



CDSS

WILL LIGHTBOURNE
DIRECTOR

STATE OF CALIFORNIA—HEALTH AND HUMAN SERVICES AGENCY
DEPARTMENT OF SOCIAL SERVICES
744 P Street • Sacramento, CA 95814 • www.cdss.ca.gov



EDMUND G. BROWN JR.
GOVERNOR

February 10, 2012

**RFP 12-02
REQUEST FOR PROPOSAL
NOTICE TO PROSPECTIVE PROPOSERS**

The California Department of Social Services (CDSS) invites you to review and respond to this Request for Proposal (RFP) entitled RFP 12-02, "Analyzing and Evaluating the Marketing Indicators of Continuing Care Retirement Community (CCRC) Applications for Certificates of Authority." In submitting your proposal, you must comply with the instructions found herein.

Note that all agreements entered into with the State of California will include by reference General Terms and Conditions (GTC 610) and Contractor Certification Clauses (CCC 307) that may be viewed and downloaded at the Internet site www.ois.dgs.ca.gov/standard+language. If you do not have Internet access, a hard copy can be provided by contacting the person listed below.

Public Contract code Section 10115 et seq. establishes a contract participation goal of at least three percent (3%) for Disabled Veteran Enterprise (DVBE). This goal applies to a state agency's overall contracting program. State agencies have the discretion to apply the DVBE participation goal to individual contracts. **THE DEPARTMENT ELECTS TO WAIVE THE DVBE PROGRAM REQUIREMENTS IN THIS SOLICITATION, BUT OPTS TO INCLUDE THE DVBE INCENTIVE.**

The California DVBE Bid Incentive Instructions (09/03/09) include information about the DVBE incentive. Proposers **must** comply with requirements in **Attachment D**. Out-of-state firms **must** also comply with California DVBE program requirements.

The RFP due date is **March 5, 2012**. Responses to this RFP and any required copies must be submitted by mail, or personal delivery, to the department contact noted below:

California Department of Social Services
Contracts Bureau
744 P Street, M.S. 8-14-747
Sacramento, CA 95814
Attention: Faisal Aziz, Contracts Analyst
Telephone: (916) 653-5032
Fax: (916) 657-2362

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

Sincerely,

Rhoda Jones, Manager
Contracts Bureau

Enclosure

Request for Proposal (RFP) 12-02

Analyzing and Evaluating the Marketing Indicators of Continuing Care Retirement Community (CCRC) Applications for Certificates of Authority

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A. PURPOSE AND BACKGROUND OF SERVICES

1. Purpose

The purpose of this RFP is to solicit interested individuals and public and private agencies to evaluate applications submitted to California Department of Social Services (CDSS) for permits to accept deposits/certificates of authority to enter into continuing care contracts, and to make recommendations regarding financial and marketing feasibility studies supplied by applicants to the Continuing Care Contracts Branch (CCCB) and in accordance with **Exhibit 1**, Sample Contract, Exhibit A, Scope of Work.

2. Background

A Continuing Care Retirement Community (CCRC) is a facility where elderly residents live and receive a combination of services, including board and lodging, social and supportive services, and medical care. Continuing care refers to an arrangement in which services are provided to residents for a term in excess of one year or their life. Elderly citizens who contract to stay in a CCRC often expend a significant portion of their life savings in order to purchase care at a CCRC and tragic consequences can result in a CCRC becomes solvent or unable to provide responsible care.

Currently, in California, there are approximately 97 CCRCs with a combined asset value in excess of five billion dollars, serving over 20,000 residents. Existing law charges the California Department of Social Services' (CDSS), Community Care Licensing Division's (CCLD), Continuing Care Contracts Branch (CCCB) with the responsibility for evaluating the performance and financial strength of all applicants to determine whether to issue a certificate of authority to enter into a continuing care contract.

CDSS' role in the regulation of the continuing care industry serves two primary functions:

- CDSS reviews the financial condition of all entities that offer continuing care and each new applicant's financial capacity to perform its projected continuing care contract obligations, and
- CDSS assures that all providers and new applicants make the disclosures required by statute regarding their financial condition to all residents and prospective residents.

B. PROPOSER MINIMUM QUALIFICATIONS

1. Any individual, partnership, corporation, public or private agency, or organization that can demonstrate the ability to perform services may submit a proposal.
2. Proposer must have a minimum two years of experience directly related to the marketing services requested in this RFP.
3. Proposer must have a minimum of two years experience directly related to the marketing analysis of providers within the continuing care industry.

4. Proposer must have or will establish and maintain an office within the boundaries of the State of California.
5. Proposer must be able to submit evidence of available financial resources to provide the service.
6. Corporations must be in good standing and qualified to conduct business in California.

C. TIME SCHEDULE

1. Key Action Dates

<u>Event</u>	<u>Date</u>	<u>Time (if applicable)</u>
RFP Available to Prospective Proposers	February 10, 2012	
Final Date for Question Submittal (Must submit questions in writing on BidSync)	February 24, 2012	2:00 p.m.
Final Date for Proposal Submission	March 5, 2012	2:00 p.m.
Post Notice of Intent to Award	March 20, 2012	
Last Day to Protest Award	March 27, 2012	.
Proposed Award Date	July 1, 2012	

D. CONTRACT TERM

The anticipated term of the resulting Agreement(s) is **July 1, 2012** or date of DGS approval, whichever is later, through **June 30, 2014**. The date of the contract approval by the State, however, shall be the governing factor as to the date of the commencement. The maximum amount of payment to the contractor is limited to a total amount of \$200,000.00.

The resulting contract(s) will not take effect until signed by a CDSS Contract Officer and the Contractor has received a signed copy of the Agreement. The contractor is hereby advised not to commence performance until an authorized contract has been issued by CDSS. Should performance commence before the contract is issued, such services may be considered voluntary.

E. PROPOSER QUESTIONS

Proposers are encouraged to submit written questions about this RFP to CDSS no later than **2:00 p.m. on February 24, 2012**. All questions and responses will be posted on the eProcurement website (<http://www.eprocure.dgs.ca.gov/default.htm>) and open to all to view. CDSS will only accept questions about RFP errors or irregularities if such questions are received prior to the proposal submission deadline.

Proposers may contact *ONLY the individual identified above* and shall not contact other CDSS personnel for meetings, conferences or technical discussion related to this RFP. No questions may be answered by other CDSS staff. If proposers are discovered to have contacted other CDSS personnel, CDSS may reject their proposal.

F. PROPOSAL FORMAT

1. The proposer must supply all of the information requested in this section of the RFP. Proposals should provide straightforward and concise descriptions of the proposer's ability to satisfy the requirements of this RFP. A proposal that fails to comply completely with these requirements will be deemed non-responsive by CDSS. The proposal must include the sections listed below and must be submitted in the following format and order.
2. All narrative portions should be straightforward, detailed, and precise. The quality of the proposal, not the volume, packaging or elaborate displays, will receive greater attention in the evaluation process.
3. All proposals must be submitted on standard white paper, 8 ½ inches by 11 inches in size, typed, double-spaced, and with each page clearly and consecutively numbered.
4. A minimum of one (1) original and four (4) copies of the proposal must be submitted.

G. PROPOSAL CONTENT

1. The proposal must be submitted in the legal entity name of the proposer. The proposal must be signed by the proposer, a corporate officer, or an authorized agent of the proposers. Signature facsimile stamps will not be accepted.
2. The proposal should be prepared providing a straightforward and concise delineation of the proposer's ability to satisfy the requirements of this RFP. Fancy bindings, colored displays, and promotional materials are neither necessary nor desired. Emphasis in the proposal should be on completeness and clarity of content. The evaluation process will not provide credit for capabilities or advantages without clearly being evidenced in the written proposal.
3. Format the narrative portions of the proposal using one-inch margins at top, bottom and each side, a font size of at least 11-point, printed single-sided on white bond paper with sequential pagination.
4. Bind each proposal set in a way that enables easy page removal. Loose leaf or three-ring binders are acceptable.
5. Do not mark any portion of your proposal response as "Confidential" or "Proprietary." CDSS will disregard any such markings.
6. The original must be marked "Original." All other 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.

7. Content Requirements

This section specifies the order and content of each proposal.

- (A) Required Attachment Checklist, **Attachment A**.
- (B) Proposal/Proposer Certification Sheet, **Attachment B**.
- (C) Cost Proposal Work Sheet, **Attachment C**. The cost portion of the proposal must be submitted in the format provided. This format shall not be altered.

8. Table of Contents

A Table of Contents must be provided. It must identify all major sections of the proposal by page number. All exhibits and attachments must also be identified and referenced by page number.

9. Body of Proposal

A. Proposer's Knowledge of, and Involvement with, the continuing care industry. This section of the proposal should provide, in a narrative description, information on the proposer's knowledge of the continuing care industry, issues and laws.

B. Proposer's Background and Experience

This section of the proposal should provide, in a narrative description, information on the general, relevant background and experience of the proposer. The following information must be included:

1. Statements describing proposer's background, including the date established, type of ownership, location of headquarters and major offices and number of employees engaged in consulting work.
2. Statements describing the availability and accessibility of personnel resources.
3. Statements describing the proposer's accomplishments in planning, managing and conducting comprehensive evaluations and resultant recommendations. In describing prior experience, proposer must provide verifiable documentation of accomplishments and provide references and resumes, **Attachment H**. The references listed may or may not be contacted by the evaluation committee.
4. If the proposer has no prior experience in providing the services required by that RFP, describe Proposer's skills, abilities and/or other experience that demonstrated potential to succeed at this project.

5. If the proposer is a previous or current contractor with CDSS, give contract number, dates, type of service provided, and contract amount.

10. Organizational Structure

The content of this section should describe how the proposer proposes to organize the resources necessary to complete an analysis and evaluation in the manner required by this RFP. The content of this section should demonstrate the appropriateness and ability of the proposer to provide the services set forth in this RFP and in the time required. This section must include:

- A. The organizational structure, staff and functions proposed to be utilized in the project, including an organizational chart. Identification of key personnel must be included along with their major responsibilities and functions.

Resumes **must** be included for each consultant and any subcontractor, describing their experience and tenure in conducting marketing/financial feasibility studies, must be submitted with the proposal.

- B. Statements describing the knowledge that the proposed project staff have of the continuing care industry, including familiarity with construction and operating costs of continuing care retirement communities, experience in analyzing housing and health facility markets, and cost proposals.
- C. Statements describing the experience that the proposed project staff has in planning, managing and conducting comprehensive evaluations and studies; and estimating, compiling and analyzing marketing and financial feasibility studies.
- D. An identification of all contemplated subcontractors as follows: their name, address, and telephone number. Also, clearly describe the services each will provide, and the method used to secure the services of the subcontractor.

11. Assessment of Need

This section of the proposal must demonstrate the proposer's understanding of the requirements of this RFP. Provide statements that establish the proposer's ability to successfully evaluate applications in all areas described in the Scope of Work.

12. Proposed Methodology

This section of the proposal must contain a precise, clearly written explanation of the methods, tasks and time frames which will be used to perform the services required by this RFP and must include the following:

- A. Description of Methodology – describe in detail, the methodology that proposer intends to follow in completing the evaluations and recommendations required by this RFP.

- B. Limitations of the Selected Methodology – describe the limitations of the selected methodology and the means the proposer proposes to use to compensate for these limitations.
- C. Schedule of Objectives/Activities to be Completed – develop a statement of the activities to be performed including who will perform them and describe the progress/status reporting system which will be used.

13. Costs

- A. Travel costs, overhead and other related expenditures shall be incorporated into the hourly cost rates and are not to be included as a separate cost item. All costs shall be submitted on **Attachment C**, Cost Proposal Worksheet.
- B. The hourly rate specified by the proposer on **Attachment C**, Cost Proposal Worksheet, will be the amount that CDSS will pay for all services listed in the resultant contract(s).

14. Additional Documentation

Proof of Corporate Status

If the proposer is a Corporation, submit a copy of your firm's most current Certificate of Status issued by State of California, Office of the Secretary of State. Submit an explanation if this documentation cannot be submitted. Unless otherwise specified, do not submit copies of your firm's Bylaws or Articles of Incorporation.

15. Declaration Forms

- A. Bidder Declaration GSPD-05-105, **Attachment E**
- B. STD 843 (Disabled Veteran Business Enterprise Declaration, **Attachment F** (if applicable))
- C. Darfur Contracting Act, **Attachment G**

H. Submission of Proposal

1. The proposal must be submitted in the legal entity name of the proposer. The proposal must be signed by the proposer, a corporate officer, or an authorized agent of the proposer. **Signature facsimile stamps will not be accepted.**
2. All proposals must be submitted under sealed cover and received by CDSS by the date and time shown below, and in Proposal Requirements and Information, paragraph 1, Key Action Dates. Proposals received after this date and time will not be considered.
3. The sealed cover must be plainly marked with the RFP number and title, your firm's name and address, and must be marked with "**DO NOT OPEN, DUE March 5, 2012, 2:00 p.m.**", as shown in the following example:

Faisal Aziz
California Department of Social Services
Contracts Bureau
744 P Street, M.S. 8-14-747
Sacramento, CA 95814

**RFP 12-02 – Analyzing and Evaluating the Marketing Indicators
of Continuing Care Retirement Community (CCRC) Applications
for Certificates of Authority.**

DO NOT OPEN

DUE March 5, 2012, 2:00 P.M.

4. If the proposal is made under a fictitious name or business title, the actual legal name of the proposer must be provided.
5. Proposals not submitted under sealed cover marked as indicated may be rejected.
6. **Proposer Warning for Deliveries:** CDSS' internal processing of U.S. mail may add up to 48 hours to the delivery time. If you choose hand delivery, allow sufficient time to locate parking and complete visitor security procedures. You will need to provide the security personnel with the name and telephone number of the person to whom the package is to be delivered. Security personnel will not accept delivery. Security will only notify the appropriate staff to accept delivery.
7. All proposals shall include the documents identified in **Attachment A, Required Attachment Checklist**. Proposals not including the proper "required attachments" shall be deemed non-responsive. A non-responsive proposal is one that does not meet the basic proposal requirements.
8. Mail or deliver proposals to the following address:

Faisal Aziz
California Department of Social Services
Contracts Bureau
744 P Street, M.S. 8-14-747
Sacramento, CA 95814
(916) 653-5032
9. Proposals must be submitted for the performance of all services described herein. Any deviation from the work specifications will not be considered and will cause a proposal to be rejected.
10. A proposal may be rejected if it is conditional or incomplete, or if it contains any alterations of form or other irregularities of any kind. CDSS may reject any or all proposals and may waive an immaterial deviation in a proposal. The CDSS' waiver of an immaterial deviation shall in no way modify the RFP document or excuse the proposer from full compliance with all requirements if awarded the agreement.

11. Costs incurred for developing the proposals and in anticipation of award of the agreement are entirely the responsibility of the proposer and shall not be charged to the State of California.
12. An individual who is authorized to bind the proposing firm contractually shall sign **Attachment B**, Proposal/Proposer Certification Sheet. The signature must indicate the title or position that the individual holds in the firm. An unsigned proposal may be rejected.
13. A proposer may modify a proposal after its submission by withdrawing its original proposal and resubmitting a new proposal prior to the proposal submission deadline as set forth in the Key Action Dates. Proposal modifications offered in any other manner, oral or written, will not be considered.
14. A proposer may withdraw its proposal by submitting a written withdrawal request to CDSS, signed by the proposer or authorized agent. A proposer may thereafter submit a new proposal prior to the proposal submission deadline. Proposals may not be withdrawn without cause subsequent to proposal submission deadline.
15. CDSS may modify the RFP prior to the date fixed for submission of proposals by the issuance of an addendum to all parties who received a RFP package.
16. CDSS reserves the right to reject all proposals. CDSS is not required to award an agreement.
17. Before submitting a response to this solicitation, proposers should review, correct all errors and confirm compliance with the RFP requirements.
18. Where applicable proposer should carefully examine work sites and specifications. No additions or increases to the agreement amount will be made due to lack of careful examination of work sites and specifications.
19. More than one proposal from an individual, firm, partnership, corporation or association under the same or different names, will not be considered.
20. The State does not accept alternate contract language from a prospective contractor. A proposal with such language will be considered a counter proposal and will be rejected. The State's General Terms and Conditions (GTC) are not negotiable.
21. No oral understanding or agreement shall be binding on either party.
22. CDSS reserves the right to use any and all ideas or concepts in any proposal submitted and/or selected for the award of the contract.
23. News releases pertaining to this RFP and its award will not be made without prior written approval of CDSS.

I. EVALUATION AND SELECTION PROCESS

1. Secondary RFP method

- a. The competitive bidding process being used for this procurement of services is the RFP secondary method. Proposals will first be reviewed for compliance with the RFP. Those proposals that meet the requirements will then be evaluated according to the criteria in Section (f), Proposal Evaluation (pages 13-14). The highest scoring proposal will be awarded.
- b. Up to three successful proposers may be selected to enter into contracts based on the results of this RFP. It is the intent of CDSS to establish a pool of up to three successful Contractors. The final list of Contractors will be determined by selecting up to three of the highest scored proposals. After the successful proposers have been selected and contracts have been signed and approved, by the Department of Social Services, with one or more successful proposers, those become Contractors. When the need for services occurs, CDSS will select among the three contractors to assign the work. CDSS will select a Contractor for each assignment based on the highest scored proposal, unless a conflict of interest exists.
- c. Conflict of Interest for the purpose of this RFP shall mean that the Contractor has a financial or other interest in the provider being reviewed. If such conflict exists, CDSS shall select the proposer with the next highest scored proposal to perform services. This selection process shall continue until a successful Contractor with no conflict of interest has been selected.
- d. At the time of proposal opening, each proposal will be checked for the presence or absence of required information in conformance with the submission requirements of this RFP.
- e. Proposals that contain false or misleading statements, or which provide references, which do not support an attribute or condition claimed by the proposer, may be rejected.
- f. Proposal Evaluation

The proposals that meet the minimum qualifications will be evaluated and scored according to the criteria indicated below. The maximum points possible are **1000**.

<u>Rating/Scoring Criteria</u>	<u>Maximum Possible Points</u>
(1) <u>Proposer’s Knowledge of, and Involvement with, the Continuing Care Industry</u>	150
A description of proposer’s knowledge of, and practical familiarity with, the continuing care industry in accordance with page 8, 9 – Body of Proposal, item A.	

- (2) Proposer’s Background and Experience 325
 Proposer’s background and experience in accordance with page 8, 9 – Body of Proposal, item B.
- (3) Organizational Structure 75
 Statements, which describe how the proposer plans to organize the resources necessary to complete an analysis and evaluation in accordance with page 8, 10. – Organizational Structure.
- (4) Assessment of Need 50
 Statements which demonstrate proposer’s understanding of this RFP. Statements which demonstrate the proposer’s ability to successfully analyze and evaluate CCRCs with potential financial problems. Develop, implement and monitor corrective actions plans.
- (5) Proposed Methodology 100
 Description of methods, tasks and timelines that proposer will use to ensure services are delivered and utilized in accordance with page 9, 12 – Proposed Methodology.
- (6) Cost Proposal, Attachment C, Proposal Worksheet 300
 The proposal offering the lowest cost will receive 300 points. The proposal offering the next (second) lowest cost will receive a percentage of the total points based on their cost related to the lowest cost proposal and so on for the remaining proposals. CDSS will use the hourly rate from the Cost Proposal Sheet (Attachment C) in determining the lowest cost.
 - (a) The use of the RFP secondary method requires that cost points be allocated among the proposers. The allocation formula is as follows:
 - 1) $\text{Lowest cost amount} \div \text{current proposal amount being evaluated} \times \text{maximum costs points} = \text{points}$
 - 2) Example of calculation using the formula:

<u>Proposal Costs</u>	<u>Allocation Formula</u>	<u>Cost Points</u>
\$100 (lowest proposal)	$\$100/100 \times 300$	300
\$150	$\$100/150 \times 300$	200
\$200	$\$100/200 \times 300$	150

(7) Adjustments to Score for Disabled Veterans Business Enterprise (DVBE) and Small Business Preference (SB)

- (a) Proposals that have confirmed DVBE participation over one percent will be eligible for the DVBE bid incentive. The DVBE bid incentive ranges from one to five percent based on the percentage of confirmed DVBE participation. For more information see Attachment D.
- (b) Proposals that claim at least 25% California certified small business subcontractor participation will be eligible for a five percent bid preference. For more information see Section K.

J. GENERAL RFP INFORMATION

1. Nonresponsive Proposals

In addition to any condition previously indicated in this RFP, the following occurrences will cause CDSS to deem a proposal nonresponsive.

- a. Failure of a proposer to meet proposal format/content or submission requirements.
- b. Proposer submits a proposal that is conditional, materially incomplete, or contains material defects, alterations, or irregularities of any kind.
- c. If a proposer supplies false, inaccurate, or misleading information or falsely certifies compliance on any RFP attachment.

2. Proposal Modifications after Submission

A proposer may modify a proposal after its submission by withdrawing its original proposal and resubmitting a new proposal prior to the proposal submission deadline. Proposal modifications offered in any other manner, oral or written, will not be considered.

3. Withdrawal and/or Resubmission of Proposal

A proposer may withdraw a proposal at any time before the proposal submission deadline. A proposer may withdraw its proposal by submitting a written withdrawal request to the CDSS, signed by an authorized representative of the proposer. A proposer may thereafter submit a new proposal prior to the proposal submission deadline.

4. Award and Protests

- a. Notice of the proposed award shall be posted in the lobby of the California Department of Social Services, 744 P Street, Sacramento, California, for five working days prior to awarding the agreement.
- b. If any proposer, prior to the award of agreement, files a written protest with CDSS, Chief, Contracts Bureau, 744 P Street, M.S. 8-14-747, Sacramento, CA 96814 and the Department of General Services, Office of Legal Services, 707 Third Street, 7th Floor,

Suite 7-330, West Sacramento, CA 95605 on the grounds that the (protesting) proposer would have been awarded the contract had CDSS correctly applied the evaluation standard in the RFP, or if CDSS had followed the evaluation and scoring methods in the RFP, the agreement shall not be awarded until either the protest has been withdrawn or the Department of General Services has decided the matter. It is suggested that you submit any protest by certified or registered mail.

- c. Within five (5) calendar days after filing the initial protest, the protesting proposer shall file with the Department of General Services, Office of Legal Services, and CDSS, a detailed statement specifying the grounds for protest.
- d. Upon resolution of the protest and award of the agreement, Contractor must complete and submit to CDSS the Payee Data Record (STD 204), to determine if the contractor is subject to state income tax withholding pursuant to California Revenue and Taxation Code Sections 18662 and 26131. This form can be found on the Internet at www.osp.dgs.ca.gov under the heading STANDARD FORMS. No payment shall be made unless a completed STD 204 has been returned to CDSS.
- e. Upon resolution of the protest and award of the agreement, contractor must sign and submit to CDSS, page one of the Contractor Certification Clauses (CCC), which can be found on the Internet at <http://www.ols.dgs.ca.gov/Standard%20Language/default.htm> or in Attachment 1.
- f. No award is final until approved by the Department of General Services, if applicable.

5. Disposition of Proposals

- a. Upon proposal opening, all documents submitted in response to this RFP will become the property of the State of California, and will be regarded as public records under the California Public Records Act (Government Code Section 6250 et seq.) and subject to the review by the public.
- b. Proposal packages may be returned only at the proposer's expense, unless such expense is waived by CDSS.

6. Settlement of Ties

- a. In the event of a precise tie between the low responsible bid of a certified small business and the low responsible bid of a certified disabled veteran business enterprise (DVBE), or microbusiness, the resulting contract must be awarded to the DVBE or the microbusiness per Government Code Section 14838 (f) et seq.
- b. CDSS will settle all other ties by coin toss. In no event will CDSS settle a tie by dividing the work among the tied proposers.

K. SMALL BUSINESS ENTERPRISE (SBE)

1. Small Business Regulations: The Small Business regulations, located in the California Code of Regulations (Title 2, Division 2, Chapter 3, Subchapter 8, Section 1896 et seq.), concerning the application and calculation of the small business preference, small business certification, responsibilities of small business, department certification, and appeals are revised, effective 9/09/04. The new regulations can be viewed at (www.pd.dgs.ca.gov/smbus). For those without Internet access, a copy of the regulations can be obtained by calling the Office of Small Business and DVBE Services at (916) 375-4940.
2. Non-Small Business Subcontractor Preference: A 5% bid preference is now available to a non-small business claiming 25% California certified small business subcontractor participation.
3. Small Business Nonprofit Veteran Service Agencies (SB/NVSA): SB/NVSA prime bidders meeting requirements specified in the Military and Veterans Code Section 999.50 et seq. and obtaining a California certification as a small business are eligible for the 5% small business preference.
4. Attachment with Bid Required if Claiming the Small Business Preference: All proposers must complete and include the Bidder Declaration form GSPD-05-105, **Attachment E**. If claiming the non-small business subcontractor preference, the form must list all of the California certified small businesses with which you commit to subcontract in an amount of at least twenty-five percent (25%) of the net bid price. All certified small businesses must perform a "commercially useful function" in the performance of the contract as defined in Government Code Section 14837(d)(4).
5. Small Business Certification: Proposers claiming the small business preference must be certified by California as a small business or must commit to subcontract at least 25% of the net bid price with one or more California certified small businesses. Completed certification applications and required support documents must be submitted to the Office of Small Business and DVBE Services (OSDS) no later than 5:00 p.m. on the bid due date, and the OSDS must be able to approve the application as submitted. Small business nonprofit veteran service agencies (SB/NVSA) claiming the small business preference must possess certification by California prior to the day and time bids are due. Questions regarding certification should be directed to the OSDS at (916) 375-4940.

L. DISABLED VETERAN BUSINESS ENTERPRISE (DVBE) PARTICIPATION PROGRAM REQUIREMENTS

1. Subject to exceptions in the Government Code and pursuant to regulations, State law requires awarding agencies to have an annual participation goal of three percent for disabled veteran-owned business enterprises.

The CDSS elects to waive the DVBE Program Requirements in this solicitation, but opts to include the DVBE incentive.

2. For more information about the DVBE incentive refer to **Attachment D, California DVBE Bid Incentive Instructions (9/3/09)**.

3. If for this agreement contractor made a commitment to achieve disabled veteran business enterprise (DVBE) participation, then contractor must within 60 days of receiving final payment under this agreement (or within such other time period as may be specified elsewhere in this agreement) certify in a report to the awarding department: (1) the total amount the prime contractor received under the contract; (2) the name and address of the DVBE(s) that participated in the performance of the contract; (3) the amount each DVBE received from the prime contractor; (4) that all payments under the contract have been made to the DVBE(s); and (5) the actual percentage of DVBE participation that was achieved. A person or entity that knowingly provides false information shall be subject to a civil penalty for each violation. (Military & Veterans Code (M&VC) §999.5(d)).
4. Contractor understands and agrees that should award of this contract be based in part on their commitment to use the Disabled Veteran Business Enterprise (DVBE) subcontractor(s) identified in their bid or offer, per Military and Veterans Code 999.5 (e), a DVBE subcontractor may only be replaced by another DVBE subcontractor and must be approved by the Department of General Services (DGS). Changes to the scope of work that impact the DVBE subcontractor(s) identified in the bid or offer and approved DVBE substitutions will be documented by contract amendment.
5. Failure of Contractor to seek substitution and adhere to the DVBE participation level identified in the bid or offer may be cause for contract termination, recovery of damages under the rights and remedies due to the State, and penalties as outlined in M&VC § 999.9; Public Contract Code (PCC) § 10115.10, or PCC § 4110 (applies to public works only).

The California DVBE Bid Incentive Instructions (09/09/09) include information about the DVBE incentive (**Attachment D**).

M. DARFUR CONTRACTING ACT

All bidders must address the requirements of the Darfur Contracting Act of 2008, Attachment G, for the reason described in Public Contract Code section 10475. Any scrutinized companies are ineligible to, and cannot, bid on or submit a proposal for contract with a State agency for goods or services. A scrutinized company is defined in Public Contract Code section 10476. However, bids may be submitted by scrutinized companies if permission is obtained first from the Department of General Services according to the criteria set forth in Public Contract Code section 10477(b).

N. LOSS LEADER

It is unlawful for any person engaged in business within this state to sell or use any article or product as a "loss leader" as defined in Section 17030 of the business and Professions Code.

O. ATTACHMENTS AND EXHIBITS

Attachment A – Required Check List

Attachment B – Proposal/Proposer Certification Sheet

Attachment C – Cost Proposal Worksheet

Attachment D – Instructions for Documentation of California Disabled Veteran Business Enterprise (DVBE) Program Requirements

Attachment E – GSPD-05-105, Bidder Declaration

Attachment F – STD 843, Disabled Veteran Business Enterprise (DVBE) Declarations

Attachment G – Darfur Contracting Act

Attachment H – Contractor's Resume(s) including subcontractors providing services
Bidder's References

Attachment I – Contractor Certification Clauses

Exhibit 1 – Sample Contract

Required Attachment Checklist

Proposer's Name: _____

A complete 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. For your proposal to be responsive, all required attachments must be submitted. This checklist should also be returned with your bid package.

√

	Attachment A	Required Attachment Checklist
	Attachment B	<ul style="list-style-type: none"> • Proposal/Proposer Certification Sheet
	Attachment C	<ul style="list-style-type: none"> • Cost Proposal Worksheet: Contractor's Hourly Rate
		<ul style="list-style-type: none"> • Name of Contractor's personnel providing the services during the term of the contract.
	Attachment D	<ul style="list-style-type: none"> • Instructions for Documentation of California Disabled Veteran Business Enterprise (DVBE) Incentive Instructions
	Attachment E	<ul style="list-style-type: none"> • GSPD-05-105, Bidder Declaration
	Attachment F	<ul style="list-style-type: none"> • STD 843, Disabled Veteran Business Enterprise (DVBE) Declarations (if applicable)
	Attachment G	<ul style="list-style-type: none"> • Darfur Contracting Act
	Attachment H	<ul style="list-style-type: none"> • Contractor's Resume(s) including subcontractors providing services • Bidder's References
	Attachment I	<ul style="list-style-type: none"> • Contractor Certification Clauses
	Additional Documentation:	<ul style="list-style-type: none"> • Proof of Corporate Status (Corporations Only)

PROPOSAL/PROPOSER CERTIFICATION SHEET

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

Do not return Section B, Proposer Requirements and Information (pages 5 through 10) nor the "Sample Contract" at the end of this RFP.

- A. **Our all inclusive bid is submitted as detailed in Attachment 3, Cost Sheet.**
- B. All required attachments are included with this Proposal/Proposeer Certification Sheet.
- C. The signature affixed hereon and dated certifies compliance with all the requirements of this bid document. The signature below authorizes the verification of this certification.
- D. **Nondiscrimination Compliance Statement:** The prospective contractor's signature affixed hereon and dated shall constitute a certification, under penalty of perjury under the laws of the State of California, that the bidder has, unless exempted, complied with the nondiscrimination program requirements of Government Code Section 12990 (a-f); and Title 2, CCR Section 8103.

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

1. Company Name	2. Area Code + Phone Number	2a. Area Code + Fax Number
3. Address, City, State and Zip Code		
Indicate your organization type:		
4. <input type="checkbox"/> Sole Proprietorship	5. <input type="checkbox"/> Partnership	6. <input type="checkbox"/> Corporation
Indicate the applicable employee and/or corporation number:		
7. Federal Employee ID No. (FEIN)	8. California Corporation No.	
Indicate applicable license and/or certification information:		
9. Contractor's State Licensing Board Number	10. PUC License Number CAL-T-	11. Required Licenses/Certifications
12. Bidder's Name (Print)	13. Title	
14. Signature	15. Date	
16. Are you certified with the Department of General Services, Office of Small Business and DVBE Certification (OSDC) as:		
a. Small Business Enterprise Yes <input type="checkbox"/> No <input type="checkbox"/> If yes, enter reference number: _____	b. Disabled Veteran Business Enterprise Yes <input type="checkbox"/> No <input type="checkbox"/> If yes, enter reference number: _____	
NOTE: Include a copy of your Certification if either of the above items is checked "Yes".		
Date application was submitted to OSDC, if an application is pending:		
17. Are you claiming preference as a California Certified Small Business? Yes _____ No _____	18. Are you a non-small business claiming at least 25% Small Business Subcontractor preference? Yes _____ No _____	

Completion Instructions for Proposal/Proposer Certification Sheet

Complete the numbered items on the Proposal/Proposer Certification Sheet by following the instructions below.

Item Numbers	Instructions
1, 2, 2a, 3	Must be completed. These items are self-explanatory.
4	Check if your firm is a sole proprietorship. A sole proprietorship is a form of business in which one person owns all the assets of the business in contrast to a partnership and corporation. The sole proprietor is solely liable for all the debts of the business.
5	Check if your firm is a partnership. A partnership is a voluntary agreement between two or more competent persons to place their money, effects, labor, and skill, or some or all of them in lawful commerce or business, with the understanding that there shall be a proportional sharing of the profits and losses between them. An association of two or more persons to carry on, as co-owners, a business for profit.
6	Check if your firm is a corporation. A corporation is an artificial person or legal entity created by or under the authority of the laws of a state or nation, composed, in some rare instances, of a single person and his successors, being the incumbents of a particular office, but ordinarily consisting of an association of numerous individuals.
7	Enter your federal employee tax identification number.
8	Enter your corporation number assigned by the California Secretary of State's Office. This information is used for checking if a corporation is in good standing and qualified to conduct business in California.
9	Complete if your firm holds a California contractor's license. This information will be used to verify possession of a contractor's license for public works agreements.
10	Complete if your firm holds a PUC license. This information will be used to verify possession of a PUC license for public works agreements.
11	Complete, if applicable, by indicating the type of license and/or certification that your firm possesses and that is required for the type of services being procured.
12, 13, 14, 15	Must be completed. These items are self-explanatory.
16	If certified as a Small Business Enterprise, place a check in the "Yes" box, and enter your reference number on the line. If certified as a Disabled Veterans Business Enterprise, place a check in the "Yes" box and enter your reference number on the line. If you are not certified to one or both, place a check in the "No" box. If your certification is pending, enter the date your application was submitted to OSDC.
17	If certified as a Small Business Enterprise and are claiming preference, place a check in the "Yes" line. If you are not claiming preference, place a check in the "No" line.
18	If not certified as a Small Business Enterprise, but have subcontracted at least 25% of the net bid price with one or more California certified small businesses, and are claiming preference, place a check in the "Yes" line. If you are not claiming preference, place a check in the "No" line.

Cost Proposal Worksheet

- A. Proposer must include their all inclusive amount of bid and submit this page along with their proposal as follows:

\$ _____ (Hourly Rate)

This hourly rate is the reimbursement rate for all consultants listed in the resultant contract and is a blended rate which includes all contractors' costs of performing the contract.

\$ _____ Total amount of Bid (All-Inclusive Amount)

- B. List the names of the personnel including subcontractors that will be providing services during the term of the contract.

**CALIFORNIA DISABLED VETERAN BUSINESS ENTERPRISE (DVBE)
 BID INCENTIVE INSTRUCTIONS
 (09/03//09)**

Please read the instructions carefully before you begin.

AUTHORITY. The Disabled Veteran Business Enterprise (DVBE) Participation Goal Program for State contracts is established in Public Contract Code (PCC), §10115 et seq., Military and Veterans Code (MVC), §999 et seq., and California Code of Regulations (CCR), Title 2, §1896.60 et seq. **Recent legislation has modified the program significantly in that a bidder may no longer demonstrate compliance with program requirements by performing a “good faith effort” (GFE).**

This solicitation does not include a minimum DVBE participation percentage or goal.

DVBE BID INCENTIVE. A DVBE incentive will be given to bidders who provide DVBE participation. For evaluation purposes only, the State shall apply a DVBE Bid incentive to bids that propose California certified DVBE participation as identified on the Bidder Declaration, GSPD-05-105, (located elsewhere within the solicitation document) and confirmed by the State. The DVBE incentive amount for awards based on low price will vary in conjunction with the percentage of DVBE participation. Unless a table that replaces the one below has been expressly established elsewhere within the solicitation, the following percentages will apply for awards based on low price.

Confirmed DVBE Participation of:	DVBE Incentive:
5% or Over	5%
4% to 4.99% inclusive	4%
3% to 3.99% inclusive	3%
2% to 2.99% inclusive	2%
1% to 1.99% inclusive	1%

As applicable: (1) Awards based on low price - the net bid price of responsive bids will be reduced (for evaluation purposes only) by the amount of DVBE incentive as applied to the lowest responsive net bid price. If the #1 ranked responsive, responsible bid is a California certified small business, the only bidders eligible for the incentive will be California certified small businesses. The incentive adjustment for awards based on low price cannot exceed 5% or \$100,000, whichever is less, of the #1 ranked net bid price. When used in combination with a preference adjustment, the cumulative adjustment amount cannot exceed \$100,000.

(2) Awards based on highest score - the solicitation shall include an individual requirement that identifies incentive points for DVBE participation.

INTRODUCTION. Bidders must document DVBE participation commitment by completing and submitting a Bidder Declaration, GSPD-05-105, (located elsewhere within the solicitation document). Bids or proposals (hereafter called “bids”) that **fail to submit the required form to confirm the level of DVBE participation will not be eligible to receive the DVBE incentive.**

Information submitted by the intended awardee to claim the DVBE incentive(s) will be verified by the State. If evidence of an alleged violation is found during the verification process, the State shall initiate an investigation, in accordance with the requirements of the PCC §10115, et seq., and MVC §999 et seq., and follow the investigatory procedures required by the 2 CCR §1896.80. Contractors found to be in violation of certain provisions may be subject to loss of certification, penalties and/or contract termination.

Only State of California, Office of Small Business and DVBE Services (OSDS), certified DVBEs (hereafter called “DVBE”) who perform a commercially useful function relevant to this solicitation, may be used to qualify for a DVBE incentive(s). The criteria and definition for performing a commercially useful function are contained herein on the page entitled **Resources & Information**. Bidders are to verify each DVBE subcontractor’s certification with OSDS to ensure DVBE eligibility.

At the State’s option prior to award of the contract, a written confirmation from each DVBE subcontractor identified on the Bidder Declaration must be provided. As directed by the State, the written confirmation must be signed by the bidder and/or the DVBE subcontractor(s). The written confirmation may request information that includes but is not limited to the DVBE scope of work, work to be performed by the DVBE, term of intended subcontract with the DVBE, anticipated dates the DVBE will perform required work, rate and conditions of payment, and total amount to be paid to the DVBE. If further verification is necessary, the State will obtain additional information to verify compliance with the above requirements.

THE DVBE BUSINESS UTILIZATION PLAN (BUP): DVBE BUPs are a company’s commitment to expend a minimum of 3% of its total statewide contract dollars with DVBEs -- this percentage is based on all of its contracts held in California, not just those with the State. A DVBE BUP does not qualify a firm for a DVBE incentive. Bidders with a BUP, must submit a Bidders Declaration (GSPD-05-105) to confirm the DVBE participation for an element of work on this solicitation in order to claim a DVBE incentive(s).

THE FOLLOWING MAY BE USED TO LOCATE DVBE SUPPLIERS:

Awarding Department: Contact the department’s contracting official named in this solicitation for any DVBE suppliers who may have identified themselves as potential subcontractors, and to obtain suggestions for search criteria to possibly identify DVBE suppliers for the solicitation. You may also contact the department’s SB/DVBE Advocate for assistance.

Other State and Federal Agencies, and Local Organizations:

STATE: Access the list of all certified DVBEs by using the Department of General Services, Procurement Division (DGS-PD), online certified firm database at www.eprocure.dgs.ca.gov. To begin your search, click on “SB/DVBE Search.” Search by “Keywords” or “United Nations Standard Products and Services Codes (UNSPSC) that apply to the elements of work you want to subcontract to a DVBE. Check for subcontractor ads that may be placed on the California State Contracts Register (CSCR) for this solicitation prior to the closing date. You may access the CSCR at: www.eprocure.dgs.ca.gov. For questions regarding the online certified firm database and the CSCR, please call the OSDS at (916) 375-4940 or send an email to: OSDCHelp@dgs.ca.gov.

FEDERAL: Search the U.S. Small Business Administration’s (SBA) Central Contractor Registration (CCR) on-line database at www.ccr.gov/ to identify potential DVBEs and click on the "Dynamic Small Business Search" button. Search options and information are provided on the CCR Dynamic Small Business Search site. First time users should click on the “help” button for detailed instructions. Remember to verify each firm’s status as a California certified DVBE.

LOCAL: Contact local DVBE organization to identify DVBEs. For a list of local organizations, go to www.pd.dgs.ca.gov/smbus and select: [DVBE Local Contacts](#) (New 02/09) (pdf).

RESOURCES AND INFORMATION

For questions regarding bid documentation requirements, **contact the contracting official at the awarding department for this solicitation.** For a directory of SB/DVBE Advocates for each department go to: <http://www.pd.dgs.ca.gov/smbus/advocate.htm>.

The Department of General Services, Procurement Division (DGS-PD) publishes a list of trade and focus publications to assist bidders in locating DVBEs for a fee. To obtain this list, please go to www.pd.dgs.ca.gov/smbus and select:

- [DVBE Trade Paper Listing](#) (New 02/09) (pdf)
- [DVBE Focus Paper Listing](#) (New 02/09) (pdf)

U.S. Small Business Administration (SBA):
Use the Central Contractor Registration (CCR) on-line database.
Internet contact only –Database: www.ccr.gov/.

FOR:
Service-Disabled Veteran-owned businesses in California (Remember to verify each DVBE's California certification.)

Local Organizations: Go to www.pd.dgs.ca.gov/smbus and select: [DVBE Local Contacts](#) (New 02/09) (pdf)

FOR:
List of potential DVBE subcontractors

DGS-PD EProcurement
Website: www.eprocure.dgs.ca.gov
Phone: (916)375-2000
Email: eprocure@dgs.ca.gov

FOR:

- SB/DVBE Search
- CSCR Ads
- Click on Training tab to Access eProcurement Training Modules including: Small Business (SB)/DVBE Search

DGS-PD Office of Small Business and DVBE Services (OSDS)
707 Third Street, Room 1-400, West Sacramento, CA 95605
Website: www.pd.dgs.ca.gov/smbus
OSDS Receptionist, 8 am-5 pm: (916) 375-4940
PD Receptionist, 8 am-5 pm: (800) 559-5529
Fax: (916) 375-4950
Email: osdchelp@dgs.ca.gov

FOR:

- Directory of California-Certified DVBEs
- Certification Applications
- Certification Information
- Certification Status, Concerns
- General DVBE Program Info.
- DVBE Business Utilization Plan
- Small Business/DVBE Advocates

Commercially Useful Function Definition

California Code of Regulations, Title 2, § 1896.61(l):

The term "DVBE contractor, subcontractor or supplier" means any person or entity that satisfies the ownership (or management) and control requirements of §1896.61(f); is certified in accordance with §1896.70; and provides services or goods that contribute to the fulfillment of the contract requirements by performing a commercially useful function.

As defined in MVC §999, a person or an entity is deemed to perform a "commercially useful function" if a person or entity does **all** of the following:

- Is responsible for the execution of a distinct element of the work of the contract.
- Carries out the obligation by actually performing, managing, or supervising the work involved.
- Performs work that is normal for its business services and functions.
- Is not further subcontracting a portion of the work that is greater than that expected to be subcontracted by normal industry practices.

A contractor, subcontractor, or supplier will not be considered to perform a commercially useful function if the contractor's, subcontractor's, or supplier's role is limited to that of an extra participant in a transaction, contract, or project through which funds are passed in order to obtain the appearance of disabled veteran business enterprise participation.

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, 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, NVSA, DVBE or None)	Work performed or goods provided for this contract	Corresponding % of bid price	Good Standing?	51% Rental?
					<input type="checkbox"/>	<input type="checkbox"/>
					<input type="checkbox"/>	<input type="checkbox"/>
					<input type="checkbox"/>	<input type="checkbox"/>

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

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)
- Nonprofit Veteran Service Agency (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, NVSA, and/or DVBE must provide a commercially useful function as defined in Military and Veterans Code Section 999 for DVBEs and Government Code Section 14837(d)(4)(A) for small/microbusinesses.

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, NVSA, DVBE or None)—If the subcontractor possesses a current State of California certification(s), verify on this website (www.eprocure.pd.dgs.ca.gov).

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, NVSA, and/or DVBE status

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.

DISABLED VETERAN BUSINESS ENTERPRISE DECLARATIONS

STD. 843 (Rev. 5/2006)

Instructions: The disabled veteran (DV) owner(s) and DV manager(s) of the Disabled Veteran Business Enterprise (DVBE) must complete this declaration when a DVBE contractor or subcontractor will provide materials, supplies, services or equipment [Military and Veterans Code Section 999.2]. Violations are misdemeanors and punishable by imprisonment or fine and violators are liable for civil penalties. All signatures are made under penalty of perjury.

SECTION 1

Name of certified DVBE: DVBE Ref. Number:

Description (materials/supplies/services/equipment proposed):

Solicitation/Contract Number: SCPRS Ref. Number:

(FOR STATE USE ONLY)

SECTION 2

APPLIES TO ALL DVBEs. Check only one box in Section 2 and provide original signatures.

I (we) declare that the DVBE is not a broker or agent, as defined in Military and Veterans Code Section 999.2 (b), of materials, supplies, services or equipment listed above. Also, complete Section 3 below if renting equipment.

Pursuant to Military and Veterans Code Section 999.2 (f), I (we) declare that the DVBE is a broker or agent for the principal(s) listed below or on an attached sheet(s). (Pursuant to Military and Veterans Code 999.2 (e), State funds expended for equipment rented from equipment brokers pursuant to contracts awarded under this section shall not be credited toward the 3-percent DVBE participation goal.)

All DV owners and managers of the DVBE (attach additional pages with sufficient signature blocks for each person to sign):

(Printed Name of DV Owner/Manager) (Signature of DV Owner/ Manager) (Date Signed)

(Printed Name of DV Owner/Manager) (Signature of DV Owner/Manager) (Date Signed)

Firm/Principal for whom the DVBE is acting as a broker or agent: (Print or Type Name)
(If more than one firm, list on extra sheets.)

Firm/Principal Phone: Address:

SECTION 3

APPLIES TO ALL DVBEs THAT RENT EQUIPMENT AND DECLARE THE DVBE IS NOT A BROKER.

Pursuant to Military and Veterans Code Section 999.2 (c), (d) and (g), I am (we are) the DV(s) with at least 51% ownership of the DVBE, or a DV manager(s) of the DVBE. The DVBE maintains certification requirements in accordance with Military and Veterans Code Section 999 et. seq.

The undersigned owner(s) own(s) at least 51% of the quantity and value of each piece of equipment that will be rented for use in the contract identified above. I (we), the DV owners of the equipment, have submitted to the administering agency my (our) personal federal tax return(s) at time of certification and annually thereafter as defined in *Military and Veterans Code 999.2*, subsections (c) and (g). *Failure by the disabled veteran equipment owner(s) to submit their personal federal tax return(s) to the administering agency as defined in Military and Veterans Code 999.2, subsections (c) and (g), will result in the DVBE being deemed an equipment broker.*

Disabled Veteran Owner(s) of the DVBE (attach additional pages with signature blocks for each person to sign):

(Printed Name) (Signature) (Date Signed)

(Address of Owner) (Telephone) (Tax Identification Number of Owner)

Disabled Veteran Manager(s) of the DVBE (attach additional pages with sufficient signature blocks for each person to sign):

(Printed Name of DV Manager) (Signature of DV Manager) (Date Signed)



DARFUR CONTRACTING ACT

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 complete only one of the following three paragraphs (via initials for Paragraph # 1 or Paragraph # 2, or via initials and certification for Paragraph # 3):

1. _____
 Initials We do not currently have, or we 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 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
 below

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.

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

YOUR BID OR PROPOSAL WILL BE DISQUALIFIED UNLESS YOUR BID OR PROPOSAL INCLUDES THIS FORM WITH EITHER PARAGRAPH # 1 OR # 2 INITIALED OR PARAGRAPH # 3 INITIALED AND CERTIFIED.

ATTACHMENT H

Bidder References

All fields must be completed

REFERENCE 1			
Name of Firm:			
Name of Supervisor/Lead Installer:			
Street Address:	City:	State:	Zip Code:
Contact Person:		Telephone Number:	
Dates of Service:		Value or Cost of Service:	
Brief Description of Service Provided:			
REFERENCE 2			
Name of Firm:			
Name of Supervisor/Lead Installer:			
Street Address:	City:	State:	Zip Code:
Contact Person:		Telephone Number:	
Dates of Service:		Value or Cost of Service:	
Brief Description of Service Provided:			
REFERENCE 3			
Name of Firm:			
Name of Supervisor/Lead Installer:			
Street Address:	City:	State:	Zip Code:
Contact Person:		Telephone Number:	
Dates of Service:		Value or Cost of Service:	
Brief Description of Service Provided:			

CCC-307

CERTIFICATION

I, the official named below, CERTIFY UNDER PENALTY OF PERJURY that I am duly authorized to legally bind the prospective Contractor to the clause(s) listed below. This certification is made under the laws of the State of California.

<i>Contractor/Bidder Firm Name (Printed)</i>		<i>Federal ID Number</i>
<i>By (Authorized Signature)</i>		
<i>Printed Name and Title of Person Signing</i>		
<i>Date Executed</i>	<i>Executed in the County of</i>	

CONTRACTOR CERTIFICATION CLAUSES

1. **STATEMENT OF COMPLIANCE:** Contractor has, unless exempted, complied with the nondiscrimination program requirements. (Gov. Code §12990 (a-f) and CCR, Title 2, Section 8103) (Not applicable to public entities.)

2. **DRUG-FREE WORKPLACE REQUIREMENTS:** Contractor will comply with the requirements of the Drug-Free Workplace Act of 1990 and will provide a drug-free workplace by taking the following actions:

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

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

- 1) the dangers of drug abuse in the workplace;
- 2) the person's or organization's policy of maintaining a drug-free workplace;
- 3) any available counseling, rehabilitation and employee assistance programs; and,
- 4) penalties that may be imposed upon employees for drug abuse violations.

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

- 1) receive a copy of the company's drug-free workplace policy statement; and,
- 2) agree to abide by the terms of the company's statement as a condition of employment on the Agreement.

Failure to comply with these requirements may result in suspension of payments under the Agreement or termination of the Agreement or both and Contractor may be ineligible for award of any future State agreements if the department determines that any of the following has occurred: the Contractor has made false certification, or violated the

certification by failing to carry out the requirements as noted above. (Gov. Code §8350 et seq.)

3. NATIONAL LABOR RELATIONS BOARD CERTIFICATION: Contractor certifies that no more than one (1) final unappealable finding of contempt of court by a Federal court has been issued against Contractor within the immediately preceding two-year period because of Contractor's failure to comply with an order of a Federal court, which orders Contractor to comply with an order of the National Labor Relations Board. (Pub. Contract Code §10296) (Not applicable to public entities.)

4. CONTRACTS FOR LEGAL SERVICES \$50,000 OR MORE- PRO BONO REQUIREMENT: Contractor hereby certifies that contractor will comply with the requirements of Section 6072 of the Business and Professions Code, effective January 1, 2003.

Contractor agrees to make a good faith effort to provide a minimum number of hours of pro bono legal services during each year of the contract equal to the lessor of 30 multiplied by the number of full time attorneys in the firm's offices in the State, with the number of hours prorated on an actual day basis for any contract period of less than a full year or 10% of its contract with the State.

Failure to make a good faith effort may be cause for non-renewal of a state contract for legal services, and may be taken into account when determining the award of future contracts with the State for legal services.

5. 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.

6. SWEATFREE CODE OF CONDUCT:

a. All Contractors contracting for the procurement or laundering of apparel, garments or corresponding accessories, or the procurement of equipment, materials, or supplies, other than procurement related to a public works contract, declare under penalty of perjury that no apparel, garments or corresponding accessories, equipment, materials, or supplies furnished to the state pursuant to the contract have been laundered or produced in whole or in part by sweatshop labor, forced labor, convict labor, indentured labor under penal sanction, abusive forms of child labor or exploitation of children in sweatshop labor, or with the benefit of sweatshop labor, forced labor, convict labor, indentured labor under penal sanction, abusive forms of child labor or exploitation of children in sweatshop labor. The contractor further declares under penalty of perjury that they adhere to the Sweatfree Code of Conduct as set forth on the California Department of Industrial Relations website located at www.dir.ca.gov, and Public Contract Code Section 6108.

b. The contractor agrees to cooperate fully in providing reasonable access to the contractor's records, documents, agents or employees, or premises if reasonably required by authorized officials of the contracting agency, the Department of Industrial Relations,

or the Department of Justice to determine the contractor's compliance with the requirements under paragraph (a).

7. 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

The following laws apply to persons or entities doing business with the State of California.

1. CONFLICT OF INTEREST: Contractor needs to be aware of the following provisions regarding current or former state employees. If Contractor has any questions on the status of any person rendering services or involved with the Agreement, the awarding agency must be contacted immediately for clarification.

Current State Employees (Pub. Contract Code §10410):

- 1). No officer or employee shall engage in any employment, activity or enterprise from which the officer or employee receives compensation or has a financial interest and which is sponsored or funded by any state agency, unless the employment, activity or enterprise is required as a condition of regular state employment.
- 2). No officer or employee shall contract on his or her own behalf as an independent contractor with any state agency to provide goods or services.

Former State Employees (Pub. Contract Code §10411):

- 1). For the two-year period from the date he or she left state employment, no former state officer or employee may enter into a contract in which he or she engaged in any of the negotiations, transactions, planning, arrangements or any part of the decision-making process relevant to the contract while employed in any capacity by any state agency.
- 2). For the twelve-month period from the date he or she left state employment, no former state officer or employee may enter into a contract with any state agency if he or she was employed by that state agency in a policy-making position in the same general subject area as the proposed contract within the 12-month period prior to his or her leaving state service.

If Contractor violates any provisions of above paragraphs, such action by Contractor shall render this Agreement void. (Pub. Contract Code §10420)

Members of boards and commissions are exempt from this section if they do not receive payment other than payment of each meeting of the board or commission, payment for preparatory time and payment for per diem. (Pub. Contract Code §10430 (e))

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

3. 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.)

4. 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.

5. CORPORATE QUALIFICATIONS TO DO BUSINESS IN CALIFORNIA:

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

b. "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 a corporate contractor performing within the state not be subject to the franchise tax.

c. 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. RESOLUTION: A county, city, district, or other local public body must provide the State with a copy of a resolution, order, motion, or ordinance of the local governing body which by law has authority to enter into an agreement, authorizing execution of the agreement.

7. 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 or 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 law relating to air or water pollution.

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

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Exhibit 1, Sample Contract

AGREEMENT NUMBER RFP 12-02
REGISTRATION NUMBER

- This Agreement is entered into between the State Agency and the Contractor named below:
 STATE AGENCY'S NAME
 California Department of Social Services
 CONTRACTOR'S NAME
 To Be Determined
- The term of this Agreement is: July 1, 2012 or date of final approval, whichever is later, through June 30, 2014
- The maximum amount of this Agreement is: \$TBD
 Contract amount in words
- The parties agree to comply with the terms and conditions of the following exhibits which are by this reference made a part of the Agreement.

Exhibit A – Scope of Work	4 pages
Exhibit B – Budget Detail and Payment Provisions	XX pages
Exhibit C* – General Terms and Conditions	GTC - 610
Check mark one item below as Exhibit D:	
<input checked="" type="checkbox"/> Exhibit - D Special Terms and Conditions (Attached hereto as part of this agreement)	3 pages
<input type="checkbox"/> Exhibit - D* Special Terms and Conditions	
Exhibit E – Additional Provisions	4 pages
Exhibit E – Attachment 1, CDSS Confidentiality and Security Requirements	8 pages
Exhibit E – Attachment 2, Resumes	XX pages

Items shown with an Asterisk (*), are hereby incorporated by reference and made part of this agreement as if attached hereto.
 These documents can be viewed at www.ols.dgs.ca.gov/Standard+Language

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



CONTRACTOR		<i>California Department of General Services Use Only</i>
CONTRACTOR'S NAME (if other than an individual, state whether a corporation, partnership, etc.) To Be Determined		
BY (Authorized Signature) 	DATE SIGNED(Do not type)	
PRINTED NAME AND TITLE OF PERSON SIGNING		
ADDRESS		
STATE OF CALIFORNIA		
AGENCY NAME California Department of Social Services		<input type="checkbox"/> Exempt per:
BY (Authorized Signature) 	DATE SIGNED(Do not type)	
PRINTED NAME AND TITLE OF PERSON SIGNING TBD, Chief, Contracts Bureau		
ADDRESS 744 P Street, M.S. 8-14-747, Sacramento, CA 95814		

EXHIBIT A
(Standard Agreement)

SCOPE OF WORK

1. Contractor agrees to provide the California Department of Social Services (CDSS) consulting services on an as needed basis, by analyzing and evaluating the market indicators of Continuing Care Retirement Community applications for Certificates of Authority in accordance with California Health and Safety Code, Chapter 10 of Division 2, Article 2, which includes, but is not limited to, the following as described herein:
 - a. Market Feasibility
 - 1) Analyze the facility's market area (market area being defined as that area within 100-mile radius of the applicant facility) and the relevant demographic, economic and growth characteristics including, but not limited to, the following:
 - a) Ascertain the accuracy of the demographic profile of the market area. This analysis would include reviewing the information about total population, elderly population, population trends, real estate values, employment, the income and assets of the community, market potential by age and financial ability;
 - b) Evaluate the ethnic, employment, cultural, accessibility and land use dynamics of the area;
 - c) Evaluate whether the product (site and location, size of units, services, common areas/activities, health services, amenities, transportation and perceived desirability of location) is marketable;
 - d) Evaluate any statistical study or a market study conducted. This would include any compilation of primary information (e.g., surveys, direct questions) as well as secondary (census) data; and
 - e) Evaluate assumptions concerning composition of potential residents (age, sex, occupancy) against actuarial assumptions influencing attrition.
 - 2) Review competitive facilities within the market area including, but not limited to, the following:
 - a) Identify existing and planned competing facilities (including other types of retirement communities that may attract the same population);
 - b) Examine records of those facilities with respect to occupancy;
 - c) Examine waiting list and utilization of existing facilities;
 - d) Analyze aggregate absorption rates and standards of supportable continuing care units.
 - e) Test services of the applicant facility against competitive facilities; and
 - f) Compare fees and charges with competing facilities.

EXHIBIT A
(Standard Agreement)

- 3) Evaluate the marketing plan, advertising campaign, fee structure, and project description including, but not limited to, the following:
 - a) Marketing schedule and anticipated sales and cancellation rates;
 - b) Month-by-month forecast of unit sales through sell-out;
 - c) An estimate of the total entrance fees to be received from residents prior to the completion or occupancy;
 - d) A marketing plan describing methods, staffing and advertising media;
 - e) An evaluation of the skilled nursing facility regulatory environment (availability of beds, if appropriate); and
 - f) Past experience of previous marketing efforts.
 - 4) Review projections and evaluate assumptions and statistics concerning move-in rates, deposit collections, couple mix by unit type, age distribution, health care service utilization, attrition, transfer to nursing care, unit turnover or resale rates and plan of management to market units when vacated.
- b. Financial Feasibility
- 1) Analyze construction or rehabilitation cost including, but not limited to, the following:
 - a) Assess the square footage versus the industry, regional and state norms;
 - b) Analyze the construction or rehabilitation costs per square foot and per unit;
 - c) Differentiate the residential, nursing units and assisted living costs; and
 - d) Evaluate the special areas, services, and construction consideration.
 - 2) Evaluate the reasonableness of the total development cost including, but not limited to, the following:
 - a) Site acquisition and improvement cost;
 - b) Any mortgage loan or other long-term financing, including, but not limited to, anticipated terms and costs of such financing;
 - c) Legal, accounting and consultant fees;
 - d) Construction interest given, construction period and assumed interest rate;
 - e) Architect and engineering fees;
 - f) Loan and financing fees;
 - g) Marketing costs, including, but not limited to, advertising and promotion;

EXHIBIT A
(Standard Agreement)

- h) Developer's fees, start-up and organizational costs, working capital and reserve requirements;
 - i) Furnishings;
 - j) Inflation and contingency fees;
 - k) Aggregate financing costs; and
 - l) All other similar costs which the provider expects to incur or become obligated for prior to the commencement of operations.
- 3) Evaluate aggregate financial ratios including, but not limited to, the following:
- a) Debt service coverage ratios;
 - b) Ratio of cash flows to debt service and debt outstanding;
 - c) Assumed financing sources, interest rates and letters of credit;
 - d) Equity contribution;
 - e) Estimates of cash flows;
 - f) Utilization rates; and
 - g) Other sources of funds including, but not limited to, entrance fees, if applicable.
- 4) Evaluate the reasonableness of the operating expenses including, but not limited to, the following:
- a) Reserve funds required by statute;
 - b) Full-time equivalents (staffing) by service compared with industry norms;
 - c) Expenses by service or square foot (e.g., housekeeping) or other units of measure (e.g., meals, nursing hours per patient day, utilities per square foot);
 - d) Principal and interest payments based upon years and interest rate of debt services;
 - e) Depreciation based upon prevailing tax laws;
 - f) Administrative, insurance, audit, legal expenses, property taxes prior to opening, etc.; and
 - g) Income taxes based upon current tax laws.
- 5) Evaluate long-term forecasts of financial viability including, but not limited to, the following:
- a) Assumptions concerning inflation rate effective on revenue and expenses;

EXHIBIT A
(Standard Agreement)

- b) Interest rate estimates and their effect upon reserve funds and other investment holdings;
 - c) Provision for additional capital acquisition and cost;
 - d) Health care utilization (if applicable), including, but not limited to, permanent and temporary use of nursing center by residents and non-residents;
 - e) Reserve funds required by statutes; and
 - f) Debt service, insurance premiums, operations, and other required reserve funds.
2. That within twenty days of the receipt of a request to perform an evaluation and analysis of the market indicators of a CCRC application, to submit to CDSS, a written report of their "Completeness Review". The report shall include, but not be limited to, the following:
- a. If the application, based upon the statutory requirements, is complete, a statement so stating; or
 - b. If the application is not complete, a listing of what additional forms, documents, information or materials are required to complete the applications.
3. That within ninety days after the complete application is received, to submit to CDSS a written report of their "Feasibility Review". The report shall include, but not be limited to, the following:
- a. If the application materials are adequate, a statement so stating; or
 - b. If the application is inadequate, a listing of the specific deficiencies and code references; or
 - c. The report shall include, but not limited to, the Contractor's opinions on:
 - 1) The feasibility of the project's success and the Contractor's recommendations for granting a permit to accept deposits/certificates of authority to the applicant;
 - 2) A discussion of the evaluation process used;
 - 3) The conclusions reached; and
 - 4) The rationale for those conclusions.
4. The project representatives during the term of the agreement will be:

CDSS

TBD

EXHIBIT B
(Standard Agreement)

BUDGET DETAIL AND PAYMENT PROVISIONS

A. Invoicing and Payment

1. The maximum amount payable under this agreement shall not exceed **TBD**. Shown below are the amounts that cannot be exceeded for each of the fiscal year(s):

2012/13 \$TBD
2013/14 \$TBD

2. For services satisfactorily rendered, and upon receipt and approval of the invoice(s), CDSS agrees to pay the Contractor for said services in accordance with the rate specified on **Attachment C** of the RFP:

\$ _____ hourly rate

The personnel that will be providing services during the term are:

TBD

3. Invoices shall include the Agreement Number **TBD**, and Index Code **TBD**, and shall be submitted in triplicate not more frequently than **monthly** in arrears to:

California Department of Social Services
Continuing Care Contracts Branch
744 P Street, MS 8-3-90
Sacramento, CA 95814
Attn: TBD

Any invoices submitted without the above referenced information may be returned to the Contractor for further re-processing.

B. State Budget Contingency Clause

1. It is mutually agreed that if the Budget Act of the current year and/or any subsequent years covered under this Agreement does not appropriate sufficient funds for the program, this Agreement shall be of no further force and effect. In this event, CDSS shall have no liability to pay any funds whatsoever to Contractor or to furnish any other considerations under this Agreement and Contractor shall not be obligated to perform any provisions of this Agreement.
2. If funding for any fiscal year is reduced or deleted by the Budget Act for purposes of this program, CDSS shall have the option to either cancel this Agreement with no liability occurring to the State, or offer an agreement amendment to Contractor to reflect the reduced amount.

C. For Contract With Federal Funds

1. It is mutually understood between the parties that this Agreement may have been written before ascertaining the availability of Congressional appropriation of funds, for the mutual benefit of both parties, in order to avoid program and fiscal delays which would occur if the Agreement were executed after that determination was made.
2. This Agreement is valid and enforceable only if sufficient funds are made available to the State by the United States Government for the term of this Agreement for the purposes of this program. In addition, this Agreement is subject to any additional restrictions, limitations, or conditions enacted by the Congress or any statute enacted by the Congress which may affect the provisions, terms, or funding of this Agreement in any manner.

EXHIBIT B
(Standard Agreement)

3. It is mutually agreed that if the Congress does not appropriate sufficient funds for the program, this Agreement shall be amended to reflect any reduction in funds.
4. CDSS has the option to invalidate the Agreement under the 30-day cancellation clause or to amend the Agreement to reflect any reduction of funds.

D. Prompt Payment Clause

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

E. Review

CDSS reserves the right to review service levels and billing procedures as they impact charges against this Agreement.

F. Final Billing

Invoices for services must be received by CDSS within 90 days following each state fiscal year, or 90 days following the end of the contract term, whichever comes first. The final invoice must include the statement "Final Billing."

G. Progress Payments

Progress payments shall be made to Contractor in the amount of each invoice, less ten percent (10%) withhold. The amount withheld from each invoice shall be paid upon receipt and CDSS approval of each deliverable.

**EXHIBIT D
(Standard Agreement)**

SPECIAL TERMS AND CONDITIONS

A. Dispute Provisions

1. If the Contractor disputes a decision of the State's designated representative regarding the performance of this Agreement or on other issues for which the representative is authorized by this Agreement to make a binding decision, Contractor shall provide written dispute notice to the State's representative within 15 calendar days after the date of the action. The written dispute notice shall contain the following information:
 - a. the decision under dispute;
 - b. the reason(s) Contractor believes the decision of the State representative to have been in error (if applicable, reference pertinent contract provisions);
 - c. identification of all documents and substance of all oral communication which support Contractor's position; and
 - d. the dollar amount in dispute, if applicable.
2. Upon receipt of the written dispute notice, the State program management will examine the matter and issue a written decision to the Contractor within 15 calendar days. The decision of the representative shall contain the following information:
 - a. a description of the dispute;
 - b. a reference to pertinent contract provisions, if applicable;
 - c. a statement of the factual areas of agreement or disagreement; and
 - d. a statement of the representative's decision with supporting rationale.
3. The decision of the representative shall be final unless, within 30 days from the date of receipt of the representative's decision, Contractor files with the California Department of Social Services a notice of appeal addressed to:

California Department of Social Services
744 P Street, M.S. 8-14-747
Sacramento, CA 95814
Attention: Chief, Contracts and Financial Analysis Bureau

Pending resolution of any dispute, Contractor shall diligently continue all contract work and comply with all of the representative's orders and directions.

B. Termination Without Cause

This Agreement may be terminated without cause by the State upon 30 days written notice to the contractor.

C. Debarment and Suspension

For federally funded agreements, **Contractor certifies** that to the best of his/her knowledge and belief that he/she and their principals or affiliates or any sub-contractor utilized under this agreement, are not debarred or suspended from federal financial assistance programs and activities nor proposed for debarment, declared ineligible, or voluntarily excluded from participation in covered transactions by any federal department or agency. The Contractor also certifies that it or any of its sub-contractors are not listed on the Excluded Parties Listing System (<http://www.epls.gov>) (Executive Order 12549, 7 CFR Part 3017, 45 CFR Part 76, and 44 CFR Part 17).

EXHIBIT D
(Standard Agreement)

D. Certification Regarding Lobbying

Applicable to Grants, Subgrants, Cooperative Agreements, and Contracts Exceeding \$100,000 in Federal Funds.

1. For Agreements with Contractors who are State entities not under the authority of the Governor, or cities, private firms or agencies which are receiving in excess of \$100,000 in federal funds from CDSS to perform services. By signing this Agreement the Contractor certifies that to the best of his or her knowledge and belief, that:
 - a. No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of a Federal contract, the making of a Federal grant, the making of a Federal loan, the entering into of a cooperative agreement, and the extension, continuation, renewal, amendment, or modification of a Federal contract, grant, loan, or cooperative agreement.
 - b. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with this Federal Grant or agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying", in accordance with its instructions.
 - c. The Contractor shall require that the language of this certification be included in the award documents for all covered subawards exceeding \$100,000 in Federal funds at all appropriate tiers and that all subrecipients shall certify and disclose accordingly.
2. This certification is a prerequisite for making or entering into this transaction and is imposed by Section 1352, Title 31, U. S. Code. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Any person who fails to file the required certification shall be subject to a civil penalty of no less than \$10,000 and not more than \$100,000 for each such failure.

E. Computer Software Copyrights

Contractor certifies that it has appropriate systems and controls in place to ensure that state funds will not be used in the performance of this contract for the acquisition, operation or maintenance of computer software in violation of copyright laws.

F. A-133 Audit

Pursuant to Office of Management and Budget (OMB) Circular A-133 §__.200 "Audit Requirements", non-federal entities that expend \$500,000 or more in a year in Federal awards from all sources combined shall have a single or program-specific audit conducted for that year in accordance with the provisions of OMB Circular A-133. All OMB Circular A-133 audit reports shall meet the reporting requirements established in OMB §__.320 "Report Submission" and a copy shall be forwarded to CDSS.

**EXHIBIT D
(Standard Agreement)**

G. Subcontractors

(Applicable to agreements in which the Contractor subcontracts out a portion of the work) Nothing contained in this Agreement or otherwise shall create any contractual relationship between CDSS and any subcontractors, and no subcontractor shall relieve the Contractor of its responsibilities and obligations hereunder. The Contractor agrees to be fully responsible to CDSS for the acts and omissions of its subcontractors and of persons either directly or indirectly employed by any of them as it is for the acts and omissions of persons directly employed by the Contractor. The Contractor's obligation to pay its subcontractors is an independent obligation from the obligation of CDSS to make payments to the Contractor. As a result, CDSS shall have no obligation to pay or to enforce the payment of any moneys to any subcontractor.

H. Indirect Costs/Administrative Overhead

For agreements with other governmental entities and public universities, indirect costs are expenses incurred for administrative services such as, but not limited to, accounting; personnel and payroll administration; accounts payable services; general and specialized insurance coverage; compliance and regulatory monitoring; independent audit services; and legal services. Indirect costs are applied to personnel, operating expenses, supplies, equipment, and travel expenses. Per State Contracting Manual, Section 3.06.B, agencies shall assure that all administrative fees are reasonable considering the services being provided. Agencies may only pay overhead charges on the first \$25,000 of each subcontract. Any subcontractor receiving \$25,000 or more must be clearly identified in the budget display and excluded when the total indirect costs are calculated.

EXHIBIT E
(Standard Agreement)

ADDITIONAL PROVISIONS

A. Insurance Requirements

1. Contractor, at his/her own expense, shall maintain the following insurance coverage:
 - a. General liability with limits of not less than \$1,000,000 per occurrence for bodily injury and property damage combined. The policy should include coverage for liabilities arising out of premises, operations, independent contractors, products completed operations, personal and advertising injury and liability assumed under an insured contract. This insurance shall apply separately for each insured against whom claim is made or suit is brought subject to the Contractor's limit of liability. If the policy contains an annual aggregate, this should be at least double the per occurrence limit
 - b. Motor vehicle liability with limits of not less than \$1,000,000 per accident. Such insurance shall cover liability arising out of a motor vehicle including owned, hired, and non-owned motor vehicles. The Contractor shall insure that any subcontracts for transportation services shall include the same provisions as stated herein.
 - c. Workers Compensation and Employers Liability – Contractor shall maintain statutory worker's compensation and employer's liability coverage for all its employees who will be engaged in the performance of the Contract. Employer's liability limits of \$1,000,000 are required. Contractor shall furnish a certificate for Workers' Compensation Insurance in the State of California, including the name of the carrier and the date of expiration of insurance, or a Certificate of Consent to Self-Insure issued by the Department of Industrial Relations.
 - d. Professional liability with limits no less than \$1,000,000 each claim and \$3,000,000 aggregate. The policy retro date must be shown on the certificate and must be no later than the date of the contract or the date work under the contract begins
2. The insurance required above shall cover all Contractor-supplied personnel and equipment used in the performance of this Agreement. If subcontractors performing work under this Agreement do not have insurance equivalent to the above, Contractor liability shall provide such coverage for the subcontractor, except for coverage for error, mistake omissions, or malpractice, which shall be provided by the subcontractor if such insurance is required by the State.
3. The Contractor agrees that the insurance herein provided for shall be in effect at all times during the term of this contract. In the event said insurance coverage expires at any time or times during the term of the contract, the Contractor agrees to provide at least 30 days before said expiration date, a new certificate of insurance evidencing insurance coverage as provided for herein for not less than one year.
4. Certificates of insurance are subject to the approval of the Department of General Services, Office of Risk and Insurance Management (ORIM), and the Contractor agrees that no work or services shall be performed prior to such approval. The State may, in addition to any other remedies it may have, terminate the contract on the occurrence of such event.

EXHIBIT E
(Standard Agreement)

5. The certificate(s) of insurance must include the following provisions stating that:
 - a. The insurer will not cancel the insured's coverage without 30 days prior written notice to the State; and
 - b. The State of California, its officers, agents, employees, and servants are included as additional insured, but only with respect to work performed for the State of California under this contract.
6. Certificates evidencing Contractor's insurance coverage shall be filed with CDSS prior to execution of this Agreement.

B. Incompatible Activities

Contractor shall not engage in any activity, employment or enterprise which is inconsistent, incompatible, or in conflict with, or inimical to his or her duties as a consultant. These include, but are not limited to, the following, unless the Department has determined in writing that the consultant's specific activity, employment, or enterprise does not constitute an incompatible activity.

1. Being licensed to operate a facility under the jurisdiction of the Department, including a child day care facility, foster family home, certified family home, community care facility, or residential care facility for the elderly.
2. Holding a position of Chief Executive Officer, or other officer of the governing body of the licensee of a facility under the jurisdiction of the Department, as referenced in #1, and also including a residential care facility for persons with chronic, life-threatening illness.
3. Being employed by a facility under the jurisdiction of the Department.
4. Being a volunteer of a facility under the jurisdiction of the Department.
5. Residing at a facility under the jurisdiction of the Department.
6. Representing any individual not employed by the Department or any facility under the jurisdiction of the Department in an administrative or legal matter.
7. Having a financial interest in any facility under the jurisdiction of the Department.
8. Using, or having access to, confidential information by virtue of this contract, for private gain or advantage, or providing confidential information to persons not authorized by the Department.
9. Contractor acknowledges that the information provided by CDSS may include trade secrets of applicants and that the release of such information by Contractor or its subcontractors to outside third parties may subject it to claims for violating the Uniform Trade Secrets Act (ACT), Cal.Civ. Code Section 3426 and following.

C. Conflict of Interest

The Contractor determined by CDSS to be most qualified to provide the required services shall be selected to perform those services, provided that such contractor has no conflict of interest. [Note: Conflict of Interest for the purposes of this Agreement shall mean that the contractor has a financial interest in the provider or project being reviewed or any other interest which may compromise or

EXHIBIT E
(Standard Agreement)

appear to compromise the contractor's ability to objectively perform its duties under the contract.] If such a conflict exists, CDSS shall select the next most qualified Contractor to perform services, provided that such contractor has no conflict of interest. This selection process shall continue until a successful Contractor with no conflict of interest has been selected.

D. Contractor Evaluation

Contractor is hereby notified that the State will evaluate Contractor's performance for compliance with the terms of this Agreement within 60 days of the completion of the Agreement. The evaluation shall be prepared on a "Contract/Contractor Evaluation." Std. 4. If the performance of the Contractor is not satisfactory, the State shall send a copy of the evaluation to the California Department of General Services, Office of Legal Services, within five working days after the completion of the evaluation. Contractor shall be notified and sent a copy of the unsatisfactory evaluation within 15 days after its completion.

E. Resumes

Contractor resumes are attached as Attachment 2 and made a part herein by this reference.

Contractor's proposal, as submitted in response to RFP 12-02, is incorporated herein by this reference.

F. Intellectual Property Rights

1. All deliverables as defined in the Scope of Work originated or prepared by the Contractor pursuant to this agreement including papers, reports, charts, and other documentation, but not including Contractor's administrative communications and records relating to this Agreement, shall upon delivery and acceptance by CDSS become the exclusive property of CDSS and may be copyrighted by CDSS.
2. All inventions, discoveries or improvements of the techniques or programs or materials developed pursuant to this agreement shall be the property of CDSS. CDSS agrees to grant a nonexclusive royalty-free license for any such invention, discovery, or improvement to the Contractor and further agrees that the Contractor may sublicense additional persons on the same royalty-free basis.
3. 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 CDSS pursuant to this Agreement. All preexisting intellectual property, copyrights, trademarks and products shall be the sole property of the Contractor.

G. Ten (10%) Percent Withhold

Ten (10%) percent of the invoiced amount shall be withheld pending final completion of the contract, receipt, and acceptance by CDSS of any reports required under the contract.

H. Confidentiality and Security Requirements

Contractor and its employees agree to comply with CDSS Information Security Pre-Cautions/Requirements as described in Exhibit E – Attachment 1.

I. Disabled Veteran Business Enterprise Subcontractors

EXHIBIT E
(Standard Agreement)

1. If for this agreement contractor made a commitment to achieve disabled veteran business enterprise (DVBE) participation, then contractor must within 60 days of receiving final payment under this agreement (or within such other time period as may be specified elsewhere in this agreement) certify in a report to the awarding department: (1) the total amount the prime contractor received under the contract; (2) the name and address of the DVBE(s) that participated in the performance of the contract; (3) the amount each DVBE received from the prime contractor; (4) that all payments under the contract have been made to the DVBE(s); and (5) the actual percentage of DVBE participation that was achieved. A person or entity that knowingly provides false information shall be subject to a civil penalty for each violation. (Military & Veterans Code (M&VC) §999.5(d)).
2. Contractor understands and agrees that should award of this contract be based in part on their commitment to use the Disabled Veteran Business Enterprise (DVBE) subcontractor(s) identified in their bid or offer, per Military and Veterans Code 999.5 (e), a DVBE subcontractor may only be replaced by another DVBE subcontractor and must be approved by the Department of General Services (DGS). Changes to the scope of work that impact the DVBE subcontractor(s) identified in the bid or offer and approved DVBE substitutions will be documented by contract amendment.
3. Failure of Contractor to seek substitution and adhere to the DVBE participation level identified in the bid or offer may be cause for contract termination, recovery of damages under the rights and remedies due to the State, and penalties as outlined in M&VC § 999.9; Public Contract Code (PCC) § 10115.10, or PCC § 4110 (applies to public works only).

**California Department of Social Services (CDSS)
Confidentiality and Security Requirements for
Vendors
Contracts/Memoranda of Understanding (MOU)/Agreements**

I. GENERAL REQUIREMENTS

These requirements provide a framework for maintaining the confidentiality and security of Confidential Data compiled for the CDSS. Definitions of commonly used terms relating to confidentiality and security of data are provided.

In addition to any other contract provisions, contractors shall be responsible for maintaining the confidentiality and security of CDSS confidential and sensitive data. No exceptions from these policies shall be permitted without the explicit, prior, written approval of CDSS. All information security requirements, as stated in this attachment, shall be enforced and implemented immediately upon effective date of this Agreement, and continue throughout the term of the Agreement.

II. DEFINITIONS

For the purposes of these requirements, the stated terms are defined as noted:

Audit Trail: Systems information identifying source/location of access, date and time, user-identification, targeted service and activity performed. The audit trail shall identify all accesses to the source file, success or failure of the access, the completion status of the access (e.g., failed or successful authentication, or user terminated) and the record and field modified.

Confidential Data: Information, the disclosure of which is restricted or prohibited by any provision of law. Some examples of “confidential information” include, but are not limited to, public social services client information described in California Welfare and Institutions Code section 10850, and “personal information” about individuals as defined in California Civil Code section 1798.3 of the Information Practices Act (IPA) if the disclosure of the “personal information” is not otherwise allowed by the IPA. Confidential data include personal identifiers.

De-Identification: Removal of personal identifiers. Personal information does not include publicly available information that is lawfully made available to the general public.

Information Assets: Information assets include anything used to process or store information, including (but not limited to) records, files, networks, and databases; information technology facilities, equipment (including personal computer systems), and software (owned or leased).

Information Security Incidents: Information Security incidents include, but are not limited to, the following; any event (intentional or unintentional) that causes the loss, damage to, destruction, or unauthorized disclosure of CDSS information assets.

Personal Identifiers: Are specific personal identifiers such as name, social security number, address, date of birth, driver’s license numbers, and account numbers with access codes.

Risk: The likelihood or probability that a loss of information assets or breach of security will occur.

III. DATA SECURITY

A. Access to CDSS Data

1. Request and Re-disclosure: All contractors seeking access to confidential CDSS data files shall request access from CDSS. The contractor shall not re-disclose or re-release CDSS confidential data.
2. Referral for Request: The contractor shall refer any persons not affiliated with the contractor, nor included under this contract with CDSS, to CDSS to request access to the confidential data.

B. Data Security Requirements

1. Contractor Responsibility: The contractor and its subcontractors, if any, are responsible for security of the CDSS confidential data.
2. Protection of Data: The contractors and its subcontractor, if any, shall ensure that electronic media that contains confidential or sensitive data is protected.
3. General Requirements: The contractor and its subcontractors, if any, shall:
 - a. Confirm the identity of any individual who has requested confidential or sensitive data.
 - b. When there is a business need to discuss confidential CDSS information within the office, discuss the information in an enclosed room, if possible.
 - c. Not allow dial-up communication or Internet access to confidential data prior to de-identification of the data. Any use of dial-up or Internet access after de-identification of the data shall include, but not be limited to the following protections; (1) auditing usage of dial-up communications and Internet access for security violations, (2) periodically changing dial-up access telephone numbers, and (3) responding to losses, misuse or improper dissemination of information. Refer to Information Security Incidents for notification required in response.
 - d. Not use or store CDSS confidential data on portable or wireless devices. For purposes of this requirement, portable devices include, without limitation, notebook computers, personal digital assistants, and wireless devices including cellular phones with data storage capability.
4. Data Transmission
 - a. General Requirement: The contractor shall ensure the confidentiality of CDSS data transmission.
 - b. Data transferred via tape, optical media, or cartridge: Confidential data that is transferred on tapes, optical media, or cartridges shall be encrypted. The contractor shall place the transferred data in separate files with identifiers and an index on one file. On another file place the index and remaining data. These files shall be transported separately. Additionally, the tapes, optical media and cartridges shall be transferred by bonded mail service (i.e., accountable mail using restricted delivery). All packages must be double packed with a sealed envelope and a sealed outer envelope or locked box.

- c. Data transferred electronically: All File Transport Protocol (FTP) accounts that transfer confidential data with personal identifiers shall be highly restricted in access by the contractor. These accounts shall maintain an audit trail. Their accounts are to be accessible to a limited number of contractor and/or subcontractor staff. No other accounts on contractor's computers may have access to this account. The contractor's and/or subcontractor are to maintain a current listing of the personnel who have access to the FTP account. All CDSS confidential data transferred from contractor machines shall be encrypted. The contractor may not transfer CDSS confidential data via FTP without the approval of CDSS.
- d. Data transferred via paper copy: Paper copies of confidential data shall be mailed using a secure, bonded mail service, such as Federal Express or by registered U.S. Mail (i.e., accountable mail using restricted delivery). All packages must be double packed with a sealed envelope and a sealed outer envelope or locked box.
- e. Data transferred via fax: CDSS confidential data may not be transmitted by fax. CDSS non-confidential information may be transmitted by fax, provided that the contractor confirms the recipient fax number before sending, takes precautions to ensure that the fax was appropriately received, maintains procedures to notify recipients if the contractor's fax number changes, and maintains fax machines in a secure area.

5. Physical Security

The contractor shall provide for the management and control of physical access to information assets (including personal computer systems and computer terminals) used in performance of this contract, the prevention, detection, and suppression of fires, and the prevention, detection, and minimization of water damage. The physical security measures taken shall include, but not be limited to:

- a. Implementing security measures to physically protect data, systems and workstations from unauthorized access and malicious activity.
- b. Logging the identity of persons having access to restricted facilities and the date and time of access.
- c. Restricting the removal of CDSS confidential data from the work location.
- d. Placement of devices used to access CDSS confidential data in areas not open to the public. For purposes of this requirement, "devices" shall include, but not be limited to, dumb terminals, personal computers and printers.

6. Storage

CDSS confidential data shall be stored in a place physically secure from access, use, modification, disclosure, or destruction by an unauthorized person. All media containing confidential information shall be stored in a secured area (a locked room or locked file cabinet). Keys to these locks shall be held by a limited number of contractor organization personnel. Confidential information in electronic format, such as magnetic tapes or discs, shall be stored and processed in such a way that an unauthorized person cannot retrieve the information by computer, remote terminal or other means.

7. Encryption

The contractor shall encrypt CDSS confidential data, whether for transmission or in storage, using non-proprietary, secure generally-available encryption software. Proprietary encryption algorithms shall not be acceptable. Passwords or biometrics templates used for user authentication shall be encrypted using data encryption standard, or better, one-way only encryption. Data encryption shall meet the National Institute of Standards and Technology Advanced Encryption Standard. Data encryption shall equal or exceed 128-bit key encryption. A documented security plan is required for encryption key management.

8. De-Identification of Data

- a. Assignment of Unique Identifier: The contractor shall remove personal identifiers from CDSS confidential data and substitute unique identifiers, within 30 days of receipt of the CDSS confidential data.
- b. No connection before de-identification: CDSS confidential data that includes personal identifiers shall not be used or stored in a device connected to the Internet or to a local area network, or dial-up communication until the personal identifiers have been removed from the data.
- c. Return or destruction of confidential data upon de-identification: CDSS confidential data shall be returned to CDSS upon completion of de-identification or destroyed in accordance with this Agreement, no more than 30 days after completion of de-identification.

C. Network Security Requirements

The contractor shall provide the following electronic access measures at a minimum:

1. A notification at initial logon that unauthorized access is prohibited by law.
2. An audit trail.
3. A method for verification of the identity of an individual accessing the system, such as user identification, PIN, fingerprint, voiceprint, retinal print, or other appropriate verification method.
4. A limited access to data to those authorized employees of the contractor who have a functional requirement to use the data.
5. The revoking of access from a user after three unsuccessful access attempts.
6. A security manual or package, which shall adequately protect against loss or unauthorized (accidental or intentional) access, use, disclosure, modification, or destruction of data. All proposed changes to programs, network systems, connectivity and storage of CDSS data shall be provided to CDSS for review prior to implementation.
7. User access authentication shall be disabled (revoked) immediately upon termination of employment or after no more than 60 days of non-use.

8. User verification which is unique to each individual and not assigned to groups or job location. These measures shall include, but not necessarily be limited to, the development of passwords and access controls to protect the security of data from any individual who is not authorized to access the data.
9. An automated log-off or time-out from all networked systems that contain confidential CDSS information when the user leaves the work area for a ten-minute period of time.

D. Ownership and Destruction of Confidential Data

1. Ownership and Return or Destruction: All data used, compiled, developed, processed, stored, or created under this contract is the property of CDSS. All such data shall either be returned to CDSS in an agreed upon format within 30 days of termination of the contract or destroyed. If the data is returned, the contractor shall provide CDSS with the media and an inventory of the data and files returned.
2. Methods of Destruction: The contractor shall destroy all confidential data not returned when the use authorized ends in accordance with approved methods of confidential destruction (via shredding, burning, certified or witnessed destruction, or degaussing of magnetic media). All computer sets containing personal identifiers shall be destroyed. The contractor shall use wipe software on all the hard drive surfaces of computers used to process or store CDSS confidential data when the computer is withdrawn from use in processing or storing such data. Destruction shall occur before the effective date of termination of this contract and a letter of confirmation shall be provided to CDSS detailing when, how, and what CDSS data was destroyed.

E. Contractor Staff

1. Former Employees: The contractor shall ensure that confidential data are not accessible to former employees of the contractor.
2. Employee Authorization: The contractor shall maintain a record of the access authorization for each individual employee that has access to the confidential data. The contractor's security systems administrator designated pursuant to this Agreement shall maintain an appointment/separation checklist for each employee which documents how access authorization was modified when any employee terminates employment or changes duties.

F. Information Security Incidents

1. Notification: The contractor shall notify the CDSS or its designated agent of any actual or attempted information security incidents, as defined above, immediately upon detection. Information security incidents shall be reported by telephone to:

Rayfield Scott
Information Security Officer
Information Systems Division
California Department of Social Services
744 P Street, M.S. 9-9-70
Sacramento, CA 95814
(916) 651-5558 or
(916) 654-0910

2. Cooperation: The contractor shall cooperate in any investigations of information security incidents.

3. Isolation of system or device: The system or device affected by an information security incident, and containing CDSS confidential data, shall be removed from operation immediately. It shall remain removed from operation until correction and mitigation measures have been applied. The affected system or device, containing CDSS confidential data, shall not be returned to operation until CDSS gives its approval.

G. Confidentiality Statements

1. Requirement: All staff of the contractor with actual or potential access to CDSS confidential data shall read and sign a Confidentiality Agreement. (See section IV.)
2. Supervisory Review: The supervisor of the employee shall review the signed Confidentiality Agreement with the employee and document this review.
3. Submission: The signed original Confidentiality Agreements shall be submitted to the CDSS Project representative. The contractor shall notify CDSS immediately of the appointment or separation of an employee who has been authorized access to CDSS confidential data.
4. Annual Notification: The contractor shall provide to CDSS, in January of each calendar year, a current list of authorized users and newly signed Confidentiality Agreements for all authorized users.

H. Security Systems Administrator Duties

1. Designation: The contractor shall designate a single person as the security systems administrator. The name of the individual so designated shall be supplied to CDSS.
2. Access Control: The security systems administrator shall have the ability to change or remove any computer access authorization of an individual having access to the system at any time.
3. Employee Verification: The contractor shall verify that the employee who performs the duties of the security systems administrator is a trusted person who has demonstrated in past jobs a capability to perform in this role. Additionally, these security clearance procedures shall ascertain if the employee who performs the duties of security systems administrator has any past criminal or employment background which would call into question their ability to perform this role successfully.
4. Vulnerability Assessments and Mitigation Validation: The security systems administrator shall assess system security vulnerabilities and validate mitigation actions performed and shall disable all applications, components, and services that are not required for performance of the contract with CDSS. This assessment shall be provided in writing to the contract administrator along with a description of corrective actions.
5. Security Patches and Upgrades: The security systems administrator shall ensure that security patches and upgrades released by the respective manufacturers of the components of the information assets used to process CDSS confidential data are promptly applied to the components. Patches and upgrades downloaded from public networks shall be applied only if digitally signed by the source and only after the security systems analyst has reviewed the integrity of the patch or upgrade.

I. Risk Analysis/Contingency Plans

1. The contractor shall carry out a risk analysis with sufficient regularity to identify and

assess vulnerabilities associated with all information assets owned, maintained, or used by the contractor that are used to process or store CDSS confidential data, and shall define a cost-effective approach to manage such risks. Specific risks that shall be addressed include, but are not limited to, those associated with accidental and deliberate acts on the part of employees and outsiders; fire, flooding, and electrical disturbances and loss of data communications capabilities. The contractor shall advise the CDSS or its designated agent of any vulnerability that may present a threat to CDSS confidential data and of the specific safeguards used for protecting CDSS confidential data. The contractor shall take the necessary steps to protect CDSS confidential data.

2. Contingency plans shall be established and implemented in order to assure that operations can be back to normal in minimum time after natural or man-made disasters, unintentional accidents, or intentional acts such as sabotage. These plans shall include, but are not limited to, the regular backup of automated files and databases, secure storage, recovery, and restarting planning procedures.

J. Rules of Aggregation

1. Requirement: "Aggregated," as used in this subsection, refers to a data output report that does not allow identification of an individual. All reports developed by the contractor shall contain CDSS confidential data only in aggregated form. Personal identifiers should be removed, geographic identifiers should be specified only in large areas, and as needed, variables should be recorded in order to protect confidentiality. No disaggregate data identifying individuals shall be released to outside parties or to the public.
2. Pre-Release Edits: The data system of the contractor shall have prerelease edits, which shall not allow the production of data cells that do not comply with the requirements of this section.
3. Minimum Data Cell Size: The minimum data cell size or derivation thereof shall be five participants for any data table released to outside parties or to the public.

K. Security Plans

1. Submission: When required, the contractor shall submit a written security plan to CDSS prior to receipt of CDSS confidential data. The security plan shall address the methods and processes the contractor will use to meet the security and confidentiality requirements of this Agreement. CDSS will not release CDSS confidential data to the contractor before CDSS approval of the contractor's security plan.
2. Maintenance/Signature: The contractor shall maintain continuous compliance with its approved security plan. The contractor shall secure prior CDSS approval for any changes to its approved security plan. CDSS may require the contractor to amend its security plan as a condition of continued receipt or use of CDSS confidential data. The security plans shall be signed by the contractor and person(s) responsible for the contractor's system administration.

IV. CONFIDENTIALITY AGREEMENT

I (please print), _____ an employee of

(please print) _____ hereby acknowledge that the California Department of Social Services (CDSS) public assistance records and documents are subject to strict confidentiality requirements imposed by State and federal law including California Welfare and Institutions Code sections 10850 California Penal Code section 11167.5, 45 Code of Federal Regulations 205.50, and 1798.24 of the Civil Code relating to research.

I (initial) _____ acknowledge that my supervisor, or the data librarian, has reviewed with me the appropriate provisions of both State and federal laws including the penalties for breaches of confidentiality.

I (initial) _____ acknowledge that my supervisor or the data librarian has reviewed with me the confidentiality and security policies of the CDSS.

I (initial) _____ acknowledge that my supervisor or the data librarian has reviewed with me the policies of confidentiality and security of our organization.

I (initial) _____ acknowledge that unauthorized use, dissemination or distribution of CDSS confidential information is a crime.

I (initial) _____ hereby agree that I will not use, disseminate or otherwise distribute confidential records or said documents or information either on paper or by electronic means other than in the performance of the specific research I am conducting.

I (initial) _____ also agree that unauthorized use, dissemination or distribution is grounds for immediate termination of my organization's Contract/Memorandum of Understanding/Agreements with the CDSS and may subject me to penalties both civil and criminal.

Signed

Date