

STANDARD AGREEMENT

STD 213A (Rev. 07/2019)

 CHECK HERE IF ADDITIONAL PAGES ARE ATTACHED PAGES

AGREEMENT NUMBER

M54516-7100

AMENDMENT NUMBER

1

Purchasing Authority Number

CDT-7502, EDD-7100

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

STATE AGENCY NAME

California Department of Technology

CONTRACTOR NAME

Nava Public Benefit Corporation

2. The term of this Agreement is:

START DATE

April 6, 2020

THROUGH END DATE

July 6, 2020

3. The maximum amount of this Agreement after this Amendment is:

\$500,000.00 (Five Hundred Thousand Dollars and No Cents)

4. The parties mutually agree to this amendment as follows. All actions noted below are by this reference made a part of the Agreement and incorporated herein:

Agreement CDT #19-13054 is hereby amended, by this \$0 Amendment #1 as follows:

- A. Globally serves to replace CDT with EDD as owner of this Agreement. EDD Contract
- B. Serves to replace CDT contract number 19-13054 with EDD contract number #M54516-7100.

The effective date of this Amendment 1 is May 22, 2020 or upon completion of signatures, whichever occurs first.

*All other terms and conditions shall remain the same.***IN WITNESS WHEREOF, THIS AGREEMENT HAS BEEN EXECUTED BY THE PARTIES HERETO.****CONTRACTOR**

CONTRACTOR NAME (if other than an individual, state whether a corporation, partnership, etc.)

Nava Public Benefit Corporation

CONTRACTOR BUSINESS ADDRESS

[REDACTED]

CITY

[REDACTED]

STATE

[REDACTED]

ZIP

[REDACTED]

PRINTED NAME OF PERSON SIGNING

[REDACTED]

TITLE

Contract Manager

CONTRACTOR AUTHORIZED SIGNATURE

[REDACTED]

DATE SIGNED

May 22, 2020

STATE OF CALIFORNIA

CONTRACTING AGENCY NAME

California Department of Technology

CONTRACTING AGENCY ADDRESS

[REDACTED]

CITY

[REDACTED]

STATE

[REDACTED]

ZIP

[REDACTED]

PRINTED NAME OF PERSON SIGNING

[REDACTED]

TITLE

Contracts Manager

CONTRACTING AGENCY AUTHORIZED SIGNATURE

[REDACTED]

DATE SIGNED

May 22, 2020

STATE OF CALIFORNIA

CONTRACTING AGENCY NAME

Employment Development Department

CONTRACTING AGENCY ADDRESS

[REDACTED]

CITY

[REDACTED]

STATE

[REDACTED]

ZIP

[REDACTED]

PRINTED NAME OF PERSON SIGNING

[REDACTED]

TITLE

Chief

CONTRACTING AGENCY AUTHORIZED SIGNATURE

[REDACTED]

DATE SIGNED

May 22, 2020

CALIFORNIA DEPARTMENT OF GENERAL SERVICES APPROVAL

EXEMPTION (If Applicable)

**EXHIBIT A
STATEMENT OF WORK (SOW)**

1. OBJECTIVE

The current crisis in which unemployed individuals in California are both already eligible for, and in need of, income support as COVID19's impact on the economy grows. The Pandemic Unemployment Assistance (PUA) program is a new iteration of an existing program that will run in parallel with 'traditional' unemployment in the state. Further, the requirements and processes for these two unemployment programs and related services such as California Paid Family Leave and Disability Insurance are evolving, complex, and may be confusing for applicants.

The approach uses the best practices in iterative development and human centered design, as well as Nava's past experiences building benefits services, to rapidly deliver value and promote extensibility. We will prioritize helping Californians' understand which unemployment program they are eligible for and how to access benefits by rapidly building and launching an MVP Eligibility Screener. We will then iterate on the screener' in response to user testing and in collaboration with government stakeholders. This will help us to understand the program and policy requirements needed to build a front end application for PUA.

2. TERM/PERIOD OF PERFORMANCE

- a. The period of performance for the Contract shall be from April 6, 2020 or upon approval, whichever is later, through July 6, 2020.
- b. The Contractor shall not be authorized to deliver or commence the performance of services as described in this SOW until written approval has been obtained from all entities. Any delivery or performance of service that is commenced prior to the signing of the Contract shall be considered voluntary on the part of the Contractor and non-compensable.

3. CONTRACT REPRESENTATIVES

All notices required by, or relating to, this Contract shall be in writing and shall be sent to the parties of the Contract at the address set below unless changed from time to time, in which event each party shall so notify the other in writing, and all such notices shall be deemed duly given if deposited, postage prepaid, in the United States mail or e-mailed and directed to the addresses then prevailing.

The Technical Contract Managers during the term of this contract will be:

State:	Employment Development Department	Contractor:	Nava Public Benefit Corporation
Name:	[REDACTED]	Name:	[REDACTED]
Phone:	[REDACTED]	Phone:	[REDACTED]
e-mail:	[REDACTED]	e-mail:	[REDACTED]

The Business Contract Manager during the term of this contract will be:

State:	Employment Development Department	Contractor:	Nava Public Benefit Corporation
Unit:	[REDACTED]	Name:	[REDACTED]
Name:	[REDACTED]	Address:	[REDACTED]
Address:	[REDACTED]	Phone:	[REDACTED]
Phone:	[REDACTED]	e-mail:	[REDACTED]
e-mail:	[REDACTED]		

4. PROJECT TASKS/DELIVERABLES

Sprint 0 (beginning April 6)

The primary focus of Sprint 0 will be onboarding staff, knowledge transfer from the current team, conducting initial discovery, and collaboratively planning activities and success criteria for Sprints 1 and 2. This may also include aligning on how we will work together to define the tools practices and norms that support quick and productive communication and collaboration.

Sprint 1 (beginning April 13)

The primary focus of Sprint 1 will be rapid development of a plain language eligibility screening tool to guide the public through a series of questions informed by user research, in order to identify which unemployment assistance program they might be eligible for.

Sprint 2 (beginning April 27)

The focus of Sprint 2 will be iteration of the Screener based on user feedback and additional requirements gathering, as well as deeper discovery of technical considerations and business needs for development of a web-based application for PUA.

Future Sprints

Recognizing a rapidly evolving environment, and a need to begin work and add/adjust resources in response to need, we propose iterating on the sprint objectives and resources for sprint 3 and beyond at to-be-determined mutually agreed upon cadence such that Nava is able to understand and plan to deliver resources in response to project needs.

Assumptions

- We will be developing within the state's Azure account or equivalent
- We will work with the state to obtain any needed expedited approvals or other requirements to establish the path to production

5. CONTRACTOR RESPONSIBILITIES

- a. The Contractor will provide its own equipment necessary to perform the required duties.
- b. The Contractor shall designate a primary contact person to whom all project communications may be addressed and who has the authority to act on all aspects of the services.
- c. The Contractor will adhere to the EDD policies and procedures, guidelines and templates including access and security requirements.

6. EMPLOYMENT DEVELOPMENT DEPARTMENT (EDD) RESPONSIBILITIES

- a. Designate a person to whom all Contractor communication may be addressed, and who has the authority to act on all aspects of the services. This person will review the SOW and associated documents with the Contractor to ensure understanding of the responsibilities of both parties.
- b. Provide a timely review and approval of information and documentation provided by the Contractor to perform its obligations.

7. PERFORMANCE

The EDD will be the sole judge of the acceptability of all work performed and all work products produced by the Contractor as a result of this SOW. Should the work performed or the products produced by the Contractor fail to meet the EDD conditions, requirements, specifications, guidelines, or other applicable standards, the following resolution process will be employed, except as superseded by other binding processes:

- a. The EDD will notify the Contractor after completion of each phase (Sprint) of service of any acceptance problems by identifying the specific inadequacies and/or failures in the services performed and/or the products produced by the Contractor. The costs related to rework of unacceptable work products shall not be billed to the EDD.
- b. The Contractor will respond to the EDD by submitting a detailed explanation describing precisely how the identified services and/or products actually adhere to and satisfy all applicable requirements, and/or a proposed corrective action plan to address the specific inadequacies and/or failures in the identified services and/or products. Failure by the Contractor to respond to the EDD's initial problem notification within the required time limits may result in immediate termination of the Contract.

In the event of such termination, the EDD shall pay all amounts due the Contractor for all work accepted prior to termination.

- c. The EDD will notify the Contractor in writing whether it accepts or rejects the explanation and/or plan. If the EDD rejects the explanation and/or plan, the Contractor will submit a revised corrective action plan within three (3) State business days of notification of rejection. Failure by the Contractor to respond to the EDD's notification of rejection by submitting a revised corrective action plan within the required time limits may result in immediate termination of the Contract. In the event of such termination, the EDD shall pay all amounts due the Contractor for all work accepted prior to termination.

- d. The EDD will notify the Contractor in writing whether it accepts or rejects the revised corrective action plan proposed by the Contractor. Rejection of the revised corrective action plan will result in immediate termination of the Contract. In the event of such termination, the EDD shall pay all amounts due the Contractor for all work accepted prior to termination.

8. PROBLEM ESCALATION

The parties acknowledge and agree that certain technical and project related problems or issues may arise, and that such matters shall be brought to the EDD's attention. Problems or issues shall normally be reported in regular status reports. There may be instances, however, where the severity of the problems justifies escalated reporting. To this extent, the Contractor will determine the level of severity and notify the appropriate EDD personnel. The EDD personnel notified, and the time period taken to report the problem or issue, shall be at a level commensurate with the severity of the problem or issue. The EDD personnel include, but are not limited to, the following:

First level: [REDACTED]

9. AMENDMENTS

Consistent with the terms and conditions of the original agreement, and upon mutual consent, the EDD and the Contractor may execute amendments to this Agreement, including revisions to Exhibit A – Statement of Work (i.e. objective, project tasks and deliverables). There shall be options to amend for additional time and funds. No amendment or variation of the terms of this Agreement shall be valid unless made in writing, and agreed upon by both parties and approved, as required. No verbal understanding or agreement not incorporated into the Agreement is binding on any of the parties.

10. CANCELLATION

The EDD may exercise its option to terminate the Contract at any time with 7 calendar days' prior written notice. In the event of such termination, the EDD shall pay all amounts due the Contractor for all tasks/deliverables accepted prior to termination

11. OTHER CONTRACT CONSIDERATIONS

- a. The Contractor will act as prime contractor under this Contract. In addition to identifying all personnel proposed to work under this Contract, the Contractor shall also identify its subcontractor affiliation, as applicable.
- b. The EDD reserves the right to approve all subcontractors prior to the performance of any work by the subcontractor.
- c. Nothing contained in this Contract shall create any conceptual relationship between the State and any subcontractors, and no subcontract shall relieve the Contractor of its responsibilities and obligations hereunder. The Contractor is fully responsible to the EDD for the acts and omissions of its subcontractors and of persons either directly or indirectly employed by any of them.

- d. If a subcontractor is a California Certified Small Business (SB) and/or Disabled Veteran Business Enterprise (DVBE), then those amounts paid to certified subcontractors shall be identified on the Contractor's invoice(s).
- e. The Contractor's obligation to pay its subcontractors is an independent obligation from the State's obligation to make payments to the Contractor. As a result, the State shall have no obligation to pay or to enforce the payment of any monies to any subcontractor.
- f. Military and Veteran Code (MVC) 999.5(d), Government Code (GC) 14841, and California Code of Regulations (CCR) 1896.78(e) requires all Prime Contractor's that had a DVBE firm perform any element of work for a contract to report DVBE information.

Prime Contractors are required to maintain records supporting the information that all payments to DVBE subcontractor(s) were made. The Prime DVBE Subcontracting form can be found at the following link: https://www.documents.dgs.ca.gov/dgs/fmc/gsp/pd/pd_810P.pdf and the instructions can be found at the following link: <https://www.dgs.ca.gov/PD/Services/Page-Content/Procurement-Division-Services-List-Folder/File-a-DVBE-Subcontractor-Report#@ViewBag.JumpTo>. Completed forms are to be e-mailed to: primeDVBE@state.ca.gov.

12. FEDERAL TAX ADMINISTRATION REQUIREMENTS

Subject to the Internal Revenue Service (IRS), federal tax information (FTI) requirements, if an unfavorable response is received by the IRS, this contract will be terminated immediately, per General Provisions – Information Technology (GSPD-401), clause 23, Termination for Default.

13. SECURITY AND DATA PROTECTION REQUIREMENTS

The EDD must ensure agreements with state and non-state entities include provisions, which protect and minimize risk to the state when engaging in the development, use, or maintenance of information systems, products, solutions, or services. In order to comply with the State Administrative Manual (SAM) Section 5305.8, Contractor must comply with Exhibit E, Security and Data Protection.

**EXHIBIT A-1
ACCEPTANCE DOCUMENT**

CONTRACTOR NAME: _____

EMPLOYMENT DEVELOPMENT DEPARTMENT NUMBER: _____

ACCEPTANCE DOCUMENT (AD) NUMBER: _____

TITLE: _____

COMPLETION DATE: _____

TOTAL COST: \$ _____

DESCRIPTION:

EMPLOYMENT DEVELOPMENT DEPARTMENT ACCEPTANCE OR REJECTION:

AUTHORIZED AND APPROVED:

CONTRACTOR OFFICIAL SIGNATURE / DATE

EMPLOYMENT DEVELOPMENT
CONTRACT ADMINISTRATOR SIGNATURE /
DATE

Note: Once the Contractor and the Employment Development Department have approved the WAAD as stipulated in the contract, the Contractor may submit an invoice to the Employment Department. Refer to payment terms in Exhibit B.

**EXHIBIT A-2
WORK AUTHORIZATION FORM**

The task/deliverable(s) will be performed in accordance with this Work Authorization and the provision of Contract Number:

WORK AUTHORIZATION NUMBER	PAGE(S) of
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TITLE OF TASK/DELIVERABLE

TASK/DELIVERABLE SUMMARY *(Brief description of task/deliverable to be performed under work authorization)*

START DATE	COMPLETION DATE
TOTAL ESTIMATED LABOR HOURS	TOTAL ESTIMATED COST

APPROVALS

_____ CONTRACTOR CONTRACT ADMINISTRATOR NAME	_____ TITLE
_____ SIGNATURE	_____ DATE
_____ EMPLOYMENT DEVELOPMENT DEPARTMENT CONTRACT ADMINISTRATOR NAME	_____ TITLE
_____ SIGNATURE	_____ DATE

WORK AUTHORIZATIONS (WA)

- a. Each WA shall consist of a detailed statement of the purpose, objective, or goals to be undertaken by the Contractor and all information requested to be provided per WA form, Exhibit A-2.
- b. All WA must be in writing prior to beginning work and signed by the Contractor and the EDD Technical Contract Manager.
- c. The EDD has the right to require the Contractor to stop or suspend work on any WA.
- d. Personnel resources will not be expended (at a cost to the EDD) on task/deliverable accomplishment in excess of estimated work hours required unless the procedure below is followed:
 - (1) If, in performance of the work, the Contractor determines that a WA to be performed under this Contract cannot be accomplished within the estimated work hours, the Contractor will immediately notify the EDD in writing of the Contractor's estimate of the work hours which will be required to complete the WA in full. Upon receipt of such notification, the EDD may:
 - (a) Authorize the Contractor to expend the estimated additional work hours or service in excess of the original estimate necessary to accomplish the WA;
 - (b) Terminate the WA; or
 - (c) Alter the scope of the WA in order to define tasks that can be accomplished within the remaining estimated work hours.
 - (2) The EDD will notify the Contractor in writing of its decision within seven (7) calendar days after receipt of the notification. If notice of the decision is given to proceed via an amended WA signed by the Contractor and EDD, the Contractor may expend the estimated additional work hours for agreed upon services. The EDD agrees to reimburse the Contractor for such additional work hours.

**EXHIBIT B
BUDGET DETAIL AND PAYMENT PROVISIONS**

1. Payment for services performed under this Contract shall be monthly in arrears for services satisfactorily rendered and upon receipt and approval of the invoice. An Acceptance Document, Exhibit A-1 is required from the EDD Technical Contract Manager before processing an invoice for payment.
2. Upon successful completion and acceptance of each project task/deliverable identified in a Contract, the Contractor will submit an invoice for payment associated with the individual payment amounts. All payment shall be based on the Work Authorization Form and must be attached.
3. Invoices shall be submitted, and shall identify labor and costs charged. Invoices shall be submitted monthly, in arrears, however, invoices shall be due and payable, and payment shall be made, only after the EDD acceptance under this Contract.
4. The Contractor costs related to items such as travel and per diem are costs of the Contractor, shall be inclusive of the monthly rate, and **will not be paid separately** as part of this Contract.
5. Submit your invoice using ONE of the following options referencing the Contract Number or Agency Order Number:

- a. Send via U.S. Mail in **TRIPLICATE** to:

Employment Development Department



OR

- b. Send electronically to: [Redacted]

6. It is mutually agreed that if the Budget Act of the current year and/or any subsequent years covered under this Contract does not appropriate sufficient funds for the program, this Contract shall be of no further force and effect. In this event, the State shall have no liability to pay any funds whatsoever to the Contractor or to furnish any other considerations under this Contract and Contractor shall not be obligated to perform any provisions of this Contract.
7. If funding for any fiscal year is reduced or deleted by the Budget Act for purposes of this program, the State shall have the option to either cancel this Contract with no liability occurring to the State, or offer a contract amendment to the Contractor to reflect the reduced amount.
8. Payment will be made in accordance with, and within the time specified in, Government Code Chapter 4.5, commencing with Section 927. Payment to small/micro businesses shall be made in accordance with and within the time specified in Chapter 4.5, Government Code 927 et seq.

**EXHIBIT B-1
 COST WORKSHEET**

The Contractor shall provide all labor, materials, and equipment necessary to provide the services for **Pandemic Unemployment Assistance (PUA) program services in response to COVID-19 pandemic** in accordance with the specifications described in the SOW, Exhibit A, at the rates specified below. **Payment for services performed under this contract shall be monthly.** Submission of this information is required.

Staffing

We propose an initial cross-functional team of senior staff experienced in building and launching public benefits services to rapidly design, build, launch, and iterate the MVP Screener. We anticipate additional internal subject matter experts providing targeted, time-limited support on an as needed basis (see 'Advisor' role below). These resources will bring expertise and experience to bear from Nava's HealthCare.gov, Integrated Benefits, and Paid Family and Medical Leave work. This includes but is not limited to:



Name	Role	CMAS/GSA LCAT map	Allocation	Hourly Rate
	Program Manager	Program Manager	25%*	\$217.43
	Product Lead	SME I	100%	\$250.88
	Design Lead	Designer III	100%	\$183.97
	Technical Lead	SWE IV	100%	\$234.16
	Sr. Software Engineer	SWE IV	100%	\$234.16
	Sr. Designer/Researcher	Designer III	100%	\$183.97
	Advisor	SME I	20%	\$250.88

*Beginning April 13

We propose a firm-fixed price per sprint structure based on the staffing roles, rates, and allocations as above. Expected payment terms would be NET 45, paid monthly. Effective start date is Monday, April 6, 2020.

Note: The total amount of this contract shall not exceed \$500,000.00

**EXHIBIT C
(Standard Agreement)**

SPECIAL TERMS AND CONDITIONS

1. **CONTRACT APPROVAL**

The Contract is not effective until it has been approved by the State. The Contractor may not commence performance under this Contract until it has been approved by the State.

Should the Contractor begin work prior to receiving a copy of the approved Contract, any work performed prior to execution of the contract shall be considered as having been done at the Contractor's own risk and as a volunteer.

2. **LOBBYING RESTRICTIONS**

The Contractor must certify lobbying activities and disclose lobbying activities by completing the Certification Regarding Lobbying and Disclosure of Lobbying Activities and submit it with the Offer. The forms shall be completed by the reporting entity, whether sub-awardee or prime Federal recipient, at the initiation or receipt of a covered Federal action, or a material change to a previous filing, pursuant to title 31 U.S.C. Section 1352.

3. **CERTIFICATION REGARDING DEBARMENT**

Debarment, suspension, ineligibility and voluntary exclusion of lower tier covered transaction certification is required for this procurement by the regulations implementing Executive Order 12549, Debarment and Suspension, 29 CFR Part 98, Section 98.510, participants' responsibilities. The regulations were published as Part VII of the May 26, 1988, Federal Register (Pages 19160-19211).

4. **WORKFORCE INNOVATION AND OPPORTUNITY ACT**

Contractor agrees to conform to the nondiscrimination provisions of the Workforce Innovation and Opportunity Act (WIOA) and other federal nondiscrimination requirements as referenced in 29 CFR, Part 37 and 38.

5. **PUBLIC CONTRACT CODE**

The Contractor is advised that he/she has certain duties, obligations, and rights under the Public Contract Code §§ 10335 – 10381 and 10410 - 10412, with which the Contractor should be familiar. These Public Contract Code sections can be viewed at:

http://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?lawCode=PCC§ionNum=10335
http://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?lawCode=PCC§ionNum=10381
http://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?lawCode=PCC§ionNum=10410

6. **NOTICES**

All notices relating to this Contract shall be in writing and shall be sent to the respective Contract Managers set forth in this Contract. All such notices shall be deemed delivered if deposited, postage prepaid, in the United States mail and sent to the parties' last known address.

EXHIBIT C
(Standard Agreement)

7. AVOIDANCE OF CONFLICTS OF INTEREST BY CONTRACTOR

- A. Consultants are advised that that Political Reform Act prohibits public officials, which include consultants, from making, participating in making, or in any way attempting to use his official position to influence a governmental decision in which he knows or has reason to know he has a financial interest. (Government Code § 87100; see Government Code § 81000 and Government Code § 1090 et seq.). For purposes of this contract, consultants are defined as any individual performing work under this contract.
- B. The Contractor shall make all reasonable efforts to ensure that no conflict of interest exists between its officers, agents, employees, consultants or members of its governing body.
- C. The Contractor shall prevent its officers, agents, employees, consultants or members of its governing body from using their positions for purposes that are, or give the appearance of being, motivated by a desire for private gain for themselves or others such as those with whom they have family, business, or other ties.
- D. During the performance of this contract, should the Contractor become aware of a financial conflict of interest that may foreseeably allow an individual or organization involved in this Contract to materially benefit from the State's adoption of an action(s) recommended as a result of this contract, the Contractor must inform the State in writing within 10 working days.
- E. Failure to disclose a relevant financial interest on the part of the consultant will be deemed grounds for termination of the Contract with all associated costs to be borne by the Contractor and, in addition, the Contractor may be excluded from participating in the State's bid processes for a period of up to 360 calendar days in accordance with the Public Contract Code section 12102(j).
- F. The EDD may request additional information regarding a consultant's economic interests. If the additional information is not provided to the satisfaction of the EDD, then the Contractor must provide a substitute consultant with similar credentials to resolve the potential conflict as provided in paragraph D.
- G. Consultants are advised that the Fair Political Practices Commission has jurisdiction to enforce the Political Reform Act and may seek civil and criminal prosecution for violations of the act, including failure to disclose financial interests. Other penalties for violating the Political Reform Act could include fines, conviction of a misdemeanor, disqualification from serving in public office or as a lobbyist, and being responsible for the costs of the litigation, including attorney's fees.
- H. All consultants providing work under this Contract shall include a completed Statement of Economic Interests, Form 700 <http://www.fppc.ca.gov/content/dam/fppc/NS-Documents/TAD/Form%20700/2019-2020/Form%20700%202019.2020%20IA.pdf> at the time of award. In addition, consultants shall file a Form 700 annually by April 1, thereafter during the life of the contract. Each new and/or substitute consultant shall file a Form 700 prior to performing any work on the contract.
- I. Consultants are advised that they may amend their Form 700 at any time and that amending an

**EXHIBIT C
(Standard Agreement)**

incorrect or incomplete report may be considered evidence of good faith by the Fair Political Practices Commission.

8. DISPUTES

Any dispute concerning a question of fact arising under the term of this Contract which is not disposed of within a reasonable period of time (ten days) by the Contractor and State employees normally responsible for the administration of this contract shall be brought to the attention of the Chief Executive Officer (or designated representative) of each organization for joint resolution.

9. SUBCONTRACTOR LANGUAGE

Nothing contained in this Contract shall create any contractual relationship between the State and any subcontractor, and no subcontract shall relieve the Contractor of its responsibilities and obligations hereunder. The Contractor is fully responsible to the State for the act and omissions of its subcontractor and of persons either directly or indirectly employed by any of them.

The Contractor's obligation to pay its subcontractors is independent from the State's obligation to make payment to the Contractor. As a result, the State shall have no obligation to pay or to enforce the payment of any moneys to any subcontractor.

10. BACKGROUND INVESTIGATION

The EDD shall conduct a background investigation of the Contractor, its employees, contractors, agents, volunteers, vendors, or subcontractors, unless the EDD determines such individuals are not subject to a background investigation. Individuals must voluntarily consent to a background check and the EDD reserves the right to disapprove any individual from performing services under the scope of the Contract.

Investigations will be conducted to ascertain whether a Contractor, its employees, contractors, agents, volunteers, vendors, or subcontractors have any state or federal convictions, or are currently released from custody on bail or on their own recognizance pending trial. The background investigation will include fingerprinting and an inquiry to the California Department of Justice (DOJ) and the Federal Bureau of Investigations (FBI) to disclose Criminal Offender Record Information (CORI). The EDD will absorb the cost of the fingerprinting services.

11. EVALUATION OF CONTRACT/CONTRACTOR

For IT Services over \$500,000, within sixty (60) days after the completion of the Contract, the Program Manager shall complete a written evaluation of Contractor's performance under the Contract. A copy of the STD 971 must be emailed to the State Department of Technology at form971@state.ca.gov and shall remain in the contract file for 36 months. If the Contractor did not satisfactorily perform the work, a copy of the evaluation form will be sent to the Contractor within fifteen (15) working days of the completion of the evaluation. (PCC 12102.3). You may view the form here: <https://www.documents.dgs.ca.gov/dgs/fmc/pdf/std971.pdf>

EXHIBIT C
(Standard Agreement)

12. CONTRACTOR STAFF CHANGES

The Contractor reserves the sole right to determine the assignment of its employees. The Contractor agrees to notify EDD in writing of all changes in personnel assigned to this Contract as soon as is practicable.

The Contractor agrees that if EDD determines that Contractor personnel are failing to adequately perform services, the Contractor shall provide substitute personnel that meet or exceed all minimum qualifications as stated in this Contract.

The Contractor agrees that if Contractor personnel assigned to the project are unable to perform their duties due to illness, resignation, or other factors beyond the Contractor's control, the Contractor shall provide substitute personnel that meet or exceed all minimum qualifications as stated in this Contract.

13. OWNERSHIP RIGHTS

All data, documents, software and other artifacts produced under the contract become the sole property of EDD with an exception for preexisting materials to remain owned by the Contractor.

**EXHIBIT D
(Standard Agreement)**

PROTECTION OF CONFIDENTIALITY

Federal and state confidentiality laws, regulations, and administrative policies classify all the Employment Development Department (EDD) information provided under this Agreement as confidential. The federal and state laws prohibit disclosure of the EDD's confidential information to the public and mandate its protection against loss and against unauthorized access, use, disclosure, modification, or destruction.

The Contractor, must therefore, agree to the following security and confidentiality requirements:

I. ADMINISTRATIVE SAFEGUARDS

- a. Adopt policies and procedures to ensure use of the EDD's confidential information solely for purposes specifically authorized under this Agreement that meet the requirements of Title 20, Code of Federal Regulations §603.10.
- b. Warrant by execution of this Agreement, that no person or selling agency has been employed or retained to solicit or secure this Agreement upon agreement or understanding for a commission, percentage, brokerage, or contingent fee. In the event of a breach or violation of this warranty, the EDD shall have the right to annul this Agreement without liability, in addition to other remedies provided by law.
- c. Warrant and certify that in the performance of this Agreement the Contractor, will comply with all applicable statutes, rules and/or regulations, and Agreement information security requirements, including but not limited to the following:
 - **California Unemployment Insurance Code §1094** (Disclosure Prohibitions)
 - **Title 20, Code of Federal Regulations §603.9 and §603.10** (Federal Unemployment Compensation Safeguards and Security Requirements)
 - **California Civil Code §1798, et seq.** (Information Practices Act)
 - **California Penal Code §502** (Computer Fraud Act)
 - **Title 5, U.S. Code §552a** (Federal Privacy Act Disclosure Restrictions)
 - **Title 42, U.S. Code §503** (Social Security Act)
 - **Title 18, U.S. Code §1905** (Disclosure of Confidential Information)
- d. Except for state agencies, agree to indemnify the EDD against any loss, cost, damage or liability resulting from violations of these applicable statutes, rules and/or regulations, and Agreement information security requirements.
- e. Protect the EDD's information against unauthorized access, at all times, in all forms of media. Access and use the information obtained under this Agreement only to the extent necessary to assist in the valid administrative needs of the program receiving such information, and only for the purposes defined in this Agreement.
- f. Keep all the EDD's confidential information completely confidential. Make this information available to authorized personnel on a "need-to-know" basis and only for the purposes authorized under this Agreement. "Need-to-know" refers to those authorized personnel who need information to perform their official duties in connection with the use of the information authorized by this Agreement.
- g. Notify the EDD Help Desk at (916) 654-1010, immediately upon discovery, that there may have been a breach in security which has or may have resulted in compromise to the confidential information. For purposes of this section, immediately is defined within 24 hours of discovery of the breach. The notification shall be by phone and email. **It is not sufficient to simply leave a message.** The

**EXHIBIT D
(Standard Agreement)**

notification must include a detailed description of the incident (such as time, date, location, and circumstances) and identify responsible personnel (name, title and contact information). The verbal notification shall be followed with an email notification to <InformationSecurityOffice@edd.ca.gov>.

II. MANAGEMENT SAFEGUARDS

- a. Acknowledge that the confidential information obtained by the Contractor under this Agreement remains the property of the EDD.
- b. Instruct all personnel assigned to work with the information provided under this Agreement regarding the following:
 - Confidential nature of the EDD information.
 - Requirements of this Agreement.
 - Sanctions specified in federal and state unemployment compensation laws and any other relevant statutes against unauthorized disclosure of confidential information provided by the EDD.
- c. Require that all personnel assigned to work with the information provided by the EDD complete the EDD Confidentiality Agreement (Attachment D1):
- d. Return the following completed documents to the EDD Contract Services Group:
 - The EDD Indemnity Agreement (Attachment D2): Required to be completed by the Contractor's Chief Financial Officer or authorized Management Representative, unless the Contractor is a State Agency.
 - The EDD Statement of Responsibility Information Security Certification (Attachment D3): Required to be completed by the Information Security Officer or authorized Management Representative.
- e. Permit the EDD to make on-site inspections to ensure that the terms of this Agreement are being met. Make available to the EDD staff, on request and during on-site reviews, copies of the EDD Confidentiality Agreement (Attachment D1) completed by personnel assigned to work with the EDD's confidential information, and hereby made a part of this Agreement.
- f. Maintain a system of records sufficient to allow an audit of compliance with the requirements under subsection (d) of this part. Permit the EDD to make on-site inspections to ensure that the requirements of federal and state privacy, confidentiality and unemployment compensation statutes and regulations are being met including but not limited to [Social Security Act §1137\(a\)\(5\)\(B\)](#).

III. USAGE, DUPLICATION, AND REDISCLOSURE SAFEGUARDS

- a. Use the EDD's confidential information only for purposes specifically authorized under this Agreement. The information is not admissible as evidence in any action or special proceeding except as provided under §1094(b) of the California Unemployment Insurance Code (CUIC). Section 1095(u) of the CUIC does not authorize the use of the EDD's confidential information by any private collection agency.
- b. Extraction or use of the EDD information for any purpose outside the purposes stated in this Agreement is strictly prohibited. The information obtained under this Agreement shall not be reproduced, published, sold, or released in original or any other form not specifically authorized under this Agreement.
- c. Disclosure of any of the EDD information to any person or entity not specifically authorized in this Agreement is strictly prohibited. Personnel assigned to work with the EDD's confidential information shall not reveal or divulge to any person or entity any of the confidential information provided under this Agreement except as authorized or required by law.

**EXHIBIT D
(Standard Agreement)**

IV. PHYSICAL SAFEGUARDS

- a. Take precautions to ensure that only authorized personnel are given access to physical, electronic and on-line files. Store electronic and hard copy information in a place physically secure from access by unauthorized persons. Process and store information in electronic format, such as magnetic tapes or discs, in such a way that unauthorized persons cannot retrieve the information by means of computer, remote terminal, or other means.
- b. Secure and maintain any computer systems (network, hardware, and software applications) that will be used in the performance of this Agreement. This includes ensuring that all security patches, upgrades, and anti-virus updates are applied as appropriate to secure data that may be used, transmitted, or stored on such systems in the performance of this Agreement.
- c. Store all the EDD's confidential documents in a physically secure manner at all times to prevent unauthorized access.
- d. Store the EDD's confidential electronic records in a secure central computer facility. Where in-use on a shared computer system or any shared data storage system, ensure appropriate information security protections are in place. The Contractor shall ensure that appropriate security access controls, storage protections and use restrictions are in place to keep the confidential information in the strictest confidence and shall make the information available to its own personnel on a "need-to-know" basis only.
- e. Store the EDD's confidential data in encrypted format when recorded on removable electronic storage media, or on mobile computing devices, such as a laptop computer.
- f. Maintain an audit trail and record data access of authorized users and authorization level of access granted to the EDD's data, based on job function.
- g. Direct all personnel permitted to use the EDD's data to avoid leaving the data displayed on their computer screens where unauthorized users may view it. Personnel should retrieve computer printouts as soon as they are generated so that the EDD's data is not left unattended in printers where unauthorized personnel may access them.
- h. Dispose of confidential information obtained from the EDD, and any copies thereof made by the Contractor, after the purpose for which the confidential information is disclosed is served. Disposal means return of the confidential information to the EDD or destruction of the information utilizing an approved method of confidential destruction, which includes electronic deletion (following Department of Defense specifications) shredding, burning, or certified or witnessed destruction.

EXHIBIT E SECURITY AND DATA PROTECTION

Contractor shall certify to The National Institute of Standards and Technology (NIST) 800-171 standard and the DGS Cloud Computing Services Special Provisions publication requirements. At a minimum, provision shall cover the following:

1. The Contractor assumes responsibility of the confidentiality, integrity and availability of the data under its control. The Contractor shall implement and maintain all appropriate administrative, physical, technical, and procedural safeguards at all times during the term of the Agreement to secure such data from data breach or loss, protect the data and information assets from breaches, introduction of viruses, disabling of devices, malware and other forms of malicious or inadvertent acts that can disrupt the State's access to its data or affects the integrity of that data.
2. Confidential, sensitive or personal information shall be encrypted in accordance with SAM 5350.1 and SIMM 5305-A.
3. The Contractor shall comply with statewide policies and laws regarding the use and protection of information assets and data. Unauthorized use of data by Contractor or third parties is prohibited.
4. Signed Security and Confidentiality Statement for all personnel assigned during the term of the Agreement.
5. Apply security patches and upgrades, and keep virus protection software up-to-date on all information asset on which data may be stored, processed, or transmitted.
6. The Contractor shall notify the State data owner immediately if a security incident involving the information asset occurs.
7. The State data owner shall have the right to participate in the investigation of a security incident involving its data or conduct its own independent investigation. The Contractor shall allow the State reasonable access to security logs, latency statistics, and other related security data that affects this Agreement and the State's data, at no cost to the State.
8. The Contractor shall be responsible for all costs incurred by the State due to security incident resulting from the Contractor's failure to perform or negligent acts of its personnel, and resulting in an unauthorized disclosure, release, access, review, destruction; loss, theft or misuse of an information asset. If the contractor experiences a loss or breach of data, the contractor shall immediately report the loss or breach to the State. If the State data owner determines that notice to the individuals whose data has been lost or breached is appropriate, the contractor will bear any and all costs associated with the notice or any mitigation selected by the data owner. These costs include, but are not limited to, staff time, material costs, postage, media announcements, and other identifiable costs associated with the breach or loss of data.
9. The Contractor shall immediately notify and work cooperatively with the State data owner to respond timely and correctly to public records act requests.
10. The Contractor will dispose of records of State data as instructed by the State during the term of this agreement. No data shall be copied, modified, destroyed or deleted by the Contractor other than for normal operation or maintenance during the Agreement period without prior written notice to and written approval by the State.
11. Remote access to data from outside the territorial United States, including remote access to data by authorized support staff in identified support centers, is prohibited unless approved in advance by the State.
12. The physical location of Contractor's data center where the Data is stored shall be within the territorial United States.

**EXHIBIT F
(Standard Agreement)**

SAFEGUARDING CONTRACT LANGUAGE FOR TECHNOLOGY SERVICES

I. PERFORMANCE

In performance of this Contract, the Contractor agrees to comply with and assume responsibility for compliance by his or her employees with the following requirements:

- (1) All work will be done under the supervision of the Contractor or the Contractor's employees.
- (2) The Contractor and the Contractor's employees, Contractors, agents, volunteers, vendors, or subcontractors must meet the background check requirements provided in Exhibit F of this Contract.
- (3) Any return or return information made available in any format shall be used only for the purpose of carrying out the provisions of this Contract. Information contained in such material will be treated as confidential and will not be divulged or made known in any manner to any person except as may be necessary in the performance of this Contract. Disclosure to anyone other than an officer or employee of the Contractor will be prohibited.
- (4) All returns and return information will be accounted for upon receipt and properly stored before, during, and after processing. In addition, all related output will be given the same level of protection as required for the source material.
- (5) The Contractor certifies that the data processed during the performance of this Contract will be completely purged from all data storage components of his or her computer facility, and no output will be retained by the Contractor at the time the work is completed. If immediate purging of all data storage components is not possible, the Contractor certifies that any Internal Revenue Service (IRS) data remaining in any storage component will be safeguarded to prevent unauthorized disclosures.
- (6) Any spoilage or any intermediate hard copy printout that may result during the processing of IRS data will be given to the agency or his or her designee. When this is not possible, the Contractor will be responsible for the destruction of the spoilage or any intermediate hard copy printouts, and will provide the agency or his or her designee with a statement containing the date of destruction, description of material destroyed, and the method used.
- (7) All computer systems receiving, processing, storing or transmitting federal tax information (FTI) must meet the requirements defined in IRS Publication 1075. To meet functional and assurance requirements, the security features of the environment must provide for the managerial, operational, and technical controls. All security features must be available and activated to protect against unauthorized use of and access to FTI.

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- (8) No work involving FTI furnished under this Contract will be subcontracted without prior written approval of the IRS.
- (9) The Contractor will maintain a list of employees authorized access. Such list will be provided to the agency and, upon request, to the IRS reviewing office. (See Section 10.0, Reporting Improper Inspections or Disclosures of the [IRS Publication 1075](#).) The agency will have the right to void the Contract if the Contractor fails to provide the safeguards described above.

II. CRIMINAL/CIVIL SANCTIONS

- (1) Each officer or employee of any person to whom returns or return information is or may be disclosed will be notified in writing by such person that returns or return information disclosed to such officer or employee can be used only for a purpose and to the extent authorized herein, and that further disclosure of any such returns or return information for a purpose or to an extent unauthorized herein constitutes a felony punishable upon conviction by a fine of as much as \$5,000 or imprisonment for as long as 5 years, or both, together with the costs of prosecution. Such person shall also notify each such officer and employee that any such unauthorized further disclosure of returns or return information may also result in an award of civil damages against the officer or employee in an amount not less than \$1,000 with respect to each instance of unauthorized disclosure. These penalties are prescribed by IRCs 7213 and 7431 and set forth in 26 C.F.R. § 301.6103(n)-1.
- (2) Each officer or employee of any person to whom returns or return information is or may be disclosed shall be notified in writing by such person that any return or return information made available in any format shall be used only for the purpose of carrying out the provisions of this Contract. Information contained in such material shall be treated as confidential and shall not be divulged or made known in any manner to any person except as may be necessary in the performance of the Contract. Inspection by or disclosure to anyone without an official need-to-know constitutes a criminal misdemeanor punishable upon conviction by a fine of as much as \$1,000 or imprisonment for as long as 1 year, or both, together with the costs of prosecution. Such person shall also notify each such officer and employee that any such unauthorized inspection or disclosure of returns or return information may also result in an award of civil damages against the officer or employee [United States for Federal employees] in an amount equal to the sum of the greater of \$1,000 for each act of unauthorized inspection or disclosure with respect to which such defendant is found liable or the sum of the actual damages sustained by the plaintiff as a result of such unauthorized inspection or disclosure plus in the case of a willful inspection or disclosure which is the result of gross negligence, punitive damages, plus the costs of the action. These penalties are prescribed by IRC 7213A and 7431 and set forth in 26 C.F.R. § 301.6103(n)-1.

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- (3) Additionally, it is incumbent upon the Contractor to inform its officers and employees of the penalties for improper disclosure imposed by the Privacy Act of 1974, 5 U.S.C. § 552(a). Specifically, 5 U.S.C. § 552(a)(i)(1), which is made applicable to Contractors by 5 U.S.C. § 552(a)(m)(1), provides that any officer or employee of a Contractor, who by virtue of his/her employment or official position, has possession of or access to agency records which contain individually identifiable information, the disclosure of which is prohibited by the Privacy Act or regulations established thereunder, and who knowing that disclosure of the specific material is prohibited, willfully discloses the material in any manner to any person or agency not entitled to receive it, shall be guilty of a misdemeanor and fined not more than \$5,000.
- (4) Granting a Contractor access to FTI must be preceded by certifying that each individual understands the agency's security policy and procedures for safeguarding IRS information. Contractors must maintain their authorization to access FTI through annual recertification. The initial certification and recertification must be documented and placed in the agency's files for review. As part of the certification and at least annually afterwards, Contractors must be advised of the provisions of IRCs 7431, 7213, and 7213A. (See [Exhibit 4, Sanctions for Unauthorized Disclosure](#), and [Exhibit 5, Civil Damages for Unauthorized Disclosure of the IRS Publication 1075](#)). The training provided before the initial certification and annually thereafter must also cover the incident response policy and procedure for reporting unauthorized disclosures and data breaches. (See [Section 10.0, Reporting Improper Inspections or Disclosures of the IRS Publication 1075](#).) For both the initial certification and the annual certification, the Contractor must sign, either with ink or electronic signature, a confidentiality statement certifying their understanding of the security requirements.

III. INSPECTION

The IRS and the agency, with 24 hour notice, shall have the right to send its inspectors into the offices and plants of the Contractor to inspect facilities and operations performing any work with FTI under this Contract for compliance with requirements defined in IRS Publication 1075. The IRS' right of inspection shall include the use of manual and/or automated scanning tools to perform compliance and vulnerability assessments of information technology assets that access, store, process or transmit FTI. On the basis of such inspection, corrective actions may be required in cases where the Contractor is found to be noncompliant with Contract safeguards.

* Language used throughout Exhibit F is derived from [IRS Publication 1075](#)