



Purchase Order

Page: 1 of 2

Contains confidential information and unauthorized use or disclosure is prohibited by State law.

Employment Development Dept
EMPLOYMENT DEVELOPMENT
DEPARTMENT

		Dispatch Via Print
Purchase Order	Date	Revision
7100-0000007243	09-03-2020	
Payment Terms	Freight Terms	Ship Via
Net 45	FOB Destination-Freight PP	COMMON
Buyer	Phone	Currency
		USD
LPA Contract ID: SLP-19-70-0265A		

Supplier: 0000131244
V3GATE LLC

Ship To: 7100000137
EMPLOYMENT
DEVELOPMENT
DEPARTMENT

Attention: Not Specified

Bill To: EMPLOYMENT
DEVELOPMENT
DEPARTMENT

Bill Code: 023336

Certification#:

Begin Date:

Expiration:

DVBE Begin Date:

Expiration:

Tax Exempt? N

Tax Exempt ID:

Line-Sch	Item/Description	Mfg ID	Quantity	UOM	PO Price	Extended Amt	Due Date
1 - 1	Software Subscription Licenses FY 20/21- 21/22		1000000. 00	EA	3.50	3500000.00	09/03/2020

Contract ID: 0000000000000000000058417
Total Amount: 0.000
Total Quantity: 0.00

Version: 1 Contract Line: 1
Amount Open: 0.000
Quantity Open: 0.0000

Schedule Total
Release: 1
3500000.00
Category Line: 0

Item Total
3500000.00

DGS Purchasing Authority DGS-7760
EMERGENCY COVID-19: Governor's State of Emergency Proclamation, effective
March 4, 2020 (GC Sections 8625-8629)

Contract #: M58417-7100

Term: 9/3/2020 through 9/2/2021 or 12 months upon final approval

The following exhibits are attached as part of this Agreement:

Exhibit A Scope of Work
Exhibit B Budget Detail and Payment Provisions
Attachment B1 Cost Table
Exhibit C Terms and Conditions
Exhibit D Protection of Confidentiality
Attachment D1 Confidentiality Agreement
Attachment D2 Indemnity Agreement
Attachment D3 Statement of Responsibility
Exhibit E Safeguarding Contract Language Administrative Requirements
Exhibit F Safeguarding Language For Technology Services
Exhibit G Special Terms and Conditions
Exhibit H* RFO SR #2356

I HEREBY CERTIFY, on personal knowledge, that this order for purchasing the items specified above is issued in accordance with the procedure prescribed by law governing the purchase of such items for the State of California; and that all such legal requirements have been fully complied with

Authorizing Signature

SMendes

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Purchase Order

Page: 2 of 2

Contains confidential information and unauthorized use or disclosure is prohibited by State law.

Employment Development Dept
EMPLOYMENT DEVELOPMENT
DEPARTMENT



		Dispatch Via Print
Purchase Order 7100-0000007243	Date 09-03-2020	Revision
Payment Terms Net 45	Freight Terms FOB Destination-Freight PP	Ship Via COMMON
Buyer [Redacted]	Phone [Redacted]	Currency USD
LPA Contract ID: SLP-19-70-0265A		

Supplier: 0000131244
V3GATE LLC



Ship To: 7100000137
EMPLOYMENT
DEVELOPMENT
DEPARTMENT



Attention: Not Specified

Bill Code: 023336

Bill To: EMPLOYMENT
DEVELOPMENT
DEPARTMENT



Certification#:

Begin Date:

Expiration:

DVBE Begin Date:

Expiration:

Tax Exempt? N

Tax Exempt ID:

Line- Sch	Item/Description	Mfg ID	Quantity	UOM	PO Price	Extended Amt	Due Date
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Exhibit I* Vendor's Response to RFO SR #2356

Items shown with an asterisk (*), are hereby incorporated by reference and made part of this Agreement as if attached hereto.

This order is issued under a Department of General Services (DGS) Leveraged Procurement Agreement (LPA). Terms and conditions set forth in that Agreement (LPA number referenced in the block above titled LPA Contract ID) are incorporated herein by reference as if set forth in full text.

Total PO Amount

3500000.00

I HEREBY CERTIFY, on personal knowledge, that this order for purchasing the items specified above is issued in accordance with the procedure prescribed by law governing the purchase of such items for the State of California; and that all such legal requirements have been fully complied with

Authorizing Signature

SMendes

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**EXHIBIT A
(STANDARD AGREEMENT)
STATEMENT OF WORK**

1. PURPOSE

The Employment Development Department's (EDD) Unemployment Insurance (UI) branch is needing to procure a new identity verification/proofing solution to support the exponential increase in claims due to the impact of COVID-19. Currently, the EDD administers a program that involves verifying the identity of users applying online using a portal website. Issues within the current process include delays in application processing and identity information attacks. With the ID.me licenses, the EDD will be able to improve user experience and minimal burden for valid claimant users, provide better support for claimant users, and ultimately provide higher confidence in the identity of users filing an Unemployment Insurance (UI) claim online than the current data-match based approach.

The purpose of this Agreement is to procure a robust and established identity verification/proofing solution.

2. PERIOD OF PERFORMANCE

Contractor agrees to begin work according to the state's emergency contracting process in accordance with Public Contract Code 1102 and the "COVID-19 State of Emergency" as defined in SOE 03/04/2020. Contractor agrees to perform work in accordance with terms and conditions outlined in SLP agreement SLP-19-70-0265A, including, but not limited to the state's applicable General Terms and Conditions. EDD agrees to accelerate the contract execution process for the benefit of both the vendor and the state.

The term of this Agreement shall begin on September 3, 2020 and go for 12 months with an option to extend for an additional 12 months.

3. AMOUNT OF AGREEMENT

The maximum amount of this Agreement is \$3,500,000. Cost details are located on the Cost Table, Attachment B1. In no event shall the total amount exceed the amount on the Agreement cover page, and there is no obligation on the part of the EDD to utilize the entire amount.

4. WORK LOCATION

Travel is not anticipated for this engagement and will not be reimbursed by the State unless otherwise agreed upon in writing. Work will be performed off-site and not require travel. If any onsite services need to be performed, it will be within the greater Sacramento area and all travel expenses related to being onsite are at the Contractor's expense.

5. DESCRIPTION OF SERVICES

The Contractor shall offer a robust and established identity verification / proofing solution that:

1. Provides higher confidence in the identity of users filing an Unemployment Insurance (UI) claim online than the current data-match based approach.
 - a. Lower false-classification of valid claimants as potentially fraudulent users

b. Higher detection of users actually providing fraudulent identity information

2. The capability for the identity verification solution is to integrate with EDD's online UI application, providing real-time transaction during the claim filing process so that, after identity has been verified, the claim can be automatically processed.
3. Solution must follow NIST 800-63B standard and be capable of meeting IAL/AAL2 levels of assurance for both identification and authentication.
4. Provider must comply with all Federal and State of California privacy laws in safeguarding identity data.
5. Improved user experience and minimal burden for valid claimant users to get through the ID verification process.
6. Support for claimant users if they are having difficulty with the newly provided ID verification solution process.
7. In addition to validating the person's identity, we need the validated person's name, birth date and SSN returned.
8. Must have an existing solution that can be implemented and deployed into EDD's online claim processing workflow within a couple of weeks.
9. Vendors cannot use claimant information for marketing, solicitation or similar purposes.

EDD reserves the right to add licenses on an as needed basis.

6. POINTS OF CONTACT

The EDD shall designate a Single Point of Contact (SPOC) who shall give direction to the Contractor concerning the assigned tasks. The SPOC will work collaboratively with the ITB Management Team, Program Managers, Functional Managers, and technical staff to ensure that all deliverables are satisfactorily completed. The SPOC shall be the Program Manager who shall ensure that all Agreement activities are conducted in accordance with State law and regulations; oversee processes and procedures; monitor contractor compliance with the Agreement; and resolve issues.

EDD Program Manager:	Contractor:
Name: [REDACTED]	Name: [REDACTED]
Title: Deputy Director CIO	Title: CEO
Address: [REDACTED]	Address: [REDACTED]
City, St, Zip: [REDACTED]	City, St, Zip: [REDACTED]
Phone: [REDACTED]	Phone: [REDACTED]
Email: [REDACTED]	Email: [REDACTED]

**EXHIBIT B
(STANDARD AGREEMENT)
BUDGET DETAIL AND PAYMENT PROVISIONS**

1. INVOICING AND PAYMENT

Upon receipt of an approved invoice, EDD agrees to compensate the Contractor for software subscription services performed in accordance with the rates specified herein, which is attached hereto and made a part of this Agreement.

ID.me User Licenses are paid upfront out of FY 20/21 funds. Invoices shall include the Agreement Number M58417-7100 and shall be submitted in advance for software user licenses to:

Employment Development Department



2. BUDGET CONTINGENCY

It is mutually understood between the parties that this Agreement may have been written before ascertaining the availability of congressional and legislative 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.

This Agreement is valid and enforceable only if (1) sufficient funds are made available by the State Budget Act of the appropriate State Fiscal Year(s) covered by this Agreement for the purposes of this program; and (2) sufficient funds are made available to the State by the United States Government or by the State of California for the Fiscal Year(s) covered by this Agreement for the purposes of this program. In addition, this Agreement is subject to any additional restrictions, limitations or conditions established by the United States Government and/or the State of California, or any statute enacted by the Congress and Legislature, which may affect the provisions, terms or funding of the Agreement in any manner.

The parties mutually agree that if the Congress and/or Legislature does not appropriate sufficient funds for the program, this Agreement shall be amended to reflect any reduction in funds.

3. AVAILABILITY OF FUNDS

If the term of this Agreement covers more than the current fiscal year, continuation of the Agreement is subject to the appropriation of funds by the Legislature. If funds to continue payment are not appropriated, the Contractor agrees to terminate any service supplied to the EDD under this Contract, and relieve the EDD of any further obligation. The EDD has the option to invalidate the Agreement under the 30-day cancellation clause or to amend the Contract to reflect any reduction of funds.

**ATTACHMENT B1
(STANDARD AGREEMENT)
COST TABLE**

The Respondent must propose rates for the ID.me user licenses, which are in accordance with the Respondent's SLP and are binding for the life of the Agreement. The Respondent's rates may not exceed the SLP rate.

LINE #	SKU NUMBER	SOFTWARE LICENSE NAME	QUANTITY	UNIT COST	TAXABLE Y/N	EXTENDED PRICE
1	IDME-LOA3I-0004	Identity Proofing LOA 3 CSP & TM with Support	1,000,000	\$3.50	N	\$3,500,000.00
2	IDME-LOA3R-0004	Identity Proofing Renewal LOA 3 CSP & TM with Support	0	\$0.00	N	\$0.00
3	GRAND TOTAL					

Note: In the event that CA EDD prepays for 1M user licenses and does not use them all in the initial contract year, ID.me will allow the unused licenses to be rolled over into the next contract year at no additional cost to the government.

**EXHIBIT C
(STANDARD AGREEMENT)
TERMS AND CONDITIONS**

GENERAL PROVISIONS-INFORMATION TECHNOLOGY

The DGS [IT General Provisions GSPD401IT](#), Revised 9/5/14 will be incorporated via reference and made part of this Purchase Order as if attached hereto.

CLOUD COMPUTING – SOFTWARE AS A SERVICE (SAAS) GENERAL PROVISIONS (if applicable)

The DGS [Cloud Computing – Software As A Service \(SaaS\) General Provisions](#), Revised 7/9/19 will be incorporated via reference and made part of this Purchase Order as if attached hereto.

SLP TERMS AND CONDITIONS

The Contractor agrees to meet the requirements, terms and conditions of the Contractor's SLP contract.

**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 Contract 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:

ADMINISTRATIVE SAFEGUARDS

- a. Adopt policies and procedures to ensure use of the EDD's confidential information solely for purposes specifically authorized under this Contract that meet the requirements of Title 20, Code of Federal Regulations §603.10.
- b. Warrant by execution of this Contract, that no person or selling agency has been employed or retained to solicit or secure this Contract 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 Contract without liability, in addition to other remedies provided by law.
- c. Warrant and certify that in the performance of this Contract the Contractor will comply with all applicable statutes, rules and/or regulations, and Contract 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 Contract 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 Contract 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 Contract.
- 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 Contract. "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 Contract.

- g. Notify the EDD Information Security Office [REDACTED] 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 the caller shall speak directly with a person in the EDD ISO. **It is not sufficient to simply leave a message.** The notification must include a detailed description of the incident (such as time, date, location, and circumstances) and identifying responsible personnel (name, title and contact information). The verbal notification shall be followed with an email notification to [REDACTED]

MANAGEMENT SAFEGUARDS

- Confidential nature of the EDD information.
- Requirements of this Contract.
- Sanctions specified in federal and state unemployment compensation laws and any other relevant statutes against unauthorized disclosure of confidential information provided by the EDD.
 - a. Require that all personnel assigned to work with the information provided by the EDD complete the EDD Confidentiality Statement.
 - b. Return the following completed documents to the EDD Contract Services Group:
 - The EDD Indemnity Agreement is required to be completed by the Contractor, Chief Financial Officer, or authorized Management Representative, unless Contractor is a State Agency.
 - The EDD Statement of Responsibility Information Security Certification is required to be completed by the Information Security Officer or authorized Management Representative.
 - c. Permit the EDD to make on-site inspections to ensure that the terms of this Contract are being met. Make available to the EDD staff, on request and during on-site reviews, copies of the EDD Confidentiality Statement completed by personnel assigned to work with the EDD's confidential information, and hereby made a part of this Contract.
 - d. 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).

USAGE, DUPLICATION, AND REDISCLOSURE SAFEGUARDS

- a. Use the EDD's confidential information only for purposes specifically authorized under this Contract. 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 Contract is strictly prohibited. The information obtained under this Contract shall not be reproduced, published, sold, or released in original or any other form not specifically

authorized under this Contract.

- c. Disclosure of any of the EDD information to any person or entity not specifically authorized in this Contract 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 Contract except as authorized or required by law.

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 Contract. 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 Contract.
- 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. A cloud computing environment cannot be used to receive, transmit, store, or process the EDD's confidential data.
- f. 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.
- g. 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.
- h. 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.
- i. 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.

EMPLOYMENT DEVELOPMENT DEPARTMENT CONFIDENTIALITY AGREEMENT

Information resources maintained by the State of California Employment Development Department (EDD) and provided to your agency may be confidential or sensitive. Confidential and sensitive information are not open to the public and require special precautions to protect it from wrongful access, use, disclosure, modification, and destruction. The EDD strictly enforces information security. If you violate these provisions, you may be subject to administrative, civil, and/or criminal action.

PRINT YOUR NAME

an employee of

PRINT YOUR EMPLOYER'S NAME

hereby acknowledge that the confidential and/or sensitive records of the Employment Development Department are subject to strict confidentiality requirements imposed by state and federal law include the California Unemployment Insurance Code (UIC) §§1094 and 2111, the California Civil Code (CC) §1798 et seq., the California Penal Code (PC) §502, Title 5, USC §552a, Code of Federal Regulations, Title 20 part 603, and Title 18 USC §1905.

INITIAL

acknowledge that my supervisor and/or the Contract's Confidentiality and Data Security Monitor reviewed with me the confidentiality and security requirements, policies, and administrative processes of my organization and of the EDD.

INITIAL

acknowledge responsibility for knowing the classification of the EDD information I work with and agree to refer questions about the classification of the EDD information (public, sensitive, confidential) to the person the Contract assigns responsibility for the security and confidentiality of the EDD's data.

INITIAL

acknowledge responsibility for knowing the privacy, confidentiality, and data security laws that apply to the EDD information I have been granted access to by my employer, including UIC §§1094 and 2111, California Government Code § 15619, CC § 1798.53, and PC § 502.

INITIAL

acknowledge that wrongful access, use, modification, or disclosure of confidential information may be punishable as a crime and/or result in disciplinary and/or civil action taken against me—including but not limited to: reprimand, suspension without pay, salary reduction, demotion, or dismissal—and/or fines and penalties resulting from criminal prosecution or civil lawsuits, and/or termination of contract.

INITIAL

acknowledge that wrongful access, inspection, use, or disclosure of confidential information for personal gain, curiosity, or any non-business related reason is a crime under state and federal laws.

INITIAL

acknowledge that wrongful access, use, modification, or disclosure of confidential information is grounds for immediate termination of my organization's Contract with the EDD.

INITIAL

agree to protect the following types of the EDD confidential and sensitive information:

- | | |
|-------------------------|---|
| • Wage Information | • Applicant Information |
| • Employer Information | • Proprietary Information |
| • Claimant Information | • Operational Information (manuals, guidelines, procedures) |
| • Tax Payer Information | |

INITIAL

hereby agree to protect the EDD's information on either paper or electronic form by:

- Accessing or using the EDD supplied information only as specified in the Contract for the performance of the specific work I am assigned.
- Never accessing information for curiosity or personal reasons.
- Never showing or discussing sensitive or confidential information to or with anyone who does not have the need to know.
- Placing sensitive or confidential information only in approved locations.
- Never removing sensitive or confidential information from the work site without authorization.
- Following encryption requirements for all personal, sensitive, or confidential information in any portable device or media.

"I certify that I have read and initialed the confidentiality statements printed above and will abide by them."

Print Full Name (last, first, MI)

Signature

Print Name of Requesting Agency

Date Signed

Check the appropriate box:

- | | |
|--|------------------------------------|
| <input type="checkbox"/> Employee | <input type="checkbox"/> Student |
| <input type="checkbox"/> Subcontractor | <input type="checkbox"/> Volunteer |
| <input type="checkbox"/> Other | |

Explain

EMPLOYMENT DEVELOPMENT DEPARTMENT INDEMNITY AGREEMENT

In consideration of access to the EDD information which is personal, sensitive, or confidential,

(Enter Requesting Agency/Entity Name)

agrees to indemnify the EDD against any and all liability costs, damages, attorney fees, and other expenses the EDD may incur by reason of or as a result of any unauthorized use of the personal, sensitive, or confidential information or any violation of the "Confidentiality Agreement" by any and all employees of:

(Enter Requesting Agency/Entity Name)

This obligation shall be continuous and may not be changed or modified unless agreed to in writing.

In addition, I understand that the following penalties may be incurred for any such misuse of the EDD Information:

1. Any individual who has access to returns, reports, or documents maintained by the EDD who fails to protect the confidential information from being published or open to the public may be punished by imprisonment in the county jail for up to one year or a fine of \$20,000.00 or both. (California Unemployment Insurance Code §§ 2111 and 2122).
2. Any person who intentionally discloses information, not otherwise public, which they knew or should have known was obtained from personal information maintained by a state agency, shall be subject to civil action for invasion of privacy by the individual to whom the information pertains. (California Civil Code §1798.53).
3. Any unauthorized access to the EDD computer data, computer systems, or unauthorized use of the EDD data is punishable by a fine or imprisonment in the county jail or both. (California Penal Code §502).

I certify that I have read, understand, and agree with the above terms.

SIGNED BY REQUESTING ENTITY REPRESENTATIVE

Print Full Name

Signature

Print Title

Date Signed

Print Name of Requesting Entity

Enter Name Governmental Sponsor/Entity

**EMPLOYMENT DEVELOPMENT DEPARTMENT
STATEMENT OF RESPONSIBILITY**

INFORMATION SECURITY CERTIFICATION

I, [REDACTED] hereby certify that V3Gate LLC has in place the safeguards and security requirements stated in this contract. We therefore accept responsibility for ensuring compliance with these requirements, as set forth in Exhibit "D" of the EDD Contract No. M58417-7100

INFORMATION SECURITY OFFICER SIGNATURE

PROGRAM DIRECTOR OR CHIEF INFORMATION OFFICER SIGNATURE

PRINT NAME OF INFORMATION SECURITY OFFICER

PRINT NAME

Information Security Officer

PRINT TITLE

PRINT TITLE

TELEPHONE NUMBER

TELEPHONE NUMBER

E-MAIL ADDRESS

E-MAIL ADDRESS

DATE SIGNED

DATE SIGNED

NOTE: Return this Information Security Certification to the EDD Contract Manager with the signed copies of the Contract.

FOR THE EDD USE ONLY

1. Information Security Certification received by:

EDD CONTRACT MANAGER NAME

DATE RECEIVED

2. The EDD information asset access approved by:

CONTRACT MANAGER OR DISCLOSURE COORDINATOR

DATE APPROVED (AFF, EMAIL, ETC.)

NOTE: The EDD must have a signed "Information Security Certification" in its possession prior to disclosure of any personal, confidential, or sensitive information to Inspectron, Inc.

**EXHIBIT E
(STANDARD AGREEMENT)
SAFEGUARDING CONTRACT LANGUAGE
ADMINISTRATIVE REQUIREMENTS**

The following administrative requirements must be completed before services are performed in accordance with the Contract. The Contractor is responsible for any costs or expenses related to time for completing these items. The Employment Development Department (EDD) may terminate the Contract and be relieved of any payments should the Contractor fail to perform the requirements of the Background Investigation at the time and in the manner described below:

a. Background Investigation

Pursuant to Government Code section 1044, the EDD shall conduct a background investigation of the Contractor, its employees, contractors, agents, volunteers, vendors, or subcontractors who will have access to Federal Tax Information (FTI) as part of their duties under this Agreement; and reserves the right to disapprove any individual from performing services under the scope of this Agreement. 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). Investigations are 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.

Each Contractor, its employees, contractors, agents, volunteers, vendors, or subcontractors who are to perform services under this Agreement must voluntarily consent to a Background Investigation. Fingerprint rolling fees and Background Investigation costs will be borne by the EDD if the preferred fingerprint rolling vendor is utilized. If the Contractor, its employees, contractors, agents, volunteers, vendors, or subcontractors choose to go to a non-preferred Live Scan fingerprint vendor, the costs will be borne by the Contractor, payable at the time of fingerprinting and will not be reimbursed by the EDD. Previous clearances and/or investigations conducted by other agencies will not be accepted as an alternative to the EDD's Background Investigation.

Once this Contract is awarded, it is the responsibility of the Contractor to provide a list of names of individuals who will be working on site at an EDD location or working remotely with access to EDD information (data) and/or information assets (servers, workstations, routers, switches, printers, etc.) to the Contract Monitor. The Contractor will be provided BCIA 8016 forms for its employees, contractors, agents, volunteers, vendors, or subcontractors to utilize for their fingerprint rolling at an EDD preferred fingerprint rolling vendor. The EDD will receive the CORI reports from DOJ and evaluate the information provided against the EDD's established criteria. The Contractor, its employees, contractors, agents, volunteers, vendors, or subcontractors must successfully pass a background investigation pursuant to the EDD's criteria prior to the EDD issuing a badge or access to the EDD's data.

Within 5 business days, the Contractor shall notify the EDD Contract Monitor when its employee, contractor, agent, volunteer, vendor, or subcontractor, working under this Agreement is terminated, not hired, or reassigned to other work. Within 5 business days, the Contractor shall notify the EDD Contract Monitor when its new employee, contractor, agent, volunteer, vendor, or subcontractor is assigned to work under this Agreement in order for the EDD to commence conducting a background investigation of its new employee, contractor,

agent, volunteer, vendor, or subcontractor.

b. Annual Information Security Awareness and Privacy Training

California state policy requires that the EDD must provide for the proper use and protection of its information assets and arrange for basic security and privacy awareness training (SAM sections 5305.1, 5320.1, 5320.2, 5320.3, SIMM 5330-B) for new users and annually thereafter. Therefore, the Contractor, its employees, contractors, agents, volunteers, vendors, or subcontractors who access state resources must complete the designated EDD online annual Information Security Awareness and Privacy Training prior to accessing EDD information assets and/or beginning work on a contract. The EDD University will set up a training account. While the training course is provided by the EDD, any expenses, including Contractor time, related to new and/or annual Information Security Awareness and Privacy Training will be the responsibility of the Contractor.

**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 E 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.
- (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.
- (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](#)

EXHIBIT G 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.

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%20700/2017-18/Form_700_2017_2018.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 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 [REDACTED] 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>

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.