Elaine M. Howle
State Auditor

Doug Cordiner
Chief Deputy

CALIFORNIA STATE AUDITOR
Bureau of State Audits

555 Capitol Mall, Suite 300 Sacramento, CA 95814 916.445.0255 916.327.0019 fax www.bsa.ca.gov

January 4, 2012

REQUEST FOR PROPOSAL
RFP No. 12-01

Notice to Prospective Proposers for
Statewide Federal Compliance Audit for Fiscal Year 2011/12
and Option for 2012/13 and 2103/14

January 4, 2012

You are invited to review and respond to this Request for Proposal (RFP), entitled Statewide Federal Compliance Audit, RFP No.12-01 for the fiscal year ending June 30, 2012 with an option for the fiscal years ending June 30, 2013 and June 30, 2014.

Prospective contractors interested in responding to this RFP are encouraged to submit a postcard or brief letter indicating their interest and providing the firm's name and address. This postcard/letter should be sent to the attention of Ana Clark at the Bureau of State Audits by **January 20, 2012**. Submitting the postcard/letter will ensure that your firm/team receives supplemental or updated information that might be released subsequent to the State Auditor's formal issuance of the RFP.

Note that all agreements entered into with the State of California will include by reference General Terms and Conditions and Contractor Certification Clauses that may be viewed at www.ols.dgs.ca.gov/standard+language/default.htm. If you do not have Internet access, a hard copy can be provided by contacting the person listed below.

In the opinion of the Bureau of State Audits, this RFP is complete and without need of explanation. However, if you have questions, or should you need any clarifying information, the contact person for this RFP is:

Ana Clark
Bureau of State Audits
916-445-0255
E-mail: Proposals@bsa.ca.gov

Please note that no verbal information given will be binding upon the Bureau of State Audits unless such information is issued in writing as an official addendum.

Table of Contents

I. Key Dates.....3

II. Purpose and Scope of Work.....4

III. Proposal Requirements and Information.....9

IV. Attachments

Attachment A: Standard Agreement Form 19
Attachment B: General Terms and Conditions.....20
Attachment C: * Confidentiality/Nondisclosure Agreement.....33
Attachment D: * Encryption and Information Privacy 34
Attachment E: Working Paper Standards 38
Attachment F: Security Agreement 39
Attachment G: * Certification of Special Terms and Conditions 49
Attachment H: * Darfur Contracting Act Certification 52
Attachment I: Small Business Certification.....53
Attachment J: * Bidder Declaration 55
Attachment K: * Independence Questionnaire/Conflicts of Interest Disclosure 57
Attachment L: * Required Attachment Checklist.....59

* Required

KEY DATES

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

	Action	***Time***	***Date***
1.	Release of RFP		January 4, 2012
2.	Intent to Bid Postcard/Letter		January 20, 2012
3.	Questions Due		January 31, 2012
4.	**Proposals Due**	**9:00 a.m.**	**February 21, 2012**
5.	Opening of Proposals	9:30 a.m.	February 21, 2012
6.	Tentative Award of Contract		March 12, 2012
7.	Contract Award and Execution		March 30, 2012

Section I

REQUEST FOR PROPOSAL—FEDERAL COMPLIANCE COMPONENT OF CALIFORNIA'S STATEWIDE SINGLE AUDIT

The State of California, through the Bureau of State Audits (Bureau), requests proposals to be submitted for the following purpose and in accordance with each of the following terms and conditions:

1. PURPOSE

In this Request for Proposal (RFP), the Bureau solicits qualified bidders who will be available to perform the federal compliance component of the California statewide Single Audit conducted pursuant to the Single Audit Act of 1984 (P.L. 98-502) and Single Audit Act Amendments of 1996 (P.L. 104-156) (Single Audit). Contingent upon successful negotiation of a contract, the contractor selected will perform the federal compliance component for the fiscal year ending June 30, 2012, and, at the Bureau's option, the fiscal years ending June 30, 2013, and June 30, 2014, as described in detail below.

2. BACKGROUND AND SCOPE OF WORK

One of the primary audits conducted annually by the Bureau is the comprehensive statewide Single Audit of California. The Bureau's report opines on the fairness of California's general purpose financial statements and, combined with the compliance audit work performed on federal programs, fulfills the provisions of the Single Audit and the Office of Management and Budget (OMB) Circular A-133, which is a condition to the State's receipt of federal funds.

In fiscal year 2009-10, the State received cash and noncash federal assistance totaling $121 billion from approximately 400 federal grant programs, excluding those administered by the California State University and University of California systems, which are audited by other auditors. Following the guidance in OMB Circular A-133, the Bureau and its contractors audit roughly 35 federal programs each year.

<u>Selection</u>:

Proposals submitted in response to this RFP will be evaluated by the Bureau to determine the best value—that is the most qualified and economical prospective contractor to enter into a contract with the Bureau to perform the federal compliance component of the Single Audit, as described in more detail in Section II of this RFP.

<u>Terms</u>:

All terms of an offer, including price, are subject to negotiation by the Bureau. The Bureau expressly reserves the right to continue to perform all of the Single Audit if the State Auditor, in her sole discretion determines that it would be more effective and efficient to do so, price and other factors being considered.

The contractor selected for this engagement will be expected to perform the federal compliance portion of the Single Audit in accordance with requirements as set forth in the Single Audit Act and OMB Circular A-133 and all applicable rules and regulations. The contractor will be the Principal Auditor, performing all of the audit work related to the federal compliance portion of the Single Audit as described below. The Bureau will be the Principal Auditor, performing all the audit work related to the financial statement portion of the Single Audit. In preparing a proposal, prospective contractor(s) should consider the need to coordinate with the Bureau on this work.

For purposes of the Single Audit, the State is defined as all agencies; departments; colleges and universities; and other entities of the executive, legislative, and judicial branches of the California state government (state entities). Portions of funds under certain federal programs are passed through by the recipient state entities to other state entities and non-state subrecipients. Non-state subrecipients are outside the scope of this engagement.

Travel:

Although most state entities are headquartered in Sacramento, California, the requirements of the engagement may require a limited amount of travel to state agencies' offices and at various locations in the State. Additional information concerning the amount of travel historically required to perform the requested services will be made available, if requested.

Qualifications and Experience:

The contractor must have demonstrated knowledge of the Single Audit Act and the requirements of the OMB Circular A-133. The contractor also should have experience in analyzing complex accounting systems, including IT systems. Additionally, the contractor must have a current and valid Certified Public Accountant (CPA) license from the State of California. The successful contractor shall follow the auditing standards set forth by the U.S. Comptroller General in the publication "Government Auditing Standards" (Government Auditing Standards) and the auditing standards for the private sector as established by the American Institute of Certified Public Accountants (AICPA Standards) and must meet the independence requirements specified therein (Cal. Gov. C. Secs. 8546 and 8546.1). Finally, the contractor must demonstrate compliance with meeting auditing standards with respect to Continuing Professional Education (CPE) requirements and with respect to undergoing an external quality control review every three years.

Federal Compliance Audit Objectives:

Typical objectives of federal compliance audits include the expression of an opinion and reporting on the study and evaluation of internal controls, reporting on compliance with federal grant requirements and compliance with the schedule of expenditures of federal awards.

Contract Subject to Appropriation:

Payment under the contract will be subject to appropriation of sufficient funds to the Bureau to cover the costs of the services described in this RFP.

3. AUDIT RESPONSIBILITIES AND DELIVERABLES

Bureau Responsibilities:

The Bureau will retain responsibility for auditing the financial statement portion of the Single Audit including preparing and signing the following auditor's reports:

- Independent Auditor's Report.
- Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards.*

The Bureau will coordinate with the contractor for areas of the financial reporting and federal compliance components of California's Single Audit that overlap, including, but not necessarily limited to the following:

- Obtaining from the contractor a list of the major federal programs to be audited.
- Attending selected entrance conferences with the contractor.
- The "Independent Auditor's Report on the Schedule of Expenditures of Federal Awards," including agreeing the Schedule of Expenditures of Federal Awards with the financial statements.

The Bureau will reserve the right to, at its discretion, review a sample of the contractor's workpapers.

The Bureau will retain responsibility for publishing the "*State of California: Internal Control and State and Federal Compliance Audit Report for the Fiscal Year ended June 30, 2012.*"

Contractor Responsibilities:

The contractor will be responsible for all aspects of performing the federal compliance component of California's Single Audit, including, but not necessarily limited to, the following:

- Statewide audit planning including, job start letters, risk assessments, the selection of the major federal programs to be audited, and statewide materiality guidelines.
- Scheduling entrance and exit conferences with the appropriate departments, including the Department of Finance and the State Controller's Office.
- Program-level planning, including identifying relevant compliance requirements, setting materiality, and determining sample sizes.
- Obtaining an understanding of internal control over the federal programs sufficient to plan the audit to support a low assessed level of control risk.
- Planning the testing of internal control to support a low assessed level of control risk for the assertions relevant to the compliance requirements and performing tests of internal control as planned, unless the internal controls are likely to be ineffective.
- Performing sufficient tests of transactions and such other audit procedures necessary to determine whether laws, regulations, and the provisions of contracts or grant agreements that may have a direct and material effect on each program were complied with and to support an opinion on compliance.

- Following up on prior audit findings, including performing procedures to assess the reasonableness of the summary schedule of prior audit findings (schedule) prepared by the Department of Finance and preparing endnotes to the schedule when needed.
- Preparing audit findings and obtaining department comments and corrective action plans.
- Preparing the management letters to be sent to the appropriate department and/or agencies.
- Coordinating with the Department of Finance to verify the accuracy of amounts reported in the Schedule of Expenditures of Federal Awards, as well as the Notes to that schedule.
- Preparing the Schedule of Findings and Questioned Costs.
- Preparing and signing the following auditor's report: "Independent Auditor's Report on Compliance With Requirements That Could Have a Direct and Material Effect on Each Major Program and On Internal Control Over Compliance in Accordance With OMB Circular A-133."
- Reviewing all audit work to ensure the work fully complies with Government Auditing Standards, AICPA standards, and OMB Circular A-133 requirements.
- Coordinating with the Department of Finance to complete and submit the Data Collection Form to the federal clearinghouse.
- Providing written monthly invoices and progress reports in the format and content to be determined by the Bureau.
- Meeting all deadlines established by the Bureau and as indicated in OMB Circular A-133.

The contractor will coordinate with the Bureau for areas of the financial statements and federal compliance components of California's Single Audit that overlap, including, but not necessarily limited to the following:

- Providing the Bureau a list of the major federal programs to be audited.
- When setting up the entrance conferences, informing the Bureau of their time and place at least one week in advance.
- For the "Independent Auditor's Report on the Schedule of Expenditures of Federal Awards," ensuring the Schedule of Expenditures of Federal Awards agrees with the financial statements.

<u>Monitoring and Deliverables:</u>

To monitor the contract the contractor shall provide the Bureau with original monthly invoices and progress reports in the form and content to be determined by the Bureau.

For purposes of publishing the *"State of California: Internal Control and State and Federal Compliance Audit Report for the Fiscal Year ended June 30, 2012*" the contractor will provide the Bureau at the completion of the federal compliance work in both hard copy and in an electronic format no later than March 15, 2013, the following:

- The "Independent Auditor's Report on Compliance With Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance With OMB Circular A-133" signed by the contractor.
- The "Schedule of Findings and Questioned Costs."

- A compilation of the compliance and internal control issues the contractor identified during fieldwork organized by federal department and titled, “Compliance and Internal Control Issues Related to Specific Grants Administered by Federal Departments.”
- The audited version of the Department of Finance’s “Schedule of Expenditure of Federal Awards.”
- The audited version of the Department of Finance’s “Summary Schedule of Prior Audit Findings” and the auditor’s endnotes.

Section II

Proposal Requirements and Information

1. TIME SCHEDULE

All prospective contractors are hereby advised of the following schedule and will be expected to adhere to the required dates and times.

Event	Date
Proposal Posting on BSA Web site	January 4, 2012
Intent to Bid Postcard/Letter	January 20, 2012
Written Questions Submittal Deadline	January 31, 2012
Final Date for Proposal Submission	**February 21, 2012**
Opening of Proposals	February 21, 2012
Evaluation Completed	March 2, 2012
RFP award notice posted at BSA Web site	March 5, 2012
Agreement Award	March 12, 2012
Contract approved and signed	March 30, 2012
Contract work starts	March 30, 2012

2. DUE DATE

TIME IS OF THE ESSENCE. Proposals must be submitted and received not later than **9 A.M. on February 21, 2012**, and shall be delivered via Federal Express or other similar delivery service, messenger or courier service. Late proposals will not be accepted without exceptional cause and the express written permission of the Bureau.

3. ADDRESS

Proposals shall be sent in a sealed envelope, clearly marked "**Response to RFP No. 12-01,"** and addressed to:

Bureau of State Audits, Attention: Ana Clark
555 Capitol Mall, Suite 300
Sacramento, California 95814

4. QUESTIONS

Prospective contractors requiring clarification or further information on the intent or content of this RFP or on procedural matters regarding the competitive bid process may request clarification by submitting questions with a cover page clearly marked "**Questions Relating to RFP No. 12-01** via fax to (916) 327-0019, e-mail to Proposals@bsa.ca.gov or mail to:

Bureau of State Audits, Attention: Ana Clark
Questions Relating to RFP No. 12-01
555 Capitol Mall, Suite 300
Sacramento, CA 95814

To ensure response, questions must be received in writing by 5 p.m**. January 31, 2012**. Question and answer sets will be provided to all prospective contractors without identifying the submitters.

If disclosing questions regarding a proposal to other prospective contractors would compromise proprietary information, a prospective contractor may seek clarification or further information on the content of the RFP by marking the question packet "CONFIDENTIAL" and submitting questions as described above. The prospective contractor must explain why his/her questions are sensitive in nature. If the Bureau concurs that disclosure of the question or answer would expose the proprietary nature of the proposal, the question will be answered and both the question and answer will be kept in confidence. If the Bureau does not concur with the proprietary aspect of a question, the question will not be answered in this manner and the prospective contractor will be so notified.

5. COPIES

The prospective contractor should submit six (6) legible copies of its proposal. The original proposal must be marked "ORIGINAL COPY." All documents contained in the original proposal package must have original signatures and must be signed by a person who is authorized to bind the proposing firm. All additional proposal sets may contain photocopies of the original package.

6. FORMAT OF PROPOSALS

To facilitate the two-stage review of proposals as described in Paragraph 11 of Section II of this RFP, each proposal should be submitted in two separate parts and in sealed envelopes. Part I should contain all responsive materials except those relating to cost. Part II should contain only information relating to costs that will be charged by the contractor.

7. MINIMUM CONTENTS OF PROPOSAL

At the sole discretion of the Bureau, a proposal may be eliminated from consideration if it fails to contain each of the following provisions or to provide a justification satisfactory to the Bureau for its exclusion:

a. Contractor

Identification of the prospective contractor, including the name of the firm submitting the proposal, its mailing address, telephone number, and contact if further information is desired.

b. Management.

Identification by name of the lead personnel the contractor proposes to assign to the engagement. Contract terms will not permit substitution of lead personnel without prior written approval of the Bureau.

c. Personnel.

For each individual that the prospective contractor proposes to assign to the engagement (excluding administrative support), the proposer should provide a summary of similar work or studies performed, a resume, and a statement indicating his/her planned responsibilities under the contract. Any limiting factors on the availability of these individuals should be identified. Auditors assigned to the engagement must have experience and expertise in performing federal compliance audits as part of a statewide Single Audit or program-specific audits of large federal programs at the state level. The proposal should also specifically state:

- Whether the proposed staff have received continuing professional education in governmental accounting and auditing during the last two years;
- Whether the proposed staff are independent, as defined by applicable auditing standards and free from conflicts of interest as described in Subparagraph (g) of this paragraph;
- Whether the proposed staff or the firm has received an external quality control review within the last three years and the results of that review.
- Whether the proposed staff or the firm has been the object of any disciplinary action by a licensing or regulatory authority during the past three years.

Former employees of the Bureau may not work on any Bureau contract project within one year of termination. The Bureau, in its sole discretion, reserves the right to reject any individual proposed to be assigned to the engagement.

d. Related experience.

Prospective contractors shall provide the Bureau with a listing of audit engagements similar to the types of audits described in this RFP. Specifically, the list must include three examples of engagements in which the contractor conducted compliance audits of complex governmental or private organizations. The listing should include:

- Title of the project;
- Name of the entity;
- Brief description of the project; and
- Name and telephone number of the entity's contracting officer.

By furnishing this information, the prospective contractor gives permission to the Bureau to contact these entities regarding the prospective contractor's past performance.

If the firm is newly organized, a listing of projects completed by lead personnel during previous employment may be acceptable. Moreover, if the contractor is a joint venture, the experience of the joint venturers may be combined.

e. Subcontracts.

The prospective contractor should list any prospective subcontractors it plans to use in performing the work, including a listing of the individuals the subcontractor proposes to assign to the engagement, in accordance with Subparagraph (b) and (c) of this paragraph. The Bureau, in its sole discretion, reserves the right to reject subcontractors proposed by the contractor.

f. Methodology.

The proposal shall include a description of the prospective contractor’s overall approach to providing the services described in Section I of this RFP. The proposal must include specific techniques, administrative and operational management expertise, and typical staffing patterns (e.g., ratio of management and key staff to general professional staff) used in the types of audits described in this RFP.

g. Independence/Conflict-of-Interest Disclosure.

(i) The prospective contractor must disclose and shall have a continuing duty to disclose any financial, business, or other relationship of the contractor, subcontractor, or individual employees that may have an impact on the work to be performed (see Attachments C and K) to this RFP).

(ii) In this disclosure, the prospective contractor should include information regarding situations that might create an appearance of a lack of

independence, regardless of whether the prospective contractor believes that the situation creates an actual conflict of interest, and how the prospective contractor intends to manage such situations. If the contractor believes that there may be an appearance of a conflict of interest or lack of independence based on any previous or ongoing work the contractor has performed, the contractor shall specifically address how it plans to address and manage that appearance, including, but not limited to, how appropriate fire-walls would be established by the contractor to guard against that appearance.

(iii) If the contractor believes that no conflict of interest or appearance of lack of independence as described above exists, then a statement to that effect must be made in the contractor's proposal.

(iv) The Bureau shall have the right to disqualify or terminate a contractor if it believes that the best interests of the State require that the contractor be disqualified or terminated because the contractor has a conflict of interest or because a situation exists that creates the appearance of a lack of independence and also to disqualify any proposed personnel on that basis.

(v) In accordance with Bureau policy, any contractor selected to provide consulting services to the Bureau will be required to submit conflict-of-interest disclosure statements in the form required by the Bureau (see Paragraphs 17 and 18 of Attachment B of this RFP).

h. Cost.

The proposal shall include a quotation of charges, including the classes of personnel to be used in the project, the total hourly rate charged for each class, the estimated number of hours that each class of personnel will charge, and any other costs for equipment, software, or supplies. That cost component must project the total number of hours required to produce the deliverables and contain a cost quotation of charges for each class of personnel that would be used to produce the deliverables. The proposal should also include a cost component for expert testimony that may be required after the report is issued.

The charges should be provided as hourly rates and should be applicable throughout the contract period.

The proposal should detail any other charges (such as charges for clerical support, reproduction, and delivery) that would be charged to the Bureau and include them. If the Bureau requires travel, the rates for travel-related expenses shall not exceed the rates established for employees of the State of California.

The Bureau will pay only for hours actually worked at the rates submitted and for actual expenses incurred.

The amount available for the costs of travel, if any, shall be negotiated with the selected contractors in conformity with Subparagraph (C) of Paragraph 4 of Attachment B of this RFP.

i. Preference for Small Businesses.

The proposal should include a statement indicating whether or not the firm claims a small business preference and proposers should certify its small business certification using Attachment I.

If a firm qualifies for this Small Business Preference, the Bureau will reduce the firm's cost estimate by 5 percent when comparing it to the cost estimates included in the other proposals received.

j. Darfur Contracting Certification.

The proposal shall include an executed Darfur Contracting Act Certification. The Certification is Attachment H to this RFP.

8. OTHER CONTENTS OF PROPOSAL

The prospective contractor may include any relevant information and pertinent exhibits in the proposal. Proposals are to be prepared in such a way as to provide a straightforward, concise delineation of capabilities to satisfy the requirements of this solicitation letter. Emphasis should be on conformance to the instructions and responsiveness to the requirements described herein, and on completeness and clarity of content.

In preparing the proposal, prospective contractors should take into account the requirements of each attachment described in Paragraph 16 of this Section II.

Proposals must be complete in all respects and submitted by dates and times shown in Section II, Item 1 of this RFP. A proposal may, in the sole discretion of the Bureau, be rejected if it is conditional, incomplete, or it contains any alterations of form or other irregularities.

9. GOVERNMENT AUDITING STANDARDS

The prospective contractors must complete each project or program in compliance with the "Government Auditing Standards" as promulgated by the Comptroller General of the United States and the standards published by the American Institute of Certified Public Accountants (see Cal. Gov. C. Secs. 8546 and 8546.1).

10. CONFIDENTIALITY

In accordance with the statutes governing the Bureau, the contractor and each of their employees or agents assigned to the contract will be required to execute a confidentiality agreement (Cal. Gov. C. Sec. 8545.3).

11. REVIEW PROCESS AND CRITERIA

Subject to Paragraphs 7 and 13 of this Section II, the Bureau will select the successful contractors on the basis of both merit and cost, with a preference of 5 percent on the cost of its proposal given to qualified small businesses. An evaluation committee will only be given Part I of each proposal and will score the merit of each proposal using the following criteria:

REVIEW PROCESS AND CRITERIA	Maximum Points
Part I Technical Merit	
Technical Aspects of Proposal:	
Quality of approach and methodology	30
Clarity and succinctness of proposal	10
Organizational Capabilities:	
Demonstrated ability to successfully perform federal compliance audits of complex entities	25
Qualifications and experience of management and lead staff to be assigned to the project	20
Related organizational experience	15
TOTAL	**100**

Any proposal not receiving a merit score of 75 or more will be eliminated from further consideration. To determine the merit score, the Bureau may apply a statistical averaging method to scores submitted by the evaluation committee.

Part II (Cost Proposal) of the proposal will be evaluated for each contractor scoring 75 or more merit points.

The overall evaluation will be in accordance with the following process:

Part I— Technical Merit - score will be weighted 65 percent and each cost score will be weighted 35 percent to create a combined overall score of 100 percent.

Part II— Cost proposals will be opened. The cost proposal with the lowest price will be assigned a score of 100 points or 30 percent (after adjustments are made for any applicable preference programs). Other cost proposals will be assigned points on a proportional basis relative to the cost of the lowest bid (and adjustments are made for any applicable preference programs). For example, if the second lowest bid is 20 percent higher than the lowest cost bid, it will be assigned a point score of 80 (or 20 percent), which is 20 percent lower than the point score or rate of the lowest cost bid.

The firms with the highest scores at the end of Part II will be awarded the contract agreement.

If no proposals are received containing bids offering a price, which in the opinion of the Bureau is a reasonable price, the Bureau is not required to award an agreement.

During the evaluation and selection process, the Bureau may request the presence of a prospective contractor's representative for answering specific questions, orally and/or in writing. If discrepancies between sections or other errors are found in a final proposal, the Bureau may reject the proposal; however, the Bureau may in its sole discretion, retain the proposal and correct any arithmetic or transposition errors in price or quantity. The Bureau will notify all prospective contractors of its decision to award the contract.

12. NOTICE OF INTENT TO AWARD

The Bureau will notify all prospective contractors of its tentative decision to award the contract. Within five days after the notification by the Bureau, any person or firm that has submitted a proposal can protest the tentative award of the contract to another party by submitting the grounds for the protest to the Bureau. The Bureau will make a final award of the contract if it determines that the grounds for the protest are invalid.

If the Bureau determines that the grounds for the protest are valid, the Bureau will notify all prospective contractors of the tentative change in the award of the contract. The procedure described in the previous paragraph will then again be followed.

13. RIGHT TO REJECT ANY OR ALL PROPOSALS

The policy of the Bureau is to solicit proposals with a bona fide intention to award a contract. The State Auditor, in her sole discretion, may reject any and all bids submitted in response

to this RFP, without regard to the cost or quality of any proposal, or other considerations upon determination that it is in the best interest of the Bureau to do so.

14. MODIFICATION OR WITHDRAWAL OF PROPOSALS

Any proposal that the Bureau receives before the deadline to submit proposals may be withdrawn or modified by written request of the prospective contractor. However, to be considered, the modified proposal must be received by the deadline.

15. MODIFICATION OR AMENDMENT OF THIS REQUEST

This RFP may be modified at any time prior to the time set for receipt of proposals and thereafter as long as no proposal has been opened. Upon any such modification, all prospective contractors will be notified, and any person or firm who has expressly requested such notice in writing will also be notified. However, persons or firms who have been invited to propose, but who have not indicated their interest in writing, may not be notified of such changes at the discretion of the Bureau.

16. INCORPORATION OF ATTACHMENTS

This RFP consists of 59 pages and contains the following attachments, which are hereby incorporated into this proposal by reference:

Attachment A: Standard Agreement Form
Attachment B: General Terms and Conditions
Attachment C: Confidentiality/Nondisclosure Agreement
Attachment D: Encryption and Information Privacy
Attachment E: Working Paper Standards
Attachment F: Security Agreement
Attachment G: Certification of Special Terms and Conditions
Attachment H: Darfur Contracting Act Certification
Attachment I: Small Business Certification
Attachment J: Bidder Declaration
Attachment K: Independence Questionnaire/Conflicts of Interest Disclosure
Attachment L: Required Attachment Checklist

17. ACCEPTANCE

Proposals to this request by prospective contractors constitute an express acceptance of all provisions of this RFP, including all attachments, exhibits, and schedules. If a prospective contractor indicates an unwillingness to accept any provision, its proposal may be rejected by the Bureau. However, the Bureau, in its sole discretion, may negotiate with the contractor on specific provisions of the final agreement.

18. PUBLIC DISCLOSURE OF PROPOSAL

All proposals will become property of the State of California and will, along with the summaries of evaluations, be available to the public for review after the contract is awarded. Proprietary information in the proposals will remain confidential as permitted by law. To prevent its release to the public, the proposer must indicate what information in the proposal is proprietary, along with a citation to the relevant provisions of law exempting or precluding that information from public disclosure.

Attachment A

Standard Agreement Form

STATE OF CALIFORNIA

STANDARD AGREEMENT— **APPROVED BY THE ATTORNEY GENERAL**

STD. 2 (REV.5-91)

CONTRACT NUMBER	AM. NO.
TAXPAYER'S FEDERAL EMPLOYER IDENTIFICATION NUMBER	

THIS AGREEMENT, made and entered into this _____ day of _____, 2001, in the State of California, by and between State of California, through its duly elected or appointed, qualified and acting

TITLE OF OFFICER ACTING FOR STATE | AGENCY

_____, hereafter called the State, and

CONTRACTOR'S NAME

_____, hereafter called the Contractor.

WITNESSETH: That the Contractor for and in consideration of the covenants, conditions, agreements, and stipulations of the State hereinafter expressed, does hereby agree to furnish to the State services and materials as follows: *(Set forth service to be rendered by Contractor, amount to be paid Contractor, time for performance or completion, and attach plans and specifications, if any.)*

CONTINUED ON _____ SHEETS, EACH BEARING NAME OF CONTRACTOR AND CONTRACT NUMBER.

The provisions on the reverse side hereof constitute a part of this agreement.

IN WITNESS WHEREOF, this agreement has been executed by the parties hereto, upon the date first above written.

STATE OF CALIFORNIA	CONTRACTOR
AGENCY	CONTRACTOR *(If other than an individual, state whether a corporation, partnership, etc.)*
BY (AUTHORIZED SIGNATURE) ▷	BY (AUTHORIZED SIGNATURE) ▷
PRINTED NAME OF PERSON SIGNING	PRINTED NAME AND TITLE OF PERSON SIGNING
TITLE	ADDRESS

AMOUNT ENCUMBERED BY THIS DOCUMENT $	PROGRAM/CATEGORY (CODE AND TITLE)		FUND TITLE		***Department of General Services Use Only***
PRIOR AMOUNT ENCUMBERED FOR THIS CONTRACT $	(OPTIONAL USE)				
	ITEM	CHAPTER	STATUTE	FISCAL YEAR	
TOTAL AMOUNT ENCUMBERED TO DATE $	OBJECT OF EXPENDITURE (CODE AND TITLE)				
I hereby certify upon my own personal knowledge that budgeted funds are available for the period and purpose of the expenditure stated above.		T.B.A. NO.	B.R. NO.		
SIGNATURE OF ACCOUNTING OFFICER ▷			DATE		

☐ CONTRACTOR ☐ STATE AGENCY ☐ DEPT. OF GEN. SER. ☐ CONTROLLER ☐

Attachment B

General Terms and Conditions

1. **PURPOSE**_____ (See Section I of this RFP).

2. **TERM**_____ (See Section I of this RFP).

3. **DESCRIPTION OF SERVICES**_____ (See Section I of this RFP).

4. **AMOUNT PAYABLE**

The total amount payable under this Agreement may not exceed _____and is payable as follows:

(a) The State shall pay the Contractor for each hour of services actually performed under this Agreement in accordance with the hourly rate schedule attached hereto as ____ (as negotiated with selected Contractor).

(b) The State agrees to reimburse the Contractor for services performed by the Contractor, upon the prior written approval of the State in locations other than the premises of the State in Sacramento, California. The State shall pay the Contractor for these services in accordance with subdivision (a) of this paragraph.

(c) In consultation with the Contractor, the State shall make arrangements for any travel required under this Agreement and shall pay the Contractor for travel and living expenses incurred by the Contractor, as documented by the Contractor in the manner prescribed by the State, in providing the services that are the subject of this Agreement at locations other than the Contractor's usual place or places of business. Reimbursement shall be made as follows:

(i) Airfare: commercial carrier coach fare rate, supported by a receipt.

(ii) Other transportation: actual, reasonable expense, supported by a receipt.

(iii) Living expense: actual expenses, not to exceed maximum state employee reimbursement rates for nonrepresented employees, to be claimed and computed in accordance with the Department of Personnel Administration regulations in effect when the expenses are incurred.

(d) The State shall reimburse Contractor for Contractor's actual out-of-pocket expenses. Contractor shall not charge the State any overhead or cost of advancing funds in connection with these expenses. All reimbursable expenses shall be supported by documentation at the time of billing, unless otherwise agreed to by the State prior to the expenditure. Reimbursable out-of-pocket expenses shall include, but not be limited to:

(i) Postage

(ii) Messenger and courier service

(iii) In-house document reproduction at a rate not to exceed 10 cents per page. The billing statement shall contain a general description of documents copied, purpose, and number of copies made.

(iv) Long-distance telephone charges as they appear on the Contractor's bill (i.e., without markup)

(v) Outgoing facsimile at a rate not to exceed 25 cents per page, inclusive of long-distance charges

(e) The consideration to be paid to the Contractor, as provided herein, is in compensation for all of the Contractor's expenses incurred in performance under this Agreement, including travel and living expenses.

(f) The State may withhold an amount equal to ten percent (10%) of the amount claimed on each invoice submitted by the Contractor. The amounts withheld shall be paid by the State upon successful completion and acceptance of the work project by the State, and a determination by the State that Contractor has complied with Paragraph 9 of these General Terms and Conditions.

(g) The State, in its sole discretion, may reduce the amount payable for a specific deliverable that the Contractor fails to deliver on the mutually agreed upon date by up to five percent (5%) of the amount payable for that deliverable.

(h) The State shall make payment to the Contractor, as promptly as fiscal procedures permit, for services performed under this Agreement in accordance with applicable completion criteria and in accordance with the invoices submitted by the Contractor. That payment is subject to Paragraph 15 of these General Terms and Conditions.

(i) The Contractor, when billing the State for services under this Agreement, shall itemize the dates and hours, together with a description of the services performed, and shall identify specifically the individual performing those services and his or her title (for example, principal or associate consultant).

(j) It is mutually understood between the parties that this is an option contract that may include services for multiple years and that the contract that may have been written before ascertaining the availability of the legislative appropriation of funds for the period

covered. It was written for the mutual benefit of both parties to avoid program and fiscal delays.

The parties mutually agree that if the State Legislature does not appropriate sufficient funds for the program, this contract shall be amended to reflect any reduction in funds.

This contract, so far as it relates to the State, is valid and enforceable only if sufficient funds are made available to the State by the California State Legislature for the purpose of this program. In addition, this contract is subject to any special restrictions, limitations, conditions, any statute enacted by the State Legislature that may affect the provisions, terms or funding of this contract in any manner. The State has a financial obligation under this Agreement or the related Addendum to determine if existing appropriations are available, sufficient in amount to pay for such purchases or such other financial obligations.

Each participant has the option to terminate its participation, or to amend its contract, to reflect any reduction in funds.

(k) In accordance with RFP No.12-01, the state may exercise two one year options to extend this contract for the fiscal years ending June 30, 2013 and June 30, 2014. The parties agree to amend this Agreement to include additional amounts approved by the State if those options are exercised.

5. CONTRACTOR PERSONNEL

(a) The Contractor, and the agents, employees, and subcontractors of the Contractor, shall act in the performance of this Agreement, in an independent capacity and not as officers, employees, or agents of the State.

(b) Subject to Subparagraph (a) of this Paragraph 5, the Contractor shall ensure that its employees and agents, whenever performing services on the State's premises, observe all reasonable instructions and directions issued by the State.

(c) The individuals named in the Agreement as identified by the Contractor and approved by the State, are essential to the services to be performed by the Contractor pursuant to this Agreement. The Contractor shall provide the State with names and resumes of the staff performing the work prior to commencing the work for review and approval. Should any of those individuals no longer be employed by the Contractor, or no longer be assigned by the Contractor to the performance of those services during the term of this Agreement, for whatever reason, the Contractor shall notify the State immediately in writing and the State shall consult promptly on a replacement. If the State indicates in writing to the Contractor that the proposed replacement is not satisfactory, the State may terminate this Agreement immediately by written notice and shall pay the Contractor for all work completed prior to the termination.

(d) Nothing contained in this Agreement or otherwise shall create any contractual relationship between the State and any subcontractors, and no subcontractor shall relieve the Contractor of its responsibilities and obligations hereunder. The Contractor

agrees to be fully responsible to the State for the acts and omissions of its subcontractors and of persons either directly or indirectly employed by the Contractor. The Contractor's obligation to pay its subcontractors is an independent obligation from the State's obligation to make payments to the Contractor. As a result, the State shall have no obligation to pay or to enforce the payment of any moneys to any subcontractor.

6. PROJECT COORDINATOR

_____is the designated Project Coordinator under this Agreement. The State may change the Project Coordinator at any time by submitting to the Contractor a notice of change signed by the State. _____is the designated Project Coordinator for the Contractor. _____, on behalf of the Contractor, shall be responsible for coordinating with the State as required, or necessary for performance of the services provided under this Agreement.

7. BUSINESS SERVICES COORDINATOR

_____is the designated Business Services Coordinator. Any questions regarding travel, reimbursements, billing, or other similar questions should be directed to _____ is the designated Business Services Coordinator for the Contractor.

8. CONFIDENTIALITY OF INFORMATION

(a) The audit reports and records, documents, or information used in support of the reports that are made available to the Contractor, or that are generated by the Contractor, during the course of the audit, including, but not limited to all financial, statistical, proprietary, market sensitive, highly sensitive, personal, technical, and other information used in support of or contained in those reports, are confidential and shall be protected by the Contractor from unauthorized use or disclosure, as described in this agreement. In providing that protection, the Contractor shall comply with this agreement and any other reasonable procedural requirements of the State that are provided in writing to the Contractor.

(b) Except as required by law or legal process, the Contractor shall not publicly disclose data or disseminate the contents of any draft audit report or any workpapers, records, documents, or information used in support of any draft audit report. Except as required by law or legal process, the Contractor shall not publicly disclose data or disseminate the contents of the final audit report or any records, documents, or other information used in support of the audit report without the written permission of the State. Permission to publicly disclose the contents of an audit report or workpapers on one occasion on behalf of the State or to give testimony at a public hearing held by a legislative committee relating to the audit report shall not authorize the Contractor to further disclose information in the report or to disseminate this information on any other occasion on behalf of the State.

(c) With the exception of comments made about the audit to the State or other state agencies, the Contractor shall not make comments to any individual, including, but not limited to, any member of the media regarding the audit or audit workpapers, nor shall

the Contractor comment on the State's actions regarding the audit, without the prior written consent of the State.

(d) The Contractor acknowledges and understands that it is a misdemeanor for the State or any employee or former employee of the State to divulge in any manner not permitted by law, the particulars of any record, document, or information the disclosure of which is restricted by law. This restriction includes, but is not limited to, records, documents, or information reviewed in connection with the audit that are not used in support of the final audit report. This prohibition also applies to any person or business entity and to the employees and former employees of this person or business entity that has assisted the State in the course of an audit or that has been furnished a draft copy of an audit report for comment and review (Government Code Section 8545.1).

(e) The Contractor has reviewed and understands and agrees to be bound by the provisions of the Confidentiality Agreement, which is hereto attached as _____ and hereby incorporated into this agreement by reference. Contractor agrees that each individual assigned by Contractor to perform services under this Agreement shall sign the Confidentiality/Nondisclosure Acknowledgement Form prior to performing those services, which is attached hereto as Attachment D.

9. RECORD RETENTION

(a) Any records obtained by Contractor during the course of the audit from any California public entity pursuant to the authority of the State are the exclusive property of the State. Copies of communications, workpapers, and records obtained, originated, or prepared by the Contractor pursuant to this Agreement, including papers, reports, charts, interview notes, and other documentation compiled by the Contractor pursuant to this Agreement, including the Contractor's administrative communications and records relating to this Agreement, shall be delivered to the State not later than 14 days following the completion of consulting services by the Contractor and shall become exclusive property of the State.

(b) The Contractor shall retain all original work described in subparagraph (a) for a period of three years from the date of publication of the audit. Upon completion of those three years, the Contractor shall consult with the State on whether those records shall be destroyed. If the State requests originals either during the course of the audit or during the three year retention period, the contractor shall promptly send the requested originals to the State.

(c) If Contractor is requested pursuant to subpoena or other legal process to produce its documents relating to this engagement for the State in judicial or administrative proceedings to which Contractor is not a party, the State shall reimburse Contractor at its standard billing rates for its professional time and expenses, including reasonable attorney's fees, incurred in responding to such requests.

10. RIGHTS IN DATA

The ideas, concepts, know-how, or techniques relating to the subject matter of each individual project, developed during the course of this Agreement by the Contractor or jointly by the Contractor and the State can be used by either party in any way it may deem appropriate.

All inventions, discoveries or improvements of the techniques or programs or materials developed pursuant to this Agreement shall be the property of the State. The State agrees to grant a nonexclusive royalty-free license for any such invention, discovery, or improvement to the Contractor or any other such person and further agrees that the Contractor or any other such person may sublicense additional persons on the same royalty-free basis.

This Agreement shall not preclude the Contractor from developing materials outside this agreement, which are competitive, irrespective of their similarity to materials which might be delivered to the State pursuant to this agreement. Pursuant to this Agreement, all preexisting intellectual property, copyrights, trademarks and products held by the Contractor shall be the sole property of the Contractor.

11. STATE PERSONNEL

The Contractor will not be permitted to use State personnel for performing services that are the responsibility of the Contractor unless that use is previously agreed to in writing by the Project Coordinator, and any appropriate adjustment in price is made. No charge will be made to the Contractor for the services of state employees while performing, coordinating, or monitoring functions.

12. DATA PROTECTION PROTOCOLS

The Contractor agrees to adhere to the State's data protection protocols, which are attached hereto as Attachment E and hereby incorporated into this agreement by reference. The Contractor shall ensure that all assigned personnel are aware of these protocols and that they sign and return to the State the attached acknowledgement form.

13. ASSIGNMENT

The Contractor may not transfer by assignment, subcontract, or novation the performance of this Agreement or any part thereof except with the prior written approval of the State as to each such assignment, subcontract, or novation.

14. AMENDMENT OF AGREEMENT

This Agreement may be amended by mutual consent of the State and the Contractor. An alteration of or variation from the terms of this Agreement is not valid unless made in writing and signed by the parties of this Agreement.

15. NOTICE

(a) Notice to either party may be given by certified mail properly addressed. Postage must be fully prepaid to the address beneath the name of each respective party in subparagraphs (c) and (d) of this Paragraph 15. That notice shall be effective when received as indicated by post office records or, if deemed undeliverable by post office, that notice shall be effective nevertheless 15 days after mailing.

(a) Alternatively, notice may be given by personal delivery by any means whatsoever to the party at the address designated. That notice shall be deemed effective when delivered unless a legal holiday for state offices commences during said 24-hour period, in which case the effective time of the notice shall be postponed 24 hours for each intervening day.

(b) For the above purposes, the State's address:

Bureau of State Audits
555 Capitol Mall, Suite 300
Sacramento, California 95814

(d) For the above purposes, the Contractor's address is:

_____
_____
_____

16. TERMINATION

(a) The State may terminate this Agreement if it becomes necessary to end the project prior to its conclusion, upon giving a 3-day advance notice in writing to the Contractor, as appropriate, in the manner herein specified. In that event, the Contractor agrees to use all reasonable efforts to mitigate any expenses or obligations hereunder.

(b) In the event of termination, the State shall, subject to the appropriation and the availability of funds for that purpose, pay the Contractor for all satisfactory services rendered prior to notice of termination and for all expenses incurred by the Contractor prior to termination that are not included in charges for service rendered prior to termination and that could not have been avoided by reasonable efforts of the Contractor.

(c) The State may terminate this Agreement and be relieved of any payments should the Contractor fail to perform the requirements of this Agreement at the time and in the manner herein provided. In the event of such termination, the State may proceed with the work in any manner deemed proper by the State. All costs to the State shall be deducted from any sum due the Contractor under this Agreement and the balance, if any, shall be paid to the Contractor in accordance with Subparagraph (b) of this Paragraph 16.

17. COVENANT AGAINST GRATUITIES

The Contractor warrants by signing hereon that no gratuities (in the form of entertainment, gifts, or otherwise) were offered or given by the Contractor, or by any agent or representative of the Contractor, to any officer or employee of the State with a view toward securing this Agreement or securing favorable treatment with respect to any determinations concerning the performance of this Agreement. For breach or violation of this warranty, the State may terminate this Agreement immediately, either in whole or in part, and any loss or damage sustained by the State in procuring on the open market any items that the Contractor agreed to supply shall be borne and paid for by the Contractor. The rights and remedies of the State provided in this Paragraph 17 are not exclusive and are in addition to any other rights and remedies provided by law or under this Agreement.

18. CONFLICT OF INTEREST/INDEPENDENCE DISCLOSURE REQUIREMENTS

(a) Pursuant to the Conflict of Interest Code for the State formulated under the Political Reform Act of 1974, California Government Code Sections 81000 et seq., the State includes certain contractors to the State within the list of designated employees required to complete a Statement of Economic Interest (Form 700), unless upon a determination by the State that the range of duties that the contractor is required to perform are limited in scope and, thus, the contractor is not required to comply with the disclosure requirements. The State has made such a determination with regard to the performance of this Agreement. However, if for any reason the State determines otherwise during the term of the Agreement, the State may require any individual performing services under this Agreement to complete Form 700 and submit it to the State not less than 30 days from the date of this Agreement, or the request of the State, whichever is later.

(b) This Paragraph 18 shall not be read to express any views or opinions of the State Auditor as to whether any individual providing auditing services under this Agreement is subject to the Political Reform Act of 1974. Any questions about the applicability of that Act to any such individual should be directed to the California Fair Political Practices Commission.

(b) In all work performed under this contract, the Contractor shall agree to be free both in fact and appearance from personal, external, and organizational impairments to independence, as required by the general standards relating to independence contained in the Government Auditing Standards (GAO 07-731G). In this regard, the Contractor shall complete, and have each individual assigned to the engagement complete, the Independence Questionnaire, which is attached hereto as Attachment K, and hereby incorporated by reference into this Agreement. If any individual who is not listed in this agreement is assigned to perform the services under this Agreement, Contractor shall provide an additional letter, conforming to Attachment K, regarding that individual or individuals.

19. WAIVER

No waiver of any breach of this Agreement shall be held to be a waiver of any other or subsequent breach. All remedies afforded in this Agreement shall be taken and construed as cumulative; that is, in addition to every other remedy provided therein or by law. The failure of the State to enforce at any time any of the provisions of this Agreement or to require at any time performance by the Contractor of any of the provisions, shall in no way be construed to be a waiver of such provisions nor in any way to affect the validity of this Agreement or any part thereof or the right of the State thereafter to enforce each and every such provision.

20. DISPUTES

(a) Any dispute between the parties arising under or relating to the performance of this Agreement, which is not disposed of by agreement, shall be decided by the State and that decision shall be reduced to writing and mailed or otherwise furnished to the Contractor.

(b) If the Contractor does not agree with the State's decision, either party may assert its other rights and remedies within this Agreement or within a court of competent jurisdiction.

21. LIMITATION OF LIABILITY

(a) The State's liability for this Agreement should not exceed the total amount payable under the Agreement.

(b) In no event will the State be liable for consequential, incidental, indirect, special or punitive damages, even if notification has been given as to the possibility of such damages.

22. CONTRACTOR'S LIABILITY FOR INJURY TO PERSONS OR DAMAGE TO PROPERTY

The Contractor shall be liable for damages arising out of injury to the person and/or damage to the property of the State, employees of the State, persons designated by the State for training, or any other person(s) other than agents or employees of the Contractor, designated by the State for any purpose, prior to, during, or subsequent to delivery, installation, acceptance, and use of the Deliverables either at the Contractor's site or at the bureau's place of business, provided that the injury or damage was caused by the fault or negligence of the Contractor.

23. INDEMNIFICATION

The Contractor agrees to indemnify, defend, and save harmless the State, its officers, agents and employees from any and all claims and losses accruing or resulting to any and all contractors, subcontractors, suppliers, laborers and any other person, firm or corporation furnishing or supplying work services, materials, or supplies in connection with the performance of this Agreement, and from any and all claims and losses accruing or resulting

to any person, firm or corporation who may be injured or damaged by the Contractor in the performance of this Agreement.

24. LAW GOVERNING

This Agreement, and any amendments to this Agreement, shall be governed by the laws of the State of California both as to interpretation and performance regardless of the specific location of any performance.

25. AGREEMENT IS COMPLETE

This Agreement represents the complete and exclusive statement of the agreements between the State and the Contractor with respect to the subject matter of this Agreement, and supersedes all prior agreements, proposals, representations, and other communications, written or oral, between the State and the Contractor regarding this subject matter. The State and the Contractor agree that there are no oral or written covenants, conditions, or agreements with respect to the subject matter of this Agreement except as set forth in this Agreement.

26. PREVAILING CLAUSES

In the event of a conflict between the provisions of any Rider or other Attachment to this Agreement and the provisions of the General Terms and Conditions of this Agreement, the provisions of these General Terms and Conditions shall govern.

27. CAPTIONS

The paragraph headings appearing in this Agreement have been inserted for convenience and for ready reference. They do not purport to and shall not be deemed to define, limit, or extend the scope or intent to the paragraphs to which they pertain.

28. PAYMENTS

The Contractor will submit invoices at least monthly. The billings will include a separate itemized accounting of all charges, including appropriate original receipts for travel expenses and other administrative expenses. Invoices will be submitted in duplicate and sent to:

Bureau of State Audits
Attention: Accounting Office
555 Capitol Mall, Suite 300
Sacramento, CA 95814

29. MATERIALS DELIVERY

All report, materials, and communications, except as provided in Paragraph 28 to this Agreement, are to be delivered to the Project Coordinator:

Bureau of State Audits
Attention: _____
555 Capitol Mall, Suite 300
Sacramento, CA 95814

30. FORCE MAJEURE

Except for defaults of subcontractors, the Contractor and the State are not responsible for delays or failures to perform resulting from acts beyond the control of the nonperforming party. Those acts include, but are not limited to, acts of god, strikes, lockouts, riots, acts of war, epidemics, earthquakes, other disasters, governmental statutes or regulations imposed after the fact, and ancillary functions or utilities that are provided by a person or entity not a party to this Agreement. If a delay or failure in performance by the Contractor arises out of a default of its subcontractor, and the default arises out of causes beyond the control of either the Contractor or the subcontractor, without the fault or negligence of either of them, the Contractor is not liable for damages for that delay or failure, unless the supplies or services to be furnished by the subcontractor were available from other sources in sufficient time to permit the Contractor to meet the required performance schedule.

31. NONDISCRIMINATION

During the performance of this Agreement, Contractor and its subcontractor shall not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of sex, race, color, ancestry, religious creed, national origin, physical disability (including HIV and AIDS), mental disability, medical condition (cancer), age (over 40), marital status, and denial of family care leave. Contractor and subcontractors shall insure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment. Contractor and subcontractors shall comply with the provisions of the Fair Employment and Housing Act (Government Code Section 12990 (a-f) et seq.) and applicable regulations promulgated thereunder (California Code of Regulations, Title 2, Section 7285 et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code Section 12990 (a-f), set forth in Chapter 5 of Division 4 of Title 2 of California Code of Regulations, are incorporated into this Agreement by reference and made a part hereof as if set forth in full. Contractor and its subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other Agreement.

32. TIME OF PERFORMANCE

Time is of the essence for purposes of this Agreement including the performance of services under any schedule established under this Agreement.

33. WITHHOLDING ON PAYMENTS TO CALIFORNIA NONRESIDENTS

Payments made to California nonresidents, including corporations, limited liability companies, and partnerships that do not have a permanent place of business in this state are subject to seven percent (7%) state income tax withholding (California Revenue and Taxation Code Section 18662).

Types of income subject to withholding include, but are not limited to, payments for services performed in California and payments of leases, rents and royalties for property (real or personal) located in California. No withholding is required on payments for goods.

The Franchise Tax Board may reduce the withholding if the seven percent (7%) will result in substantial overwithholding or waive the withholding if the payee has a current history of filing California returns and/or making estimated payments when due. For more information, or to request a waiver or reduced withholding rate, contact:

Nonresident Withholding Waiver Requests
Nonresident Withholding Section MS F-265
Franchise Tax Board
PO Box 651
Sacramento, CA 95812-0651
Telephone: (916) 845-4900; Fax: (916) 845-4831

34. AGENCY LIABILITY

The Contractor warrants by execution of this Agreement, that no person or selling agency has been employed or retained to solicit or secure this Agreement upon agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by the Contractor for the purpose of securing business. For breach or violation of this warranty, the State shall, in addition to other remedies provided by law, have the right to annul this Agreement without liability, paying only for the value of the work actually performed, or otherwise recover the full amount of such commission, percentage, brokerage, or contingent fee.

35. INSURANCE REQUIREMENTS

(a) Insurance companies must be acceptable to the State. If self-insured, review of financial information may be required. Coverage for both general negligence and professional liability must be in-force for the complete term of contract. If insurance coverage expires during the term of the contract, a new certificate must be received by the State at least ten (10) days prior to the expiration of this contract. Insurance policies shall contain a provision that states the coverage will not be cancelled without 30 days prior written notice to the State. The Contractor is responsible for any deductible or self-insured retention contained within the insurance program.

(b) If the Contractor fails to keep in effect at all times the specified insurance coverage, the State may, in addition to any other remedies it may have, terminate this contract upon the occurrence of such even, subject to the provisions of this Contract.

(c) Any insurance required to be carried shall be primary, and not excess, to any other insurance carried by the State.

(d) The Contractor shall maintain general liability insurance with limits of not less than $1,000,000 per occurrence for bodily injury and property damage liability combined. The policy must include the State of California, its officers, agents, employees and servants as additional insure, but only insofar as the operations under the contract are concerned. The policy shall include coverage for liabilities arising out of premises, operations, independent contractors, products, completed operations, personal and advertising injury, and liability assumed under an insured contact. This insurance shall apply separately to each insured against whom claim is made or suit is brought subject to the Contractor's limit of liability. Contractor shall provide proof of Professional Errors and Omissions Insurance covering any damages caused by an error, omission or any negligent acts.

36. CERTIFICATE OF SPECIAL TERMS AND CONDITIONS

(a) The contractor provided a certification of Special Terms and Conditions with its response to RFP No 12-01 which is attached hereto as Rider ___ to this Agreement and incorporated herein by reference as though fully set forth in this Agreement.

NOTE: ADDITIONAL TERMS AND CONDITIONS MAY APPLY DEPENDING ON THE PROPOSAL AND/OR THE PROPOSER.

Attachment C

Bureau of State Audits, Confidentiality/Nondisclosure Agreement

The undersigned acknowledges and agrees, on behalf of ("the Contractor") that any records, documents, and information, or any draft or final audit report that the undersigned reviews or produces in connection with providing auditing services to the Bureau of State Audits (State) relating to Statewide Single Audit of California audit work provided pursuant to State contract number _____ shall be subject to the terms of this Confidentiality/Nondisclosure Agreement (agreement). The undersigned acknowledges and agrees to all of the following:

(a) The audit reports and records, documents, or information used in support of the reports that are made available to the Contractor, or that are generated by the Contractor, during the course of the audit, including, but not limited to all financial, statistical, proprietary, market sensitive, highly sensitive, personal, technical, and other information used in support of or contained in those reports, are confidential and shall be protected by the Contractor from unauthorized use or disclosure, as described in this agreement. In providing that protection, Contractor shall comply with this agreement and any other reasonable procedural requirements of the State that are provided in writing to the Contractor.

(b) Except as required by law or legal process, the Contractor shall not publicly disclose data or disseminate the contents of any draft audit report or any records, documents, or information used in support of any draft audit report. Except as required by law or legal process, the Contractor shall not publicly disclose data or disseminate the contents of the final audit report or any records, documents, or other information used in support of the audit report without the written permission of the State. Permission to disclose the contents of an audit report on one occasion on behalf of the State or to give testimony at a public hearing held by a legislative committee relating to the audit report shall not authorize the Contractor to further disclose information in the report or to disseminate this information on any other occasion on behalf of the State.

(c) With the exception of comments made about the audit to the State, the Contractor shall not make comments to any individual, including, but not limited to, any member of the media regarding the audit, nor shall the Contractor comment on the bureau's actions regarding the audit, without the prior written consent of the State.

(d) The Contractor acknowledges and understands that it is a misdemeanor for the State or any employee or former employee of the State to divulge in any manner not permitted by law, the particulars of any record, document, or information the disclosure of which is restricted by law. This restriction includes, but is not limited to, records, documents, or information reviewed in connection with the audit that are not used in support of the final audit report. This prohibition also applies to any person or business entity and to the employees and former employees of this person or business entity that has assisted the State in the course of an audit or that has been furnished a draft copy of an audit report for comment and review (Government Code Section 8545.1).

_____
Company/Firm Name

_____
Print Name

_____ _____
Signature Date

Attachment D

Encryption and Information Privacy Policy

BACKGROUND

Theft of portable computing devices, such as laptop computers, is a problem in the state and in private industry. Theft and other loss of portable computing equipment can lead to the compromise of confidential, sensitive, or personal data, which in turn can lead to privacy issues and costly follow-up activities.

The state continues to experience situations in which confidential, sensitive, or personal data is compromised when an unencrypted electronic device is lost or stolen. Budget Letter 05-32 issued by the Department of Finance requires encryption of state data that is confidential, sensitive, and personal when it is stored on portable computing devices (including, but not limited to, laptops and notebook computers) and/or portable electronic storage media (including, but not limited to, optical discs and flash memory storage devices).

Government Code Section 8545.2, grants the Bureau of State Audits a very broad right of access to the records of state agencies and other public entities it is directed to audit. Additionally, the State may receive information from the private sector and agree to keep that information confidential. Since the State has "stand in their shoes authority" over auditee information and at times receives sensitive information from the private sector, the State must be vigilant in protecting personal, sensitive or confidential information from inappropriate or unauthorized access, use or disclosure, regardless of media type. In addition, the State is the owner of sensitive information, such as personnel records, and must also be vigilant in protecting those records.

This policy is not intended to limit the bureau's right to access the records of public entities. Rather, it is intended to establish protocols to minimize the risk that those records are inadvertently disclosed.

POLICY

Whether the State is the custodian or the owner of the confidential information, all employees must ensure the security and integrity of that information. Individuals of non-government entities with whom the State has contracted are also included under this mandate (Civil Code Section 1798.19). This policy pertains to all information assets, including, but not limited to electronic assets and paper assets.

All State employees and contractors are responsible for providing encryption, or equally effective measures, for all personal, sensitive, or confidential information that is stored on any portable electronic storage media (including, but not limited to, optical discs and flash memory

storage devices) and on portable computing devices (including, but not limited to, laptop, handheld, and notebook computers).

This policy applies to all portable electronic storage media or portable computing devices that contain state data, including media owned by employees, vendors, contractors, or researchers. Where state-owned confidential, sensitive, and/or personal information exists, it must not be allowed on any portable equipment or media that is not protected.

Personal, sensitive, or confidential information stored on shared drives on a local area network (LAN) is not subject to this policy because information stored on these drives is not considered portable. In addition, this policy does not apply to mainframe and server tapes at this time.

RULES OF CONDUCT

The following is an overview of the rules of conduct the State follows to protect that data:

Responsibilities of all staff:

- All electronic transmittals of personal, sensitive, or confidential information between State staff and auditees or contractors must be encrypted.
- Staff must limit the gathering of data to only what is relevant and necessary, and redact extraneous information whenever possible.
- Staff may work only with secure servers while away from the office.
- Each team leader is responsible for developing and maintaining a written list of staff (including signatures), who are authorized to access any sensitive data on any audit.
- Staff must ensure that all hard drives and other storage devices, including flash drives, are encrypted.
- Staff must follow the bureau's protocols for password protection, which requires 8 plus characters, including numbers and symbols, and new passwords every 42 days. Staff should employ "strong" passwords. A strong password conforms to the following parameters:
    - i. Is never shared with anyone else
    - ii. Is over 8 characters in length
    - iii. Uses at least 1 character from each of the following character types:
        1. Lower case letter (e.g. a)
        2. Upper case letter (e.g. B)
        3. Number (e.g. 3)
        4. Punctuation mark or symbol (e.g. $)
    - iv. Is easy to remember, but not be easily guessable or related to staff (such as SSN's, addresses, or phone numbers)
- Staff assigned to audits that will involve gathering particularly sensitive information, such as HIPPA protected data, must meet with the Information Security Officer and the Information Privacy Officer prior to gathering the data.
- All staff with access to particularly sensitive information, such as HIPPA protected data, must certify in writing, prior to accessing such data, that they are aware of the nature of the data, and have reviewed, understand, and agreed to adhere to the

Rules of Conduct as specified in this section. This will occur at the meeting with the Information Security Officer and the Information Privacy Officer.

- Staff must use secure methods to transport data (i.e. carry-on luggage when traveling, or other secure transmittal methods).
- Staff may only use State computer equipment to receive, store, and transmit electronic information.
- Staff must preserve the "chain of custody" over data, whether electronic or hard copy.
- Staff must transfer records gathered from state agencies and stored on laptops to the bureau's network drives as soon as practicable.
- Staff must secure all workpapers and other confidential materials when away from their desks.
- Any breach of security must be promptly reported to the bureau's Information Security Officer and Information Privacy Officer,
- Staff must shred all backup, hard-copy, confidential material when they are no longer needed.
- Staff must ensure that sensitive data on discs be overwritten before being disposed.
- Staff (assisted by the Information Technology Unit) are responsible for ensuring that the reclaimed space on their hard drives is overwritten at the end of the audit.
- Staff (assisted by the Information Technology Unit) are responsible for ensuring that the bureau's electronic information security systems limit access to personal, sensitive, or confidential information to those who need access or those who have a right of access, as appropriate.

DEFINITIONS

For the purposes of this policy:

Personal information is information that identifies or describes an individual as defined in, but not limited by, the statutes listed below. This information must be protected from inappropriate access, use, or disclosure and must be made accessible to data subjects upon request:

- Notice-triggering personal information – specific items or personal information (name plus Social Security Number, driver's license/California identification card number, or financial account number) that may trigger a requirement to notify individuals if an unauthorized person acquires it (See Civil Code Sections 1798.29 and 1798.3);

- Protected Health Information – individually identifiable information created, received, or maintained by such organizations as health care payers, health care providers, health plans, and contractors to these entities, in electronic or physical form. State law requires special precautions to protect such data from unauthorized use, access or disclosure (See Confidentiality of Medical Information Act, Civil Code Section 56 et seq. and the Patients' Access to Health Records Act, Health and Safety Code Sections 123100-123149.5); and

- Electronic Health Information – individually identifiable health information transmitted by electronic media or maintained in electronic media. Federal regulations require state entities that are health plans, health care clearinghouses, or health care providers that

conduct electronic transactions ensure the privacy and security of electronic protected health information from unauthorized use, access, or disclosure (See Health Insurance Portability and Accountability Act, 45 C.F.R. parts 160 and 164).

Sensitive information is information maintained by state agencies that requires special precautions to protect it from unauthorized use, access, disclosure, modification, loss, or deletion. Sensitive information may be either public or confidential. It is information that requires a higher than normal assurance of accuracy and completeness. Thus the key factor for sensitive information is that of integrity. Typically, sensitive information includes records of agency financial transactions and regulatory actions.

Confidential information is information maintained by state agencies that is exempt from disclosure under the provisions of the California Public Records Act (Government Code Sections 6250-6265) or other applicable state or federal laws.

****

The Contractor shall comply with the Bureau of State Audits' policy on data encryption and information privacy (see attached policy). Please sign the certification below. If you have any questions or concerns regarding this policy, please contact Karl Okamoto, Information Security Officer, or Stephanie Ramirez-Ridgeway, Information Privacy Officer.

_____
Company/Firm Name

_____
Print Name

_____ _____
Signature Date

Attachment E

Working Paper Standards

Written Report and Supporting Evidence:

A. The contractor shall prepare working papers in support of its written report in accordance with *Government Auditing Standards*, as issued by the Comptroller General of the United States and shall deliver copies of all working papers to the Bureau as specified in Paragraph 9 of the General Terms and Conditions of this Agreement. The contractor shall ensure that it gathers and provides sufficient, competent, and relevant evidence in support of its report so that an independent person could review the work and reach the same conclusions that the contractor reached. Working papers shall include sufficient cross-references as well as all documents that support the contractor's written report.

Attachment F

Security Agreement

Recitals

A. Under the terms of the Agreement to which this Attachment F is attached, the Contractor, through the Bureau of State Audits (Bureau), will have access to certain records that are subject to the Health Insurance Portability and Accountability Act ("HIPAA") and its implementing privacy and security regulations at 45 CFR Parts 160 and 164 ("the HIPAA regulations:") and the California Information Practices Act of 1977 (Secs. 1798-1798.78, Cal. Civ. C.) (the "IPA").

B. Pursuant to the terms of this Attachment F, the Bureau and the Contractor wish to satisfy certain standards and requirements relating to the application of state security standards to certain information obtained from state agencies that are covered by HIPAA, some of which may constitute Protected Health Information ("PHI") or covered by the IPA (i.e., "personal information" as defined in Sec. 1798.82(e), Cal.Civ.C. and referred to in this Attachment F as "personal data").

C. "Protected Health Information" or "PHI" means any information, whether oral or recorded in any form or medium that relates to the past, present, or future physical or mental condition of an individual, the provision of health and dental care to an individual, or the past, present, or future payment for the provision of health and dental care to an individual; and that identifies the individual or with respect to which there is a reasonable basis to believe the information can be used to identify the individual. PHI shall have the meaning given to such term under HIPAA and HIPAA regulations, as the same may be amended from time to time. PHI covered under this Attachment F is limited to information that Contractor obtains or creates in the performance of services hereunder for the Bureau. "Personal data" covered under an individual, including, but not limited to, his or her name, social security number, physical description, home address, home telephone number, education, financial matters, and medical or employment history, including statements made by, or attributed to, the individual, as defined by the IPA (Sec. 1798.3(a), Cal. Civ. C.) that Contractor obtains or creates in the performance of services hereunder for Bureau.

D. "Security Incident" means the unauthorized access, use, disclosure, modification, or destruction of PHI, or personal data in electronic or paper format, covered under this Attachment F.

E. As set forth in this Attachment F, the Contractor is the Contractor of Bureau that provides services, arranges, performs or assists in the performance of functions or activities on behalf of Bureau and creates, receives, maintains, transmits, uses or discloses PHI.

F. The Bureau and the Contractor desire to protect the privacy and provide for the security of PHI or personal data created, received, maintained, transmitted, used or disclosed pursuant

to this Agreement, in compliance with HIPAA and HIPAA regulations and other applicable laws.

G. The purpose of the Attachment F is to satisfy certain standards and requirements of HIPAA and the HIPAA regulations and the IPA.

H. The terms used in this Attachment, but not otherwise defined, shall have the same meanings as those terms in the HIPAA regulations or the IPA.

In exchanging information pursuant to this Agreement, the parties agree as follows:

1. Permitted Uses and Disclosures of PHI or Personal Data by Contractor

A. ***Permitted Uses and Disclosures***. Except as otherwise indicated in this Attachment F, the Contractor may use or disclose PHI or personal data only to perform functions, activities or services specified in this Agreement, for, or on behalf of the Bureau, provided that such use or disclosure would not violate the HIPAA regulations, if done by the Bureau or the covered entity that has custody of the protected data.

B. ***Specific Use and Disclosure Provisions***. Except as otherwise indicated in this Attachment F , the Contractor may:

1) ***Use and disclose for management and administration***. Use and disclose PHI or personal data for the proper management and administration of the Contractor or to carry out the legal responsibilities of the Contractor, provided that disclosures are required by law, or the Contractor obtains reasonable assurances from the person to whom the information is disclosed that it will remain confidential and will be used or further disclosed only as required by law or for the purpose for which it was disclosed to the person, and the person notifies the Contractor of any instances of which it is aware that the confidentiality of the information has been breached.

2) ***Provision of Data Aggregation Services***. Use PHI or personal data to provide data aggregation services to the Bureau. Data aggregation means the combining of PHI or personal data created or received by the Contractor on behalf of the Bureau with PHI or personal data received by the Contractor in its capacity as the Contractor of another covered entity, to permit data analyses that relate to the health care operations of the Bureau.

3) ***Violations of Law.*** Use and disclose PHI or personal data if Contractor has a legal obligation to report violations of law to appropriate Federal and State authorities, consistent with 45 C.F.R. §164.502(j)(1); or other applicable law, when Contractor has a legal obligation to do so.

2. Responsibilities of Contractor

Contractor agrees, in connection with its services hereunder in the State of California:

A. ***Nondisclosure.*** Not to use or disclose PHI or personal data other than as permitted or required by this Attachment F or as required by law.

B. ***Safeguards****.* To implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of the PHI or personal data, including electronic PHI or personal data, that it creates, receives, maintains, uses or transmits on behalf of the Bureau hereunder; and to prevent use or disclosure of PHI or personal data other than as provided for by this Attachment F . Contractor shall develop and maintain a written information privacy and security program that includes administrative, technical and physical safeguards appropriate to the size and complexity of the Contractor's operations and the nature and scope of its activities, and which incorporates the requirements of section C, Security, below. Contractor will provide Bureau with its current and updated policies. The Bureau acknowledges and agrees that those policies are proprietary and therefore exempt from disclosure under the California Public Records Act (Secs. 6254.15; 6254(k), Cal. Gov. C.) and that the public interest would not be served b disclosure of such policies (Sec. 6255,Cal. Gov. C.). If the Bureau receives any request for disclosure of those policies from any source in any form, including but not limited to the California Public Records Act, subpoenas, or any other discovery requests, the Bureau will notify Contractor, in a timely manner, so that Contractor may take appropriate action to prevent disclosure. The Bureau agrees not to disclose such policies unless required by court order.

C. ***Security****.* To take the reasonable steps necessary to ensure the continuous security of all computerized data systems and paper documents containing PHI or personal data. These steps shall include, at a minimum:

1) Complying with all of the data system security precautions listed in this Attachment F or in an Exhibit attached to this Agreement; and

2) Compliance by Contractor's engagement team hereunder and the technology tools (hardware, software and related infrastructure) used by Contractor's engagement team hereunder to deliver the services hereunder with the Bureau's Memo ADM-06-02 and Budget Letter 05-32, which are attached hereto and hereby incorporated by reference. Notwithstanding the foregoing, Contractor's engagement team hereunder shall use encryption to protect PHI and personal data in its laptops, portable electronic storage media and members of the Contractor's engagement team hereunder shall use encrypted email in any emails sent by them over the Internet which contain PHI or personal data; and

3) Not leaving PHI or personal data unattended in vehicles, offices, or other places. In the evening, all offices in which PHI or personal data are present should be locked and laptops, portable devices and paper documents containing PHI or personal data should be locked in file cabinets.

Contractor shall designate a Security Officer to oversee its data security program who shall be responsible for carrying out the requirements of this section and for communicating on security matters with Bureau. Contractor agrees to provide contact information for the

Security Officer to the Bureau and to notify the Bureau in writing of any change to the Security Officer or the Security Officer's contact information.

D. ***Mitigation of Harmful Effects***. To mitigate, to the extent practicable, any harmful effect that is known to Contractor of a use or disclosure of PHI or personal data by Contractor or its subcontractors in violation of the requirements of this Attachment F.

E. ***Contractor's Agents***. To ensure that any agents, including subcontractors, to whom Contractor provides PHI or personal data received from or created or received by Contractor on behalf of the Bureau hereunder, agree, to the same restrictions and conditions that apply to Contractor with respect to such PHI or personal data, including implementation of reasonable and appropriate administrative, physical, and technical safeguards to protect such PHI or personal data and to incorporate, when applicable, the relevant provisions of this Attachment F into each subcontract or subaward to such agents or subcontractors.

F. ***Availability of Information to the Bureau***. Nothing in this Attachment F is intended to limit or otherwise modify the Bureau's right of access as provided under Chapter 6.5 (commencing with 8543) of Title 2 of the California Government Code.

G. ***Amendment of PHI or personal data***. To make any amendment(s) to PHI that the Bureau directs or agrees to pursuant to 45 CFR Section 164.526, in the time and manner designated by the Bureau.

H. ***Internal Practices***. To make Contractor's internal practices, books and records relating to the use and disclosure of PHI or personal data received from any agency of the State through the Bureau, or created or received by Contractor on behalf of the Bureau hereunder, available to the Bureau or to the Secretary of the U.S. Department of Health and Human Services in a time and manner designated by the Secretary, for purposes of determining the Bureau's compliance with the HIPAA regulations.

I. ***Documentation of Disclosures***. To document and make available to the Bureau such disclosures of PHI or personal data, and information related to such disclosures, necessary to respond to a proper request by the subject Individual for an accounting of disclosures of PHI or personal data, in accordance with 45 CFR 164.528 or make disclosure under the IPA.

J. ***Notification of Breach***. During the term of this Agreement, the Contractor agrees to do the following with respect to a Security Incident involving PHI or personal data in electronic or paper format (referred to in this section 2(J) as a "breach"):

1) ***Discovery of Breach***. In the event of a Security Incident involving PHI or personal data in electronic or paper format, notify the Bureau and the affected agency of the State in accordance with, and otherwise comply with the requirements of, Section 1798.82 of the California Civil Code.

Notification shall be provided to the Bureau contract manager, the Privacy Officers of the Bureau and of the covered entity and the Information Security Officers of the Bureau and

of the covered entity. The Bureau is responsible for providing Contractor with the contact information for the covered entity having custody of the information involved in the breach.

If the incident occurs after business hours or on a weekend or holiday and involves electronic PHI or personal data, notification shall be provided by calling the Bureau's Privacy Officer. Contractor shall take:

i. Prompt corrective action to mitigate any risks or damages involved with the breach and to protect the operating environment and
ii. Any action pertaining to such unauthorized disclosure required by applicable Federal and State laws and regulations.

2) ***Investigation of Breach****.* To immediately investigate the breach of PHI or personal data. As soon as practical, but not less than within three (3) business days of the discovery or notification of the breach in the security of the data whose PHI or personal data was or is reasonably believed to have been acquired by an unauthorized person, to notify the Bureau's contract manager(s), the Bureau's Privacy Officer, and the Bureau Information Security Officer of, as well as the Privacy Officer and the Information Officer of the state agency who owns the PHI or personal data (the names of the Privacy Officers and information Officers for each state agency subject to Audit under this Agreement shall be provided by the Bureau upon execution of this Attachment F of:

i. What data elements were involved and the extent of the data involved in the breach, as Contractor may reasonably be able to determine within three business days.

As soon as practical, but not less than within seven (7) business days of the confirmation of the existence of the breach, to notify the Bureau's contract manager, the Bureau's Privacy Officer and the Bureau's Information Security Officer of:

ii. A description of the unauthorized persons known or reasonably believed to have improperly used or disclosed PHI or personal data (if known to Contractor),
iii. A description of where the PHI or personal data is believed to have been improperly transmitted, sent, or utilized,
iv. A description of the probable causes of the improper use or disclosure.

3) ***Report****.* To provide a written report of the investigation to the Bureau's contract managers, the Bureau's Privacy Officer, and the Bureau's Information Security Officer within fifteen (15) business days of the discovery or notification of the breach in the security of the data whose personal information was or is reasonably believed to have been acquired by an unauthorized person. The report shall include, but not be limited to, the information specified above, as well as a corrective action plan, including information on measures that were taken to halt and/or contain the improper use or disclosure.
If the Bureau discloses all or a portion of this information to a covered entity that has custody of the PHI or personal data, the Bureau will clearly indicate, in writing, what information is exempt from disclosure under the California Public Records Act and will request that the covered entity promptly notify the Bureau and Contractor as indicated in this subparagraph in the event the covered entity gets a request for that information (including but not limited to California Public Records Act, subpoenas, or any other

discovery requests) from any third party, and not disclose such information unless required by court order.

The Contractor and the Bureau recognize and agree that the significant number of meaningless attempts by third parties to, without authorization, access use, disclose, modify or destroy PHI or personal data will make a real-time notification requirement of these activities formidable for Contractor. Therefore, the Parties agree that this Agreement shall constitute notice to Bureau of unsuccessful attempts to access, use, disclose, modify, or destroy PHI or personal data or interfere with Contractor systems operations in an information system. By way of example, the Parties consider the following to be illustrative of unsuccessful security incidents when they do not result in actual unauthorized access, use, disclosure, modification or destruction of PHI or personal data or interference with an information system: (i) pings on Contractor's firewall, (ii) port scans, (iii) attempts to log on to a system or enter a database with an invalid password or username, (iv) denial-of-service attacks that do not result in a server being taken off-line, and (v) Malware (worms, viruses, etc.).

4) ***Notification of Individuals***. To notify individuals of the breach or unauthorized use or disclosure when state or federal law requires contractor to make that notification; or when state or federal law requires the Bureau or any agency of the state to make that notification, to pay any costs of such notifications, as well as any reasonable costs associated with the breach. Contractor shall advise the Bureau's Privacy Officer as to the time, manner and content of any such notifications that Contractor makes pursuant to this section.

5) ***Bureau Contact Information***. To direct communications to the above referenced Bureau staff, the Contractor shall initiate contact as indicated herein. The Bureau 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 Agreement or Attachments.

Bureau Contract Manager	**Bureau Privacy Officer**	**Bureau Information Security Officer**
De Vose Deputy State Auditor Bureau of State Audits 555 Capitol Mall, Suite 300 Sacramento, CA 95814 Telephone: (916) 445-0255 DeV@bsa.ca.gov	Sharon Reilly Chief Legal Counsel Bureau of State Audits 555 Capitol Mall, Suite 300 Sacramento, CA 95814 Telephone: (916) 445-0255 sharonr@bsa.ca.gov	Karl Okamoto IT Manager Bureau of State Audits 555 Capitol Mall, Suite 300 Sacramento, CA 95814 Telephone: (916) 445-0255 karlo@bsa.ca.gov

K. ***Employee Training and Discipline***. To train and use reasonable measures to ensure compliance with the requirements of this Attachment F by Contractor employees with

regard to the use or disclosure of PHI or personal data, and to comply with the applicable requirements of Section 1798.19 of the California Civil Code.

3. Obligations of the Bureau

The Bureau agrees to:

A. ***Notice of Privacy Practices***. Provide Contractor with the Notice of Privacy Practices that the covered entity that has custody of the PHI or personal data produces in accordance with 45 CFR 164.520, as well as any changes to such notice.

B. ***Permission by Individuals for Use and Disclosure of PHI or personal data***. Provide the Contractor with any changes in, or revocation of, permission by an Individual to use or disclose PHI or personal data, if such changes affect the Contractor's permitted or required uses and disclosures.

C. ***Notification of Restrictions***. Notify the Contractor of any restriction to the use or disclosure of PHI or personal data that the Bureau has agreed to in accordance with 45 CFR 164.522, to the extent that such restriction may affect the Contractor's use or disclosure of PHI or personal data.

D. ***Requests Conflicting with HIPAA Rules***. Not request the Contractor to use or disclose PHI or personal data in any manner that would not be permissible under the HIPAA regulations if done by the Bureau.

4. Audits, Inspection and Enforcement

In the event of a security incident, the Contractor and the Bureau shall meet and discuss, in good faith, a mutually agreeable approach to the inspection by the Bureau, during normal business hours and with Contractor personnel present, of Contractor's physical practices in the State of California with regard to the safeguarding of any PHI or personal data received by the Contractor from the Bureau pursuant to this Agreement. Nothing herein authorizes the Bureau to access information of, or relating to, other clients of the Contractor.

In the event that the Bureau wishes to have any person who is not a Bureau employee participate in such inspection or follow-up thereto, the Bureau will notify the Contractor in writing of the identity and agency or corporate affiliation of such personnel and shall provide the Contractor with a reasonable period of time (but not less than three (3) business days) in which the Contractor may object, in writing, to the participation of such personnel and the reasons therefore, including but not limited to, the fact that such personnel are, or are affiliated or employed by, a business competitor of Contractor. The Bureau agrees that it will not include personnel objected to by Contractor in any such inspection or follow-up. The Bureau also agrees that any non-Bureau employee who participates in the inspection, or follow-up thereto, shall be required to sign a Non-Disclosure Agreement in a form satisfactory to Contractor and to provide a copy of same to Contractor before participating in the inspection, or follow-up thereto.

Contractor shall promptly remedy any material violation of any provision of this Attachment F and shall, upon request, confirm to the Bureau Privacy Officer that the remedies have been

made. The Bureau agrees that any paper or electronic records it reflects regarding Contractor's remedies are confidential and exempt from disclosure under the California Public Records Act. If the Bureau receives any request for disclosure of this information from any source in any form, including but not limited to the California Public Records Act, Contractor may take appropriate action to prevent disclosure. The Bureau agrees not to disclose such policies unless required by court order.

The fact that the Bureau inspects, or fails to inspect, or has the right to inspect, Contractor's computers under this subparagraph does not relieve the Contractor of its responsibility to comply with this Agreement, nor does Bureau's:

A. Failure to detect or

B. Detection, but failure to notify Contractor or require Contractor's remediation of any unsatisfactory practices constitutes acceptance of such practice or a waiver of the Bureau's enforcement rights under this Agreement and this Attachment F.

5. Termination

A. ***Termination for Cause***. Upon the Bureau's knowledge of a material breach of this Attachment by the Contractor, the Bureau shall:

1) Provide an opportunity for the Contractor to cure the breach or end the violation and terminate this Agreement if the Contractor does not cure the breach or end the violation within the time specified by Bureau;

2) Immediately terminate this Agreement if Contractor has breached a material term of this Attachment F and cure is not possible; or

3) If neither cure nor termination is feasible, report the violation to the Secretary of the U.S. Department of Health and Human Services.

B. ***Judicial or Administrative Proceedings***. The Contractor will notify the Bureau if it is named as a defendant in a criminal proceeding for a violation of HIPAA. The Bureau may terminate this Agreement if the Contractor is found guilty of a criminal violation of HIPAA. The Bureau may terminate this Agreement if a finding or stipulation that the Contractor has violated any standard or requirement of HIPAA, or other security or privacy laws is made in any administrative or civil proceeding in which the Contractor is a party or has been joined.

C. ***Effect of Termination***. Upon termination or expiration of this Agreement for any reason, Contractor shall return or destroy all other copies of PHI or personal data received from the Bureau hereunder (or created or received by Contractor on behalf of the Bureau) that the Contractor still maintains in any form, and shall retain no copies of such PHI or personal data or, if return or destruction is not feasible, shall continue to extend the protections of this Attachment F to such information, and shall limit further use of such PHI or personal data to those purposes that make the return or destruction of such PHI or personal data infeasible. This provision shall apply to PHI or personal data that is in the possession of subcontractors or agents of the Contractor. The Bureau acknowledges that Government Auditing standards may prohibit the Contractor to return or destroy PHI or personal data in its workpapers.

6. Miscellaneous Provisions

A. ***Disclaimer.*** The Bureau makes no warranty or representation that compliance by the Contractor with this Attachment , HIPAA or the HIPAA regulations will be adequate or satisfactory for Contractor's own purposes or that any information in Contractor's possession or control, or transmitted or received by the Contractor, is or will be secure from unauthorized use or disclosure. The Contractor is solely responsible for all decisions made by the Contractor regarding the safeguarding of PHI or personal data.

B. ***Amendment.*** The parties acknowledge that federal and state laws relating to electronic data security and privacy are rapidly evolving and that amendment of this Attachment F may be required to provide for procedures to ensure compliance with such developments. The parties specifically agree to take such action as is necessary to implement the standards and requirements of HIPAA, the HIPAA regulations and other applicable laws relating to the security or privacy of PHI or personal data. Upon the Bureau's request, the Contractor agrees to promptly enter into negotiations with the Bureau concerning an amendment to this Attachment F embodying written assurances consistent with the standards and requirements of HIPAA, the HIPAA regulations or other applicable laws. The Bureau may terminate this Agreement upon thirty (30) days written notice in the event:

1) The Contractor does not promptly enter into negotiations to amend this Attachment F when requested by the Bureau pursuant to this Section or

2) The Contractor does not enter into an amendment providing assurances regarding the safeguarding of PHI or personal data that the Bureau in its sole discretion deems sufficient to satisfy the standards and requirements of HIPAA and the HIPAA regulations.

C. ***Assistance in Litigation or Administrative Proceedings.*** The Contractor agrees to reasonably cooperate with the Bureau in the event of litigation or administrative proceedings being commenced against the Bureau, its directors, officers, or employees, based on claimed violation of HIPAA, HIPAA regulation or other laws relating to security or privacy, and such claimed violation allegedly involves inaction or action by Contractor, except where Contractor or its subcontractor, employee, or agent is a named adverse party or where cooperation would impair Contractor's independence.

D. ***No Third-Party Beneficiaries.*** Nothing express or implied in the terms and conditions of this Attachment F is intended to confer, nor shall anything herein confer, upon any person other than the Bureau or the Contractor and their respective successors or assignees, any rights, remedies, obligations or liabilities whatsoever.

E. ***Interpretation.*** The terms and conditions in this Attachment F shall be interpreted as broadly as necessary to implement and comply with HIPAA, the HIPAA regulations and applicable state laws. The parties agree that any ambiguity in the terms and conditions of

this Attachment shall be resolved in favor of a meaning that complies and is consistent with HIPAA and the HIPAA regulations.

F. ***Regulatory References***. A reference in the terms and conditions of this Attachment F to a section in the HIPAA regulations means the section as in effect or as amended.

G. ***Survival***. The respective rights and obligations of the Contractor under Section 6.C of this Attachment F shall survive the termination or expiration of this Agreement.

H. ***No Waiver of Obligations***. No change, waiver or discharge of any liability or obligation hereunder on any one or more occasions shall be deemed a waiver of performance of any continuing or other obligation, or shall prohibit enforcement of any obligation, on any other occasion.

I. Effective Date. This Attachment F is effective upon the date of its execution by authorized representatives of both the Bureau and the Contractor and shall remain in effect for the duration of the Agreement to which it is appended.

Attachment G

Certification of Special Terms and Conditions

1. STATEMENT OF COMPLIANCE: The 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 the 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 8103.

2. DRUG-FREE WORKPLACE CERTIFICATION: By signing this contract, the Contractor or grantee hereby certifies under penalty of perjury under the laws of the State of California that the Contractor or grantee will comply with the requirements of the Drug-Free Act of 1990 (Government Code Section 8350 et seq.) 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, as required by Government Code, Section 8355 (a).

   b. Establish a Drug-Free Awareness Program as required by Government Code, Section 8355 (b) to inform employees about all of the following:

      1) The dangers of drug abuse in the workplace;

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

      3) Any available counseling, rehabilitation and employee assistance program; and

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

   c. Provide, as required by Government Code, Section 8355 (C), that every employee who works on the proposed contract:

      1) Will receive a copy of the company's drug-free policy statement; and

      2) Will agree to abide by the terms of the company's statement as a condition of employment on the contract.

   Failure to comply with these requirements may result in suspension of payments under the contract or termination of the contract or both and the Contractor or grantee may be ineligible for award or any future state contracts if the State determines that any of the following has occurred: (1) the Contractor or grantee has made false certification or (2) violates the certification by failing to carry out the requirements as noted above.

3. NATIONAL LABOR RELATIONS BOARD CERTIFICATION: By signing hereon the Contractor swears under penalty of perjury that no more than one final, unappealable finding of contempt of court by a federal court has been issued against the Contractor within the immediately preceding two-year period because of the Contractor's failure to comply with an order of a federal court which orders the Contractor to comply with an order of the federal court which orders the Contractor to comply with an order of the National Labor Relations Board. This provision is required by, and shall be construed in accordance with Public Contract Code, Section 10296.

4. EXPATRIATE CORPORATIONS: Contractor hereby declares that it is not an expatriate corporation or subsidiary of an expatriate corporation within the meaning of Public Contract Code Section 10286 and 10286.1, and is eligible to contract with the State of California.

5. DOMESTIC PARTNERS: For contracts over $100,000 executed or amended after January 1, 2007, the contractor certifies that contractor is in compliance with Public Contract Code section 10295.3.

DOING BUSINESS WITH THE STATE OF CALIFORNIA

1. LABOR CODE/WORKERS' COMPENSATION: Contractor needs to be aware of the provisions which require every employer to be insured against liability for Workers' Compensation or to undertake self-insurance in accordance with the provisions, and Contractor affirms to comply with such provisions before commencing the performance of the work of this Agreement (Labor Code, Section 3700).

2. AMERICANS WITH DISABILITIES ACT: Contractor assures the State that it complies with the Americans with Disabilities Act (ADA) of 1990, which prohibits discrimination on the basis of disability, as well as all applicable regulations and guidelines issued pursuant to the ADA (42 U.S.C. 12101 et seq.)

3. 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, the State will process the amendment. Payment of invoices presented with a new name cannot be paid prior to approval of said amendment.

4. CHILD AND FAMILY SUPPORT COMPLIANCE CERTIFICATION: The Contractor acknowledges the policy of the State of California, as set forth in Section 7110 of the California Public Contract Code, to require compliance with state and federal laws relating to child and family support enforcement. By signing this Agreement, the Contractor certifies that, to the best of the Contractor's knowledge, the Contractor is in full compliance with all earnings assignment orders for child support or family support affecting the Contractor's employees.

5. CORPORATE QUALIFICATION TO DO BUSINESS IN CALIFORNIA:

   When agreements are to be performed in the State by corporations, the contracting agencies will verify that the contractor is currently qualified to do business in California in order to ensure that all obligations due to the state are fulfilled.

   "Doing Business" is defined in R&TC Section 23101 as actively engaging in any transaction for the purpose of financial or pecuniary gain or profit. Although there are some statutory exceptions to taxation, rarely will an incorporated contractor performing within the state not be subject to the franchise tax.

   Both domestic and foreign corporations (those incorporated outside of California) must be in good standing in order to be qualified to do business in California. Agencies will determine whether a corporation is in good standing by calling the Office of the Secretary of State.

6. AIR OR WATER POLLUTION VIOLATION: Under the State laws, the Contractor shall not be: (1) in violation of any order or resolution not subject to review promulgated by the State Air Resources Board of an air pollution control district; (2) subject to cease and desist order not subject to review issued pursuant to Section 13301 of the Water Code for violation of waste discharge requirements or discharge prohibitions; or (3) finally determined to be in violation of provisions of federal laws relating to air or water pollution.

7. PAYEE DATA RECORD FORM STD. 204: This form must be completed by all contractors that are not another state agency or other governmental entity.

_____
Company/Firm Name

_____
Print Name

_____ _____
Signature Date

Attachment H

Darfur Contracting Act Certification

Pursuant to Public Contract Code section 10478, if a bidder or proposer currently or within the previous three years has had business activities or other operations outside of the United States, it must certify that it is not a "scrutinized" company as defined in Public Contract Code section 10476. Therefore, to be eligible to submit a bid or proposal, please insert your company name and Federal ID Number and complete only **one** of the following three paragraphs (via initials for Paragraph # 1 or Paragraph # 2, or via initials and certification for Paragraph # 3):

Company/Vendor Name (Printed)	*Federal ID Number*
Printed Name and Title of Person Initialing (for Options 1 or 2)	

1. _____ Initials — We do not currently have, and have not had within the previous three years, business activities or other operations outside of the United States.

OR

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

OR

3. _____ Initials + certification below — We currently have, or we have had within the previous three years, business activities or other operations outside of the United States, but we certify below that we are not a scrutinized company as defined in Public Contract Code section 10476.

CERTIFICATION For # 3.

I, the official named below, CERTIFY UNDER PENALTY OF PERJURY that I am duly authorized to legally bind the prospective proposer/bidder to the clause listed above in # 3. This certification is made under the laws of the State of California.

By (Authorized Signature)	
Printed Name and Title of Person Signing	
Date Executed	*Executed in the County and State of*

Attachment I

Small Business Certification

The Small Business (SB) Certification program was established to increase business opportunities for SB communities with the State of California; thereby stimulating the State's overall economy. The standard contract language for the SB on the Internet Web site www.pd.dgs.ca.gov/dvbe.

If your firm is claiming SB preferences, please submit a copy of the certifications issued by the Office of Small Business Certification and Resources along with the certification on the following page.

PROPOSAL/PROPOSER CERTIFICATION SHEET

This Proposal/Proposer Certification Sheet must be signed and returned along with all the "required attachments" as an entire package with original signatures. The proposal must be transmitted in a sealed envelope in accordance with RFP instructions.

An Unsigned Proposal/Proposer Certification Sheet
May Be Cause For Rejection

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

Attachment J

Bidder Declaration

State of California—Department of General Services, Procurement Division
GSPD-05-105 (EST 8/05)

Solicitation Number_____

BIDDER DECLARATION

1. Prime bidder information **(Review attached Bidder Declaration Instructions prior to completion of this form)**:

a. Identify current California certification(s) **(MB, SB, SB/NVSA, DVBE):** _____ **or None** ____ (If "None", go to Item #2)

b. Will subcontractors be used for this contract? **Yes** ___ **No** ___ (If yes, indicate the distinct element of work your firm will perform in this contract e.g., list the proposed products produced by your firm, state if your firm owns the transportation vehicles that will deliver the products to the State, identify which solicited services your firm will perform, etc.). Use additional sheets, as necessary.

_____

_____

c. If you are a California certified DVBE: (1) Are you a broker or agent? **Yes** ___ **No** ___
(2) If the contract includes equipment rental, does your company own at least 51% of the equipment provided in this contract (quantity and value)? **Yes** ___ **No** ___ **N/A** ___

2. If no subcontractors will be used, skip to certification below. Otherwise, list all subcontractors for this contract. (Attach additional pages if necessary):

Subcontractor Name, Contact Person, Phone Number & Fax Number	Subcontractor Address & Email Address	CA Certification (MB, SB, DVBE or None)	Work performed or goods provided for this contract	Corresponding % of bid price	Good Standing?	51% Rental?

CERTIFICATION: By signing the bid response, I certify under penalty of perjury that the information provided is true and correct.

Page_____ of _____

BIDDER DECLARATION Instructions

All prime bidders (the firm submitting the bid) must complete the Bidder Declaration.

1.a. Identify all current certifications issued by the State of California. If the prime bidder has no California certification(s), check the line labeled "None" and proceed to Item #2. If the prime bidder possesses one or more of the following certifications, enter the applicable certification(s) on the line:

- Microbusiness (MB)
- Small Business (SB)
- Small Business Nonprofit Veteran Service Agency (SB/NVSA)
- Disabled Veteran Business Enterprise (DVBE)

1.b. Mark either "Yes" or "No" to identify whether subcontractors will be used for the contract. If the response is "No", proceed to Item #1.c. If "Yes", enter on the line the distinct element of work contained in the contract to be performed or the goods to be provided by the prime bidder. Do not include goods or services to be provided by subcontractors.

Bidders certified as MB, SB, SB/NVSA, and/or DVBE must provide a commercially useful function as defined in Military and Veterans Code Section 999(e)(2)(A) for DVBEs and Government Code Section 14837(d)(4)(A) for small/microbusinesses. For questions regarding commercially useful function determinations made in conjunction with certification approval, contact the Department of General Services, Procurement Division, Office of Small Business and DVBE Certification (OSDC), OSDC Certification and Compliance Unit via email at: osdchelp@dgs.ca.gov

Bids must propose that certified bidders provide a commercially useful function for the resulting contract or the bid will be deemed non-responsive and rejected by the State. For questions regarding the solicitation, contact the procurement official identified in the solicitation.

Note: A subcontractor is any person, firm, corporation, or organization contracting to perform part of the prime's contract.

1.c. This item is only to be completed by businesses certified by California as a DVBE.

(1) Declare whether the prime bidder is a broker or agent by marking either "Yes" or "No". The Military and Veterans Code Section 999.2 (b) defines "broker" or "agent" as a certified DVBE contractor or subcontractor that does not have title, possession, control, and risk of loss of materials, supplies, services, or equipment provided to an awarding department, unless one or more of the disabled veteran owners has at least 51-percent ownership of the quantity and value of the materials, supplies, services, and of each piece of equipment provided under the contract.

(2) If bidding rental equipment, mark either "Yes" or "No" to identify if the prime bidder owns at least 51% of the equipment provided (quantity and value). If **not** bidding rental equipment, mark "N/A" for "not applicable."

2. If no subcontractors are proposed, do not complete the table. Read the certification at the bottom of the form and complete "Page ____ of ____" on the form.

If subcontractors will be used, complete the table listing all subcontractors. If necessary, attach additional pages and complete the "Page ____ of ____" accordingly.

2. *(continued)* **Column Labels**

Subcontractor Name, Contact Person, Phone Number & Fax Number—List each element for all subcontractors.

Subcontractor Address & Email Address—Enter the address and if available, an Email address.

CA Certification (MB, SB, DVBE or None)—If the subcontractor possesses a current State of California certification(s), verify on the OSDC website (www.pd.dgs.ca.gov/smbus) that it is still valid and list all current certifications here. Otherwise, enter "None". [Note: A SB/NVSA should not be participating as a subcontractor]

Work performed or goods provided for this contract—Identify the distinct element of work contained in the contract to be performed or the goods to be provided by each subcontractor. Certified subcontractors must provide a commercially useful function for the contract. (See paragraph 1.b above for code citations regarding the definition of commercially useful function.) If a certified subcontractor is further subcontracting a greater portion of the work or goods provided for the resulting contract than would be expected by normal industry practices, attach a separate sheet of paper explaining the situation.

Corresponding % of bid price—Enter the corresponding percentage of the total bid price for the goods and/or services to be provided by each subcontractor. Do not enter a dollar amount.

Good Standing?—Provide a response for each subcontractor listed. Enter either "Yes" or "No" to indicate that the prime bidder has verified that the subcontractor(s) is in good standing for all of the following:

- Possesses valid license(s) for any license(s) or permits required by the solicitation or by law
- If a corporation, the company is qualified to do business in California and designated by the State of California Secretary of State to be in good standing
- Possesses valid State of California certification(s) if claiming MB, SB, and/or DVBE status
- Is **not** listed on the OSDC website as ineligible to transact business with the State

51% Rental?—This pertains to the applicability of rental equipment. Based on the following parameters, enter either "N/A" (not applicable), "Yes" or "No" for each subcontractor listed.

Enter "**N/A**" if the:

- Subcontractor is NOT a DVBE (regardless of whether or not rental equipment is provided by the subcontractor) or
- Subcontractor is NOT providing rental equipment (regardless of whether or not subcontractor is a DVBE)

Enter "**Yes**" if the subcontractor is a California certified DVBE providing rental equipment and the subcontractor owns at least 51% of the rental equipment (quantity and value) it will be providing for the contract.

Enter "**No**" if the subcontractor is a California certified DVBE providing rental equipment but the subcontractor does NOT own at least 51% of the rental equipment (quantity and value) it will be providing.

Read the certification at the bottom of the page and complete the "Page ____ of ____" accordingly.

Attachment K

Independence Questionnaire/Conflicts of Interest Disclosure

Independence Questionnaire for _____
(type or write consultant's name)

Government Auditing Standards (GAO 07-731G) require that auditors be free both in fact and appearance from personal and external impairments to independence. To ensure that the independence standard is met, each consultant must disclose any impairment related to the entities or programs he/she will be auditing, which are listed below.

*Audited Entities:*_____

Do you have any of the following personal impairments:

- A family member who is a director, officer, or employee, and is in a position to exert direct and significant control over of the audited entity or program?
- A financial interest that is direct, or is significant/material, though indirect, in the audited entity?
- A decision-making role that could affect the entity's operations?
- Biases about policies or preconceived notions about the programs?
- Seeking employment with the audited entity?

If you responded yes to any of the above, please describe the impairment.

_____

_____

_____

_____

Do you have any external impairments that would restrict your work or interfere with your ability to form independent and objective conclusions. External impairments are external pressures, actual or perceived, from management or employees of the audited entity that would deter the auditor from acting objectively and exercising professional skepticism?

If you responded yes, please describe the impairment.

Signed Date

Attachment L

Required Attachment Checklist

A complete proposal or proposal package will consist of the items identified below.

Complete this checklist to confirm the items in your proposal. Place a check mark or "X" next to each item that you are submitting to the State. For your proposal to be responsive, all required attachments must be returned. This checklist should be returned with your proposal package.

	Attachment	**Attachment Name/Description**
_____	Attachment 1	Required Attachment Checklist
_____	Attachment 2	Six Copies of Proposal (in a sealed envelope)
_____	Attachment 3	Six Copies of Cost Proposal (separate from Proposal and in a sealed envelope)
_____	Attachment 4	Independence Questionnaire /Conflicts of Interest Disclosure (see Attachment K)
_____	Attachment 5	Confidentiality Statement/Nondisclosure Agreement (see Attachment C)
_____	Attachment 6	Bidders Declaration (Attachment K)
_____	Attachment 7	Certification of Special Terms and Conditions (Attachment G)
_____	Attachment 8	Proposal/Proposer Certification Sheet (Attachment I)
_____	Attachment 9	Darfur Contracting Certification (Attachment H)
_____	Attachment 10	Encryption and Information Privacy Policy (Attachment D)