of any restriction to the use or disclosure of PHI that DHCS has agreed to in accordance with 45 CFR section 164.522, to the extent that such restriction may affect the Business Associate's use or disclosure of PHI.
- D. Requests Conflicting with HIPAA Rules. Not request the Business Associate to use or disclose PHI in any manner that would not be permissible under the HIPAA regulations if done by DHCS.

5. AUDITS, INSPECTION AND ENFORCEMENT

- A. From time to time, DHCS may inspect the facilities, systems, books and records of Business Associate to monitor compliance with this Agreement and this Addendum. Business Associate shall promptly remedy any violation of any provision of this Addendum and shall certify the same to the DHCS Privacy Officer in writing. The fact that DHCS inspects, or fails to inspect, or has the right to inspect, Business Associate's facilities, systems and procedures does not relieve Business Associate of its responsibility to comply with this Addendum, nor does DHCS':

- i. Failure to detect or
 - ii. Detection, but failure to notify Business Associate or require Business Associate's remediation of any unsatisfactory practices constitute acceptance of such practice or a waiver of DHCS' enforcement rights under this Agreement and this Addendum.
- B. If Business Associate is the subject of an audit, compliance review, or complaint investigation by the Secretary or the Office of Civil Rights, U.S. Department of Health and Human Services, that is related to the performance of its obligations pursuant to this HIPAA Business Associate Addendum, Business Associate shall notify DHCS and provide DHCS with a copy of any PHI or PI that Business Associate provides to the Secretary or the Office of Civil Rights concurrently with providing such PHI or PI to the Secretary. Business Associate is responsible for any civil penalties assessed due to an audit or investigation of Business Associate, in accordance with 42 U.S.C. section 17934(c).

6. TERMINATION

- A. Term. The Term of this Addendum shall commence as of the effective date of this Addendum and shall extend beyond the termination of the contract and shall terminate when all the PHI provided by DHCS to Business Associate, or created or received by Business Associate on behalf of DHCS, is destroyed or returned to DHCS, in accordance with 45 CFR 164.504(e)(2)(ii)(I).
- B. Termination for Cause. In accordance with 45 CFR section 164.504(e)(1)(ii), upon DHCS' knowledge of a material breach or violation of this Addendum by Business Associate, DHCS shall:
- i. Provide an opportunity for Business Associate to cure the breach or end the violation and terminate this Agreement if Business Associate does not cure the breach or end the violation within the time specified by DHCS; or
 - ii. Immediately terminate this Agreement if Business Associate has breached a material term of this Addendum and cure is not possible.
- C. Judicial or Administrative Proceedings. Business Associate will notify DHCS if it is named as a defendant in a criminal proceeding for a violation of HIPAA. DHCS may terminate this Agreement if Business Associate is found guilty of a criminal violation of HIPAA. DHCS may terminate this Agreement if a finding or stipulation that the Business Associate has violated any standard or requirement of HIPAA, or other security or privacy laws is made in any administrative or civil proceeding in which the Business Associate is a party or has been joined.
- D. Effect of Termination. Upon termination or expiration of this Agreement for any reason, Business Associate shall return or destroy all PHI received from DHCS (or created or received by Business Associate on behalf of DHCS) that Business Associate still maintains in any form and shall retain no copies of such PHI. If return or destruction is not feasible, Business Associate shall notify DHCS of the conditions that make the return or destruction infeasible, and DHCS and Business Associate shall determine the terms and conditions under which Business Associate may retain the PHI. Business Associate shall continue to extend

the protections of this Addendum to such PHI and shall limit further use of such PHI to those purposes that make the return or destruction of such PHI infeasible. This provision shall apply to PHI that is in the possession of subcontractors or agents of Business Associate.

7. MISCELLANEOUS PROVISIONS

- A. Disclaimer. DHCS makes no warranty or representation that compliance by Business Associate with this Addendum, HIPAA or the HIPAA regulations will be adequate or satisfactory for Business Associate's own purposes or that any information in Business Associate's possession or control, or transmitted or received by Business Associate, is or will be secure from unauthorized use or disclosure. Business Associate is solely responsible for all decisions made by Business Associate regarding the safeguarding of PHI.
- B. Amendment. The parties acknowledge that federal and state laws relating to electronic data security and privacy are rapidly evolving and that amendment of this Addendum may be required to provide for procedures to ensure compliance with such developments. The parties specifically agree to take such action as is necessary to implement the standards and requirements of HIPAA, the HITECH Act, the HIPAA regulations and other applicable laws relating to the security or privacy of PHI. Upon DHCS' request, Business Associate agrees to promptly enter into negotiations with DHCS concerning an amendment to this Addendum embodying written assurances consistent with the standards and requirements of HIPAA, the HITECH Act, the HIPAA regulations or other applicable laws. DHCS may terminate this Agreement upon thirty (30) days written notice in the event:
 - i. Business Associate does not promptly enter into negotiations to amend this Addendum when requested by DHCS pursuant to this Section; or
 - ii. Business Associate does not enter into an amendment providing assurances regarding the safeguarding of PHI that DHCS in its sole discretion, deems sufficient to satisfy the standards and requirements of HIPAA and the HIPAA regulations.
- C. Assistance in Litigation or Administrative Proceedings. Business Associate shall make itself and any subcontractors, employees or agents assisting Business Associate in the performance of its obligations under this Agreement, available to DHCS at no cost to DHCS to testify as witnesses, or otherwise, in the event of litigation or administrative proceedings being commenced against DHCS, its directors, officers or employees based upon claimed violation of HIPAA, the HIPAA regulations or other laws relating to security and privacy, which involves inactions or actions by the Business Associate, except where Business Associate or its subcontractor, employee or agent is a named adverse party.
- D. No Third-Party Beneficiaries. Nothing express or implied in the terms and conditions of this Addendum is intended to confer, nor shall anything herein confer, upon any person other than DHCS or Business Associate and their respective successors or assignees, any rights, remedies, obligations or liabilities whatsoever.
- E. Interpretation. The terms and conditions in this Addendum shall be interpreted as broadly as necessary to implement and comply with HIPAA, the HITECH Act, the HIPAA regulations and applicable state laws. The parties agree that any ambiguity in the terms and conditions of this

Addendum shall be resolved in favor of a meaning that complies and is consistent with HIPAA, the HITECH Act and the HIPAA regulations.

- F. Regulatory References. A reference in the terms and conditions of this Addendum to a section in the HIPAA regulations means the section as in effect or as amended.
- G. Survival. The respective rights and obligations of Business Associate under Section VI.D of this Addendum shall survive the termination or expiration of this Agreement.
- H. No Waiver of Obligations. No change, waiver or discharge of any liability or obligation hereunder on any one or more occasions shall be deemed a waiver of performance of any continuing or other obligation, or shall prohibit enforcement of any obligation, on any other occasion.

EXHIBIT B

BUDGET DETAIL AND PAYMENT PROVISIONS

1. INVOICING AND PAYMENT

- A. For services satisfactorily rendered, and upon receipt and approval of the invoices, the State agrees to compensate the Contractor in accordance with the rates specified in Exhibit B, Attachment 1, Cost Sheet.
- B. Invoices shall be submitted in arrears of the service performed. Invoices must be submitted with the Contractor's letterhead information exactly matching the Contractor name on the Standard Agreement 213 and be signed by an authorized representative.
- C. Invoices will include, as applicable:
 - 1) Contract Number
 - 2) Date of Invoice
 - 3) Date of Service
 - 4) Location of Service
 - 5) Description of Service, applicable rate and total dollar amount
 - 6) If applicable, Contractor's California Certified Small Business Certification Reference Number or Disabled Veteran Business Enterprise Reference Number
 - 7) Contact phone number for billing questions
- D. The DGS Supplier Payment Page includes detailed information on how to submit invoices to DGS and how to check the status of payments:

<https://www.dgs.ca.gov/OFS/Services/Page-Content/Office-of-Fiscal-Services-Services-List-Folder/DGS-Supplier-Payment>

- E. There are 3 options for submitting invoices to DGS as follows:
 - 1. Through the Invoice Payment Portal (this is the preferred method of delivery)
https://dgs.service-now.com/dgs_ssp
 - 2. By Mail

Department of General Services
Office of Fiscal Services
707 3rd Street, MS 413
West Sacramento, CA 95605
 - 3. By Email
 - i. For the appropriate email address, please visit the DGS Supplier Payment page above and select "How to Submit Invoices to DGS"

- F. Should an invoice be disputed, Contractor will correct any/all disputed items on the invoice and resubmit the invoice as indicated above. Failure to provide and resubmit corrected invoice will result in a delay of payment. Under no circumstances will a credit memo be accepted in lieu of a corrected invoice.
- G. DVBE Withhold: Pursuant to Exhibit D, Section 7 (F), this agreement is subject to a ten thousand dollar (\$10,000) withhold from the final payment, or the full final payment if less than ten thousand dollars (\$10,000), until the Contractor complies with the certification requirements of subdivision (d) of Mil. & Vet. Code Section 999.5. Contractor shall be given 30 days' notice to cure the defect. If, after 30 calendar days from the date of notice, the prime contractor refuses to comply with the certification requirements, DGS shall permanently deduct ten thousand dollars (\$10,000) from the final payment, or the full payment if less than ten thousand dollars (\$10,000).

2. BUDGET CONTINGENCY CLAUSE

- A. It is mutually agreed that if the Budget Act of the current year and/or any subsequent years covered under this Agreement does not appropriate sufficient funds for the program, this Agreement shall be of no further force and effect. In this event, the State shall have no liability to pay any funds whatsoever to the Contractor or to furnish any other considerations under this Agreement and the Contractor shall not be obligated to perform any provisions of this Agreement.
- B. If funding for any fiscal year is reduced or deleted by the Budget Act for purposes of this program, the State shall have the option to either cancel this Agreement with no liability occurring to the State or offer an Agreement Amendment to the Contractor to reflect the reduced amount.
- C. This contract is subject to any additional restrictions, limitations or conditions enacted by the Legislature that may affect the provisions, terms, or funding of this contract in any manner.

3. PROMPT PAYMENT CLAUSE

- A. Payment will be made in accordance with, and within the time specified in, Government Code Chapter 4.5, commencing with section 927.

4. CONTRACTOR OVERPAYMENTS

- A. If the State determines that an overpayment has been made to the Contractor, the State will seek recovery immediately upon discovery of the overpayment by: (a) calling the Contractor's accounting office to request a refund of the overpayment amount, or (b) offsetting subsequent Contractor payments by the amount of the overpayment if Contractor repayment or credit is not received within thirty (30) days from the date of notice.
- B. If Contractor discovers it has received an overpayment, Contractor must notify the State and refund the overpayment immediately.

EXHIBIT B, ATTACHMENT 1

COST SHEET

Modified Cost Sheet from IFB Attachment 9 will be entered here upon contract award.

EXHIBIT C

GENERAL TERMS AND CONDITIONS

PLEASE NOTE: This page will not be included with the final contract. The General Terms and Conditions will be included in the contract by reference to Internet site:

<https://www.dgs.ca.gov/OLS/Resources/Page-Content/Office-of-Legal-Services-Resources-List-Folder/Standard-Contract-Language>

If Bidder does not have Internet access, a hard copy will be provided by contacting the Acquisitions Analyst listed on the Notice to Prospective Bidders.

EXHIBIT D
SPECIAL TERMS AND CONDITIONS

1. STANDARD CONDITIONS OF SERVICE

- A. Contractor will abide by all State and Federal laws in performance of this contract.
- B. The Contractor shall maintain all license(s) required by law for accomplishing any work required with this agreement. In the event any license(s) expire at any time during the term of this agreement, Contractor agrees to provide to the State a copy of the renewed license(s) within thirty (30) days following the expiration date. In the event the Contractor fails to keep in effect at all times all required license(s), the State may, in addition to any other remedies it may have, terminate this agreement upon occurrence of such event.
- C. The Contractor certifies that it has appropriate systems and controls in place to ensure that State funds will not be used in the performance of this Contract for the acquisition, operation or maintenance of computer software in violation of copyright laws.
- D. If signing this contract as a sole proprietor, Contractor certifies that it is not an alien that is ineligible for state and local benefits, as defined in Subtitle B of the Personal Responsibility and Work Opportunity Act (8 U.S.C. § 1601 et seq.).
- E. Pursuant to Public Contract Code section 10295.4, persons or companies identified as the largest tax delinquents by the Franchise Tax Board (FTB) or the California Department of Tax and Fee Administration (CDTFA) are ineligible to enter into any contract with the state for non-IT goods or services. Any contract entered into in violation of section 10295.4 is void and unenforceable.
- F. If contract activities include collection of organic waste, the Contractor must be aware and adhere to Public Resources Code § 42649.1 et. seq. concerning organic waste recycling requirements. Organic waste includes: food waste, green waste, landscape and pruning waste, nonhazardous wood waste, and food-soiled paper waste that is mixed in with food waste.
- G. The Contractor's, and any subcontractor's, own data center or cloud computing, where data may be stored, must be physically located in the continental United States. Remote access to data from outside the continental United States is prohibited.
- H. Pursuant to PCC 10230, this contract included Disabled Business Enterprise (DVBE) participation in the bid. The Contractor must comply with rules, regulations, ordinances, and statutes that apply to the California DVBE Program, as defined in Section 999 of the Military and Veterans Code, including, but not limited to, the requirements of subdivision (d) of Section 999.5 of the Military and Veterans Code.

- 2. EXCISE TAX:** The State of California is exempt from Federal Excise Taxes, and no payment will be made for any taxes levied on employees' wages. The State will pay for any applicable State of California or local sales or use taxes on the services rendered or equipment or parts supplied pursuant to this agreement. California may pay any applicable sales or use tax imposed by another state.

3. RIGHT TO TERMINATE

- A. The State reserves the right to cancel all or a portion of the service for any reason, subject to thirty (30) days written notice to the Contractor.
- B. This agreement can be immediately terminated for cause. The term "for cause" means that the Contractor fails to meet the terms, conditions, and/or responsibilities of the contract. In this instance, the contract termination shall be effective as of the date indicated on the State's notification to the Contractor.

4. RESOLUTION OF CONTRACT DISPUTES

- A. In the event of a dispute, Contractor will attempt resolution with the OSP Contract Administrator with a written explanation of the situation. If no resolution is found, Contractor shall file a "Notice of Dispute" with the Department of General Services within ten (10) days of the failed resolution at the following address:

Attn: State Printer
Department of General Services, OSP
885 Riverside Parkway
West Sacramento, CA 95605

- B. State Printer or designee shall meet with the Contractor for purposes of resolving the dispute. The decision of the State Printer or the designee shall be final. In the event of a dispute, the language contained within this agreement and its attendant Exhibits shall prevail over any other language.
- C. Neither the pendency of a dispute nor its consideration by State Printer will excuse the Contractor from full and timely performance in accordance with the terms of the Agreement.

5. HEALTH AND SAFETY PROVISIONS

- A. Contractor and all subcontractors shall abide by all health and safety mandates issued by federal, state, and local governments and/or public health officers as well as those issued by DGS, and worksite specific mandates. If multiple mandates exist, the Contractor and subcontractors shall abide by the most restrictive mandate. The term "employee", "worker", "state worker" or "state employee" in health and safety mandates includes contractor and subcontractor personnel.
- B. Costs associated with adhering to health and safety mandates are the responsibility of the Contractor. Contractor is responsible for the tracking and compliance of health and safety mandates and may be audited upon request.

6. SUBCONTRACTORS

- A. Nothing contained in this Agreement or otherwise, shall create any contractual relationship between OSP and any subcontractors, and no subcontract shall relieve the Contractor of its responsibilities and obligations hereunder. The Contractor agrees to be as fully responsible to OSP for the acts and omissions of its subcontractors and of persons either directly or indirectly employed by the Contractor. The Contractor's obligation to pay its subcontractors is an independent obligation from OSP's obligation to make payments to the Contractor. As a result, OSP shall have no obligation to pay or to enforce the payment of any monies to any subcontractor.
- B. Any subcontractors are identified in Exhibit D, Attachment 1.

7. PREFERENCE PROGRAM- SB/DVBE

- A. Contractor understands and agrees that should award of this contract be based in part on their commitment to use a Disabled Veteran Business Enterprise (DVBE) subcontractor(s) identified in their bid or offer, per Military and Veterans Code section 999.5, subdivision (e), a DVBE subcontractor may only be replaced by another DVBE subcontractor and must be approved in writing by the Department of General Services (DGS) Office of Small Business and DVBE Services (OSDS). Changes to the scope of work that impact the DVBE subcontractor(s) identified in the bid or offer and approved DVBE substitutions will be documented by contract amendment.
- B. Failure of Contractor to seek substitution and adhere to the DVBE participation level identified in the bid or offer may be cause for contract termination, recovery of damages under rights and remedies due to the State, and penalties as outlined in Military and Veterans Code section 999.9, or Public Contract Code sections 10115.10 or 4110 (applies to public works only).

- C. If for this agreement Contractor made a commitment to achieve DVBE participation, upon completion of the awarded contract, the Contractor must certify to the awarding department all of the following:
- 1) The total amount the contractor received under the contract.
 - 2) The name and address of the DVBE that participated in the performance of the contract and the contract number
 - 3) The amount and percentage of work the Contractor committed to provide to one or more DVBE under the requirements of the contract and the amount each DVBE received from the Contractor.
 - 4) That all payments under the contract have been made to the DVBE(s). Upon request by the awarding department, the Contractor shall provide proof of payment for the work.
- D. STD 817 shall be used for Contractor's certification and provided to the State's Contract Administrator. STD 817 is located at the following internet site:
<https://www.documents.dgs.ca.gov/dgs/fmc/pdf/std817.pdf>
- E. A person or entity that knowingly provides false information will be subject to a civil penalty for each violation. (Mil. & Vet. Code, § 999.5, subd. (d).)
- F. Withhold: Ten thousand dollars (\$10,000) will be withheld from the final payment, or the full final payment if less than ten thousand dollars (\$10,000), until the Contractor complies with the certification requirements of subdivision (d) of Mil. & Vet. Code Section 999.5. Contractor shall be given 30 days' notice to cure the defect. If, after 30 calendar days from the date of notice, the prime contractor refuses to comply with the certification requirements, DGS shall permanently deduct ten thousand dollars (\$10,000) from the final payment, or the full payment if less than ten thousand dollars (\$10,000).

8. PREFERENCE PROGRAM- TARGET AREA CONTRACT PREFERENCE ACT (TACPA)

- A. Contractor understands and agrees that award of this contract was in part due to a TACPA worksite and/or workforce preference and is subject to monitoring and enforcement by the Department of General Services (DGS), Dispute Resolution Unit (DRU).
- B. The California Code of Regulations § 1896.40, authorizes the State to obtain information pertaining to contract performance and compliance. Contractor shall be required to complete and submit monthly preference reports. Forms and instructions are available at:
<https://www.documents.dgs.ca.gov/dgs/fmc/gspd/gspd12-002.pdf>.
- C. Pursuant to GC 4535.1, a business that requests and is given the preference by reason of having furnished a false certification, and which by reason of that certification has been awarded a contract to which it would not otherwise have been entitled, shall be subject to all of the following:
- 1) Pay to the State any difference between the contract amount and what the State's cost would have been if the contract had been properly awarded.
 - 2) In addition to the amount specified in subdivision (1), be assessed a penalty in an amount of not more than 10 percent of the amount of the contract involved.
 - 3) Be ineligible to directly or indirectly transact any business with the State for a period of not less than six months and not more than 36 months.
- D. Failure to comply and any violation of this preference may be cause for contract termination.

9. INSURANCE REQUIREMENT

- A. General Provisions Applying to All Policies

- 1) Coverage Term – Coverage needs to be in force for the complete term of the contract. If insurance expires during the term of the contract, a new certificate must be received by the State at least thirty (30) days prior to the expiration of this insurance. Any new insurance must still comply to the original terms of the contract.
 - 2) Policy Cancellation or Termination & Notice of Non-Renewal – Contractor is responsible to notify the State within 5 business days of any cancellation, non-renewal or material change that affects required insurance coverage. In the event Contractor fails to keep in effect at all times the specified insurance coverage, the State may, in addition to any other remedies it may have, terminate this Contract upon the occurrence of such event, subject to the provisions of this Contract.
 - 3) Deductible – Contractor is responsible for any deductible or self-insured retention contained within their insurance program.
 - 4) Primary Clause – Any required insurance contained in this contract shall be primary, and not excess or contributory, to any other insurance carried by the State.
 - 5) Insurance Carrier Required Rating – All insurance companies must carry a rating acceptable to the Office of Risk and Insurance Management. If the Contractor is self-insured for a portion or all of its insurance, review of financial information including a letter of credit may be required.
 - 6) Endorsements – Any required endorsements requested by the State must be physically attached to all requested certificates of insurance and not substituted by referring to such coverage on the certificate of insurance.
 - 7) Inadequate Insurance – Inadequate or lack of insurance does not negate the contractor's obligations under the contract.
 - 8) Subcontractors – If Contractor has identified subcontractors for the work/services identified in the scope of work, the Contractor shall include all subcontractors as insureds under Contractor's insurance or supply evidence of subcontractor's insurance to the State equal to policies, coverages and limits required of Contractor.
- B. Commercial General Liability – Contractor and any subcontractors shall maintain general liability on an occurrence form with limits not less than \$1,000,000 per occurrence for bodily injury and property damage liability combined. If Commercial General Liability insurance or other form with a general aggregate limit is used, either the general aggregate limits shall apply separately to this project/location, or the general aggregate limit shall be twice the required occurrence limit. If the aggregate applies "per project/location" it shall so state on the certificate. The policy shall include coverage for liabilities arising out of premises, operations, independent contractors, products, completed operations, personal & advertising injury, and liability assumed under an insured contract. This insurance shall apply separately to each insured against whom claim is made or suit is brought subject to the Contractor's limit of liability. **The policy must be endorsed to include the State of California, its officers, agents and employees as additional insured, but only with respect to work performed under the contract. The additional insured endorsement shall be provided with the certificate of insurance.**
- C. Automobile Liability – Contractor shall maintain motor vehicle liability with limits not less than \$1,000,000 combined single limit per accident. Such insurance shall cover liability arising out of a motor vehicle including owned, hired and non-owned motor vehicles. **The policy must be endorsed to include the State of California, its officers, agents and employees as additional insured, but only with respect to work performed under the contract. The additional insured endorsement shall be provided with the certificate of insurance.**

- D. Workers Compensation and Employers Liability – Contractor shall maintain statutory worker's compensation and employer's liability coverage for all its employees who will be engaged in the performance of the Contract. Employer's liability limits of \$1,000,000 are required. **The Workers' Compensation policy shall be endorsed with a waiver of subrogation in favor of the State.**
- E. Errors and Omissions/Professional Liability- Contractor shall maintain Errors and Omissions/Professional liability with limits of not less than \$1,000,000 each incident and \$2,000,000 aggregate covering damages caused by negligent, acts or omissions. The policy retro date must be shown on a certificate of insurance and must be before the Contract date, or before the date contract work begins.
- F. Cyber Liability - Contractor shall maintain Cyber Liability insurance with limits of not less than \$2,000,000 for each occurrence and an annual aggregate of \$4,000,000 covering claims involving privacy violations, information theft, damage or destruction of electronic information, intentional and/or unintentional release of State and or private information, alteration of electronic information, extortion and network security. The policy must name The State of California, its officers, agents, and employees as additional insured, but only with respect to work performed under the contract.
- G. Certificate of Insurance - The Contractor shall furnish a Certificate of Insurance. The Certificate of Insurance will provide the above listed liability coverages and the Certificate Holder shall read

Attn: CSS 23-162998
Department of General Services
Office of Business and Acquisition Services
707 Third Street, MS 508
West Sacramento, CA 95605

10. RUSSIAN SANCTION ORDERS: On March 4, 2022, Governor Gavin Newsom issued Executive Order (EO) N-6-22 regarding Economic Sanctions against Russia and Russian entities and individuals.

"Economic Sanctions" refers to sanctions imposed by the U.S. government in response to Russia's actions in Ukraine, as well as any sanctions imposed under state law. The EO directs state agencies to terminate contracts with, and to refrain from entering any new contracts with, individuals or entities that are determined to be a target of Economic Sanctions. Accordingly, should the State determine Contractor is a target of Economic Sanctions or is conducting prohibited transactions with sanctioned individuals or entities, that shall be grounds for termination of this agreement. The State shall provide Contractor advance written notice of such termination, allowing Contractor at least 30 calendar days to provide a written response. Termination shall be at the sole discretion of the State.

11. NEWS RELEASES: News releases pertaining to award of, or work performed as a result of, contract may not be made without prior written approval of:

The Public Information Officer
707 Third Street, MS 101
West Sacramento, CA 95605
Phone: (916) 376-5037
Email: DGSPublicAffairs@dgs.ca.gov

12. GENAI TECHNOLOGY USE & REPORTING: During the term of the contract, Contractor must notify the State in writing if their services or any work under this contract includes, or makes available, any previously unreported GenAI technology, including GenAI from third parties or subcontractors. Contractor shall immediately complete the GenAI Reporting and Factsheet (STD 1000) to notify the State of any new or previously unreported GenAI technology. At the direction of the State, Contractor shall discontinue the use of any new or previously undisclosed GenAI technology that materially impacts functionality, risk or contract performance, until use of such GenAI technology has been approved by the State.

Failure to disclose GenAI use to the State and submit the GenAI Reporting and Factsheet (STD 1000) may be considered a breach of the contract by the State at its sole discretion and the State may consider such failure to disclose GenAI and/or failure to submit the GenAI Reporting and Factsheet (STD 1000) as grounds for the immediate termination of the contract. The State is entitled to seek any and all relief it may be entitled to as a result of such non-disclosure.

The State reserves the right to amend the contract, without additional cost, to incorporate GenAI Special Provisions into the contract at its sole discretion and/or terminate any contract that presents an unacceptable level of risk to the State.

EXHIBIT D ATTACHMENT 1

SUBCONTACTORS

Modified Bidder Declaration GSPD-05-105 from IFB Attachment 3 will be entered here upon contract award.