

AGREEMENT SUMMARY

STD 215 (Rev. 10/2019)

AGREEMENT NUMBER

M52178-7100

AMENDMENT NUMBER

☐ CHECK HERE IF ADDITIONAL PAGES ARE ATTACHED

1. CONTRACTOR'S NAME Veteran Enhanced Technology Solutions		2. FEDERAL I.D. NUMBER 82-4212691
3. AGENCY TRANSMITTING AGREEMENT Employment Development Department	4. DIVISION, BUREAU, OR OTHER UNIT Contract Services Group	5. AGENCY BILLING CODE 023336
6a. CONTRACT ANALYST NAME [REDACTED]	6b. EMAIL [REDACTED]	6c. PHONE NUMBER [REDACTED]
7. HAS YOUR AGENCY CONTRACTED FOR THESE SERVICES BEFORE? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes (If Yes, enter prior Contractor Name and Agreement Number) PRIOR CONTRACTOR NAME _____ PRIOR AGREEMENT NUMBER _____		

8. BRIEF DESCRIPTION OF SERVICES
ServiceNow IT Software and Implementation Services.

9. AGREEMENT OUTLINE (Include reason for Agreement: Identify specific problem, administrative requirement, program need or other circumstances making the Agreement necessary; include special or unusual terms and conditions.)

The Contractor will provide services and implementation for ServiceNow IT software in accordance with Request for Offer 2001 and this agreement.

10. PAYMENT TERMS (More than one may apply)

- ☐ Monthly Flat Rate ☐ Quarterly ☐ One-Time Payment ☐ Progress Payment
☒ Itemized Invoice ☐ Withhold _____ % ☐ Advanced Payment Not To Exceed _____ or _____ %
☐ Reimbursement / Revenue
☐ Other (Explain) _____

11. PROJECTED EXPENDITURES

FUND TITLE	ITEM	FISCAL YEAR	CHAPTER	STATUTE	PROJECTED EXPENDITURES
<input checked="" type="checkbox"/> UA	7100-001-0870	19/20	23	2019	\$540,153.76
<input checked="" type="checkbox"/> UA	7100-001-0870	20/21	TBD	2020	\$300,633.60
<input checked="" type="checkbox"/> UA	7100-001-0870	21/22	TBD	2021	\$300,633.60
<input type="checkbox"/>					
<input type="checkbox"/>					

OBJECT CODE

AGREEMENT TOTAL **\$1,141,420.96**

OPTIONAL USE

2019/2020 690/150-03495-616 \$540,153.76
2020/2021 690/150-03495-615 \$300,633.60
2021/2022 690/150-03495-615 \$300,633.60

AMOUNT ENCUMBERED BY THIS DOCUMENT
\$1,141,420.96

PRIOR AMOUNT ENCUMBERED FOR THIS AGREEMENT
\$0.00

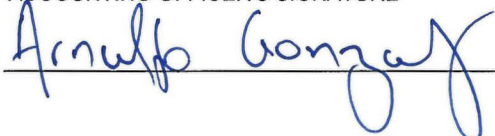
I certify upon my own personal knowledge that the budgeted funds for the current budget year are available for the period and purpose of the expenditure stated above.

TOTAL AMOUNT ENCUMBERED TO DATE
\$1,141,420.96

ACCOUNTING OFFICER'S SIGNATURE

ACCOUNTING OFFICER'S NAME (Print or Type)

DATE SIGNED



Arnulfo Gonzalez

03-13-2020

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12. AGREEMENT

AGREEMENT	TERM FROM	TERM THROUGH	TOTAL COST OF THIS TRANSACTION	BID, SOLE SOURCE, EXEMPT
Original	3/1/2020	3/1/2023	\$1,141,420.96	SLP
<input type="checkbox"/> + <input type="checkbox"/> - Amendment 1				
<input type="checkbox"/> + <input type="checkbox"/> - Amendment 2				
<input type="checkbox"/> + <input type="checkbox"/> - Amendment 3				
TOTAL			\$1,141,420.96	

13. BIDDING METHOD USED

- ☐ Request for Proposal (RFP) (Attach justification if secondary method is used)
 ☐ Use of Master Service Agreement
☐ Invitation for Bid (IFB)
 ☐ Exempt from Bidding (Give authority for exempt status)
 ☐ Sole Source Contract (Attach STD. 821)
☒ Other (Explain) SLP

Note: Proof of advertisement in the State Contracts Register or an approved form STD. 821, Contract Advertising Exemption Request, must be attached

14. SUMMARY OF BIDS (List of bidders, bid amount and small business status) (If an amendment, sole source, or exempt, leave blank)

Veteran Enhanced Technology Solutions - \$1,141,045.20

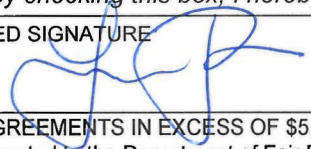
HFtech Services, Inc. - \$1,275,746.80

15. IF AWARD OF AGREEMENT IS TO OTHER THAN THE LOWER BIDDER, EXPLAIN REASON(S) (If an amendment, sole source, or exempt, leave blank)
N/A**16. WHAT IS THE BASIS FOR DETERMINING THAT THE PRICE OR RATE IS REASONABLE?****17a. JUSTIFICATION FOR CONTRACTING OUT (Check one)**

- ☒ Contracting out is based on cost savings per Government Code 19130(a). The State Personnel Board has been so notified.
 ☐ Contracting out is justified based on Government Code 19130(b). When this box is checked, a completed JUSTIFICATION - CALIFORNIA CODE OF REGULATIONS, TITLE 2, SECTION 547.60 must be attached to this document.
☐ Not Applicable (Interagency / Public Works / Other _____)

17b. EMPLOYEE BARGAINING UNIT NOTIFICATION

- ☐ By checking this box, I hereby certify compliance with Government Code section 19132(b)(1).

AUTHORIZED SIGNATURE 	SIGNER'S NAME (Print or Type) Lauren Prizmic	DATE SIGNED 3/13/2020
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18. FOR AGREEMENTS IN EXCESS OF \$5,000: Has the letting of the agreement been reported to the Department of Fair Employment and Housing? <input type="checkbox"/> No <input checked="" type="checkbox"/> Yes <input type="checkbox"/> N/A	22. REQUIRED RESOLUTIONS ARE ATTACHED <input type="checkbox"/> No <input type="checkbox"/> Yes <input checked="" type="checkbox"/> N/A 23. IS THIS A SMALL BUSINESS AND/OR A DISABLED VETERAN BUSINESS CERTIFIED BY DGS? <input type="checkbox"/> No <input checked="" type="checkbox"/> Yes SB/DVBE Certification Number: 2012980
19. HAVE CONFLICT OF INTEREST ISSUES BEEN IDENTIFIED AND RESOLVED AS REQUIRED BY THE STATE CONTRACT MANUAL SECTION 7.10? <input type="checkbox"/> No <input type="checkbox"/> Yes <input checked="" type="checkbox"/> N/A	
20. FOR CONSULTING AGREEMENTS: Did you review any contractor evaluations on file with the DGS Legal Office? <input type="checkbox"/> None on file <input type="checkbox"/> No <input type="checkbox"/> Yes <input checked="" type="checkbox"/> N/A	
21. IS A SIGNED COPY OF THE FOLLOWING ON FILE AT YOUR AGENCY FOR THIS CONTRACTOR? A. Contractor Certification Clauses <input type="checkbox"/> No <input type="checkbox"/> Yes <input checked="" type="checkbox"/> N/A B. STD 204 Vendor Data Record <input type="checkbox"/> No <input checked="" type="checkbox"/> Yes <input type="checkbox"/> N/A	

24. ARE DISABLED VETERANS BUSINESS ENTERPRISE GOALS REQUIRED? (If an amendment, explain changes if any)
Waived for this solicitation. ☒ No (Explain below) ☐ Yes _____ % of Agreement**25. IS THIS AGREEMENT (WITH AMENDMENTS) FOR A PERIOD OF TIME LONGER THAN THREE YEARS?** ☒ No ☐ Yes (If Yes, provide justification below)

AGREEMENT NUMBER	AMENDMENT NUMBER
M52178-7100	

I certify that all copies of the referenced Agreement will conform to the original agreement sent to the Department of General Services.

SIGNATURE	NAME/TITLE (Print or Type)	DATE SIGNED
<i>Sheri L Collins</i>	<i>Sheri L Collins, SSM I</i>	<i>3/13/2020</i>

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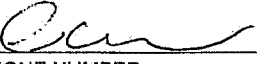
AMENDMENT NUMBER

JUSTIFICATION - CALIFORNIA CODE OF REGULATIONS, TITLE 2, SECTION 547.60

In the space provided below, the undersigned authorized state representative documents, with specificity and detailed factual information, the reasons why the contract satisfies one or more of the conditions set forth in Government Code section 19130(b). Please specify the applicable subsection. Attach extra pages if necessary.

Government Code Section 19130(b) (3) and (10) are applicable. The EDD does not currently have any available qualified staff person with the in-depth knowledge, skills and technical experience that are required to effectively provide ServiceNow implementation and software services.

The undersigned represents that, based upon his or her personal knowledge, information or belief the above justification correctly reflects the reasons why the contract satisfies Government Code section 19130(b).

SIGNATURE 	NAME/TITLE(Print or Type) [REDACTED]	DATE SIGNED Mar 10, 2020	
PHONE NUMBER [REDACTED]	STREET ADDRESS [REDACTED]		
EMAIL [REDACTED]	CITY Sacramento	STATE CA	ZIP [REDACTED]



Purchase Order

Classified
SLP sec

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

Employment Development Dept
EMPLOYMENT DEVELOPMENT
DEPARTMENT
722 CAPITOL MALL
SACRAMENTO CA 95814
United States

		Dispatch Via Print
Purchase Order	Date	Revision
7100-0000005450	03-10-2020	
Payment Terms	Freight Terms	Ship Via
Net 45	FOB Destination-Freight	COMMON
	PP/ADD	
Buyer	Phone	Currency
		USD
LPA Contract ID: SLP-19-70-0255B		

Supplier: 0000100381
VETERAN ENHANCED
TECH SOLNS

Ship To: 7100000136
EMPLOYMENT
DEVELOPMENT
DEPARTMENT

Attention: See Below
Bill Code: 023336

Bill To: EMPLOYMENT
DEVELOPMENT
DEPARTMENT

Certification#: 2012980

Small
Business
/Micro
Business

Begin Date: 12/20/2018

Expiration:
12/31/2020

DVBE Begin Date:
12/30/2018

Expiration:
12/31/2020

Tax Exempt? N

Tax Exempt ID:

Line-Sch	Item/Description	Mfg ID	Quantity	UOM	PO Price	Extended Amt	Due Date
1 - 1	M52178/5450-7100-616 ServiceNow SLP Implementation Services & Software FY 19/20		1.00	EA	540153.76	540153.76	03/10/2020

Contract ID: 0000000000000000000052178
Total Amount: 0.000
Total Quantity: 0.00

Version: 2 Contract Line: 1
Amount Open: 0.000
Quantity Open: 0.0000

Schedule Total
Release: 2
540153.76
Category Line: 0
Item Total
540153.76

The Contractor will provide Information Technology consulting services in accordance with Software Licensing Program (SLP) Agreement number: SLP-19-70-0255B. The following exhibits are attached as part of this Agreement:

- Exhibit A - Statement of Work
 - Attachment A-1 - Substitute Contractor Personnel Request Form
- Exhibit B - Budget Detail and Payment Provisions
 - Attachment B-1 - Cost Table
 - Attachment B-2 - Work Authorization Process/Form
 - Attachment B-3 - Work Authorization Acceptance Form
- Exhibit C* - General Terms and Conditions
- Exhibit D - Protection of Confidentiality
 - Attachment D-1 - Confidentiality Statement
 - Attachment D-2 - Indemnity Agreement
 - Attachment D-3 - Statement of Responsibility

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



Purchase Order

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

Employment Development Dept
EMPLOYMENT DEVELOPMENT
DEPARTMENT
722 CAPITOL MALL
SACRAMENTO CA 95814
United States

		Dispatch Via Print
Purchase Order	Date	Revision
7100-0000005450	03-10-2020	
Payment Terms	Freight Terms	Ship Via
Net 45	FOB Destination-Freight	COMMON
	PP/ADD	
Buyer	Phone	Currency
		USD
LPA Contract ID: SLP-19-70-0255B		

Supplier: 0000100381
VETERAN ENHANCED
TECH SOLNS

Ship To: 7100000136
EMPLOYMENT
DEVELOPMENT
DEPARTMENT

Attention: See Below
Bill Code: 023336

Bill To: EMPLOYMENT
DEVELOPMENT
DEPARTMENT

Certification#: 2012980

Small
Business
/Micro
Business

Begin Date: 12/20/2018

Expiration:
12/31/2020

DVBE Begin Date:
12/30/2018

Expiration:
12/31/2020

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 E - Safeguarding Contract Language Administrative Requirements
Exhibit F - Safeguarding Contract Language for Technology Services
Exhibit G - Special Terms and Conditions
Exhibit H** - Request for Offer 2001
Exhibit I** - Contractor's Response to RFO 2001

Items shown with an asterisk (*), are hereby incorporated by reference and made part of this agreement as if attached hereto. These documents can be viewed at <https://www.dgs.ca.gov/OLS/Resources/Page-Content/Office-of-Legal-Services-Resources-List-Folder/Standard-Contract-Language>
Items shown with a double asterisk (), are hereby incorporated by reference and made part of this Agreement as if attached hereto. The document can be viewed in the contract file M52178-7100.

Please send invoices to:

Employment Development Department
Information Technology Branch, TGD
800 Capitol Mall, MIC 58-1A / Sacramento, CA 95814
Attn: CRM
Or e-mail: ITBConsultingInvoices@edd.ca.gov

Total PO Amount

540153.76

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

EXHIBIT A

Statement of Work

1. PURPOSE

The Employment Development Department (EDD) developed the AskEDD solution in 2004, providing an online venue for the public to submit questions, comments, suggestions and complaints. AskEDD provides informational topics created by the EDD's multiple lines of businesses. AskEDD provides an alternate method of answering customer concerns without impacting the telecommunication resources of EDD's call centers. AskEDD is a public-facing interface that feeds information into EDD Communications (EDDCOMM), an internal application used by EDD staff to respond to customer inquiries, track and manage responses, and produce reports. EDDCOMM is a Windows-based application installed manually on EDD machines. The application's current platform is Visual Basic.NET 2015. The source code is stored in Team Foundation 2015. The system uses SQL Server 2016.

The AskEDD Implementation Project is set to address changes in user expectations from the online assistance application. The user base of AskEDD has changed over time due to the release of other public-facing EDD applications such as Unemployment Insurance (UI) Online, State Disability Insurance (SDI) Online, e-Services for employers and CalJOBS. There has been a subsequent change in the type of user requests due to the implementation of the other public facing applications above. User requests currently fall into two main categories:

Category 1 - Quick Question: A quick question about any of the EDD's services.

Category 2 – Additional Information: A request for information not available through other means such as UI Online, SDI Online, etc.

EDD is modernizing the AskEDD solution with the implementation of the ServiceNow application. This effort will replace the existing AskEDD web application used by EDD customers and the EDDCOMM application used by EDD staff. ServiceNow implementation will use features like artificial intelligence (AI) and an online Chatbot to help streamline support services for customers. ServiceNow will also offer assignment queues and service level reports that help EDD programs improve customer management inquiries.

The purpose of this Purchase Order is to procure ServiceNow software licensing and support along with one-time implementation services.

2. PERIOD OF PERFORMANCE

The term shall begin on the date indicated on the Purchase Order, or upon approval, for a duration of three (3) years based on the costs outlined in Attachment B-1 (Cost Table).

The Contractors shall not deliver or commence performance of services under this Purchase Order until it has received written direction to do so from the EDD. Any services provided prior to direction from EDD shall be considered voluntary on the part of the Contractors.

3. AMOUNT OF PURCHASE ORDER

The total cost is the amount on the Purchase Order cover page. Cost details are located on the Cost Table, Attachment B-1. In no event shall the total amount exceed the amount on the Purchase Order cover page, and there is no obligation on the part of the EDD to utilize the entire amount.

4. WORK LOCATION/HOURS

The Contractor is required to perform all software support services and software implementation services at the EDD Sacramento Headquarters' Office location. Any Contractor that must visit an EDD worksite must pass all applicable background checks. Any and all travel expenses related to being onsite are at the Contractor's expense. The normal work hours will be 8 a.m. to 5 p.m., Monday through Friday, as needed, with the exception of State holidays unless otherwise approved by EDD. All tasks will be performed onsite unless otherwise approved by EDD.

5. DESCRIPTION OF SERVICES

EDD is seeking bids for 1,500 service hours to support the ServiceNow implementation activities described below. EDD plans to utilize these service hours over a three to six month period.

The Contractor shall provide all materials, personnel, and resources required to provide software support of the application(s) listed above. All software support efforts must ensure that EDD has timely access to the latest, updated version of the ServiceNow application(s). Support also includes access to the Contractor for technical assistance on an as-needed basis.

In addition, the Contractor will implement newly purchased software product to EDD's network. All implementation efforts will be completed over the five phases outlined below.

- **Initiate** – get a clear understanding of EDD's business objectives(s), mobilize the teams, layout the initial engagement timelines, and align on goals and expectations
- **Prepare** – understand the process and product gaps between baseline ServiceNow functionality and specific customer needs through workshops, and take the output of the workshops to finalizes stories and plans for the upcoming work
- **Create** – configure the ServiceNow platform per the ranked stories, and produce a functional solution that meets business objectives and provides expected value
- **Transition** – manage the shift from ServiceNow platform configuration to testing and go-live, and prepare EDD for ongoing production operation and support from ServiceNow Customer Support
- **Close** – review the overall engagement with EDD and close the current services engagement

The Services set forth in this Engagement will be undertaken by a team of representatives consisting of the Contractor and EDD ("Engagement Team") and will be managed jointly by an EDD Project Manager and a Contractor Engagement Manager. The composition of the Engagement Team will typically change during the various stages of the Engagement, and some members may fill more than one role during the Engagement lifecycle.

ROLES AND RESPONSIBILITIES

Initiate

The purpose of the Initiate Stage is to understand EDD's business problem(s), align on goals and expectations, mobilize the Contractor delivery team, assist EDD in mobilizing their internal team, prepare for communication needs, and lay out the initial Engagement timelines.

Contractor's:

- Perform Engagement preparation and identify EDD's expectations
- Manage the Contractor's resource assignments based on the timeline expectations and the Contractor's recommended sequencing, including, as appropriate, coordination with sub-contracting partners
- Lead preparatory remote meetings with EDD to review the SOW, provide an overview of ServiceNow Implementation Methodology, and discuss EDD activities required and/or recommended to be completed prior to an Engagement Kickoff
- Prepare the agenda for the Engagement Kickoff, Communications workshop, and in-scope requirements, assessment and baseline workshops, as applicable
- Conduct Engagement Kickoff meeting and Communications workshop(s)
- Review the activities completed during the Initiate Stage with EDD sponsor as part of ongoing Engagement governance

EDD's:

- Designate a Project Manager as the primary Engagement contact to coordinate meeting schedules for EDD resources
- Actively participate in the preparatory remote meetings, including a review of the SOW to support a common understanding of scope and expectations between EDD and Contractor's delivery team
- Complete the required and/or recommended activities prior to an Engagement Kickoff
- Provide details regarding and access to EDD's location for the duration of the Engagement kick-off and on-site workshops in accordance with the agreed to agenda
- Actively participate in the Engagement Kickoff and workshops
- Designate a Project Manager to manage on-site schedule to control cost

Prepare

The Contractor will conduct a series of workshops to demonstrate and review the available functionality and best practices for the in-scope applications and integrations with EDD. These sessions are intended to assist EDD with documenting their specific requirements to configure the EDD ServiceNow instance and identify and address any gaps between requirements and best practices. The resulting Stories will be documented by the Contractor and reviewed by EDD. The structure and schedule for the subsequent Stages are setup in the Project Portfolio Management application module of ServiceNow to support the release goals, timeline and the Stories collected are refined and the size estimated. During this time, the Contractor's Engagement Manager works closely with the EDD's Project Manager to define the cadence of Agile Scrum meetings and functional demonstrations as well as updating the Engagement Plan and other project collateral to reflect updated details.

Contractor's:

- Identifies and schedules the Contractor's resources
- Facilitates the workshop(s) for each process in the scope of this SOW to review the process guides, out of the box (OOTB) forms, fields and workflows
- Perform product demonstrations for applications within scope of this Engagement to aid the workshop audience in visualizing and understanding OOTB features and functionality
- Assist EDD in understanding the gap between OOTB feature and function versus the to-be state process
- Work with EDD in writing and refining of Stories required to support the agreed upon process flow, data and form requirements
- Review, refine and prioritize the Stories documented in the Prepare Stage with EDD
- Assist with release planning and backlog refinement with EDD to prioritize the configuration requirements documented as Stories during the Prepare Stage into development sprints for the Create Stage
- Add details, estimates, and rank the items in the product backlog

EDD's:

- Facilitate scheduling and organization of workshops
- Actively participate in all workshops with process leaders, key stakeholders, Engagement leadership, technical experts, and System Administrators to define and agree on a standard process design
- Clearly describe required functionality
- Document Stories in the Agile Development application
- Confirm and Approve Stories and Define Story Acceptance Criteria ("Story Criteria")
- Release planning with Contractor's Engagement Manager to prioritize the configuration requirements documented as Stories during the Prepare Stage into one or more releases
- Provide one or more EDD Product/Process Owner(s) and EDD Project Manager who will actively participate in the Agile Scrum process
- Provide formal Approval of all Requirements

Create

During the Create Stage the iterative configuration of the ServiceNow platform begins in partnership with EDD's System Administrators and technical resources. During this time the Contractor's Engagement Manager works closely with the EDD's Project Manager to assign work to the technical team through the Agile Development Stories.

Contractor's:

- Review and refine the Contractor's Project Plan as well as make updates to the Risk, Issue, Decision, Project Tasks and Project Change Requests
- Manage the configuration of Themes, Releases, Epics, and Stories in coordination with the EDD's Project Manager
- Configure and Unit Test Stories assigned
- Setup licensed ServiceNow instances:
 - Provision Users
 - Configure User Authentication
 - Provision Groups and Group Members

- Configure Roles and Permissions
 - Provision Organizational Data
- Support the configuration of the ServiceNow platform to meet the business objectives of AskEDD
- Support the migration of existing knowledge articles, and establishment of new knowledge articles, in ServiceNow
- Lead portal setup activities for both internal and external Services Portals:
 - Portal branding, including logo, color, style sheets
 - Minor configuration of widgets, layout and options
 - Establish visibility to service catalog items and public knowledge articles on portal
- Configure Virtual Agent to return automated responses for the top ten knowledge bases identified by EDD
- Provide reporting capabilities overview to EDD's internal team responsible for creating, updating and publishing additional reports or dashboards as part of Knowledge Transfer activities
- Provide question and answer support to EDD's internal team responsible for creating and publishing additionally required reports or dashboards, beyond what is provided as part of the standard ServiceNow product
- Assist in the development of a System Security Plan document and other documents necessary

EDD's:

- EDD to provide any needed data, in a mutually agreed format, by the due date documented on the project plan.
- EDD to participate in requirements sessions, review and approve stories definition, and test story implementation
- EDD to provide ServiceNow Knowledge development needed to create needed Knowledge articles
- EDD network and security resources to be available to provide needed information, provide rapid turnaround of action items, and enable any needed configuration changes to non-ServiceNow application or infrastructure
- EDD to provide ServiceNow Reporting development needed to create additionally needed Reports and Dashboards
- EDD will supply all core data (locations, department, user data, chart of accounts, CI) to be imported in a supported format (CSV, CSV (tab), Excel, XML); The Contractor will not be responsible for data modification, cleansing or alteration before, during or after importing data
- EDD is responsible for all modifications to any EDD or third-party systems required to complete the in-scope integrations; the Contractor will not make changes to EDD systems or other systems beyond ServiceNow as part of this project

Transition

During the Transition Stage, steps are taken to bring the overall solution into production. The steps include assisting with the execution of UAT, training users and conducting cutover activities from nonproduction environments to the production environment.

Contractor's:

- Report any/all defects at the point of discovery to project team

- Work in concert with the Project team to accurately and efficiently prioritize defects
- Work with the EDD's Systems Administrator(s) to identify, and support all of the technical steps required to implement the developed solution into the EDD's production environment(s)
- Conduct knowledge transfer sessions with EDD resources to enable the EDD resources to understand the tasks necessary to maintain the in-scope ServiceNow modules

EDD's:

- Create test plan and test cases that outline entry/exit criteria, pass/fail criteria for all in-Scope applications
- Report any/all defects at the point of discovery to project team
- Work in concert with the Project team to accurately and efficiently prioritize defects
- Ensure that EDD resources supporting the ServiceNow transition are proficient in ServiceNow at the point of testing and knowledge transfer
- EDD to provide a point of contact(s), and coordinate all internal activities required to support the migration of the developed solution into their production environment(s)

Close

The purpose of the Close Stage is to review the overall Engagement with EDD and close the current Engagement. This stage also includes closure activities to review the success, any challenges, and collect feedback to improve the performance of future releases and the delivery process.

Contractor's:

- Conduct an Engagement Closeout Meeting with the EDD Sponsor to review the Engagement activities, objectives reached, and recommended next steps
- Close Engagement records to initiate a Client Satisfaction survey

EDD's:

- Actively participate in the Closeout Meeting
- Confirm that contractor access has been removed from EDD's domain after 45 days from the Closeout Meeting
- Provide feedback to the Contractor on the overall Engagement, including by completing the online Client Satisfaction survey requests

6. WORK ACCEPTANCE CRITERIA

This is a Time and Materials based agreement. The EDD shall be the sole judge of the acceptability of all work performed and work products produced by the Contractor, as a result of the Purchase Order. Should the work performed, or products produced by the Contractor, fail to meet the minimum EDD conditions, requirements, applicable standards, specifications, or guidelines, the following resolution process will be employed except as superseded by other binding processes:

- a) The EDD shall notify the Contractor in writing, within 15 business days after completion of each phase of service, of any acceptance problems by identifying the specific inadequacies and/or failures in the services performed or products produced by the Contractor.
- b) The Contractor shall, within five business days after initial problem notification, 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.

- c) Failure by the Contractor to respond to EDD's initial problem notification within the required time limits may result in immediate Purchase Order termination. In the event of such termination, the EDD shall pay all amounts due to the Contractor for all work accepted prior to termination.
- d) The EDD shall, within five business days after receipt of the Contractor's detailed explanation and/or proposed corrective action plan, 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 business days of notification of rejection. Failure by the Contractor to respond to the EDD notification of rejection by submitting a revised corrective action plan within the required time limits may result in immediate Purchase Order termination. In the event of such termination, the EDD shall pay all amounts due to the Contractor for all work accepted prior to termination.
- e) The EDD shall, within three business days of receipt of the revised corrective action plan, 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 Purchase Order termination. In the event of such termination, the EDD shall pay all amounts due to the Contractor for all work accepted prior to termination.

7. CONTRACTOR RESPONSIBILITIES

The Contractor shall:

- a) Designate a person to whom all service or project related communications may be addressed (i.e. Engagement Manager).
- b) Meet biweekly, at a minimum, with EDD/ITB management to discuss required activities.
- c) Provide a monthly status report, by the fifth calendar day of each month, that documents tasks/assignments and includes accomplishments for the previous month, work planned for the coming month, currently assigned projects and activities, and explanations for task and/or schedule slippages.
- d) Comply with all applicable EDD policies and procedures including, but not limited to, the EDD and industry project management guidelines.
- e) Complete project management, quality management, change control, communication management, risk and issue management, and schedule management tasks/assignments as required.
- f) Provide artifacts as required for project management, quality management, change control, communication management, risk and issue management, and schedule management tasks/assignments.
- g) Provide all electronic documents to EDD in a format compatible with EDD's standard applications (i.e., Microsoft (MS) Office). EDD's current standard applications include MS Windows 2013, MS Office Professional (includes Outlook) 2013, Visio 2013, Project 2013.
- h) Verify that its applications are compatible prior to delivery of any electronic documents to EDD. The EDD shall approve in writing any other format to be used by the Contractor.
- i) Agree to upgrade versions of its software, if needed, at no cost to the State in order to remain compatible with EDD's standard applications.

- j) Provide paper deliverables printed on 8½" x 11" paper, to the extent practicable.
- k) Post electronic documents to an EDD designated electronic repository, i.e., a SharePoint site. The electronic document format and media shall be compatible with EDD storage devices.
- l) Return all EDD property, including security badges, prior to termination of the Purchase Order.

8. STATE RESPONSIBILITIES

The EDD is responsible for program and policy. The following are areas of responsibility for EDD staff:

- a) **Oversight:** Oversee all aspects of the Initiatives using the EDD ITB's Project Management Methodology.
- b) **Contract Management:** Oversee planning, solicitation, acquisition, Purchase Order monitoring, change management, and Purchase Order amendments, including managing third-party Contractor activities, and ensuring a collaborative relationship with the third-party Contractor.
- c) **Communication and Change Management:** Ensure communication among the EDD, Contractor personnel, and other project stakeholders; develop and manage change management processes.
- d) **Administrative Support:** Complete administrative tasks and support project management.

The EDD shall:

- a) Be responsible for oversight of development and control support activities, ensuring compliance with the CDT and Department of General Services (DGS) standards, stakeholder management, budgetary approvals, Purchase Order management, and procurement, as applicable.
- b) Provide access to applicable information, including, but not limited to: technical documentation and project work plans.
- c) Provide work space including desks, chairs, telephones, personal computers, printer access, Internet connections, MS Office, and MS Project (as needed).
- d) Provide all applicable policies and procedures regarding access to, and use of, EDD facilities; provide information as required by the Contractor to perform their responsibilities.
- e) Review all Contractor work submitted to the EDD for completeness, accuracy, and adherence to standards.
- f) Make EDD personnel available for assistance as required by the Contractor.

9. UNANTICIPATED TASKS

The Purchase Order value includes 10% of the implementation services portion amount for unanticipated tasks. These funds may be used at the state's discretion. Unanticipated tasks will be contracted for on an as-needed basis and shall be optional throughout the term of the Purchase Order. Work for unanticipated tasks will be assigned and agreed to in writing by the Contractor and the state via a Work Authorization (WA), Attachment B-2, before the work can commence. The rates for unanticipated tasks must not exceed the hourly rates specified in Attachment B-1 for unanticipated tasks and the total expenditures for unanticipated tasks shall not exceed the total amount set aside for unanticipated tasks.

10. CONTRACTOR REQUIREMENTS AND REASSIGNMENT

The Contractor must provide IT Contractor resource(s) who meet the mandatory qualifications (MQs), as specified in the Contractor's SLP. All experience used to meet each MQ must have been on a project comparable in size and complexity to that described in the SOW.

The Contractor shall:

- a) Be responsible for monitoring the Purchase Order to ensure the Contractor(s) can effectively meet the project needs. Given the scope and time constraints of this project, it is of utmost importance that resources have the adequate dedicated hours to perform work effectively.
- b) Maintain the sole right to determine the assignment of its employees that meet or exceed the requirements stated in this Purchase Order.
- c) Agree to notify the EDD in writing, as soon as is practical, of all changes in the assignment of Contractors assigned to the Purchase Order.
- d) Make a reasonable effort to promptly remove the Contractor(s) and provide a suitable replacement, if the EDD determines that a Contractor is failing to adequately perform services for cause, illness, resignation, breach of security, unacceptable conduct, failure to follow EDD policies, or other factors (regardless of whether or not it is within the Contractor's control). A suitable replacement is defined as possessing the equivalent MQs or better than the person being replaced.
- e) Maintain satisfactory standards of employee competency, conduct, appearance, and integrity.
- f) Ensure Contractors do not disturb papers on desks, open desk drawers or cabinets, or use State equipment, except as authorized.

11. CONTRACTOR PARAMETERS

The Contractor will provide the independent services described by this SOW, and associated Purchase Order, subject to the following:

- a) The EDD will not reimburse for any expenses incurred by the Contractor in the execution of activities as described by the RFO, and associated Purchase Order, except as specifically preauthorized in writing by the EDD.
- b) All data, documents, software and other artifacts produced under the Purchase Order will become the sole property of EDD.

12. USE OF SUBCONTRACTORS

The Contractor may, with the approval of the EDD ITB and the EDD Business Operations Planning and Support Division Analyst, enter into Purchase Orders with third parties for the performance of any part of the Contractor's duties and obligations. Any such State approval may be rescinded for reasonable cause. The Contractor is responsible and liable for the proper performance and quality of any work performed by any and all Purchase Orders. The State reserves the right to reject or refuse admission to any Purchase Order personnel whose workmanship, in the reasonable judgment of the State, is deemed to be substandard. In no event shall the existence of a Purchase Order release or reduce the liability of the Contractor to the EDD for any breach in performance of the Contractor's duties.

13. SECURITY

The Contractor shall supply the respective EDD Program Manager with the names of the Contractor(s) who are assigned to this project and will need access to EDD facilities. The Contractor shall notify the EDD Security Administrator of all changes, as soon as is practical. The EDD shall issue identification (ID) badges to each Contractor to allow them access to those areas of the building where they will be performing services. These ID badges are the property of EDD and the Contractors must surrender them when they leave the project(s) or at the end of the Purchase Order term.

The EDD shall issue computer user accounts to each Contractor as needed and for no longer than the duration of the Purchase Order. An Appointment/Separation Checklist (DE 7411) shall be completed for all such accounts and shall reflect the account ID and the anticipated expiration date.

The EDD Single Point of Contact (SPOC) may request the EDD Security Administrator extend the user account ID expiration date by sending a request with a new anticipated account expiration date. EDD shall cancel user account access as soon as there is no longer a business need for such access, or when the Contractor is no longer working on the project.

14. INSURANCE REQUIREMENTS

Contractor agrees the insurance herein provided for shall be in effect at all times during the term of this Purchase Order. In the event said insurance coverage expires at any time during the term of this Purchase Order, Contractor agrees to provide at least 30 days prior to said expiration date, a new certificate of insurance evidencing insurance coverage as outlined below for not less than the remainder of the term of this Purchase Order, or for a period of not less than one year. New certificates of insurance are subject to the approval of the Department of General Services (DGS), and Contractor agrees that no work or services shall be performed prior to the giving of such approval. In the event Contractor fails to keep in effect at all times insurance coverage as herein provided, the State may, in addition to any other remedies it may have, terminate this Purchase Order upon the occurrence of such event. The Contractor shall provide written notice to EDD within five (5) business days of any cancellation, non-renewal, or material change that affects required insurance coverage.

The Contractor shall display evidence of the following coverage on an ACORD certificate:

General Liability Insurance - Contractor shall furnish to EDD a certificate of insurance prior to commencement of work stating there is general liability insurance in effect for the Contractor in an occurrence form with limits not less than \$1,000,000 per occurrence for bodily injury and property damage combined.

The certificate of insurance must include the following provision stating:

The State of California, its officers, agents, employees, and servants are included as additional insured, but only with respect to work performed for EDD under this Purchase Order. The additional insured endorsement must accompany the certificate.

15. WORKERS' COMPENSATION INSURANCE

Workers' Compensation and Employers Liability Insurance - The Contractor shall furnish to EDD a certificate of insurance evidencing Workers' Compensation and Employers Liability Insurance presently in effect with limits not less than \$1,000,000 by an insurance carrier licensed to write Workers' Compensation insurance in California. Such certificate shall include the name of the carrier and the policy inception and expiration dates. If the Contractor is self-insured for Workers' Compensation, a certificate must be presented evidencing Contractor is a qualified self-insurer in the State of California.

16. CONFIDENTIALITY AND NON-DEBARMENT

In addition to the terms and conditions of the IT SLP contract, pertaining to confidentiality and non-debarment, the Contractor shall sign all confidentiality, non-debarment, privacy, security, conflict of interest, and other necessary Purchase Orders as required by the EDD to successfully provide the services described in the Purchase Order.

All financial, statistical, personal, technical, and other data and information provided to the Contractor by the EDD, pursuant to the terms of resulting Purchase Order, are confidential information pursuant to Section 1094 of the California Unemployment Insurance Code. As such, the Contractor hereby agrees to maintain and protect the confidentiality of said information and shall disclose said information to its own employees or subcontractor(s) only on a "need-to-know" basis and only for the purposes of fulfilling the terms of this Purchase Order. In no event shall said information be disclosed to any individual other than the Contractor's employees or subcontractor(s). The Contractor further agrees to retain the confidential information for three years after final payment under the Purchase Order.

To preserve the integrity of the security and confidentiality measures implemented into EDD's automated information systems, each Contractor is required to provide a signed Employee Confidentiality Statement (Attachment D-1) and Indemnity Agreement (Attachment D-2) prior to starting work.

17. CLOUD COMPUTING SERVICES SPECIAL PROVISIONS

In addition to the terms and conditions of the Cloud Computing Services Special Provisions the following supersedes:

- #6. Data Center Location – ServiceNow has data centers worldwide, but all State of CA clients' data is stored in the U.S.
- #7. Right to Data – EDD will own all AskEDD data in ServiceNow and can export at any time through a CSV file extract process
- #9. Data Breach – ServiceNow will provide documentation describing their data security and client notification process (EDD will also monitor internal user access via Workspace One and forwarded ServiceNow audit logs)
- #10. Disaster Recovery – ServiceNow has a disaster recovery/data replication plan/document they will provide.

Additional Cloud Computing Services Special Provisions requirements:

- SLA / Availability – ServiceNow has high-availability and claims no performance impact or system downtime for clients
- Storage Limits – Based on use cases and the volumes we shared during scoping, both current and recession volumes, ServiceNow does not anticipate this will be an issue, but will provide the threshold and associated costs if exceeded
- Ongoing Support – EDD will have unlimited access to the ServiceNow help center through our licenses at no additional cost

18. POINTS OF CONTACT

[illegible]

ATTACHMENT A-1

SUBSTITUTE CONTRACTOR PERSONNEL REQUEST FORM

Contractor Name		Contractor Phone No.		Date
SLP Number		Project Name/Purchase Order Number		
Personnel To Be Added	Personnel Replaced	Proposed Effective Date	Classification	Resume Meets MQs and SLP requirements
				<input type="checkbox"/>
				<input type="checkbox"/>
				<input type="checkbox"/>
				<input type="checkbox"/>
Personnel To Be Deleted	Date Effective	Reason		
		Reason:		
		Reason:		
		Reason:		
		Reason:		
Comments/Special Instructions Please note: <i>The changes as indicated in this request are being made at no additional cost to the STATE. – Sample (Include this language, if applicable).</i>				
STATE Acceptance		Contractor Acceptance		
Division/Project		Contractor (If other than an individual, state whether a corporation, partnership, etc.)		
By (Authorized Signature)		By (Authorized Signature)		
Printed Name of Person Signing		Printed Name of Person Signing		
Title		Title		

EXHIBIT B

BUDGET DETAIL AND PAYMENT PROVISIONS

1. INVOICING AND PAYMENT

In consideration of services performed, EDD agrees to compensate the Contractor for services satisfactorily performed in accordance with the rates specified herein, which is attached hereto and made a part of this Purchase Order.

Invoices shall not be submitted more frequently than monthly. **Implementation Services under this Purchase Order will be paid in arrears. Software Licenses and Renewal Fees will be paid in advance for the first year only and invoiced on an annual basis for the remaining two years.** Invoices shall include the Purchase Order Number M52178-7100 and shall be submitted in arrears for services and advance for software to:

Employment Development Department
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

Each invoice must include a certification statement signed by a company official, attesting to the accuracy of the invoice data. The Contractor's hourly rate may not exceed the rate specified in the Cost Table, Attachment B-1. Any excess shall be at no cost to EDD, unless negotiated and documented with EDD using the Work Authorization (WA) process, Attachment B-2.

In the event that unanticipated tasks not specified in the SOW are performed with the State's written consent, invoices for services as reflected on WAs will be submitted to the State for payment. In no event shall the total amount paid for such work exceed ten percent (10%) of the value of personal services anticipated by this Purchase Order.

2. PAYMENT WITHHOLD

If the EDD rejects all or part of the Contractor's work or work product, EDD shall withhold payment for the rejected work or work product and shall notify the Contractor in writing of the reason(s) why the work or work product was rejected. The Contractor shall take appropriate measures to correct the work and demonstrate to the EDD that the Contractor has successfully completed the work before payment can be made.

3. BUDGET CONTINGENCY

It is mutually understood between the parties that this Purchase Order 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 Purchase Order were executed after that determination was made.

This Purchase Order 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 Purchase Order 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 Purchase Order for the purposes of this program. In addition, this Purchase Order 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 Purchase Order in any manner.

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

4. AVAILABILITY OF FUNDS

If the term of this Purchase Order covers more than the current fiscal year, continuation of the Purchase Order 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 Purchase Order, and relieve the EDD of any further obligation. The EDD has the option to invalidate the Purchase Order under the 30-day cancellation clause or to amend the Purchase Order to reflect any reduction of funds.

**ATTACHMENT B-1
Cost Table**

ServiceNow for Employment Development Department (EDD)						
A. Services for Implementation						
Phase	Job Title	SKU #	Projected Hours	SLP Hourly Rate	Proposed Hourly Rate	Phase Total
Phase 1: Initiate	Engagement Manager	EM	6	\$ 300.00	\$ 183.00	\$ 19,324.80
	Solution Architect	SA	6	\$ 300.00	\$ 183.00	
	Sr. Business Process Consultant	SBPC	42	\$ 260.00	\$ 158.60	
	Senior Technical Consultant	STC	66	\$ 260.00	\$ 158.60	
Phase 2: Prepare	Engagement Manager	EM	11	\$ 300.00	\$ 183.00	\$ 36,221.80
	Solution Architect	SA	11	\$ 300.00	\$ 183.00	
	Sr. Business Process Consultant	SBPC	79	\$ 260.00	\$ 158.60	
	Senior Technical Consultant	STC	124	\$ 260.00	\$ 158.60	
Phase 3: Create	Engagement Manager	EM	45	\$ 300.00	\$ 183.00	\$ 144,936.00
	Solution Architect	SA	45	\$ 300.00	\$ 183.00	
	Sr. Business Process Consultant	SBPC	315	\$ 260.00	\$ 158.60	
	Senior Technical Consultant	STC	495	\$ 260.00	\$ 158.60	
Phase 4: Transition	Engagement Manager	EM	4	\$ 300.00	\$ 183.00	\$ 12,090.20
	Solution Architect	SA	4	\$ 300.00	\$ 183.00	
	Sr. Business Process Consultant	SBPC	26	\$ 260.00	\$ 158.60	
	Senior Technical Consultant	STC	41	\$ 260.00	\$ 158.60	
Phase 5: Close	Engagement Manager	EM	2	\$ 300.00	\$ 183.00	\$ 5,172.80
	Solution Architect	SA	2	\$ 300.00	\$ 183.00	
	Sr. Business Process Consultant	SBPC	11	\$ 260.00	\$ 158.60	
	Senior Technical Consultant	STC	17	\$ 260.00	\$ 158.60	
Subtotal:						\$ 217,745.60
Unanticipated Tasks					10%	\$ 21,774.56

Total for A (Services): \$ 239,520.16

**ATTACHMENT B-1
 Cost Table**

B. ServiceNow Software Licenses and Renewal Fees				
Description	SKU #	QTY	SLP Price	Bid Price
Year One: Software Purchase, Includes First 12 Months of Support Fees				
ServiceNow Customer Service Management Professional - CSM User v3	PROD11382	160	\$ 333,465.60	\$ 300,633.60
Year Two: Software Support Fees				
ServiceNow Customer Service Management Professional - CSM User v3 - Renewal Support Fees	PROD11382	160	\$ 333,465.60	\$ 300,633.60
Year Three: Software Support Fees				
ServiceNow Customer Service Management Professional - CSM User v3 - Renewal Support Fees	PROD11382	160	\$ 333,465.60	\$ 300,633.60

Total for B (Software):	\$ 901,900.80
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Grand Total: (A+B)	\$ 1,141,420.96
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ATTACHMENT B-2

WORK AUTHORIZATION PROCESS/FORM

The following rules shall apply for Work Authorizations (WAs):

1. GENERAL

All service tasks or deliverables not described in the Purchase Order shall be defined and agreed to through the use of an approved WA. Tasks or deliverables not specified either in the Purchase Order, or via an approved WA and WA Acceptance Form, Attachment B-3, may not be invoiced under the Purchase Order and are completed at the Contractor's own expense. WAs will be utilized to enable EDD to manage its day to day operations within the existing scope, resources and cost of the Purchase Order. WAs will not be used to add funding or resource classifications not identified in the original Purchase Order. Additional funding or resource classifications shall only be added through a written Purchase Order amendment approved by the State.

2. CONTENT

Each WA shall contain a statement of the purpose, objective, or goals to be performed by the Contractor, the job classification, or approximate skill level of the personnel made available by the Contractor, an identification of all deliverables to be developed by the Contractor and delivered to the State, an identification of all significant materials to be delivered by the State to the Contractor, a time schedule for the provisions of these services by the Contractor, Acceptance Criteria for the deliverable(s) produced, the name or identification of the Contractor personnel assigned, Contractor's work hours required to produce the deliverable(s), and the total fixed cost of the WA.

3. RATES/COST

The Contractor shall base prices for WAs on the Contractor's rates specified in Attachment B-1, Costs. The Contractor shall not invoice the State in excess of the agreed upon cost total of the WA. The Contractor shall not charge the State for preparing a WA or WA Acceptance Form.

4. APPROVAL

All WAs must be in writing and signed by the EDD Program Manager prior to starting work. Upon acceptance by the EDD Program Manager, each such WA shall be incorporated into and become a part of the Purchase Order and the terms and conditions of the Purchase Order shall apply to all such WAs. In no event shall a WA be deemed to be a separate Purchase Order.

5. ACCEPTANCE

A signed Work Authorization Acceptance Form Attachment B-3 is required for each WA and must be attached to the corresponding invoice for payment.

6. ADDITIONAL RULES FOR ALL WAs:

- It is understood and agreed by both parties to this Purchase Order that all of the terms and conditions of this Purchase Order shall remain in force with the inclusion of any such WA. Such Work Authorizations shall in no way constitute a Purchase Order other than as provided

pursuant to this Purchase Order nor in any way amend or supersede any of the other provisions of this Purchase Order.

- All WAs must be in writing prior to beginning work and signed and approved by the Contractor and the State.
- The State has the right to require the Contractor to stop or suspend work on any WA pursuant to the "Stop Work" provision of the General Provisions.
- Personnel resources will not be expended (at a cost to the State) on task accomplishment in excess of estimated work hours required unless the procedure below is followed:
 - If, in the performance of the work, the Contractor determines that a WA to be performed under this Purchase Order cannot be accomplished within the estimated work hours, the Contractor will immediately notify the State 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 State may:
 - Authorize the Contractor to expend the estimated additional work hours or service in excess of the original estimate necessary to accomplish the WA (such an authorization not unreasonably to be withheld), or
 - terminate the WA, or
 - alter the scope of the WA in order to define tasks that can be accomplished within the remaining estimated work hours.

7. ADDITIONAL RULES FOR WAs FOR UNANTICIPATED TASKS:

- In the event that additional work must be performed which was wholly unanticipated and is not specified in the Statement of Work, but which in the opinion of both parties is necessary to the successful accomplishment of the general scope of work outlined, the procedures outlined in this Section will be employed.
- For each item of unanticipated work not specified in the Statement of Work, a WA will be prepared in accordance with the attached form.

ATTACHMENT B-2

WORK AUTHORIZATION PROCESS/FORM

PART 1: GENERAL INFORMATION	
Work Authorization Number	
Purpose/Objective/Goal	
Schedule of Deliverable Completion	
Contractor Personnel to be Assigned (Classification)	
State responsibilities	
Acceptance Criteria	

PART 2: WORK AUTHORIZATION FIXED COST				
Task #	Deliverable Description	Total Hours	Hourly Rate	Total Cost
01			\$	\$
02			\$	\$
03			\$	\$
04			\$	\$
05			\$	\$
06			\$	\$
07			\$	\$
08			\$	\$
09			\$	\$
10			\$	\$
Total				\$

PART 3: APPROVAL SIGNATURES	
SIGNATURE	DATE OF APPROVAL
Contractor Printed Name:	
Contractor Title:	
SIGNATURE	DATE OF APPROVAL
EDD Printed Name:	
EDD Title:	

ATTACHMENT B-3

WORK AUTHORIZATION ACCEPTANCE FORM

PART 1: GENERAL INFORMATION			
EDD Purchase Order			
Project Name			
Project Sponsor			
Project Criticality Rating			
Program Branch			
Controlling Division			
Author			
Type of Acceptance	<input type="checkbox"/> Phase or major task acceptance	<input type="checkbox"/> Final product acceptance	

PART 2: LIST OF COMPLETED TASKS				
Task #	Task Description	Planned Completion Date	Actual Completion Date	Variance (# of Days)
01				
02				
03				
04				
05				
06				

PART 3: REASON(S) FOR VARIANCE(S)	
Task #	Describe the reason(s) for variance(s) from the schedule baseline (if applicable)

PART 4: APPROVAL SIGNATURE(S)			
The tasks listed in Part 2 are:			
<input type="checkbox"/>	Approved as is		
<input type="checkbox"/>	Approved with changes	Describe changes:	
<input type="checkbox"/>	Denied – Does not meet expectations	Explain denial:	
SIGNATURE		DATE OF APPROVAL	
Contractor Printed Name:			
Contractor Title:			
SIGNATURE		DATE OF APPROVAL	
EDD Printed Name:			
EDD Title:			

EXHIBIT D

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 (ISO) at (916) 654-6231, 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 InformationSecurityOffice@edd.ca.gov.

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.

Ian Wagemann
PRINT YOUR NAME

an employee of

Veteran Enhanced Technology Solutions
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.

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

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

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

IW acknowledge that wrongful access, use, modification, or disclosure of confidential information may be punishable as a crime and/or result in disciplinary
INITIAL 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.

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

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

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

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

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

- 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."

Ian Wagemann, D

Print Full Name (last, first, MI)

Veteran Enhanced Technology Solutions

Print Name of Requesting Agency


Signature

3/6/2020

Date Signed

Check the appropriate box:

- | | |
|---|------------------------------------|
| <input type="checkbox"/> Employee | <input type="checkbox"/> Student |
| <input checked="" 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,

Veteran Enhanced Technology Solutions

(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:

Veteran Enhanced Technology Solutions

(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

Ian Wagemann

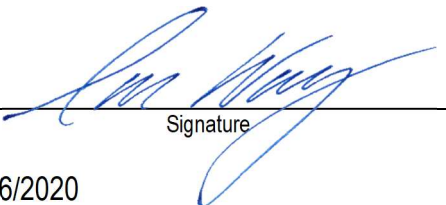
Print Full Name

CEO

Print Title

Veteran Enhanced Technology Solutions

Print Name of Requesting Entity



Signature

3/6/2020


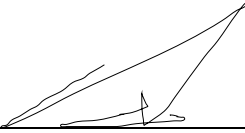
Date Signed

Enter Name Governmental Sponsor/Entity

EMPLOYMENT DEVELOPMENT DEPARTMENT STATEMENT OF RESPONSIBILITY

INFORMATION SECURITY CERTIFICATION

The Information Security Officer has in place the safeguards and security requirements stated in this Agreement. We therefore accept responsibility for ensuring compliance with these requirements, as set forth in Exhibit "D" of the EDD Contract No. M52178-7100.

 _____ INFORMATION SECURITY OFFICER SIGNATURE _____ Ian Wagemann _____ PRINT NAME OF INFORMATION SECURITY OFFICER _____ CEO _____ PRINT TITLE _____ 916-307-7933 _____ TELEPHONE NUMBER _____ ian@veteranets.com _____ E-MAIL ADDRESS _____ 3/6/2020 _____ DATE SIGNED	 _____ PROGRAM DIRECTOR OR CHIEF INFORMATION OFFICER SIGNATURE _____ Brian O'Connor _____ PRINT NAME _____ COO _____ PRINT TITLE _____ 858-353-0508 _____ TELEPHONE NUMBER _____ brian@veteranets.com _____ E-MAIL ADDRESS _____ 3/6/2020 _____ 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.)
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NOTE: The EDD must have a signed "Information Security Certification" in its possession prior to disclosure of any personal, confidential, or sensitive information to the Veterans Enhanced Technology Solutions.

EXHIBIT E

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

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 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>

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.