CALIFORNIA STATE TEACHERS' RETIREMENT SYSTEM

Technology Services
California Multiple Award Schedules (CMAS) Agreement
Business Intelligence & Data Warehouse Generative BI Data Analytics

REQUEST FOR OFFER # 5000003221

OFFER DUE DATE
July 15, 2025, by 2:00 P.M., PT

Elia O'Brien
Information Technology Procurement Manager
California State Teachers' Retirement Systems
Procurement@CalSTRS.com

July 1, 2025

REQUEST FOR OFFER

You are invited to review and respond to the California State Teachers' Retirement System (CalSTRS), Request for Offer (RFO), entitled Business Intelligence & Data Warehouse Generative BI Data Analytics and Data Governance. Read this document carefully. In submitting your Offer, you must comply with the instructions, terms and conditions stated in this RFO and in your CMAS contract.

Offers must be submitted to CalSTRS electronically by using the below link: https://resources.calstrs.com/CalSTRSComResourcesWebUI/Solicitation/Pages/Submission.aspx and must be received by CalSTRS no later than July 15, 2025, by 2:00 p.m., Pacific Time (PT). Offers received after the specified date and time may be rejected.

Respondents requiring clarification of the intent and content of this RFO, or on the competitive process, may request clarification only by submitting written questions to:

Elia O'Brien
Technology Services Manager
Procurement@CalSTRS.com

Refer to Attachment VI, Frequently Asked Questions, prior to submitting any written questions. Any additional questions must be received by July 9, 2025, by 2:00 P.M., PT. Questions received by this date will be answered in writing, without identifying the source of query.

Any attempt by a firm responding to this Offer to initiate contact with any member of the Teachers' Retirement Board and/or CalSTRS staff, other than the CalSTRS contact listed above, regarding this RFO process may disqualify the firm from further consideration.

Please note that no *verbal* information given will be binding upon the California State Teachers' Retirement System unless such information is incorporated into this RFO via an addendum.

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GENERAL INFORMATION

A. INTRODUCTION

CalSTRS is the largest educator-only pension fund in the world. CalSTRS administers a hybrid retirement system, consisting of traditional defined benefit, cash balance and voluntary defined contribution plans. CalSTRS also provides disability and survivor benefits. CalSTRS serves California's public-school educators and their families from the state's school districts, county offices of education and community college districts. For more information on CalSTRS and its various programs, please refer to the CalSTRS Website at**:** https://www.CalSTRS.com.

The purpose of this RFO is to select an experienced team with detailed knowledge and experience of designing and building Business Intelligence & Data Warehouse (BI&DW) architecture/platform with the capability of Generative Business Intelligence (GenBI), which is the evolution of traditional BI by combining Artificial Intelligence (AI), Machine Learning (ML), and Generative Artificial Intelligence (GenAI) with traditional analytics tools to provide deeper insights, predictive analytics, and automated decision-making capabilities. Furthermore, CalSTRS seeks to drastically accelerate the development and deployment of BI, AI, or GenBI use cases by adopting and integrating agentic AI capabilities into this To-Be enterprise-level GenBI / agentic AI platform. The consulting team (hereafter Contractor) will evaluate and provide actionable recommendations for CalSTRS BI&DW data governance framework and standards to manage and ensure the quality, integrity, and security of data used in GenBI systems, demonstrate the value and benefit of GenBI through identification of impactful GenBI use cases from various CalSTRS business areas, and plan for the adoption of GenBI / agentic AI capabilities to help advance CalSTRS existing BI&DW platform toward GenBI. The services required are described in Attachment VII, Statement of Work, included in this document.

CalSTRS will only accept one (1) offer per Vendor (Respondent) for this RFO. Respondents shall include in their offer one Engagement Manager and at least one GenBI Data Analytics Consultant that will satisfy all minimum requirements for this RFO and deemed appropriate to provide the services outlined in this RFO, which will be subject to negotiations with CalSTRS. In addition to the proposed project personnel (proposed team), the Respondent must also provide a project approach document including project plan and project schedule on Attachment IV, Proposed Approach Document.

The Vendor/Contractor must be able to perform work on-site 2 to 3 business days per week at the CalSTRS headquarters facility in West Sacramento, CA. For any variations of this on-site schedule, the vendor shall obtain written approval from CalSTRS. Work must be performed during CalSTRS business hours and shall not be permitted on California State Holidays identified on the California Department of Human Resources website, unless pre-approved in writing by CalSTRS management. All work schedules must be pre-approved in writing by CalSTRS management and must adhere to all applicable CalSTRS policies and procedures. The Vendor/Contractor is responsible for any travel costs (including travel time) that they may incur while providing the services identified in the Statement of Work.

The total services period may be up to twelve (12) months with tasks 1-3 in Attachment VII, Statement of Work expected to be completed within 6 months, with an option to extend up to twelve (12) additional months at the deliverables/hourly rates negotiated at contract execution, whichever is applicable. The Offer (i.e., proposed personnel, hourly rates, deliverables, etc.) may be subject to negotiations with CalSTRS, and the details will be incorporated into the final agreement documents/exhibits upon the execution of an agreement

with the awarded Respondent. Any contract resulting from this RFO may be amended to add time or funds, at the sole discretion of CalSTRS.

The Respondent and its proposed team selected as a result of this RFO will be under the direction of the CalSTRS Technology Services Enterprise IT Solutions & Innovation Director or designee and may be assigned one or more teams/programs/projects during the services period.

B. BACKGROUND

The CalSTRS Technology Services (TS) Branch supports approximately 1,700 employees and contractors at the headquarters and seven Member Service Centers (MSC) throughout the State of California. The CalSTRS Technology Services (TS) Branch delivers technology products, services, and business solutions which support all information technology systems throughout the organization including implementation of enterprise projects. TS programs and projects utilize the System Development Life Cycle (SDLC) methodology and Agile Development guidelines.

The goal of this engagement is to establish a sound foundation for advancing CalSTRS' current Business Intelligence & Data Warehouse (BI&DW) platform having Generative BI capabilities. This work will also identify impactful GenBI use cases as well as the assessment of CalSTRS Enterprise Data Governance.

For more information about the CalSTRS organization, mission, vision, and strategic and business plans, go to www.calstrs.com.

C. QUALIFICATIONS REQUIREMENTS

Proposed project personnel must meet all of the following minimum qualifications to CalSTRS' satisfaction to be given further consideration. Failure to satisfy any of the minimum qualifications upon submittal of the Offer may result in the immediate rejection of the Offer.

Minimum Administrative Qualifications for the Respondent Firm

As of the Offer Due Date:

1. The Respondent must hold a current California Multiple Award Schedule (CMAS) agreement, with the California Department of General Services and must comply with the instructions, terms and conditions stated in the Leveraged Procurement Agreement.

2. The Respondent must submit all data/information and attachments requested in the offer format described below under Section D, Subsection 2, Offer Requirements. **Failure to submit any of the required Attachments for this RFO by the Offer Due Date, will be grounds for immediate rejection of the submission.**

Minimum Technical Qualifications for the Respondent's Proposed Team

As of the Offer due date, the Respondent's proposed personnel/team must individually or collectively[1] meet the following qualifications as evidenced by Attachment II, Proposed Project Person Skill Summary Sheet and resume(s):

1. The Respondent's team must have successfully performed in at least one (1) BI and/or DW engagement having a total project budget of $20 million or more.

2. The Respondent's team must have at least five (5) years of experience identifying BI use cases and creating Key Performance Indicator (KPI) analyses, risk analysis, prioritization matrix, and implementation roadmaps.

3. The Respondent's team must have at least one successful development of enterprise-wide Data Governance frameworks, policies, standards, and the implementation plans.

4. The Respondent's team must have at least three (3) years of experience of designing & implementing AI or ML use cases.

Desirable Technical Qualifications for the Respondent's Proposed Team

It is desirable for the proposed project personnel/team to either individually or collectively have the following listed experience, knowledge, skills, and resume(s) as evidenced by Attachment II, Proposed Project Person Skill Summary Sheet and resume(s). CalSTRS may request a copy of the degrees/certification for desirable qualifications:

1. At least five (5) years of experience providing IT consulting services in technical solution implementations to California State agencies by following a State agency's SDLC methodologies, IT policy, standards, and guidelines, and/or California Department of Technology Statewide Information Management Manual.

2. Hold technical certifications in the areas of cloud platform/architecture and/or GenAI or GenBI. CalSTRS reserves the right to ask for copies of the certifications.

3. The Respondent's team has successfully designed and built at least one (1) AI platform architecture having agentic AI capabilities for enabling accelerated development & deployment of BI, AI, or GenBI use cases.

4. Experience managing IT projects executions using industry standards and best practices such as Project Management Institute (PMI) Project Management Book of Knowledge (PMBOK) and Scaled Agile Framework.

5. The proposed onsite project person will be able to adhere to the hybrid working model by working on-site 2 to 3 business days per week at CalSTRS Headquarters, West Sacramento, CA. If no, provide a short explanation. (no points)

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[1] It is not necessary for each proposed person to meet every Minimum Technical Qualification (MTQ), however the amount of experience required for any individual qualification must be met by a single proposed person for that qualification. Between the personnel proposed, all MTQs must be met.

D. OFFER REQUIREMENTS AND INFORMATION

1. <u>Time Schedule</u>

CalSTRS will use its best efforts to adhere to the time schedule. However, CalSTRS reserves the right to amend the time schedule, as it deems necessary or appropriate.

Event	Date
Written Question Submittal Due Date	**July 9, 2025, by 2:00 P.M., PT**
Offer Due Date	**July 15, 2025, by 2:00 P.M., PT**
Estimated Start Work Date	**August/September 2025**

2. <u>Offer Requirements</u>

To be eligible, an Offer <u>must</u> include <u>all</u> of the following listed attachments:

a. Attachment I, Information and Offer Sheet

b. Attachment II, Proposed Project Person Skill Summary Sheet

One (1) Proposed Project Person Skill Summary Sheet shall be completed for each proposed project person.

c. Attachment III, Proposed Project Person Business Reference Sheet

One (1) Business Reference Sheet must be completed for each proposed project person. Business references should be able to verify the proposed project person's experiences, within the last 10 years, and to verify the other information provided regarding such person.

d. Attachment IV, Proposed Approach

The Respondent must submit an outline of their approach including an initial project plan, high-level schedule which describes how the work outlined in the Statement of Work will be completed, and the list of resources needed to complete the services for <u>each task listed in the Statement of Work</u>.

e. Attachment V, Cost Sheet

f. Proposed Project Personnel resumes

g. Current California Multiple Award Schedule (CMAS) Agreement

One (1) copy of the Respondent's current, completed, and signed CMAS agreement, final rate sheet and all supplements issued by the Department of General Services.

h. Current General Services Administration (GSA) Agreement

One (1) copy of the Respondent's current GSA agreement and pricing pages applicable to the Respondent's CMAS contract, which includes the personnel classifications, hourly rates, and minimum qualifications.

3. **Submission of Offer**

a. All offers must be submitted to CalSTRS electronically by using the following link:

https://resources.calstrs.com/CalSTRSComResourcesWebUI/Solicitation/Pages/Submission.aspx

If Respondents encounter any difficulties uploading proposals, they must promptly notify CalSTRS Procurement at Procurement@CalSTRS.com.

b. Proposals must be received no later than the proposal submission deadline. Proposals received after the specified date and time may be rejected.

c. CalSTRS will only accept **ONE** offer submission per Respondent. Only ONE file attachment is allowed and must be in the form of a compressed zip file (7z, RAR, zip, zipx, tar.bz2, and tar.gz). The file size cannot exceed 150MB. The file attachment must include all required documents as listed in section D.2. Offer Requirements of this RFO.

d. It is the Respondent's responsibility to respond with all data/information requested; provide data/information that is deemed adequate for CalSTRS to determine/verify the proposed project person's ability to perform the tasks/activities defined in Attachment VII, Statement of Work; and submit all data/information in the Offer format described in Section D, Subsection 2, Offer Requirements.

e. It is the Respondent's responsibility to check for and review any addenda and consider such modifications when preparing its submissions.

f. By submittal of an Offer, the Respondent declares that any proposed project person is in compliance with all experience, qualification, and education requirements stipulated in the Respondent's applicable Leveraged Procurement Agreement.

g. If a Respondent has assigned contract person to CalSTRS under an existing agreement, the Respondent should not offer the same contract person for this RFO if the current term of the existing agreement and the estimated start of these RFO services will overlap. These Offers, if received, may be rejected at CalSTRS discretion.

h. This RFO and all Offers in response to this RFO will be made a part of the resulting contract file. All documents submitted in response to this RFO will become the property of the State of California and may be subject to review by or release to the public under the California Public Records Act, Government Code section 7920.000 et seq.

i. CalSTRS encourages Respondents to submit their Offers early.

j. CalSTRS accepts no responsibility for any technical difficulties associated with the electronic submission and transmission of any Offer.

k. CalSTRS will not disseminate the competitive processes and attachments hereto in any other format (i.e. Microsoft Word).

l. Costs for developing Offers and in anticipation of award of an agreement are entirely the responsibilities of the Respondents and shall not be charged to CalSTRS.

m. Respondents may modify their Offer, after its submission, by withdrawing their original Offer and resubmitting a new Offer prior to the Offer Due Date. Offer modifications submitted in any other manner, oral or written, or after the Offer Due Date will not be considered. Respondents may withdraw their own Offer by submitting a written withdrawal request to the CalSTRS Contact via email at Procurement@CalSTRS.com. Respondents may thereafter submit a new Offer prior to the Offer Due Date.

n. CalSTRS may modify the RFO prior to the Offer Due Date by issuing an addendum.

o. Respondents are cautioned to not rely on CalSTRS to discover and report to the Respondent any defects or errors in the submitted documents. Respondents, before submitting their documents, should carefully proofread for errors and ensure adherence to the RFO requirements.

p. CalSTRS reserves the right to cancel this RFO at any time and has the right to reject all Offers. CalSTRS is not required to award an agreement.

4. Comparison Process

a. Upon receipt, Offers will be checked for the presence or absence of required content. Incomplete Offers may be rejected. No assumptions will be made by CalSTRS regarding the intentions of the Respondent in submitting the Offer.

b. Offers and any subsequent presentations should be submitted with the most favorable terms the Respondent can offer.

c. If CalSTRS is unable to execute an agreement with the most qualified and responsible Respondent(s), CalSTRS reserves the right to award the agreement to the next qualified and responsible Respondent(s).

d. Offers will be reviewed to determine best value using the following phases:

PHASES		
1	SATISFACTION OF MINIMUM QUALIFICATIONS	Pass/Fail
2	TECHNICAL QUALIFICATION REVIEW	70 points
3	COST COMPARISON	30 points
	PHASE 2 + PHASE 3 SCORE	**100 points**

PHASES		
4	INTERVIEWS and TECHNICAL DEMONSTRATION OF AI PLATFORM ARCHITECTURE / AGENTIC AI CAPABILITIES	200 points
	REFERENCE CHECKS (OPTIONAL)	Pass/Fail
5	NEGOTIATIONS	Pass/Fail

1) In Phase 1, the Respondent's offer will be reviewed for compliance with the minimum qualifications, content and format requirements of the RFO. Both the minimum administrative and technical qualifications must be met as specified in Section C, Qualifications Requirements. Failure to satisfy any part of prequalification may result in the immediate disqualification of the offer and/or applicable proposed project personnel.

2) Offers meeting the minimum qualifications will move to Phase 2, Technical Qualification Review. The Respondent's Proposed Project Personnel/Team's expertise, experience, and education will be reviewed and scored based on the information provided in their Attachment II, Proposed Project Personnel Skill Summary Sheet (which also includes desirable qualifications), and resume. Additionally, Attachment IV, Proposed Approach will also be reviewed and scored.

3) In Phase 3, Cost Comparison, the total deliverable cost for all deliverables and the blended hourly rate for Unanticipated Tasks provided in the Respondent's Attachment V, Cost Sheet, will be reviewed using the cost formulas indicated below. The Offer with the lowest Total Fixed Deliverable Cost and Blended Hourly Rate will receive the full allotment of points. All other Respondents will be scored as follows:

Lowest Proposed Cost x Maximum Number Points
(25) = Respondent's Score Respondent's Total Cost

Lowest Blended Hourly Rate x Maximum Number Points
(5) = Respondent's Score Respondent's Blended Hourly Rate

4) In Phase 4, highest scoring Respondent Firm(s) and their proposed team after Phase 2, Technical Qualification Review and Phase 3, Cost Comparison may be invited for one or more rounds of interviews. Reference checks may be conducted.

5) If interviews are conducted, CalSTRS will negotiate cost in Phase 5 with the Respondent/Proposed Team who scored the highest points from Phase 4, subject to passing reference checks at the option of CalSTRS. If interviews are not conducted, CalSTRS will negotiate rates in Phase 5 with the Respondent/Proposed Team who received the highest total points from Phase 2 and Phase 3, subject to passing reference checks at the option of CalSTRS.

5. Award

a. If CalSTRS enters into an agreement, it will be with the highest scoring responsible and responsive Respondent and the evaluated proposed project personnel/team, as detailed above, subject to optional reference checks including passing the cost negotiation phase and satisfying all the requirements for

this RFO. Respondents should review the attached Purchasing Authority Purchase Order Agreement for a sample of the agreement that will be awarded.

b. If CalSTRS is unable to execute an agreement with the highest scoring Respondent/proposed team, CalSTRS reserves the right to award to the next highest scoring responsive Respondent/proposed team in line.

c. The Respondent, if awarded an agreement, must register in the CalSTRS integrated financial system, the Supplier Self-Service (SUS) Portal. This portal provides direct access to administering product and service delivery with CalSTRS. Click on the hyperlink to register: https://www.calstrs.com/supplier-self-service-portal.

d. If at any time during or at the conclusion of this RFO process CalSTRS determines that, in its opinion, the results of this process are unsatisfactory, CalSTRS reserves the right to cancel this RFO, discontinue this process and decline to award an agreement.

e. In the event of a tie, (i.e., two Respondent's with the same highest score), the award shall be determined by a coin toss.

6. **Payment Structure**

The payment structure for activities performed under Attachment VII, Statement of Work, is deliverables based.

The billing per deliverable shall be calculated by multiplying the proposed hourly rate(s) for services within Attachment V, Cost Sheet with the hours utilized to generate deliverables. Each deliverable cost will be capped in the column titled "Task Total" shown in the Cost Sheet.

Invoices shall be submitted in triplicate not more frequently than monthly in arrears.

Invoice(s) must include: 1) Agreement Number, 2) Contractor's name, address, and telephone number, 3) total amount of invoice, 4) a copy of the deliverable acceptance document(s) approved/signed by the CalSTRS Contract Manager or designee associated with the invoice.

7. **Services or Procurement Resulting from Agreement**

No person, firm, or subsidiary thereof awarded an agreement resulting from this RFO may submit a bid for, nor be awarded a contract for, the provision of services, procurement of goods or supplies, or any other related action which is required, suggested, or otherwise deemed appropriate in the end product of an agreement resulting from this RFO. (Public Contract Code §10365.5).

8. **Workers' Compensation/Employer's Liability Insurance**

Contractor shall maintain statutory workers' compensation and employer's liability coverage for all its employees who will be engaged in the performance of the agreement, including special coverage extensions where applicable.

9. **Security**

Contractor shall perform a background investigation on all of Contractor's employees, subcontractors and agents assigned to perform the services, or any part of the services, pursuant to the agreement (the "Contractor Personnel"), per the provisions of the attached Sample Purchasing Authority Purchase Order Agreement, Section G - Affirmative Covenants, Item 10 – Security, and must demonstrate compliance with Exhibit F, CalSTRS Contractor Background Investigation Policy. CalSTRS reserves the right to conduct a background investigation on the Contractor's personnel, at its sole discretion.

ATTACHMENT I

Information and Offer Sheet

_____
Respondent Firm Name

Firm Address

Street Address	
City, State, Zip Code	

CMAS & Small Business / DVBE Certification

CMAS Number	
CMAS Term Dates	
Certified Small Business Enterprise (Yes or No) If Yes, provide DGS certification number	
Certified Disabled Veteran Business Enterprise (Yes or No) If Yes, provide DGS certification number	

Administrative Contact

Name and Title	
Office Telephone # (Include area code)	
Cell Telephone # (Include area code)	
Email Address	

Authorized Signer

Name and Title	
Office Telephone # (Include area code)	
Cell Telephone # (Include area code)	
Email Address	

Proposed Project Personnel and Rates

The Respondent Firm must provide proposed project personnel below to complete the tasks identified in Attachment VII, Statement of Work. Respondents must propose at least one (1) project personnel who is the Engagement Manager and one (1) GenBI Data Analytics Consultant. All proposed project personnel must be available for the project in the event the resulting contract is awarded to the Respondent Firm.

	Proposed Project Person #1 (mandatory)
Name of Proposed Project Person	
Role or Title	Engagement Manager
CMAS Classification (Must be a Job Title listed in the Available Products and/or Services)	
CMAS Hourly Rate	
Discount Hourly Rate Offered (rate used for calculation on Attachment V, Cost Sheet)	

	Proposed Project Person #2 (mandatory)
Name of Proposed Project Person	
Role or Title	GenBI Data Analytics Consultant
CMAS Classification (Must be a Job Title listed in the Available Products and/or Services)	
CMAS Hourly Rate	
Discount Hourly Rate Offered (rate used for calculation on Attachment V, Cost Sheet)	

	Proposed Project Person #3 (optional)
Name of Proposed Project Person	
Role or Title	
CMAS Classification (Must be a Job Title listed in the Available Products and/or Services)	
CMAS Hourly Rate	
Discount Hourly Rate Offered (rate used for calculation on Attachment V, Cost Sheet)	

	Proposed Project Person #4 (optional)
Name of Proposed Project Person	
Role or Title	
CMAS Classification (Must be a Job Title listed in the Available Products and/or Services)	
CMAS Hourly Rate	
Discount Hourly Rate Offered (rate used for calculation on Attachment V, Cost Sheet)	

ATTACHMENT II

Proposed Project Person Skill Summary Sheet

This sheet must be completed by <u>each</u> Proposed Project Person.

<div align="center">

_____

Proposed Project Person Name
</div>

As of the Offer Due Date, the Respondent's proposed personnel/team must individually or collectively meet the following qualifications to CalSTRS' satisfaction to be given further consideration. <u>Failure to satisfy any of the minimum qualifications may result in the immediate rejection of the offer</u>.

Attachment II must be completed in the prescribed format below. Attachment II will be reviewed for expertise, experience, and education. The responses provided will be used in Phase 2, Technical Qualification Review of the Offer Comparison and scoring process. The work experiences, skills and abilities listed in each description must be verifiable by proposed personnel references and resumes. A statement such as, _Refer to Resume,_ is not acceptable; all fields must be completed.

MINIMUM QUALIFICATIONS

1. The Respondent's team must have successfully performed in at least one (1) BI and/or DW engagement having a total project budget of $20 million or more.	YES/ NO	TOTAL NO. OF YEARS
Do you meet the above minimum qualification?		
Provide a **detailed** description of specific work experience that meets the minimum qualification. **Description**		

Employer and Work Location(s)	Date Range(s)		No. of Years
	From (MM/YYYY)	To (MM/YYYY)	

2. The Respondent's team must have at least five (5) years of experience identifying BI use cases and creating Key Performance Indicator (KPI) analyses, risk analysis, prioritization matrix, and implementation roadmaps.	YES/ NO	TOTAL NO. OF YEARS
Do you meet the above minimum qualification?		

Provide a **detailed** description of specific work experience that meets the minimum qualification.

Description

Employer and Work Location(s)	**Date Range(s)**		**No. of Years**
	From (MM/YYYY)	**To (MM/YYYY)**	

3. The Respondent's team must have at least one successful development of enterprise-wide Data Governance frameworks, policies, standards, and the implementation plans.	YES/ NO	TOTAL NO. OF YEARS
Do you meet the above minimum qualification?		

Provide a **detailed** description of specific work experience that meets the minimum qualification.

Description

Employer and Work Location(s)	**Date Range(s)**		**No. of Years**
	From (MM/YYYY)	**To (MM/YYYY)**	

4. The Respondent's team must have at least three (3) years of experience of designing & implementing AI or ML use cases.	YES/ NO	TOTAL NO. OF YEARS
Do you meet the above minimum qualification?		

Provide a **detailed** description of specific work experience that meets the minimum qualification.

Description

Employer and Work Location(s)	**Date Range(s)**		**No. of Years**
	From (MM/YYYY)	**To (MM/YYYY)**	

For each **DESIRABLE QUALIFICATION,** give a brief description of specific work experience that meets/exceeds the criteria and demonstrates the number of **YEARS** entered, as applicable. Desirable qualifications will be scored collectively if multiple personnel are proposed.

Follow the format prescribed below. The work experiences, skills and abilities listed in each description must be verifiable by proposed personnel references and resumes. A statement such as, *Refer to Resume,* is not acceptable.

DESIRABLE QUALIFICATIONS

1. At least five (5) years of experience providing IT consulting services in technical solution implementations to California State agencies by following a State agency's SDLC methodologies, IT policy, standards, and guidelines, and/or California Department of Technology Statewide Information Management Manual.	NO. OF YEARS
Description	

2. Hold technical certifications in the areas of cloud platform architecture and/or, GenAI, or GenBI. CalSTRS reserves the right to ask for copies of the certifications.	**YES/NO**
Description	
3. The Respondent's team has successfully designed and built at least one (1) AI platform architecture with agentic AI capabilities for enabling accelerated development & deployment of BI, AI, or GenBI use cases.	**NO. OF YEARS**
Description	
4. Experience managing IT projects executions using industry standards and best practices such as Project Management Institute (PMI) Project Management Book of Knowledge (PMBOK) and Scaled Agile Framework.	**NO. OF YEARS**
Description	
5. The proposed onsite project person will be able to adhere to the hybrid working model by working on-site 2 to 3 business days per week at CalSTRS Headquarters, West Sacramento, CA. If no, provide a short explanation. (no points)	**YES/NO**

ATTACHMENT III

Proposed Project Person Business Reference Sheet

One sheet must be completed for <u>each</u> Proposed Project Person.

_____
Proposed Project Person Name

REFERENCE 1

Name of Company/Agency	
Company Address City, State	
Contact Person (Name and Title)	
Contact Telephone # (Include area code)	
Contact Email Address	
Dates of Service (Include years and months)	

REFERENCE 2

Name of Company/Agency	
Company Address City, State	
Contact Person (Name and Title)	
Contact Telephone # (Include area code)	
Contact Email Address	
Dates of Service (Include years and months)	

REFERENCE 3

Name of Company/Agency	
Company Address City, State	
Contact Person (Name and Title)	
Contact Telephone # (Include area code)	
Contact Email Address	
Dates of Service (Include years and months)	

ATTACHMENT IV

Proposed Approach

The Respondent must submit an outline of their approach, including an initial project plan, high-level schedule which describes how the work outlined in Attachment VII, Statement of Work will be completed, and a list of resources that will be needed to complete the services. Tasks 1-3 are expected to be completed within 6 months.

ATTACHMENT V

Cost Sheet

Respondents must submit their cost in the format prescribed below. All columns must be completed. The proposed cost (in US dollars) including any applicable taxes for taxable items shall include all costs and expenses (i.e., completion of Deliverable Documents, assessments, status reports and meetings), necessary to provide the services to CalSTRS as described in Attachment VII, Statement of Work. Costs shall not exceed two (2) decimal places. The hourly rates, subject to negotiations, as submitted shall be for the term of the agreement including any extensions. The selected Respondent/contract personnel are responsible for any travel costs. Only the Roles and Discounted Hourly Rates proposed in Attachment I, Information and Offer Sheet, may be used in this Cost Sheet.

Upon completion of deliverables to the satisfaction of CalSTRS, services shall be billed at the total task costs proposed in this Cost Sheet. In no case will compensation exceed the total cost proposed for completion of each deliverable. There must be a signed/approved Exhibit K, CalSTRS Deliverables Acceptance Document, from each deliverable before invoices can be submitted for payment. A 10% holdback will be retained from each task except the final task. For each task, the 10% holdback will be released after the final task is successfully completed and a signed/approved Exhibit K, CalSTRS Deliverables Acceptance Document, has been received.

EXAMPLE of completed table				
Proposed Project Person Name*	**Role on Project/ Classification***	**Proposed Discounted Hourly Rate***	**Proposed Number of Hours**	**Deliverable Cost** (Rate x Hours)
Personnel #1	Engagement Manager	$90.00	40	$3,600.00
Personnel #2	GenBI Data Analytics Consultant	$85.00	20	$1,700.00
Personnel #3	Additional Project Person	$85.00	20	$1,700.00
As submitted in Attachment I			**Task 1 Total**	**$7,000.00**

A. FIXED PRICE DELIVERABLES

TASK 1 - IDENTIFYING IMPACTFUL GENBI USE CASES

DELIVERABLE 1.1 – Working Plan, RACI Matrix, Status Reports, Final Summary Reports				
Proposed Project Person Name (As submitted in Attachment I)	**Role on Project/ Classification** (As submitted in Attachment I)	**Proposed Discounted Hourly Rate** (As submitted in Attachment I)	**Proposed Number of Hours**	**Deliverable Cost** (Rate x Hours)
		$		$
		$		$
(add rows as needed)		$		$
			Deliverable 1.1 Total	$

DELIVERABLE 1.2 – Comprehensive Set of GenBI Use Case Document				
Proposed Project Person Name (As submitted in Attachment I)	**Role on Project/ Classification** (As submitted in Attachment I)	**Proposed Discounted Hourly Rate** (As submitted in Attachment I)	**Proposed Number of Hours**	**Deliverable Cost** (Rate x Hours)
		$		$
		$		$
(add rows as needed)		$		$
			Deliverable 1.2 Total	$
			Task 1 Total (Deliverable 1.1+1.2)	$

TASK 2 – ARCHITECTURE/DESIGN TO EXPAND CURRENT BI&DW PLATFORM WITH GENBI / AGENTIC AI CAPABILITIES

DELIVERABLE 2.1 – Working Plan, RACI Matrix, Status Reports, Final Summary Reports				
Proposed Project Person Name (As submitted in Attachment I)	**Role on Project/ Classification** (As submitted in Attachment I)	**Proposed Discounted Hourly Rate** (As submitted in Attachment I)	**Proposed Number of Hours**	**Deliverable Cost** (Rate x Hours)
		$		$
		$		$
(add rows as needed)		$		$
			Deliverable 2.1 Total	$

DELIVERABLE 2.2 – Detailed Architecture/Design Documentation of the Proposed GenBI / Agentic AI Platform				
Proposed Project Person Name (As submitted in Attachment I)	**Role on Project/ Classification** (As submitted in Attachment I)	**Proposed Discounted Hourly Rate** (As submitted in Attachment I)	**Proposed Number of Hours**	**Deliverable Cost** (Rate x Hours)
		$		$
		$		$
(add rows as needed)		$		$
			Deliverable 2.2 Total	$

DELIVERABLE 2.3 – Assessment Documents				
Proposed Project Person Name (As submitted in Attachment I)	**Role on Project/ Classification** (As submitted in Attachment I)	**Proposed Discounted Hourly Rate** (As submitted in Attachment I)	**Proposed Number of Hours**	**Deliverable Cost** (Rate x Hours)
		$		$
		$		$
(add rows as needed)		$		$
			Deliverable 2.3 Total	$

DELIVERABLE 2.4 – Implementation of the Proposed GenBI / Agentic AI Platform				
Proposed Project Person Name (As submitted in Attachment I)	**Role on Project/ Classification** (As submitted in Attachment 1)	**Proposed Discounted Hourly Rate** (As submitted in Attachment 1)	**Proposed Number of Hours**	**Deliverable Cost** (Rate x Hours)
		$		$
		$		$
(add rows as needed)		$		$
			Deliverable 2.4 Total	$
			Task 2 Total (Deliverable 2.1+2.2+2.3+2.4)	$

TASK 3 - ASSESS THE CURRENT BI&DW DATA GOVERNANCE FRAMEWORK AND STANDARDS

DELIVERABLE 3.1 – Working Plan, RACI Matrix, Status Reports, Final Summary Reports				
Proposed Project Person Name (As submitted in Attachment I)	**Role on Project/ Classification** (As submitted in Attachment I)	**Proposed Discounted Hourly Rate** (As submitted in Attachment I)	**Proposed Number of Hours**	**Deliverable Cost** (Rate x Hours)
		$		$
		$		$
(add rows as needed)		$		$
			Deliverable 3.1 Total	$

DELIVERABLE 3.2 – Documents with Comprehensive Recommendations				
Proposed Project Person Name (As submitted in Attachment I)	**Role on Project/ Classification** (As submitted in Attachment I)	**Proposed Discounted Hourly Rate** (As submitted in Attachment I)	**Proposed Number of Hours**	**Deliverable Cost** (Rate x Hours)
		$		$
		$		$
(add rows as needed)		$		$
Deliverable 3.2 Total				$
Task 3 Total (Deliverable 3.1+3.2)				$

TOTAL FIXED TASK COST (Tasks 1 + 2 + 3)	$

TASK 4 – IMPLEMENTATION OF ONE GENBI USE CASE (OPTIONAL)

Please identify all anticipated resources for completing this task and associated rates in the tables below. Rates should be consistent (for similar resources) for each deliverable throughout this Attachment V, Cost Sheet. Any additional resources required, who are not identified below, may only be billed at the blended rate provided in section B, Unanticipated Task's Rate Card.

DELIVERABLE 4.1 Working Plan, RACI Matrix, Status Reports, Final Summary Reports		
Proposed Project Person Name (As submitted in Attachment I)	**Role on Project/ Classification** (As submitted in Attachment 1)	**Proposed Discounted Hourly Rate** (As submitted in Attachment 1)
		$
		$
(add rows as needed)		$

DELIVERABLE 4.2 One Production-Quality GenBI Use Case Implementation		
Proposed Project Person Name (As submitted in Attachment I)	**Role on Project/ Classification** (As submitted in Attachment 1)	**Proposed Discounted Hourly Rate** (As submitted in Attachment 1)
		$
		$
(add rows as needed)		$

DELIVERABLE 4.3 Additional Production-Quality GenBI Use Case(s) Implementation (Optional)		
Proposed Project Person Name (As submitted in Attachment I)	**Role on Project/ Classification** (As submitted in Attachment 1)	**Proposed Discounted Hourly Rate** (As submitted in Attachment 1)
		$
		$
(add rows as needed)		$

B. UNANTICIPATED TASKS RATE CARD

Respondents shall provide an hourly rate card for unanticipated tasks not included in the SOW. Additional services will be performed with a Work Authorization and must be pre-approved by CalSTRS in writing and signed by both parties before beginning work as more fully explained in section J, Unanticipated Tasks, of the Sample Agreement. If other roles and rates are not provided but are deemed necessary to accomplish the work in the Unanticipated Tasks Work Authorization, then the Blended Hourly Rate shall be the maximum hourly rate used for any additional roles. Rates for unanticipated tasks may be renegotiated at time of Work Authorization and may not exceed the proposed Unanticipated/Blended Hourly Rates below.

Role	CMAS Classification	Unanticipated Task Hourly Rate
Engagement Manager		$
GenBI Data Analytics Consultant		$
(list the roles submitted in Attachment I)		$
(add rows as needed)		$

BLENDED HOURLY RATE (The average of all Unanticipated Task Hourly Rates)	$

ATTACHMENT VI

Frequently Asked Questions

The following are frequently asked questions as it pertains to this RFO. Respondents are responsible for reviewing these questions and responses. If this RFO accepts clarifications/questions, see instructions located on page 2 for how to submit written questions and the deadline to ensure a response.

Q.1. Are these new services?

A.1. Yes.

Q.2. If there is an incumbent, are they eligible to be considered for these services?

A.2. N/A.

Q.3. Will phone/webcam interviews be an option if interviews are conducted?

A.3. Yes, CalSTRS may consider interviews using online collaboration platforms. CalSTRS will determine the appropriate platform to use.

Q.4. What is the anticipated award and start dates for the contract?

A.4. See RFO Section D.1., Time Schedule.

Q.5. Is there a "remote working" option?

A.5. See RFO Section A., Introduction.

Q.6. Is the RFO available in a Word document format?

A.6. In order to maintain the format prescribed, CalSTRS will not disseminate the RFO in Microsoft Word or any other format. It is the Respondent's responsibility to develop and format a response, which may include the use of Microsoft Word, Adobe or other software and functions (i.e. prepare, convert, etc.), to provide all the required information and documents listed in the RFO.

Q.7. Is a CMAS required to respond to this RFO?

A.7. Yes.

Q.8. How do we become a CMAS vendor?

A.8. Business Entities interested in becoming a CMAS contractor may view the Department of General Services site for additional information.

Q.9. Which classification do I list on Attachment I if it does not match the CalSTRS position title?

A.9. Respondents may submit a classification that has similar skills/experience and that is an available service listed on their CMAS as long as all Minimum Qualifications of this RFO are met.

Q.10. What if a proposed project person that was submitted is no longer available at time of contract award, can a new proposed project person be submitted?

A.10. Award is based on Proposed Project Personnel scores. If any Proposed Project Personnel are no longer available at time of contract award, then CalSTRS reserves the right to award the next highest scoring Respondent/Proposed Project Personnel/Team in line.

Q.11. What is the estimated budget for this RFO?

A.11. In an effort to obtain competitive pricing, CalSTRS will not disclose this information.

Q.12. How to become a business partner with CalSTRS?

A.12. Business Entities may become a business partner with CalSTRS by registering in CalSTRS integration on-line financial system, the Supplier Self-Service (SUS) Portal. For more information about the portal and additional registration requirements please visit the link https://www.calstrs.com/supplier-self-service-portal.

Q.13. How do I update my business information (i.e., address, tax ID, entity name) with CalSTRS?

A.13. Business Entities will need to complete a Business Partner Form. To request the form please email Partners@CalSTRS.com.

Q.14. Does CalSTRS Headquarters have onsite parking for independent contractors?

A.14. Monthly parking privileges at CalSTRS Headquarters are available for CalSTRS employees only. Independent contractors are responsible for seeking alternative parking locations. One option may be the Ziggurat parking at Department of General Services garage at 601 Third Street, West Sacramento. The current fee for Ziggurat parking is $120/month. For other parking options, please visit West Sacramento Parking Services Website.

ATTACHMENT VII

STATEMENT OF WORK

This Statement of Work will be updated with the specific approach based on the selected Contractor's approach and responses to this RFO. The Contractor's approach must also align with the Contractor's Cost Sheet.

Under the direction of the CalSTRS Enterprise IT Solutions & Innovation Director, or designee, the Contractor shall perform all the following tasks and complete the associated deliverables. The description of each task identifies the deliverables that must, at a minimum, be provided to CalSTRS.

The Statement of Work (SOW) outlines the objectives, scope, and deliverables for establishing a sound foundation for advancing CalSTRS' current Business Intelligence & Data Warehouse (BI&DW) architecture/platform to be capable of Generative BI (GenBI), which is the latest evolution of traditional BI by combining Artificial Intelligence, Machine Learning (AI/ML), and also Generative Artificial Intelligence (GenAI) with traditional analytics tools to provide deeper insights, predictive analytics, and automated decision-making capabilities. GenBI helps make analytics data more useful and accessible for business users, data analysts, and technical developers alike. Furthermore, CalSTRS seeks to drastically accelerate the development and deployment of BI, AI, or GenBI use cases by adopting and integrating agentic AI workflow capabilities into this To-Be enterprise-level GenBI / agentic AI platform.

The Vendor/Contractor must be able to perform work on-site 2 to 3 business days a week at the CalSTRS headquarters facility in West Sacramento, CA. At CalSTRS' discretion, a different approach (i.e., fully in-office, fully remote or different work hours) may be utilized based on CalSTRS business need and/or directive. Work must be performed during CalSTRS business hours and shall not be permitted on California State Holidays identified on the California Department of Human Resources website, unless pre-approved in writing by CalSTRS management. All work schedules must be pre-approved in writing by CalSTRS management and must adhere to all applicable CalSTRS policies and procedures. The Vendor/Contractor is responsible for any travel costs (including travel time) that they may incur while providing the services identified in the Statement of Work.

Key capabilities and benefits of GenBI that CalSTRS seeks to attain, include but are not limited to the following:
- **Self-service Analytics** for **Democratized Data Access**
  - Enable users to ask the GenBI tools, in plain language, to conduct advanced analytics and build reports without the need to learn special programming languages specific to a traditional data analytics tool.
  - Empower users at all levels within CalSTRS to access and interpret data, without the need to rely on technical developers to transform data and build charts from scratch.
- **Automation** for **Improved Efficiency**
  - Automate repetitive tasks to reduce the need for manual data analysis and interpretation, allowing business stakeholders to focus on essential/ strategic work, instead of cleansing/transforming data.
  - Auto-generate insights and recommendations, revealing meaningful patterns or insights leading to faster decision-making.
- **Advanced Analytics** for **Predictive Capabilities**
  - Leverage machine learning and artificial intelligence to generate predictive insights to anticipate future trends and opportunities.
  - Process larger volumes of complex data, enabling analysis of previously inaccessible insights.

- **Data Decoupling** for **Increased Data Security**
  - Decouple data from public-facing AI solutions like ChatGPT to protect privacy and mitigate data security concerns with sharing sensitive/confidential data with a public Large Language Model (LLM).
  - Avoid challenges associated with uploading large amounts of organizational data to a public LLM.

CalSTRS envisions this engagement to have five tracks (or logical groupings) of efforts. CalSTRS is open to suggestions about the best timing of performing these five tracks, e.g., serially, concurrently, or with some overlapping among one or more tracks.

1. A set of high-impact GenBI use cases.
2. A detailed architecture/design of an enterprise-level GenBI / agentic AI platform.
3. A gap analysis of CalSTRS existing BI platform (As-Is) and a GenBI / agentic AI platform (To-Be).
4. A data governance framework for Enterprise Data Analytics that can support and sustain a GenBI / agentic AI platform.
5. Implementation(s) of one or more high-impact and architecturally significant GenBI use case within the proposed GenBI /agentic AI platform.

The work must adhere to CalSTRS AI policies, frameworks, strategies, and standards.

A. Description of Services

a. To advance CalSTRS existing BI&DW platform toward GenBI
b. To evaluate and provide actionable recommendations for CalSTRS data governance framework and standards that align and support GenBI
c. To identify, document, and prioritize impactful GenBI use cases from various CalSTRS business areas
d. To demonstrate the value and benefit of GenBI through implementations of high-impact GenBI use cases
e. To reduce the time and/or cost of CalSTRS BI and GenBI efforts through adoption of GenBI / agentic AI capabilities

Task 1 (Fixed Price): Identifying Impactful GenBI Use Cases

a. Engagement manager will be responsible for managing vendor's resources, creating working plan, providing weekly status reports, and ensuring high-quality deliverables.

b. Review and assess the existing inventory of BI use cases (47 use cases) to identify select use cases that can potentially be high impact and/or architecturally significant GenBI use cases.
  i. In addition, review the existing inventory of CalSTRS AI ideas/business requests to cross reference and/or reconcile with BI use cases to reach a set of candidate GenBI use cases for prioritization.

c. Develop Return on Investment (ROI) calculations, incorporating cost-benefit analysis, as well as other additional and pertinent criteria for prioritizing GenBI use cases.

d. Conduct meetings, workshops and interviews with key business stakeholders and operational teams to finalize and document detailed requirements for 5 impactful GenBI use cases.
  i. Create detailed requirement documents of each GenBI use case, including goals, required data inputs, expected outcomes, and the acceptance criteria.

e. Complete risk assessments by collaborating with Enterprise IT Governance, Information Security Office, Legal, and Compliance teams to identify data privacy, regulatory, and technical risks.
f. Host prioritization workshops with cross-functional teams to rank use cases based on impact, feasibility, and risk factors.

Deliverable (fixed price):

1.1 The working plan, RACI matrix of resources, weekly status reports to CalSTRS leadership, risk & issue logs, and the final summary reports from the engagement manager.

1.2 Comprehensive set of GenBI use case document including five high impact use cases, ROI analyses, risk analysis, prioritization matrix, and a prioritized implementation roadmap.

Task 2 (Fixed Price): Architecture/Design to Expand Current BI&DW Platform with GenBI / Agentic AI capabilities

a. Engagement manager will be responsible for managing vendor's resources, creating working plan, providing weekly status reports, and ensuring high-quality deliverables.

b. Propose a GenBI / agentic AI platform architecture/design that has GenBI / agentic AI capabilities (To-Be), features and benefits as mentioned in the Introduction section.
c. Review and assess all aspects of the current BI&DW platform architecture (As-Is) including but not limited to tools, data sources/models/pipelines, integration points/interfaces, BI workflows and processes, etc.
d. Perform a gap analysis between the As-Is and To-Be, as well as providing an actionable roadmap on how to advance CalSTRS BI platform from As-Is to To-Be.
e. Demonstrate the viability of a proposed GenBI / agentic AI platform.
f. Implement the proposed GenBI / agentic AI architecture & platform.

Deliverable (fixed price):

2.1 The working plan, RACI matrix of resources, weekly status reports to CalSTRS leadership, risk & issue logs, and the final summary reports from the engagement manager.
2.2   Detailed architecture/design documentation of the proposed GenBI / agentic AI platform.
2.3 Comprehensive assessment documents with recommendations and roadmap for advancing CalSTRS existing BI&DW platform (As-Is) to be GenBI (To-Be).
2.4 An enterprise-level and production-grade GenBI / agentic AI platform as designed in the Deliverable

Task 3 (Fixed Price): Assess the Current BI&DW Data Governance Framework and Standards

a. Engagement manager will be responsible for managing vendor's resources, creating working plan, providing weekly status reports, and ensuring high-quality deliverables.

b. Review and evaluate existing BI&DW data governance framework.
c. Review and evaluate existing BI&DW standards, processes, roles and responsibilities.
d. Review and evaluate current BI&DW data governance software and tools.

Deliverable (fixed price):

3.1 The working plan, RACI matrix of resources, weekly status reports to CalSTRS leadership, risk & issue logs, and the final summary reports from the engagement manager.
3.2 A set of documents with comprehensive recommendations to enhance the current BI&DW data

governance framework, standards, processes, and tools.

Task 4 (Fixed Price) Optional : Implementation of one GenBI Use Case

a. Engagement manager will be responsible for managing vendor's resources, creating working plan, providing weekly status reports, and ensuring high-quality deliverables.

b. Reach a consensus on one impactful GenBI use case to be implemented.
c. Build and implement the key foundational and/or architectural components of the proposed GenBI platform on top of our existing Data Warehouse systems.

Deliverable (fixed price):

4.1 The working plan, RACI matrix of resources, weekly status reports to CalSTRS leadership, risk & issue logs, and the final summary reports from the engagement manager.

4.2 One production-quality GenBI use case implemented and deployed onto the proposed GenBI / agentic AI platform. This GenBI use case will be of high impact and/or demonstrate the functioning of architecturally significant capabilities of the proposed GenBI / agentic AI platform.

4.3 (Optional) Additional production-quality GenBI use case implemented and deployed onto the proposed GenBI / agentic AI platform.

CalSTRS will make the decision and prioritize the tasks and deliverables to implement.

B. CalSTRS Process for Gaining Acceptance of Deliverables

CalSTRS requires the Contractor to follow the steps identified below for each applicable deliverable. Deviations from these durations may be mutually agreed upon per deliverable between the Contractor and CalSTRS during the engagement period.

The Contractor will adhere to the deliverable acceptance process as described below:

B.1 CalSTRS Process for Deliverable Expectation Document

1. In consultation with CalSTRS, the Contractor will complete an Exhibit J, Deliverable Expectation Document (DED) for each applicable deliverable prior to work being performed. All deliverables will be delivered to CalSTRS by the agreed upon due date. Deviations from the durations listed below may be mutually agreed upon per deliverable between the Contractor and CalSTRS.

2. The Contractor will schedule a meeting for a walkthrough with CalSTRS within five (5) State business days of the deliverable submission date. CalSTRS will review and provide acceptance or rejection of the draft DED within ten (10) State business days of receipt. If the DED does not receive acceptance, CalSTRS will notify the Contractor in writing to communicate the feedback about the deficiencies in the draft DED. If the DED does not receive acceptance, the Contractor will revise the DED to address the feedback concerning deficiencies within ten (10) State business days and resubmit the revised DED to CalSTRS for review and acceptance or rejection. CalSTRS has up to five (5) State business days to review the resubmitted DED and give acceptance or identify additional or continuing deficiencies. If the resubmitted DED does not receive acceptance, CalSTRS and Contractor will repeat the cycle until the DED is accepted.

B.2 CalSTRS Process for Gaining Acceptance of Deliverables

1. It shall be CalSTRS sole determination as to whether a deliverable has been successfully completed and acceptable to CalSTRS.

2. There must be a signed/approved Exhibit K, CalSTRS Deliverables Acceptance Document, from each deliverable before invoices can be submitted for payment. A 10% holdback will be retained from each task except the final task. For each task, the 10% holdback will be released after the final task, is successfully completed and a signed/approved Exhibit K, CalSTRS Deliverables Acceptance Document, has been received.

3. The Contractor shall not change a deliverable that has been accepted by CalSTRS without CalSTRS' approval.

4. CalSTRS' acceptance of deliverables shall be based upon the following:
    a) The deliverable must address all components required by the contract.
    b) Deliverable documents must be comprehensive and in a level of detail and quality consistent with the requirements.
    c) Deliverable documents must be organized in a structured manner and be professional in presentation.
    d) Deliverable documents must be consistent throughout in style and quality. This means that if the document is the composite effort of two (2) or more people within the project, the document must be edited for style and consistency.

C. Completion Criteria

- Deliverables/tasks will include all work assignments identified to be completed. Deliverables/tasks are considered complete after CalSTRS' quality assurance process is completed and approval is granted by designated CalSTRS' reviewers. No payments are due until the deliverables/tasks have been accepted and approved by CalSTRS.

- Performance and timeliness of all deliverables/tasks will be monitored by CalSTRS via the submission of Contractor's weekly status reports and through status meetings. Status and actual hours will be reported by Contractor on a weekly basis for the deliverables/tasks assigned. Each deliverable/task will be tracked via the appropriate program/project schedule and budget to monitor progress toward the completion of the deliverables/tasks and milestones.

- Knowledge Sharing: produce quality technical documentation for knowledge transfer purposes. Collaborate closely with CalSTRS technical developers during technical implementation efforts, e.g., allow shadowing, code walkthrough, ad hoc technical Questions and Answers, etc. Conduct knowledge transfer sessions with well-defined topics to CalSTRS BI&DW project members.

D. Additional Work and Unanticipated Tasks/Deliverables

In the event that additional work and unanticipated tasks must be performed which is unanticipated and is not specified in the Statement of Work, but which in the opinion of both parties is necessary to the successful accomplishments of the general scope of work outlined, the procedures outlined in Section J, Unanticipated Tasks, of the Sample Agreement will be employed.

Transfer of knowledge to appropriate CalSTRS employees is required, along with any requested materials and content for transfer of knowledge.

<div align="center">

F. PURCHASING AUTHORITY PURCHASE ORDER
AGREEMENT NUMBER 440000XXXX
BETWEEN CALIFORNIA STATE TEACHERS' RETIREMENT SYSTEM
AND <INSERT CONTRACTOR NAME>

</div>

A.   GENERAL RESPONSIBILITIES

Contractor

The California State Teachers' Retirement System, also known as CalSTRS, and <Insert Contractor Name>, also known as Contractor, agree to the following terms and conditions, in addition to those identified in the State of California, Multiple Award Schedule (CMAS) No. XXXX. See Exhibit A, Statement of Work (SOW).

B.   AGREEMENT CONTACTS

1.   Contractor

Contractor liaison for services shall be XXXX at telephone number (XXX) XXX-XXX and E-mail address XXXX.

2.   CalSTRS

a)   CalSTRS Business Contract Liaison for services shall be (Insert name) at telephone number (916) 414-XXXX, and E-mail address XXX@CalSTRS.com for questions related to the services.

b)   CalSTRS Business Contract Manager for services shall be (Insert name) at telephone number (916) 414-XXXX, and E-mail address XXX@CalSTRS.com for questions related to the services.

C.   TERM

The term of this Agreement shall be from <Month, Date, Year> through <Month, Date, Year> with the option to extend up to <insert #> additional months if the Contractor's CMAS (identified above) is current prior to the term expiring.

D.   FEES

The total amount of this Agreement shall not exceed $XXX.XX, unless amended in writing, approved by all required authorities, and additional funds are authorized. Fees shall be calculated in Exhibit B Fee Schedule.

E.   BUDGET DETAIL AND PAYMENT PROVISIONS

1.   <u>Invoicing and Payment</u>

a)   For services satisfactorily rendered, and upon receipt and approval of the invoices, CalSTRS agrees to compensate the Contractor for actual expenditures incurred in accordance with the rates specified herein and made a part of this Agreement.

b)   Invoices shall be submitted not more frequently than in monthly arrears to the following options:

1.   Facilities Mail & Imaging Services, E-mail address FMIS-CorporateImagingServices@CalSTRS.com; or
2.   CalSTRS Vendor Portal: https://partners.calstrs.com:4343/irj/portal; or
3.   Hard copy, mailed to: CalSTRS, P.O. Box 15275, MS 24, Sacramento, CA 95851-0275

c)   Invoice(s) must include: 1) Purchasing Authority Purchase Order Number, 2) Contractor's name, address and telephone number, 3) total amount of invoice, 4) a copy of the deliverable acceptance document(s) approved/signed by the CalSTRS Contract Manager or designee associated with the invoice.

2.   <u>Budget Contingency Clause</u>

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, CalSTRS shall have no liability to pay any funds whatsoever to Contractor or to furnish any other considerations under this Agreement and 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, CalSTRS shall have the option to either cancel this Agreement with no liability occurring to CalSTRS or offer an agreement amendment to Contractor to reflect the reduced amount.

c)   Pursuant to the Teachers' Retirement Board (board) Governance Manual, any Agreement which exceeds $1,000,000 in cumulative value must be approved by the board. If the Agreement term spans multiple fiscal years and board approval of the cumulative fiscal year value is required, it is mutually agreed that if the board does not approve funding for current year and/or any subsequent years, this Agreement shall be of no further force and effect.

3.   <u>Prompt Payment Clause</u>

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

F.   GENERAL TERMS AND CONDITIONS

1.   <u>Approval</u>

This Agreement is of no force or effect until signed by both parties. Contractor may not commence performance until approval has been obtained.

2.   <u>Titles/Section Headings</u>

Titles or headings are not part of this Agreement, they are for convenience of reference only, and shall have no effect on the construction or legal effect of this Agreement.

3.   <u>Choice of Law</u>

This Agreement and any controversy or claim arising out of or relating to this agreement, or the breach thereof shall be administered, construed, governed and enforced according to the laws of the State of California (without regard to any conflict of laws provisions) to the extent such laws have not been preempted by applicable federal law. Any suit brought hereunder (including any action to compel arbitration or to enforce any award or judgment rendered thereby) shall be brought in the state or federal courts sitting in Sacramento, California, the parties hereby waiving any claim or defense that such forum is not convenient or proper. Each party agrees that any such court shall have in personam jurisdiction over it and consents to service of process in any manner authorized by California law.

4.   <u>Unenforceable Provision</u>

In the event that any provision of this Agreement is unenforceable or held to be unenforceable, then the parties agree that all other provisions of this Agreement have full force and effect and shall not be affected thereby.

5.   <u>Amendment</u>

No amendment or variation of the terms of this Agreement shall be valid unless made in writing and signed by the parties. No oral understanding or agreement not incorporated in the Agreement is binding on any of the parties.

6.   <u>Force Majeure</u>

Neither party shall be liable to the other for delay in or failure of performance, nor shall any such delay in or failure of performance constitute default, if such delay or failure is caused by "Force Majeure." Such causes may include, but are not restricted to, Acts of God or of the public enemy, acts of the State in its sovereign capacity, fires, floods, power failure, disabling strikes, epidemics, quarantine restrictions, and freight embargoes.

Contractor confirms that the goods/services to be provided to CalSTRS are not affected by the current COVID-19 Pandemic and that Contractor is able to perform under the Agreement.

7.   Signatures & Counterparts

This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. The parties agree to the terms of this Agreement and have caused this Agreement and its exhibits to be signed by their duly authorized representatives. Any manually executed signature page to this Agreement and its exhibits delivered by a party by facsimile or electronic mail in .PDF form shall be deemed to be an original signature hereto. Additionally, CalSTRS may provide the option for the parties to electronically sign this Agreement and exhibits via DocuSign or by other electronic means prescribed by CalSTRS. Any counterpart delivered using any of foregoing methods shall be deemed to have been duly and validly delivered with the same force and effect as original signatures, which together shall constitute one and the same instrument.

8.   Intellectual Property

Contractor expressly acknowledges and agrees that all discoveries, inventions, processes, designs, plans, works of authorship, and trade secrets, whether of a technical nature or not, made or developed by Contractor alone or in conjunction with any other person or entity while accomplishing the Agreement (Intellectual Property), shall be the sole and exclusive property of CalSTRS and CalSTRS may use or reuse the Intellectual Property, in whole or in part, in all media, whether now or later existing, throughout the universe in perpetuity, including but not limited to the exclusive right to reproduce, perform and exploit the Intellectual Property, and all information regarding the Intellectual Property, concurrent with the discovery or development of the Intellectual Property. If the Intellectual Property or the results and proceeds thereof constitute "works of authorship" within the scope of U.S. Copyright Law, the foregoing shall be deemed "works made for hire" and CalSTRS shall be considered the sole author and owner of all rights comprised in the copyright and/or patent thereof and shall have the exclusive right to seek patent and/or copyright protection in CalSTRS name. In the event that any Intellectual Property does not constitute "works made for hire," Contractor hereby assigns all rights thereto exclusively to CalSTRS for any and all purposes of CalSTRS. At all times during its term and after the termination of the Agreement, Contractor shall assist CalSTRS in obtaining and maintaining, for CalSTRS benefit, protection of the Intellectual Property and Contractor shall execute and cause its subcontractors to execute such further instruments as CalSTRS may reasonably require as evidence of ownership of such rights. Contractor agrees that he/she will not use or disclose any Intellectual Property owned by CalSTRS without the express written permission of CalSTRS.

G.   AFFIRMATIVE COVENANTS

1.   Reports and/or Meetings

a)   Contractor shall provide oral or written progress reports as requested by CalSTRS to determine if Contractor is performing to expectations or is on schedule, to provide communication of interim findings, and shall afford occasions for discussing and resolving problems encountered.

b) Contractor shall meet with CalSTRS staff and/or the board upon request to discuss progress on the Agreement or to present findings, conclusions and recommendations.

2. Additional Documents

Contractor and CalSTRS agree to execute such additional documents, and perform such further acts, as may be reasonable and necessary to carry out the provisions of this Agreement.

3. Reportable Interests

Contractor shall not directly or indirectly receive any benefit from recommendations made to CalSTRS and shall disclose to CalSTRS any personal investment or economic interest of Contractor which may be enhanced by the recommendations made to CalSTRS. Contractor acknowledges that CalSTRS is subject to provisions of the Fair Political Practices laws of California (Government Code section 81000, et seq., and all regulations adopted thereunder, including, but not limited to, Title 2, California Code of Regulations, section 18700) and Contractor shall comply promptly with any requirement thereunder. If required by law, Contractor shall require its Key Personnel named, and all later substitutions therefore, to file Statements of Economic Interest (Title 5, California Code of Regulations, section 22000 et seq.). All such reports shall be filed simultaneously with CalSTRS.

4. Key Personnel

Exhibit C, Contractor Name's Key Personnel, names certain members of Contractor's staff (key individuals) who will perform the conduct described in the scope of services and exercise a significant decision making role in the delivery of services under this Agreement. These personnel shall be hereafter referred to (both individually and collectively) as " Key Personnel."

a) Contractor shall not substitute, replace or reassign Key Personnel without CalSTRS prior approval. However, with CalSTRS prior approval, the parties may agree in writing to a change in these Key Personnel. The writing shall become a part of this Agreement.

b) This Agreement may be terminated immediately, in CalSTRS sole discretion and upon written notice from CalSTRS to Contractor, because of any change in or departure of Contractor's Key Personnel.

5. Changes in Control, Organization or Key Personnel

Contractor shall promptly, and in any case within five (5) calendar days, notify CalSTRS in writing: 1) if any of Contractor's representations and warranties, as set forth in this Agreement, cease to be true at any time during the term of this Agreement; 2) of any change in Contractor's staff who exercise a significant administrative, policy, or

consulting role under this Agreement, including without limitation the Key Personnel; 3) of any change in the majority ownership, control, or business structure of Contractor; or 4) of any other material change in Contractor's business, partnership or corporate organization. All written notices from Contractor under this provision shall contain sufficient information to permit CalSTRS to evaluate the changes within Contractor's personnel or organization under the same criteria as was used by CalSTRS in its award of this Agreement to Contractor. Contractor agrees to provide CalSTRS with such additional information as CalSTRS may request.

6. <u>Contractor Employee Relationship for CMAS Vendors</u>

Contractor understands and acknowledges that the personnel provided to CalSTRS under this Agreement are the employees of the Contractor or Independent Contractors who have a contractual relationship with the Contractor. Contractor agrees to indemnify, defend and hold CalSTRS harmless from any and all claims made against it including, but not limited to, claims for salaries, liability for tax withholding, workers' compensation, disability or miscellaneous employment benefits, whether based on tort, contract or other theories of recovery arising out of injury, disability, or death of Contractors' employees or Independent Contractors.

7. <u>Warranty of Compliance – Termination</u>

Contractor warrants that it has implemented and will enforce CalSTRS Contractor Background Investigation Policy, Exhibit E, and agrees that it will promptly notify CalSTRS of any changes which become known to them which would affect their compliance with said guidelines. In the absence of any notice of such information subsequent to the hiring of the Contractor Employee by Contractor, CalSTRS will rely on the on-going compliance statement made by Contractor. In the event CalSTRS finds that Contractor has failed to properly perform the background check or fails to provide CalSTRS with information subsequently known to Contractor after such investigation, CalSTRS has the right to immediately terminate the Agreement with Contractor.

8. <u>Knowledge Transfer</u>

Where appropriate, Contractor's obligations under the terms of this Agreement include a "knowledge transfer" to CalSTRS. "Knowledge transfer" is defined as personal and/or technical knowledge or information which will enable, or enhance the ability of, CalSTRS staff to maintain and operate contracted-for programs, equipment and facilities.

If the Agreement includes the purchase of equipment, "knowledge transfer" shall also include education and training, including all relevant documentation, to enable CalSTRS to maintain the equipment based on Contractor's methodology. The Contractor agrees that CalSTRS may reproduce such documentation for its own use in maintaining the equipment.

Any additional training or instruction necessary to realize the "knowledge transfer" shall be provided at no additional cost to CalSTRS.

9. Information Security and Privacy

Contractor, in the course of its duties, may handle investment, financial, accounting, statistical, personal, technical and other data and information relating to CalSTRS and its members. All such information is confidential, and, unless permitted by CalSTRS in writing, Contractor shall not disclose such information, directly or indirectly, or use it in any way, either during the term of the Agreement or any time thereafter, except as required to perform its duties under this Agreement. Any disclosure of information contrary to this provision shall be considered a material breach of this Agreement. Contractor warrants that only those who are authorized and required to use such materials will have access to them. Failure to comply with this provision will subject Contractor to liability, including all damages to CalSTRS and third parties.

Contractor shall comply with all information security and privacy obligations set forth in the CalSTRS Information Security and Privacy Addendum (Exhibit I), which is incorporated by reference into this Agreement. This addendum establishes the necessary security and privacy measures Contractor must implement, including but not limited to confidentiality obligations, security controls, incident response, indemnification, and data handling requirements..

As part of these obligations:
- Exhibit J – Confidentiality, Non-Disclosure and Acceptable Use Agreement (ISO 1948): Contractor's Authorized Representative, with authority to act on behalf of the entity, must sign Exhibit J prior to engaging in work with CalSTRS.
- Exhibit K – CalSTRS Minimum Information Security Requirements (MISR): Contractor shall adhere to the security requirements detailed in Exhibit K as part of its overall information security obligations.

Failure to comply with Exhibits J and K may be deemed a material breach of the contract, at CalSTRS discretion.

10. Security

Contractor shall perform a background investigation on all of Contractor's employees assigned to perform any part of the services hereunder, or who shall access any of CalSTRS Confidential Information (the "**Contractor Personnel**"). Contractor's background investigation shall consist of the components prescribed in CalSTRS' *Contractor Background Investigation Policy* (Exhibit E). All Contractor Personnel must successfully complete and pass Contractor's background investigation prior to providing services or accessing Confidential Information hereunder. Compliance with CalSTRS Contractor Background Investigation Policy must be affirmed with submission of a completed *Certification of Contractor's Employee Background Investigation Form* (Exhibit F) listing each of Contractor's Personnel. Contractor shall keep such form updated to reflect any changes to its Contractor Personnel. Contractor shall ensure that employees of its subcontractors or agents also satisfy appropriate background investigation criteria. Contractor shall provide CalSTRS (or its designee) with documentation providing evidence of Contractor's background investigation of Contractor Personnel upon the reasonable request of CalSTRS.

Further, all Contractor Personnel must submit to CalSTRS the Personal History Statement (Exhibit H) identifying any relatives of the contract employee that are CalSTRS members, beneficiaries, or employees.

11.   Compliance with Statute, Regulations and Policies

Contractor warrants and certifies that in the performance of this Agreement, it will comply with all applicable statutes, rules, regulations, and orders of the United States and the State of California and agrees to indemnify CalSTRS against any loss, cost, damage or liability by reason of Contractor's violation of this provision.

H.   CONTRACT CERTIFICATION CLAUSES

1.   Contractor Name Change

An amendment is required to change the Contractor's name as listed on this Agreement. Upon receipt of legal documentation of the name change CalSTRS will process the amendment. Payment of invoices presented with a new name cannot be paid prior to approval of said amendment.

2.   Statement of Compliance – Nondiscrimination

Contractor's signature affixed hereon and dated shall constitute a certification under the penalty of perjury under the laws of the State of California that Contractor has, unless exempted, complied with the nondiscrimination program requirements of Government Code section 12990 (a)-(f) and Title 2, California Code of Regulations, section 11102 et seq.

3.   Labor Code/Workers' Compensation

Contractor needs to be aware of the provisions which require every employer to be insured against liability for Worker's Compensation or to undertake self-insurance in accordance with the provisions within the Labor Code section 3700, and Contractor affirms to comply with such provisions, before commencing the performance of work in this Agreement.

4.   Drug-Free Workplace Act of 1990 (Act)

Contractor will comply with the requirements of the Act and will provide a drug-free workplace by taking the following actions:

a)   Publish a statement notifying employees that unlawful manufacture, distribution, dispensation, possession or use of a controlled substance is prohibited and specifying actions to be taken against employees for violations.

b)   Establish a Drug-Free Awareness Program to inform employees about:

1.   The dangers of drug abuse in the workplace;

2.   The person's or organization's policy of maintaining a drug-free workplace;

3.   Any available counseling, rehabilitation and employee assistance programs; and,

4.   Penalties that may be imposed upon employees for drug abuse violations.

c)   Every employee who works on the proposed Agreement will:

1.   Receive a copy of the company's drug-free policy statement; and,

2.   Agree to abide by the terms of the company's statements as a condition of employment on the Agreement.

Failure to comply with these requirements may result in suspension of payments under the Agreement or termination of the Agreement or both and Contractor may be ineligible for award of any future State agreements if CalSTRS determines that any of the following has occurred: (1) the Contractor has made false certification, or (2) violated the certification by failing to carry out the requirements as noted above. (Government Code section 8350 et seq.)

6.   <u>Unauthorized Alien</u>

Contractor will comply with 8 USC §1324a et seq. and shall not knowingly employ or contract with an unauthorized alien to perform work.

7.   <u>Child Support Compliance Act</u>

a)   The Contractor recognizes the importance of child and family support obligations and shall fully comply with all applicable state and federal laws relating to child and family support enforcement, including, but not limited to, disclosure of information and compliance with earnings assignment orders, as provided in Chapter 8 (commencing with section 5200) of Part 5 of Division 9 of the Family Code; and

b)   The Contractor, to the best of its knowledge is fully complying with the earnings assignment orders of all employees and is providing the names of all new employees to the New Hire Registry maintained by the California Employment Development Department.

I.   SPECIAL TERMS AND CONDITIONS

1.   <u>Evaluation of Contractor</u>

Pursuant to Public Contract Code section 10369, CalSTRS shall evaluate Contractor's performance under the terms and conditions of this Agreement within sixty (60) days after the completion of Contractor's performance under this Agreement. If the evaluation indicates unsatisfactory performance, a STD 4 (Contract/Contractor Evaluation) will be

completed and a copy sent to the Department of General Services, Office of Legal Services, and to Contractor who may file a response to the evaluation. The evaluation and response shall remain on file for thirty-six (36) months and shall not be public records.

2. <u>Third Party Economic Interest Disclosure Policy</u>

    a)   <u>Policy</u>

       The Third Party Economic Interest Disclosure Policy set forth in the Teachers' Retirement Board Governance Manual requires entities and Key Personnel engaging in business with CalSTRS to disclose campaign contributions, as defined under the California Political Reform Act, valued in excess of $250, prohibits providing charitable contributions valued in excess of $250, and gifts in excess of the current monetary limit established by the Fair Political Practices Commission, as well as requiring the periodic disclosure of campaign contributions, charitable contributions, and gifts. <u>A copy of the current policy is attached as Exhibit D and Contractor is required to comply with its provisions.</u>

    b)   <u>Submission of Disclosures</u>

       Contractor (Entity) and each of its Key Personnel shall, with the signing of this Agreement and annually thereafter, submit disclosures of contributions and gifts described in this section on a form prescribed by CalSTRS. The current disclosure form required to be submitted is Exhibit E, Form 600-H Third Party Economic Disclosure. Exhibit E must be submitted <u>on behalf of the Contractor (Entity) and each of its Key Personnel</u> (those who signed Exhibit C). <u>No other version of this form will be accepted</u> (e.g., annual submittal or generic form downloaded from CalSTRS.com).

       Annual disclosures shall be due by April 1st of each year and forms will be provided to Contractor and its personnel by CalSTRS.

    c)   <u>Violation of Policy by Contractor</u>

       Any violation may lead to one or more of the following: (1) immediate termination of any agreement/contract, (2) CalSTRS withholding future payments on any existing agreement/contract, and/or (3) disqualification from future business with CalSTRS for a period of two years following a determination that a violation has occurred. These sanctions will be at CalSTRS' sole discretion and upon written notice from CalSTRS to the entity. The general counsel shall provide a report of violations to the Audits and Risk Management (ARM) Committee.

    d)   <u>Changes in Laws or Policy</u>

       CalSTRS reserves the right to amend, upon prior written notice, the above provisions to conform with any subsequent amendments to the political reform laws and CalSTRS policies.

J.   UNANTICIPATED TASKS

1.   In the event that additional work must be performed which is unanticipated and is not specified in the Statement of Work, but which in the opinion of both parties is necessary to the successful accomplishment of the general scope of work outlined, the procedures outlined in this section will be employed. Unanticipated tasks are services or deliverables that were not included within the parties' agreement on scope, price and schedule as evidenced by the project documents (i.e., the SOW, the Proposal, the Project Plan and Schedule, the Detailed Design, and the Contractor's estimates and work papers).

2.   For each item of unanticipated work not specified in the Statement of Work, a CalSTRS Work Authorization, Exhibit N will be prepared.

3.   It is understood and agreed by both parties to this Agreement that all of the terms and conditions of this Agreement shall remain in full force with the inclusion of any such Work Authorization. Such Work Authorization shall in no way constitute an Agreement other than as provided pursuant to this Agreement nor in any way amend or supersede any of the other provisions of this Agreement, except as provided in the Work Authorization.

4.   Each Work Authorization shall consist of a detailed statement of the purpose, objective, or goals to be undertaken by the Contractor, the job classification or approximate skill level of the personnel to be made available by the Contractor, an identification of all significant material to be developed by the Contractor and delivered to CalSTRS, an identification of all significant materials to be delivered by CalSTRS to the Contractor, an estimated time schedule for the provisions of these services by the Contractor, completion criteria for the work to be performed, the name or identification of the Contractor personnel to be assigned, the Contractor's estimated work hours required to accomplish the purpose, objective or goals, the Contractor's billing rates per work hour, and the Contractor's estimated total cost or fixed price for the Work Authorization. If Contractor staff identified is not already authorized, they will be subject to the background investigation as described in Exhibit #, CalSTRS Contractor Background Investigation Policy, prior to start of work.

5.   All Work Authorizations must be in writing prior to beginning work and shall become part of the agreement. Authorization shall not become effective until the amendment is approved and signed by CalSTRS authorized signatory.

6.   CalSTRS has the right to require the Contractor to stop or suspend work on any Statement of Work by providing the Contractor with written notice. If the performance of all or any part of the work is stopped or suspended (1) by an act of the CalSTRS in the administration of this Agreement, or (2) by the CalSTRS failure to act within the time specified in this Agreement (or within a reasonable time if not specified), an adjustment shall be made for any increase in the cost of performance of the Statement of Work necessarily caused by stoppage or suspension, and the Statement of Work modified in writing accordingly. No adjustment shall be made under this clause for any stoppage or suspension to the extent that performance would have been so stopped or suspended by the fault or negligence of the Contractor, or for which an equitable adjustment is provided for under any other term or condition of this Agreement or the Statement of Work. A claim under this clause shall

not be allowed (i) for any costs incurred more than 20 days before the Contractor shall have notified the CalSTRS in writing of the act or failure to act involved (but this requirement shall not apply as to a claim resulting from a suspension order); and (ii) unless the claim, in an amount stated, is asserted in writing as soon as practicable after the termination of the stoppage or suspension, but not later than the date of final payment under the Agreement. The parties shall act in good faith and take reasonable steps to mitigate the costs and schedule impacts of any delay or suspension.

7. Personnel resources will not be expended (at a cost to CalSTRS) on task accomplishment in excess of the estimated work hours required or fixed price unless the procedure below is followed:

    a) If, in the performance of the work, the Contractor determines that a Work Authorization to be performed under this Agreement cannot be accomplished with the estimated work hours or fixed price, the Contractor will immediately notify CalSTRS in writing of the Contractor's estimate of the work hours or fixed price which will be required to complete the Work Authorization in full. Upon receipt of such notification, CalSTRS may:

        1) Authorize the Contractor to expend the estimated additional work hours or service in excess of the original estimate or fixed price necessary to accomplish the Work Authorization, or
        2) Terminate the Work Authorization, or
        3) Alter the scope of the Work Authorization in order to define tasks that can be accomplished within the remaining estimated work hours or fixed price.

    b) CalSTRS will notify Contractor in writing of its election within fifteen (15) work days after receipt of the Contractor's notification. If notice of election is given to proceed, the Contractor may expend the estimated additional work hours or services. CalSTRS agrees to reimburse the contractor for such authorized additional work hours or fixed price.

K. TERMINATION

1. <u>Termination at Option of CalSTRS</u>

    This Agreement may be terminated in whole or in part at any time upon thirty (30) calendar days' written notice by CalSTRS, for any reason. Upon receipt of a termination notice, Contractor shall promptly discontinue all services affected unless the notice specifies otherwise.

    In the event CalSTRS terminates all or a portion of this Agreement for any reason, it is understood that CalSTRS will provide payment to Contractor for satisfactory services rendered prior to the termination, but not in excess of the maximum Agreement amount.

2. <u>Termination for Default</u>

CalSTRS may, by giving two (2) calendar days' written notice to Contractor, and without prejudice to any of its remedies, terminate this Agreement because:

a) The Contractor failed to fulfill its obligations under this Agreement (including, but not limited to any attachments to this Agreement); or

b) The Contractor provides inaccurate information or fails to provide information that the Contractor knew or should have known existed.

In the event of termination for default, CalSTRS shall pay Contractor only the reasonable value of the services rendered. At CalSTRS sole discretion, CalSTRS may offer an opportunity to cure any breach(es) prior to terminating for default.

3. <u>Termination for Insolvency</u>

Contractor shall notify CalSTRS immediately in writing in the event that Contractor files any federal bankruptcy action or state receivership action, any federal bankruptcy or state receivership action is commenced against Contractor, Contractor is adjudged bankrupt, or a receiver is appointed and qualifies. In the event of any of the foregoing events, or if CalSTRS determines, based on reliable information, that there is a substantial probability that Contractor will be financially unable to continue performance under this Agreement, CalSTRS may terminate this Agreement and all further rights and obligations immediately, by giving five (5) days' notice in writing in the manner specified herein.

4. <u>Convenience</u>

If after notice of termination for failure to fulfill agreement obligations, it is determined that Contractor had not so failed, the termination shall be deemed effective for the convenience of CalSTRS.

5. <u>Completion</u>

In the event of termination for default, CalSTRS reserves the right to take over and complete the work by agreement or other means. In such case, Contractor will be liable to CalSTRS for any additional cost incurred by CalSTRS to complete the work whether reimbursed or not.

6. <u>Effect of Termination</u>

All duties and obligations of CalSTRS and Contractor shall cease upon termination of this Agreement, except that:

a) Each party shall remain liable for any rights, obligations, or liabilities arising from activities carried on by it under this Agreement prior to the effective date of termination.

b)   Contractor shall provide for the return of all records of CalSTRS to CalSTRS or its designee and shall cooperate fully to affect an orderly transfer of services.

_____   _____

<Insert Authorized Signer Name>   Date
<Insert Contractor Firm Name>

_____   _____

Lisa Blatnick, Chief Operating Officer   Date
California State Teachers' Retirement System

Statement of Work

[To be insert at time of contract award.]

FEE SCHEDULE

[To be insert at time of contract award.]

\<Contractor's\>
<u>KEY PERSONNEL</u>

Please list the names and titles of the personnel authorized to conduct business (deliver services) on behalf of the Contractor in a decision-making capacity:

Signature _____

Name   _____

Title   _____

Date   _____

E-mail   _____

Signature _____

Name   _____

Title   _____

Date   _____

E-mail   _____

Signature _____

Name   _____

Title   _____

Date   _____

E-mail   _____

Signature _____

Name   _____

Title   _____

Date   _____

E-mail   _____

CALSTRS®
HOW WILL YOU SPEND YOUR FUTURE?

Form 600-H

THIRD PARTY ECONOMIC INTEREST DISCLOSURE

Pursuant to Section 4, subsection G, of the Teachers' Retirement Board Governance Manual, entitled "Third Party Economic Interest Disclosure Policy", any Entity/Entities and its Key Personnel who engage in business with CalSTRS are required to make specific public disclosures.[1] Entities and each of their Key Personnel must complete and file separate forms. The below identified Entity/Entities or its Key Personnel hereby make the following disclosures. (Please attach other sheets if more space is needed for disclosure and indicate enclosures.)

Identification of Filer (Key Personnel or Entity – separate filings required)

Name of Entity:

Key Personnel or Person Making Disclosure:

Reported on behalf of Entity ☐

Relationship Category
(Please choose the one that is most appropriate to this relationship):

☐ **Investment**

If Other:

☐ **Non-Investment**

Contractor / Consultant - Description of Service Provided:

Investment Asset Class

If Other:

Mailing Address:

| Number | Street | City/Locality | State/Province | Zip |

Telephone: **E-mail Address:**

Filing and Disclosure Period

This disclosure of campaign contributions, charitable contributions, and gifts is in response to the following filing requirement:

	A. At Solicitation of an initial application or proposal to do business with CalSTRS (covers preceding 12-month period)
	B. At Contract/Agreement for execution of services (signature) to cover the interim period since the initial application
	C. Annual disclosure for the previous calendar year
	D. New Key Personnel

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[1] See Teachers' Retirement Board Governance Manual Section 4, subsection G (1)(a) and (b) for definitions of Entity, Entities and Key Personnel.

Ethics & Compliance

Form 600-H

1. Disclosure of Campaign Contributions

Disclosure of Campaign Contributions <u>valued in excess of $250</u> made to or on behalf of any a) existing Teacher's Retirement Board member, b) candidates for Board member, Controller, Treasurer, and Superintendent of Public Instruction, and c) CalSTRS officer or employee. The term "contribution" is defined in the Political Reform Act regulations, in Title 2, CaliforniaCode of Regulations (CCR) section 18215. If the business is an Investment Relationship, disclosure of campaign contributions made to the Governor or candidates for the governorship must also be made, according to CalSTRS' Campaign Contribution regulations in Title 5, CCR section 24010.

☐ **Nothing to report**   ☐ Attachment is enclosed

Value of Contribution	Description if other than monetary	Date of Contribution	Identity of Recipient of Contribution

2. Disclosure of Charitable Contributions

Disclosure of charitable contributions <u>valued in excess of $250</u> made at the request of any Teachers' Retirement Board member or CalSTRS officer or employee to any charitable organization.

☐ **Nothing to report**   ☐ Attachment is enclosed

Value of Contribution	Description of Contribution (monetary or in-kind)	Date of Contribution	Identity of Recipient of Contribution	Identity of Requester of Contribution

3. Disclosure of Gifts[2]

Disclosure of gifts, including meals, entertainment, or travel, <u>valued in excess of $50</u> made to any Teachers' Retirement Board member or CalSTRS officer or employee.

☐ **Nothing to report**   ☐ Attachment is enclosed

Value of Gift	Description of Gift	Date Gift Given	Identity of Recipient of Gift

I have exercised all reasonable due diligence in preparing this disclosure statement on my own behalf or on behalf of the reporting entity identified above. I have reviewed this statement and to the best of my knowledge the information contained herein and in any attachments is true and complete. I certify under penalty of perjury under the laws of the State of Californiathat the foregoing is true and correct.

_____
Signature

_____
Printed Name

_____
Title

_____
Date

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[2]   See Teachers' Retirement Board Governance Manual Section 4, subsection G (1)(c), for definition of "Gift".

TEACHERS' RETIREMENT BOARD GOVERNANCE MANUAL

G. Third Party Economic Interest Disclosure Policy

It is the policy of CalSTRS to conduct business with vendors, business entities and investment service providers, managers, partners and/or consultants in a manner which avoids potential or actual financial conflicts of interest. Consistent with this policy, certain disclosures involving campaign contributions, charitable contributions and gifts are required as set forth below.

1. Definitions

    For purposes of this Third Party Economic Disclosure Policy only, the following definitions apply:

    a. Entity: The terms "Entity" and "Entities" mean any vendor, business entity or investment service provider, manager, partner or consultant doing business directly with CalSTRS.

    b. Key Personnel: The term "Key Personnel" means any individual associated with an Entity that:

        i.   Negotiates a contract between an Entity and CalSTRS; or
        ii. Is a high-level officer or employee of an Entity who exercises primary responsibility for the work performed pursuant to a contract between an Entity and CalSTRS; or
        iii. Directs or supervises Entity staff regarding work performed pursuant to a contract between an Entity and CalSTRS; or
        iv. Provides services to CalSTRS as a "consultant" pursuant to Government Code sections 82019, 82048 and California Code of Regulations, Title 2, Section 18700.3.

    c. Gift: The terms "Gift and "Gifts" mean anything of value, whether tangible or intangible, real or personal property, goods or services, that provides a personal benefit to an individual when the individual does not provide full consideration for the value of the benefit received.

2. Campaign Contributions

    All Entities and Key Personnel shall disclose campaign contributions, as defined under the California Political Reform Act, valued in excess of $250, made to or on behalf of any existing CalSTRS board member, candidates for board member, controller, treasurer, superintendent of public instruction, CalSTRS officer or employee.

3. Charitable Contributions

    All Entities and Key Personnel shall disclose any charitable contributions to a charitable entity, valued in excess of $250 individually or in the aggregate in any calendar year, made at the request of any board member, or CalSTRS officer or employee.

4. Gifts

    a. No Entity or Key Personnel shall provide gifts to board members exceeding the current monetary limit established by the Fair Political Practices Commission individually or in the aggregate in any calendaryear. The dollar amount of this limit is adjusted biennially in each oddnumbered year to reflect the cost of living adjustments made by the Fair Political Practices Commission to the gift limit contained in Government Code section 89503.

    b. All Entities and Key Personnel shall disclose gifts aggregating more than $50 in value made to board members, or to CalSTRS officers oremployees.

5. Recusal

    a. Any board member who receives campaign contributions, charitable contributions, or gifts that individually or in the aggregate exceed the amount of $250 in a calendar year from an Entity or Key Personnel shall recuse themselves from any involvement in a matter involving themaker of the contributions or gifts for a period of 12 months following the date of the most recent contribution or gift.

    b. Any board member who returns, donates, or reimburses the donor forgifts subject to these restrictions within 30 calendar days of receipt ofthe gift shall not be subject to the recusal requirement. Gifts may be returned, donated or reimbursed as specified in California Code of Regulations, Title 2, Section 18933.

6. Disclosure Filing Timeline

    The disclosure of campaign contributions, charitable contributions, and gifts shall be made on the Third Party Economic Interest Disclosure (Form 600-H) asfollows:

    a. Upon submission of an initial application or proposal to do businesswith CalSTRS (for the preceding 12-month period).

    b. At the time a contract is entered into between the Entity and CalSTRS(to cover the interim period following the submission of a Form 600-Hpursuant to subsection 6(A) above).

      c.   Annually, on or before April 1 for the previous calendar year. You arenot required to file an annual Form 600-H under this subsection if aForm 600-H has been filed with CalSTRS in accordance with subsection (6)(B) between October 1 and December 31 of thepreceding year.

      d.   Within five (5) calendar days of a change in Key Personnel, the newKey Personnel shall file a Form 600-H.

7.   Sanctions for Violation of Policy

The general counsel is responsible for causing an investigation of any reported violation of this policy. Any violation may lead to one or more of the following: (1) immediate termination of any agreement/contract, (2) CalSTRS withholding future payments on any existing agreement/contract, and/or (3) disqualification from future business with CalSTRS for a period of two years following a determination that a violation has occurred. These sanctions will beat CalSTRS' sole discretion and upon written notice from CalSTRS to the entity.The general counsel shall provide a report of violations to the Audits and Risk Management (ARM) Committee.

8.   Application of Policy

Nothing in this policy supersedes any provision of state law. Those Entities engaged in business with CalSTRS may also have reporting requirements underthe Political Reform Act, California Government Code section 81000 et seq. Also, board members who are either elected to the board by a CalSTRSconstituency or who are appointed to the board but also serve as an elected official of a local body are subject to Government Code section 84308, which prohibits the receipt, solicitation or direction of a campaign contribution of morethan $250 while a matter affecting a financial interest of the maker of the contribution is pending, and for three months following the date a decision is rendered on the matter. Section 84308 also requires recusal of the board member from any involvement in the matter if a contribution over $250 has been received within the preceding 12 months, unless the contribution was returned no later than 30 days from the time the board member knew or shouldhave known about the contribution and the matter involving the maker of the contribution.

Reference: Ed. Code, § 22363; Gov. Code, §§ 82019, 82048; Cal. Code Regs., tit. 2, § 18700.3.

History: Amended December 7, 2006; Amended June 6, 2007; Amended February 7, 2008; Amended April 8, 2016; Amended January 31, 2019; Amended January 31, 2020 [to reflect gender-neutral language and change the California Code of Regulations citations in subsection 5(b) from section 18943 to section 18933]; Amended November 5, 2021 [updated Sanctions for Violation of Policy section].

CONTRACTOR BACKGROUND INVESTIGATION POLICY

PURPOSE: It is the policy of the California State Teachers' Retirement System (CalSTRS) to require all Contractors who contract with CalSTRS to perform services to gather and consider relevant background history information in determining if certain of Contractor's employees ("Contractor Personnel") who provide services to CalSTRS meet the general standards for working with CalSTRS and safeguarding CalSTRS information.

POLICY: Contractor shall comply with all applicable law, rules and regulations related to conducting employee background investigations, including without limitation, the Fair Credit Reporting Act, the California Investigative Consumer Reporting Agencies Act and California Government Code §12952. Contractor shall be solely responsible for any failure to conduct its background investigations in compliance with applicable law.

In evaluating the suitability of a particular individual's work assignment with CalSTRS, Contractor must give particular emphasis to the business needs arising from CalSTRS' fiduciary responsibility for CalSTRS funds, its obligation to protect the personal data it holds and maintain the integrity of the retirement system, and its policy to provide a safe and secure workplace.

This includes, but is not limited to preventing contractors or Contractor Personnel from using their access to CalSTRS facilities, systems or data to:

- Carry out identity theft or related activities.
- Inappropriately alter member retirement benefits.
- Embezzle funds from CalSTRS.
- Engage in any activity that would damage CalSTRS' reputation or member trust.
- Initiate any act of workplace violence, discrimination, or sexual harassment.

Prior to allowing Contractor Personnel to perform work on behalf of CalSTRS under the Agreement or obtain access to CalSTRS information (a "CalSTRS Assignment"), Contractor is responsible for conducting an appropriate background investigation, including a criminal record check, credit check, civil check, reference check, and verification of education and previous employment as allowed by then applicable law (a "Background Investigation"), of any such Contractor Personnel. In addition, Contractor must review the driving records of any Contractor Personnel who may drive on CalSTRS-related business as a regularly assigned duty. The information gathered in this process is subject to strict confidentiality provisions in order to protect the privacy of those persons whose backgrounds are reviewed under this policy.

Contractor will review and evaluate all information obtained as part of its Background Investigation of any Contractor Personnel and will not assign any Contractor Personnel to a CalSTRS Assignment if the Contractor determines, based in whole or part on the information obtained as part of the Background

Investigation, that the Contractor Personnel is not suitable for the assignment. Examples of reasons for which Contractor Personnel may be unsuitable for CalSTRS assignment include:

Criminal Record Checks

1.   Any conviction for any of the following offenses:

- Any form of fraud, deceit or misrepresentation
- Embezzlement
- Forgery
- Identity theft/stolen credit card use
- Any other offense involving misappropriation of assets or resources, abuse of access to financial or personal records, unauthorized access to financial or personal records, falsification of documents or records, crimes of moral turpitude, or crimes which may be relevant to CalSTRS Assignment

2.   Any conviction for offenses related to stealing such as the following:

- Theft, burglary, carjacking or home invasion crimes
- Shoplifting
- Receiving stolen property
- Bad checks

3.   Any conviction for any violent crime for such an offense.

Contractor Personnel with convictions other than those specified above, may be deemed unsuitable for a CalSTRS Assignment when the record of convictions indicates or suggests to the Contractor a continuing pattern of behavior that is inconsistent with CalSTRS business objectives specified in the Background section, above.

Contractor is responsible for reviewing the civil litigation history of any Contractor to the extend permissible by applicable law. Contractor should not assign any Contractor Personnel to a CalSTRS Assignment if the individual's civil litigation history reveals that he or she lacks one or more of the general qualifications for a CalSTRS Assignment such as honest, integrity, and/or good judgement.

Credit Checks

Contractor is responsible for reviewing the credit history of any Contractor, consistent with applicable law. Contractor should not assign any Contractor Personnel to a CalSTRS Assignment if the individual's credit history reveals a continuing pattern of credit abuse that supports the conclusion that he or she lacks one or more of the general qualifications for a CalSTRS Assignment, such as honesty, integrity, and/or good judgment.

These determinations require careful case-by-case review of any credit problems, with particular emphasis on the following questions:

- Are the credit problems isolated to a particular point in time, or to a particular vendor with whom the individual may be having a dispute, or do they constitute a general pattern?
- Are there specific mitigating factors that explain the credit problems, such as illness or divorce?
- What effort has the individual made to correct the credit problems?
- How recent are the problems, and what has the credit record been since they occurred?

Reference Checks

Contractor should not assign any Contractor Personnel to a CalSTRS Assignment if a reference check gives Contractor reason to believe that the individual lacks one or more of the general qualifications for employment such as honesty, integrity, and/or good judgment.

Fraud in Securing Appointment

Any information Contractor Personnel provides for employment with or to provide services to Contractor (on applications, resumes, background questionnaires, etc.) must be substantively truthful. Should the Contractor determine that the information it did receive from any Contractor Personnel was not substantively truthful, it shall promptly remove such individual from the CalSTRS Assignment to the extend permissible under applicable law.

Driving Record Checks

A serious driving violation, such as driving under the influence of alcohol or drugs, or reckless driving, within the past three years, may disqualify Contractor Personnel from a CalSTRS Assignment, if the nature of the work performed for CalSTRS requires driving as a regularly assigned duty. Contractor must review driving records when driving a motor vehicle on a CalSTRS Assignment is a regularly assigned duty.

Prior to any Contractor Personnel performing services under the Agreement, Contractor shall certify that it has performed a Background Investigation of such Contractor Personnel, reviewed and verified the background information in a manner consistent with CalSTRS' Contractor Background Investigation Policy, and determined that the individual(s) is/are qualified for the CalSTRS Assignment. Such certification will be made with submission of the "Certification of Contractor's Employee Background Investigation" form, provided to Contractor by CalSTRS.

In addition, Contractor shall provide CalSTRS with each Contractor Personnel's completed Personal History Statement. Information the Contractor Personnel provides concerning relatives who are CalSTRS members or beneficiaries

and/or CalSTRS employees will be used to implement safeguards to prevent the individual from working on or accessing the records/accounts of his or her relatives.

Contractor shall review and investigate any relevant information it received or becomes aware of subsequent to the date of the Background Investigation regarding any Contractor Personnel. Contractor shall immediately notify the Human Resources Division of CalSTRS if it receives information which might lead the Contractor to believe any Contractor Personnel would be ineligible to work on a CalSTRS Assignment, as described in this CalSTRS Contractor Background Investigation Policy, had the Contractor known the information at the time it conducted the Background Investigation. Contractor shall promptly replace any such Contractor Personnel upon CalSTRS request. When requested by CalSTRS (generally annually), Contractor shall certify, on a form provided by CalSTRS, that it knows of no information that would affect the suitability of any Contractor Personnel to work on a CalSTRS Assignment.

Contractor shall retain documents and files received in the Background Investigation throughout the term of the Agreement, shall provide reasonable safeguards to ensure security and confidentiality of these documents and files, and will work cooperatively with CalSTRS to provide related data or information upon CalSTRS's reasonable request, consistent with applicable law.

Any request for a waiver of the policy provisions should be directed to the Director of the Procurement Management Division, who will thereafter forward the request to the CalSTRS CEO for consideration and approval, on a case-by-case basis. Exceptions to the Contractor Background Investigation Policy may include but are not limited to the following circumstances:

- Contracted personnel will not have physical access to restricted areas of CalSTRS (e.g., printers providing services off-site and delivering product)
- Contracted personnel will not have access (physical or electronic) to confidential/sensitive data (e.g., lecture style training)

CERTIFICATION OF CONTRACTOR'S EMPLOYEE BACKGROUND INVESTIGATION

Contractor Firm Name ("Contractor"): _____

Contractor, as a condition of providing Services as set forth in the above-referenced Agreement, certifies the following:

1. Contractor has agreed to and will comply with the CalSTRS Contractor Background Investigation Policy, attached and incorporated into the Agreement.

2. Prior to assigning any of Contractor's employees ("Contractor Personnel") to perform the services called for in the Agreement or providing such individuals access to CalSTRS information (the "CalSTRS Assignment"), Contractor will perform a background investigation on such individuals that complies with the CalSTRS Contractor Background Investigation Policy and applicable law ("Background Investigation").

3. Contractor has performed a Background Investigation on those Contractor Personnel identified on page 2 of this exhibit and hereby certifies that such individual(s) is/are qualified and suitable to work on the CalSTRS Assignment.

4. To the extent Contractor intends to assign any additional Contractor Personnel to the CalSTRS Assignment hereafter, Contractor agrees to provide CalSTRS with an updated Certification covering such individual(s) prior to their work on the CalSTRS Assignment.

5. On an annual basis, Contractor agrees to certify, in writing, that it has not received information related to any Contractor Personnel which would justify removing such individual from the CalSTRS Assignment.

6. Contractor has been informed and understands that any violation of this certification may result in the termination of the Agreement, at CalSTRS' election. The termination of the Agreement shall not be construed to limit any remedy CalSTRS might have under applicable law.

I, _____ (printed name), declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct. Executed in _____ (city), _____ (state) on _____ .

_____   _____
Authorized Signature   Title

<u>Contractor Personnel</u>

Contractor agrees to conduct a Background Investigation of the following named Contractor Personnel and certify their qualification prior to any CalSTRS Assignment:

1.

2.

3.

4.

5.

PERSONAL HISTORY STATEMENT FOR

_____
CONTRACTED EMPLOYEE NAME

It is CalSTRS' policy to prevent a conflict of interest that could arise from having employees or contracted employees work on, or have access to, the records and accounts of CalSTRS employees, members, or beneficiaries with whom they have a personal relationship.

A member or beneficiary is: (1) any teacher or other certificated staff member in a California school district kindergarten through community college who is active or retired from such a position; (2) a member of the Cash Balance Program; (3) a member of the Defined Benefits Program; or (4) someone who is a survivor of someone who retired from such a position.

A Personal Relationship, includes, but is not limited to, associations with individuals by: (1) blood, adoption, and guardianship (i.e., mother, father, daughter, son, sister, brother, half-sister, half-brother, grandparents, grandchild, aunt, uncle, niece, nephew, or first cousin); (2) marriage or previous marriage (i.e., current or former spouse, in-laws, stepmother, stepfather, stepson, stepdaughter, stepsister, or stepbrother); (3) domestic partnership and/or cohabitation (i.e., current or former domestic partner or cohabitants, or their relatives); or (4) any other type of romantic relationship (i.e., girlfriend or boyfriend).

Please provide us the name(s) of any individual(s), to the best of your knowledge, to whom you have a personal relationship as defined above, who is currently a member or beneficiary of CalSTRS, a current CalSTRS employee or CalSTRS contractor. Follow the instructions below:

1. Insert your name in the *Contracted Employee Name* space at the top of the page.
2. List the name(s) of persons in the table below for which you have a personal relationship.
3. Place an X next to the name(s) to indicate the applicable relationship category.
4. If you have no relationship(s) as defined above, leave the table below blank.

Name	CalSTRS Employee	CalSTRS Contractor	CalSTRS Member/Beneficiary

_____   _____
Signature   Date

<u>CalSTRS INFORMATION SECURITY AND PRIVACY ADDENDUM</u>

This Information Security and Privacy Addendum (hereinafter, "Addendum") establishes minimum requirements Contractor shall adhere to in order to protect any confidential or sensitive information disclosed to Contractor by CalSTRS in connection with or relating to the parties' agreement dated hereinafter, "Agreement"). This Addendum is expressly incorporated into and made a part of such Agreement. All capitalized terms not specifically defined herein shall have the meaning ascribed to them in the Agreement.

1. <u>Definitions.</u> For the purposes of this Addendum, the following definitions shall apply:

   a. Contractor: Includes the Contractor, its officers, employees, agents, subcontractors, and anyone directly or indirectly employed, directed or controlled by Contractor.

   b. CalSTRS Information and Information Systems (hereinafter, "CalSTRS Information"): Information that is collected, created, stored, processed, transmitted or disseminated in connection with the negotiation or performance of this Agreement; including Public Information, Confidential Information, Sensitive Information, and Personally Identifiable Information. Information Systems denotes frameworks of hardware, software, data, procedures, and personnel who manage, store and transmit the information.

   c. Public Information: Information that is not exempt from public disclosure under the provisions of the California Public Records Act (Government Code section 7920.000 et seq.) or other applicable state or federal laws.

   d. Confidential Information: Information that is exempt from public disclosure under the provisions of the California Public Records Act (Government Code section 7920.000 et seq.) or other applicable state or federal laws.

   e. Sensitive Information: Information that requires special precautions to protect from unauthorized use, access, disclosure, modification, loss, or deletion. Sensitive Information may be Public Information or Confidential Information. Sensitive Information is information that requires a higher-than-normal assurance of accuracy and completeness. The key factor for Sensitive Information is integrity.

   f. Personally Identifiable Information: Information that identifies or describes an individual, including, but not limited to, their name, social security number, physical description, home address, personal telephone number, education, financial matters, and medical or employment history. CalSTRS considers personal information confidential unless such information is determined to be a public record.

   g. Incident: As an event, confirmed or otherwise, that has been discovered or reported, that actually or imminently jeopardizes the confidentiality, integrity or availability of computers, communication systems, networks, physical or virtual infrastructure,

or information resident thereon. Note: not all Information Security Incidents result in a Data Breach.

h. Data Breach: A confirmed Incident where CalSTRS Information is adversely affected by events that take place due to unauthorized, malicious actions, or by the unintended actions of staff. A breach may or may not be accompanied by an active attack. A 'breach' implies destruction, theft, alteration, or dissemination of data to benefit the attacker and/or harm CalSTRS materially or by reputation.

2. Non-Disclosure

Contractor shall:

a. Protect CalSTRS Information from unauthorized disclosure as stated in the CalSTRS Confidentiality, Non-Disclosure and Acceptable Use Agreement (ISO 1948).
b. Not use CalSTRS Information for any purpose other than carrying out the Contractor's duties under the Agreement.
c. Promptly submit to CalSTRS Compliance Officer (contact information below) all requests for disclosure of CalSTRS Information.

3. Information Security Plan

Contractor shall establish, implement, and at all times during the term of the Agreement, maintain administrative, physical and technical safeguards that reasonably and appropriately protect the privacy, confidentiality, integrity and availability of CalSTRS Information (hereinafter, "Information Security Plan"). When requested by CalSTRS, Contractor shall provide a copy of its Information Security Plan to CalSTRS.

Contractor's Information Security Plan shall: (i) comply with applicable state, federal and international laws; (ii) meet or exceed the Federal Information Processing Standards Publication 199 protection levels, and (iii) include each of the Center for Internet Security's Critical Security Controls (available at https://www.cisecurity.org/critical-controls.cfm).

4. Information Security Officer

Contractor shall designate an Information Security Officer to oversee its Information Security Plan. The Information Security Officer shall communicate with CalSTRS on security matters relating to this Addendum.

5. CalSTRS Minimum Information Security Requirements

To the extent required by CalSTRS, Contractor shall also comply with any CalSTRS' detailed minimum information security requirements. If the Agreement is amended and CalSTRS has updated its minimum information security requirements since the time of the original Agreement or last amendment, Contractor shall recertify to CalSTRS that it is complying with the minimum information security requirements in affect at the time of the

most recent amendment. Failure of Contractor to recertify that it meets any minimum information security requirements shall be deemed a material breach of the Agreement.

6. <u>Incident Response</u>

   a. Contractor shall report any confirmed or suspected Incident to CalSTRS Information Security Office and CalSTRS IT Service Desk (contact information below), and the CalSTRS business contact, with whom the Contractor maintains a working relationship, **<u>immediately</u>** upon discovery and identify a) the nature of the Incident, b) the CalSTRS Information at issue, and c) the person(s) involved in the Incident (if known).

   b. Contractor shall undertake immediate remediation measures upon the occurrence of any Incident while preserving all forensic evidence feasible under the circumstances.

   c. Contractor, in consultation with CalSTRS, shall ensure that it complies with California law concerning data breach notifications (currently found in California Civil Code §§ 1798.29, 1798.82), as such laws may be amended or modified. CalSTRS shall approve the time, manner and content of any such notifications.

   d. Within ten (10) working days, or at the earliest possible time thereafter, Contractor shall describe any responsive mitigation measures which have been taken (or which are proposed to be taken), and what corrective action Contractor has taken (or plans to take) to prevent future similar Incidents. In addition, Contractor shall provide any related additional information or reports reasonably requested by CalSTRS, a CalSTRS designated third party or law enforcement. In the event Contractor undertakes any investigation of a suspected Incident, it shall keep CalSTRS regularly apprised of its investigatory progress at intervals requested by CalSTRS.

   e. Contractor shall fully cooperate with any investigation conducted by CalSTRS, a CalSTRS designated third party, or law enforcement with respect to any suspected Incident involving or relating to Contractor or CalSTRS Information, including (without limitation):

      i. Immediately applying appropriate resources to assist in the investigation and remedying of the Incident;

      ii. Preserving and providing all potential forensic evidence relating to the Incident;

      iii. Promptly designating an individual as the prime contact for any CalSTRS communications/inquiries;

      iv. Making witnesses and documents immediately available to CalSTRS, a CalSTRS designated third party, or law enforcement request;

v. Providing status reports to CalSTRS on Contractor's response activities.

f. Contractor shall additionally fully cooperate and make itself (and any employees, contractors or agents) available to CalSTRS, a CalSTRS designated third party, or law enforcement at no additional cost in order to testify as a witness, or otherwise, in the event of an Incident which relates to Contractor's performance hereunder (or other unauthorized disclosure of CalSTRS Information caused by Contractor) and which results in litigation, governmental investigation(s) or an administrative proceeding(s) by or against CalSTRS (or its directors, officers, agents or employees).

7. <u>Information Security Indemnity</u>

Contractor agrees to indemnify, defend and hold harmless the State of California, CalSTRS, the Board, the California State Teachers' Retirement Fund, and all of the officers, trustees, agents and employees of the foregoing, from and against any and all losses, costs, liabilities, damages or deficiencies, including interest, penalties and attorneys' fees, which 1) arise out of or are due to a breach by Contractor of any of its representations, warranties, covenants or other obligations contained in this Agreement, or 2) are caused by or resulting from Contractor's acts or omissions constituting bad faith, willful misfeasance, negligence or reckless disregard of its duties under this Agreement, or 3) accrue or result to any of Contractor's subcontractors, materialmen, laborers or any other person, firm or corporation furnishing or supplying services, material or supplies in connection with the performance of this Agreement.

8. <u>Contractor's Information Security Representations and Warranties</u>

a. Contractor warrants that any material information relating to any security incidents (i.e. any data breach triggering a legal duty of notification) from the past five (5) years has been disclosed to CalSTRS.

b. Contractor shall disclose any legal or regulatory actions pending against Contractor relating to an Incident, and to Contractor's actual knowledge, also disclose if there are any legal or regulatory actions threatened against Contractor relating to an Incident.

c. Contractor warrants that there will be no processing, storage, or transmission of CalSTRS Information by third parties (fourth parties to CalSTRS) not approved by CalSTRS in writing. Contractor shall direct any approved third party to adhere to the provisions of this Addendum. Contractor will provide copies of its fourth-party risk management policies to CalSTRS upon request.

d. Contractor represents and warrants that it shall employ or contract with and retain at all times sufficient personnel qualified or paid security service to maintain and execute its Information Security Plan.

9. Cyber Security Insurance

    When deemed necessary by CalSTRS, in addition to that insurance required to be carried by Contractor under the Agreement, Contractor agrees to obtain and maintain during the term a policy of insurance that provides coverage for privacy and data security incidents with policy limits of at least $1,000,000 (per occurrence) and $5,000,000 (aggregate). The cost of this additional policy shall be borne by Contractor and the policy shall include coverage for the reasonable cost of investigating and responding to information security incidents.

10. Affect on Related Transactions

    The terms of this Addendum shall apply to all contracts, subcontracts, and sub-awards, regardless of whether they are for the acquisition of services, goods, or commodities. The Contractor shall incorporate the contents of this Addendum into each subcontract or sub-award to its agents, subcontractors, or independent consultants.

11. Amendment

    The parties acknowledge that federal and state laws and regulations relating to information security and privacy are rapidly evolving and that amendments to this Addendum may be required to provide for procedures to ensure compliance with such laws. The parties specifically agree to take such action as is necessary to implement new standards and requirements imposed by regulations and other applicable laws relating to the security or privacy of CalSTRS Information. The parties agree to promptly enter into negotiations concerning an amendment to this Addendum consistent with new standards and requirements imposed by applicable laws and regulations.

12. Interpretation

    The terms and conditions in this Addendum shall be interpreted as broadly as necessary to implement and comply with 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 federal and state laws and regulations.

13. Return or Destruction of CalSTRS Information

    Within 30 days of written notice from CalSTRS of the termination, cancellation, expiration or other conclusion of this Addendum, Contractor will return any and all CalSTRS Information (either in original format or a reasonably acceptable human readable format agreed upon in writing by both CalSTRS and Contractor). Contractor will destroy all CalSTRS Information, and both parties will work together in good faith to determine an appropriate timeline and confirmation process for the data destruction. This paragraph will also apply to all CalSTRS Information that is in the possession of Contractor. Contractor will certify in writing to CalSTRS that Contractor has returned any and all CalSTRS Information, or destruction has been completed.

If Contractor believes that return or destruction of the CalSTRS Information is technically impossible or impractical, Contractor shall provide CalSTRS with a written statement of the reason executed under penalty of perjury under the laws of the state of California. If CalSTRS decides that return or destruction is technically impossible or impractical, Contractor will continue to protect the CalSTRS Information in perpetuity in accordance with the terms of this Addendum and under the coverage outlined in Section 9 of this Addendum.

14. <u>Contact Information</u>

To direct communications to the above referenced CalSTRS staff, the Contractor shall initiate contact as indicated herein. CalSTRS 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.

CalSTRS Compliance Officer	CalSTRS Information and Security Officer	CalSTRS IT Service Desk
Name: Office of the General Counsel Phone: 916-414-1724 Email: compliance@CalSTRS.com	Name: Information Security Office Phone: 916-414-1999 Email: ISO@CalSTRS.com	Name: IT Service Desk Phone: 916-414-HELP Email: TSServiceDesk@CalSTRS.com

CALSTRS

Confidentiality, Non-Disclosure and Acceptable Use Agreement

This form is intended for external use only

Authorized Representative Name: _____

Organizational Title: _____

Entity Name: _____

By signing this form, I, the 'Authorized Representative,' hereby represent and warrant that I have the authority to act on behalf of the entity, and its employees, hereinafter collectively referred to as the 'Entity,' and that I am duly authorized to enter into and execute such agreements on behalf of the Entity. I further acknowledge that the terms of this agreement are binding upon the Entity.

I also personally agree to abide by the terms and conditions set forth herein and accept personal responsibility for compliance with this agreement. Additionally, I commit to provide the necessary training and education to the Entity regarding the terms, obligations, and responsibilities outlined in this agreement.

Furthermore, both the Entity and I acknowledge that we:
- Must ensure the upmost protection of any data, whether it be confidential, sensitive or personally identifiable information, from any unauthorized individuals or parties, without exception, as required by applicable laws, regulations and CalSTRS policies and standards.
- Have a collective responsibility to protect CalSTRS' business data and information.
- Acknowledge that CalSTRS strictly enforces information security.
- Understand that accessing member accounts of family, friends and acquaintances is strictly forbidden.

Any breach of confidentiality, unauthorized access, disclosure or mishandling of such data puts CalSTRS' information at risk, is potentially illegal, and may result in disciplinary actions, including but not limited to legal consequences and termination of the associated contract. Protecting CalSTRS intellectual property from unauthorized access is of paramount importance to the parties involved, and failure to uphold this commitment will be met with strict consequences to maintain the trust and integrity of CalSTRS.

_____

Authorized Representative Name (print)   Signature   Date

We/I agree to protect all confidential, sensitive, and personally identifiable information from unauthorized access, disclosure, or mishandling including, but not limited to:
- Member account information.
- Claimant and member employer information.
- Information pertaining to individuals that either concerns their personal life or serves to identify or describe an individual.

Confidentiality, Non-Disclosure and Acceptable Use Agreement

- Other agencies' confidential and proprietary information.
- Employee personnel, medical or other personally identifiable information.
- Methods agencies use to safeguard information, including systems, networks, and server configurations, etc.
- All security-related devices or information, such as tokens, access cards, User IDs or related passwords.

We/I agree to protect the foregoing information in the following ways:

- Access, inspect, use, store, disclose or modify information *only* to perform official duties.
- Never access, attempt to access, inspect, store, use, disclose or modify information, including my own, for curiosity, personal gain or any non-business-related reason.
- Secure CalSTRS electronic or physical documents containing confidential, sensitive or personal information only in an approved CalSTRS storage facility.
- Video or photographs of non-public areas of CalSTRS is only permitted with CalSTRS issued devices and only if authorized by your CalSTRS supervisor/manager.
- Never make video or audio recordings of CalSTRS' personnel or non-public activities without express written permission from your CalSTRS supervisor/manager and the individuals involved.
- Comply with all CalSTRS policies, standards and procedures for data, including secure transportation, handling, use in generative artificial intelligence, retention and destruction.
- Return all CalSTRS owned devices and immediately cease using User ID and password upon separation from CalSTRS.
- Always lock (Ctrl + Alt + Del, then click 'Lock' or Windows key + L) computer systems if you intend to leave them unattended.

We/I acknowledge acceptable activities are those in accordance with the laws, regulations and policies of, the United States Government and the State of California, and consistent with the policies, purpose, goals and mission of CalSTRS, as appropriate to my assigned job duties and responsibilities.

We/I expressly consent to CalSTRS monitoring all our devices and activities used to conduct or discuss CalSTRS business or data and acknowledge that there is no expectation of privacy related to any information including, but not limited to, personal or business email accounts or devices such as computers or phones, access to CalSTRS systems or facilities, CalSTRS network and server information and any electronic or physical data. Any information gathered may become discoverable as evidence in a court of law when relevant to legal proceedings or investigations such as Public Records Act (PRA) requests.

_____   _____   _____

Authorized Representative Name (print)   Signature   Date

REFERENCE

CalSTRS' Information Security Policy; Civil Code section 1798 et seq; Education Code section 22306, Government Code section 11019.9; Federal Acquisition Regulation (48 CFR 27.402 Policy), and State Administrative Manual section 5300-5360.1

CALSTRS

Confidentiality, Non-Disclosure and Acceptable Use Agreement

CERTIFICATION

I certify that I have read this document and understand information security is strictly enforced. I certify that unauthorized access, inspection, use, storage, disclosure or modification of confidential, sensitive, non-public or personal information, including my own, or any attempt to engage in, or failure to prevent such acts is prohibited. Noncompliance with this agreement or attempt to circumvent any information security policy, standard, procedure or control puts CalSTRS' information at risk, is potentially illegal and may be grounds for legal action taken against me and the Entity.

| Authorized Representative Name (print) | Signature | Date |

ASSISTANCE

Contact the CalSTRS Legal Department at (916) 414-1724 if you have questions or need assistance completing the form.

CALSTRS *Securing the Financial Future and Sustaining the Trust of California's Educators*

CalSTRS MINIMUM INFORMATION SECURITY REQUIREMENTS (MISR)

This orange highlight refers to controls that apply to the Moderate Tier, all controls apply to the High tier.

This document summarizes the CalSTRS minimum information security requirements that are required to be implemented. The Information Security Office (ISO) may require additional security controls if minimum requirements cannot be met or sufficiently compensated, or upon completion of a comprehensive security risk assessment.

As a state agency, CalSTRS is subject to the California Public Records Act (Division 10 (commencing with Section 7920.000), Title 1, Government Code). Information provided in response to these minimum requirements is a public record but will be deemed confidential to CalSTRS to the extent your responses are confidential under the Public Records Act. If you have any questions or concerns, please contact ISO.

	Account Management and User Provisioning
1.	There may be only one user associated with an account. Users may not share an account.
2.	Role-based access controls should be used whenever feasible, in order to support changes in staff or assigned duties and provide separation of duties.
3.	Standard security principles of granting the least privilege necessary to perform assigned duties must always be used, where administratively feasible.
	Architecture
4.	SaaS and cloud-based solutions shall route users through CalSTRS owned security gateway/broker to maintain CalSTRS security controls.
5.	CalSTRS requires a multi-tier (n-tier) client-server architecture. *Distributed* Servers 1. Each layer (presentation, business, and data) must physically reside on a different server 2. Must have a minimum of 3 tiers of physical separation
6.	*Distributed Firewalls* 1. Client to Presentation must be a physical firewall 2. Presentation to Business may be a logical or physical firewall 3. Business to Data must be a physical firewall

7.	*Firewall Configuration*
	1. Authorized inbound or outbound network connections must be allowed by an explicit rule and/or list.
	2. Configuration changes must be approved by CalSTRS CISO and must be vetted through CalSTRS change management processes.

Audit and Event Logging

8.	*Event and Activity Logging*
	1. An audit record must be kept of every log in and log off of the hosted system. Every audit log must uniquely identify, and capture activities and events determined by ISO.
	2. Logs required by this Standard must be compatible with and transferred to a log aggregation system in an ongoing manner. The log aggregation system is expected to be an enterprise Security Information and Event Monitoring system (SIEM).
	3. The following items must be performed to increase the security of the logs:
	a. Limit viewing of the logs to those with a job-related requirement.
	b. Logs in the SIEM should be made *inaccessible* to the Administrators of the systems whose data is being logged. This provides accountability for, and auditing of, the Administrator's actions.

9.	*Availability and Retention*
	1. Audit records must be available upon an agreed acceptable timeframe for logs in the system and logs exported for SEIM consumption. A minimum of 90 days of log data must be stored in the SIEM system, unless otherwise determined by ISO and system administrators.
	2. The need for system and application logging must be part of the design requirements for new systems and architected accordingly. Consideration should be given to computing overhead and resources such as log storage needs, scalability, and other resources required to perform specific audit and logging tasks.

Encryption Standards

10.	Data classified as Moderate or High Risk by CalSTRS must be encrypted with one of the following encryption algorithms:

Algorithm	Minimum Key Length	Purpose
AES	128 bits	Data Storage/Data Transport
DSA	2048 bits	Digital Signatures
ECDSA	256 bits	Digital Signatures
RSA	2048 bits	Digital Signatures/Session Establishment
Diffie-Hellman	2048 bits	Session Establishment
ECDH	256 bits	Session Establishment

11.	Data integrity must be established and verified with the following hashing algorithms:

Algorithm	Minimum Digest Length
SHA2	256 bits

12.	All cryptographic encryption keys must be kept confidential, restricted to the fewest number of custodians necessary, and stored in the fewest possible locations.
13.	Retirement or replacement of keys (for example, archiving, destruction, and/or revocation) when the integrity is suspected of being weakened or compromised.

Passwords

14.	Password authentication must include an identification component (user ID) and a password component. Once established, the identification component for individuals must remain unchanged and be consistent throughout every CalSTRS information system, where possible. The user ID will be retained as long as needed for business or legal requirements.
15.	Must consist of alphanumeric characters, to include at least 3 different character sets (UPPERCASE, lowercase, numbers, symbols).
16.	Systems that can accept passwords of fifteen (15) characters or more in length must be configured with the following rules:

	User Accounts	Administrative, System and Service Accounts
Password History	12 cycles	12 cycles
Maximum Password Age	730 days	30 days
Minimum Password Length	15 characters	20 characters
Account Lockout Threshold	5 attempts	5 attempts
Other Conditions		Must be managed via PAM solution

17.	Systems that have fixed password limitations of eight (8) characters, must be configured with the following rules:

	User Accounts	Administrative, System and Service Accounts
Password History	12 cycles	12 cycles
Maximum Password Age	90 days	365 days
Minimum Password Length	8 characters	8 characters
Account Lockout Threshold	5 attempts	5 attempts

18.	User default passwords/initial passwords must be changed upon first login, or as soon as possible.
19.	Passwords may not contain your user ID or any part of a full name.
20.	Guest accounts or accounts with empty passwords are prohibited.
21.	Passwords must never be used in scripts or macros.
22.	Default device passwords must be changed before a physical device is placed on the network, or as soon as possible after connection to the network.
23.	Accounts, including testing and training accounts, must not have generic passwords (i.e. Password1). Set first-time passwords to a unique value for each user and change it as soon as possible.

24.	Passwords should not be based on personal information such as names of family members, family pet, phone number, etc.
25.	Domain administrator, system and service account passwords must: 1. Be changed when staff having knowledge of or access to the password(s) vacate their position. 2. Always be kept confidential and shared with the minimum number of system administrators required for system support. 3. Accounts that have IT system-level privileges must have a unique password from all other accounts provided to that user.
26.	Use of built-in password enforcement mechanisms must be utilized whenever available to ensure that passwords conform to the password standard.
27.	Multifactor Authentication (MFA) should be used, as appropriate, to supplement the password standard. For example, when accessing CalSTRS resources remotely.
30.	Distribution of passwords must use methods that ensure only the intended authorized individuals receive the passwords. 1. Telephone – once the recipient has had their identity verified by an authorized account administrator. 2. Email – independent from any identification component (user ID)
31.	Account holders must adhere to the following password protection requirements: 1. New passwords must be significantly different from previous passwords. They must not follow a predictable pattern. For example: Spring2020 becomes Summer2021. 2. Group or shared accounts and passwords are not permitted. 3. Passwords must be kept confidential and never shared with anyone for any reason. This includes coworkers, management, or technical support staff. 4. Passwords should not be written down. If a password needs to be documented, it must be secured or saved using approved encryption and storage systems. 5. Disclosure of your password(s) to anyone for any reason is prohibited. 6. The "Autofill" or "Remember Password" feature in any application besides the PAM solution or CalSTRS approved password vault must not be used.

Patches, Hotfixes and Updates

| 32. | *Server*
1. High severity patches should be applied to all production and non-production servers no later than 14 calendar days after release by the vendor.
2. Critical patches, hot-fixes, updates, and vulnerabilities on internet accessible equipment must be implemented no later than the first Monday following the release from the manufacturer.
3. Emergency patches, hot-fixes, and updates must be implemented no later than 48 hours following the release from the manufacturer. |

33.	*Infrastructure*
	1. Review of available infrastructure patches e.g. Firewalls, Routers, Switches, and network appliances must be conducted no less than quarterly.
	2. ISO will consult with implementing parties to schedule additional infrastructure patching as necessitated by high-risk vulnerabilities.
34.	*Endpoints*
	1. High severity patches, hot-fixes, and updates must be tested and implemented to all production and non-production endpoints no later than 14 calendar days following the release from the manufacturer.
	2. Critical patches, hot-fixes, and updates must be implemented no later than 7 calendar days following the release from the manufacture.
	3. Emergency patches, hot-fixes, and updates must be tested and implemented no later than 48 hours following the release from the manufacturer.

Virus Protection

35.	*Detection and Protection Capabilities*
	1. Utilize both signature and signature-less detection and prevention techniques.
	2. Provide real-time on-agent prevention and detection.
	3. Utilize Artificial Intelligence to prevent and detect abnormalities, indicators of compromise and attempted exploits including zero day attacks.
	4. Detect and prevent memory based and/or file-less attacks.
	5. Support common Security Incident Event Management (SIEM) integrations.
	6. Support off-premise detections and protection.
	7. Support a tiered management structure with multi-tenancy options for sub-allocated management teams and support Role Based Access Control (RBAC) and delegated access options.
	8. Provide a means to see a near real-time endpoint inventory, and online reports for system application, including versions of applications.
	9. Support current and updated releases of Windows, Linux, and Mac systems. As well as be continually updated by the vendor to new versions as they are released.
36.	*Endpoint Agent Configuration*
	1. An approved antivirus must be enabled on all CalSTRS owned and managed systems and kept up to date. Antivirus must utilize signature, and signature-less prevention techniques.
	2. Software agent must have a password to prevent from being disabled or uninstalled by unauthorized users.
	3. Provide a centralized software distribution process for updates or integration with an existing distribution solution.

37.	*Investigative Support Capabilities*
	1. Include a historical timeline of all primary endpoint events across all monitored endpoints to determine the technical changes that occurred (e.g., file, registry, network, driver and execution activities) and the business effect (e.g., loss of customer data and transaction fraud).
	2. Provide the following investigative scanning capabilities:
	a. RegEx, File, Hash, and value search across all endpoints.
	b. Malicious activity review and validation including analysis, tagging, notes, and workflows.
	c. Hunting via integrated event collection and analysis for defensive investigation / review of potential indicators of compromise.
	3. Support root cause assessments via integrated forensic capabilities to include user and entity behavior analysis, and historical process mapping.
	4. Provide pre-made analysis and reporting tools (as well as the ability to customize tools and searches).

Web Application Security

38.	*Server Configuration*
	1. All HTTP connections must be redirected to HTTPS.
	2. Web applications must use TLS 1.2 for data in transit, and TLS 1.3 where possible.
	3. Unused files are to be removed from production web servers.
	4. Development must not be done in a production environment.
	5. Do not store API keys, passwords, or certificates in configuration files.
	6. Static HTML pages must not have execute permissions available.
	7. Disable directory viewing on the web server.
	8. DNS aliases must be used to access applications. The server hostname or IP address is not to be used for user access.

39.	*Security Header Settings*
	1. The following are mandatory security header settings:

Header	Field Value
Strict-Transport-Security	max-age=31536000 (1 year)
X-Content-Type-Option	Nosniff

2. The following security headers are required for websites that interact with data classified as high risk.

Header	Field Value
Referrer-Policy	no-referrer-when-downgrade
Content-Security-Policy	Value is dependent on website content.
X-Frame-Options*	SAMEORIGIN

*Where possible use both X-Frame-Options in addition to frame-ancestor directive in Content-Security-Policy

40.	*Authentication and Access Control*
	1. All authentications must be encrypted in transit.
	2. Logon or authentication cookies must not be persistent.
	3. Perform data validation on both password and username form fields.
	4. Do not hard code the database name, username, or hostname into the application.
	5. Where possible, use a centralized authentication service.
	6. Back end servers must validate the identity of the requesting web servers.
	7. Implement strong authentication mechanisms, such as multi-factor authentication (MFA), for user access to web applications that contain high risk data.
	8. The principal of least privilege must be applied when granting permissions, including web server accounts.
	9. Enforce strong password policies, as stated in the Passwords section.
	10. Authentication error messages must be generic and not disclose any sensitive information regarding the account, such as the validity of the username or password.

41.	*Data Validation and Interfaces*
	1. All data input must be validated on the server side.
	2. Session IDs and cookies must be passed via TLS (HTTPS) and tokens must be validated.

42.	*Authenticated Session Management*
	1. Always generate a new session ID for each new login request.
	2. Use session ID's that are random and not sequential in nature.
	3. Use encryption to protect the authenticated Session ID in transit.
	4. Servers must deactivate the session token at logout.
	5. Applications that contain PII must implement a security timeout feature no greater than twelve hours.
	6. Applications must challenge users to validate their credentials beyond the initial application log when changing PII.

Artificial Intelligence (AI)

51.	Are you utilizing Artificial intelligence (AI)? If so, which AI technology is employed?
	1. Traditional AI – Early AI methods that rely on predefined rules, logic reasoning, and knowledge representation without learning from data.
	2. Machine Learning (ML) – A subset of AI enabling systems to learn from data and improve over time without explicit programming for each task.
	3. Generative AI – Refers to pre-trained AI systems capable of generating content (such as text, images, audio, videos, simulations, and programming code) responses, or solutions autonomously.
	4. Other Specialized AI Techniques – please specify.
52.	How will the AI technology be trained?
	1. CalSTRS data only
	2. Data external to CalSTRS
	3. CalSTRS data and data external to CalSTRS
53.	CalSTRS data must not be shared externally. AI technologies external to CalSTRS must not be trained with CalSTRS data. AI technology must not be trained on copyrighted material.
54.	1. Where will the AI be located?
	a. Internal – AI is managed, stored, and processed within the CalSTRS infrastructure, such as onsite or in the CalSTRS private cloud tenant.
	b. External – AI is managed, stored, and processed external to CalSTRS, within a third-party's internal or cloud infrastructure, outside of a CalSTRS tenant.
	c. Hybrid – Involves CalSTRS and a Third-Party. AI can be stored in either party's tenant with data processed by either party. Additionally, AI could be managed by either party with an accompanying shared responsibility model.
	2. Access to infrastructure external to CalSTRS must be limited to CalSTRS only.
55.	Do you have a shared responsibility model for your cloud infrastructure?
	1. If yes, please provide.
	2. If not, please provide detail of your responsibility model.
56.	AI-powered technologies integrated into CalSTRS tools must include robust data input and output validation, rigorous testing, and transparency in algorithm updates.

57.	What type Large Language Model (LLM) is being utilized? • BERT (Bidirectional Encoder Representations from Transformers) • GPT (Generative Pre-Trained Transformer) • RoBERTa (Robustly Optimized BERT Approach) • T5 (Text-To-Text Transfer Transformer) • XLNet • Electra • ALBERT (A Lite BERT) • Other, please specify

Third-Party Service Providers

58.	The third-party service provider must certify that its officers, employees, agents, subcontractors, and anyone directly or indirectly employed, directed or controlled by the third-party complies with the CalSTRS information security requirements.
43.	CalSTRS data and structure must not be visible to other customers of the third-party service provider or be available to use in "general" literature and benchmarking.
44.	CalSTRS data must reside solely on systems hosted within the Continental US. No CalSTRS data shall be stored, backed-up, or collocated outside the Continental US.
45.	Independent verification through the following audit reports shall be provided to CalSTRS. 1. SOC 2, Type 2 attestation. If this level of independent audit report is not available, the CalSTRS Information Security Office will determine if an alternative report type is acceptable. 2. SOC reports must be within the last 12 months and shall be provided to CalSTRS annually, each year thereafter, or on a frequency determined by the CalSTRS Information Security Office. 3. The service organization must provide a plan to correct negative findings prior to the delivery of any services. Negative findings must be formally accepted by CalSTRS Information Security Office.
48.	Upon CalSTRS request, any and all CalSTRS Information/data in the possession of or stored on third-party service provider's systems must be returned to CalSTRS in either the original format or a reasonably acceptable human readable format agreed upon in writing by both CalSTRS and the contractor. After CalSTRS formally accepts the returned data, data must be permanently removed from third-party service provider's possession and written assurances provided to CalSTRS.

49.	Third-party service provider shall report any confirmed or suspected Incident to CalSTRS immediately upon discovery and identify: 1. The nature of the Incident 2. The CalSTRS Information at issue 3. The person(s) involved in the Incident (if known) 4. Any responsive mitigation measures which have been taken (or which are proposed to be taken) 5. What corrective action third-party service provider has taken (or plans to take) in order to prevent future similar Incidents 6. All audit logs surrounding security incidents must be provided to CalSTRS immediately upon request 7. In addition, third-party service provider shall provide any related additional information or reports reasonably requested by CalSTRS 8. In the event Contractor undertakes any investigation of a suspected Incident, it shall keep CalSTRS regularly apprised of its investigatory progress at intervals requested by CalSTRS
50.	Third-party service provider shall implement physical security controls, including: 1. Key card badging system 2. Logs of all inbound and outbound access of facility (up to 90 days) 3. Video surveillance system that stores and logs video for the purpose of review if there is a security incident (up to 90 days) 4. On-site security guard(s) on duty 24 hours monitoring 5. Must have security system with 24-hour monitoring 6. Fire detection and protections capabilities 7. Confidential shredding or destruction onsite if CalSTRS physical media are involved

CalSTRS' Deliverable Expectation Document (DED)

The purpose of this document is to ensure that the content of the referenced deliverable meets the requirements documented in the contractual agreement between CalSTRS and the Contractor. This document will be developed at the beginning of the project to ensure CalSTRS and the Contractor agree to what will be provided and accepted for this deliverable. The sections below are based on the contract's deliverable requirements and the actions/tasks required in order for the Contractor to provide the completed deliverable.

Deliverable Identification	
Contract Number	
Contract Name	
Deliverable or Task Number	
Deliverable or Task Title	

Deliverable Description
This area will be the description of the deliverable.

Acceptance Criteria	
Deliverable Scope	
The specific details of what will be contained or provided with the deliverable will be listed and specifically detailed in this section.	
Planned Delivery Date	

Agreed Upon by CalSTRS and Contractor	
CalSTRS Project Lead	
Signature	
Name and Title	
Date	
Contractor Project Lead	
Signature	
Name and Title	
Date	

CalSTRS Deliverables Acceptance Document (DAD)

This form must be completed, signed by CalSTRS approving officials, in accordance with Exhibit A, Statement of Work.

<table>
<tr><td rowspan="10">TO BE COMPLETED BY THE CONTRACTOR</td><td>Contract Number</td><td></td></tr>
<tr><td>Contractor Name</td><td></td></tr>
<tr><td>Deliverable Number</td><td></td></tr>
<tr><td>Deliverable Title
(include Reporting Month, if applicable)</td><td></td></tr>
<tr><td>Date Deliverable Completed</td><td></td></tr>
<tr><td>Deliverable Amount</td><td></td></tr>
<tr><td colspan="2" align="center">SUBMITTED BY</td></tr>
<tr><td>Name and Title</td><td></td></tr>
<tr><td>Date Submitted</td><td></td></tr>
</table>

<table>
<tr><td rowspan="16">TO BE COMPLETED BY CALSTRS</td><td>Deliverable accepted?</td><td>[　] Yes　　　　　[　] No (if No, explain below)</td></tr>
<tr><td>Reason for not accepting (if applicable)</td><td></td></tr>
<tr><td colspan="2" align="center">APPROVAL #1</td></tr>
<tr><td>Signature</td><td></td></tr>
<tr><td>Name and Title</td><td></td></tr>
<tr><td>Date</td><td></td></tr>
<tr><td colspan="2" align="center">APPROVAL #2</td></tr>
<tr><td>Signature</td><td></td></tr>
<tr><td>Name and Title</td><td></td></tr>
<tr><td>Date</td><td></td></tr>
<tr><td colspan="2" align="center">APPROVAL #3 (if applicable)</td></tr>
<tr><td>Signature</td><td></td></tr>
<tr><td>Name and Title</td><td></td></tr>
<tr><td>Date</td><td></td></tr>
<tr><td colspan="2" align="center">APPROVAL #4 (if applicable)</td></tr>
<tr><td>Signature</td><td></td></tr>
<tr><td>Name and Title</td><td></td></tr>
<tr><td>Date</td><td></td></tr>
</table>

CALIFORNIA STATE TEACHERS' RETIREMENT SYSTEM
WORK AUTHORIZATION

CONTRACT NUMBER: _____   REQUESTED BY: _____

THE APPROVED WORK AUTHORIZATION SHALL BECOME A PART OF THE AGREEMENT. AUTHORIZATION SHALL NOT BECOME EFFECTIVE UNTIL THE AMENDMENT IS FULLY EXECUTED.

In accordance with Section J, Unanticipated Tasks, CalSTRS directs the Contractor to perform the following work:

Contractor's Estimated Hours to Complete: _____

Consultant: _____   Hourly Rate: _____   Estimate # of Hours: _____
Consultant: _____   Hourly Rate: _____   Estimate # of Hours: _____
Consultant: _____   Hourly Rate: _____   Estimate # of Hours: _____
Consultant: _____   Hourly Rate: _____   Estimate # of Hours: _____

Contractor's Estimated Total Cost of this Work Authorization: $_____

Estimated Delay to Delivery Date: _____

APPROVALS: *(All Work Authorizations must be approved in writing by both parties.)*

(Contractor)   Approved by: _____Date: _____

Name and Title: _____

(CalSTRS)   Approved by: _____ Date: _____

Name and Title: _____