

SCOPE OF WORK

A. Description of Services

The State Controller's Office (SCO) is seeking an Agreement for PeopleSoft Design, Development, and Implementation (DD&I) services provided by a minimum of five full-time Senior Technical Leads to support the SCO Financial Reporting Book of Record (RBOR) parallel validation leading up to the Annual Comprehensive Financial Report (ACFR) publication using the Financial Information System for California (FI\$Cal) pursuant to the Technology, Digital, and Data Consulting (TDDC) Master Services Agreement (MSA) Information Technology (IT) Consulting Services contract #5-22-70-25-001 to 359.

The services will include:

1. Leading financial reporting parallel validation activities.
2. Maintenance and Operations (M&O) advisory services and support, including analysis, expertise, and problem resolution of Production incidents and assessment of interface processing results and corrective measures.
3. Business Process Efficiencies and Documentation including facilitating solutions to SCO business issues and gaining agreement with stakeholders on business process changes and system enhancements
4. Implementing RBOR system enhancements including participation in all phases of Agile development, including:
 - a. Leading the DD&I work for the SCO RBOR parallel validation in collaboration and coordination with SCO stakeholders, the Department of FI\$Cal, partner agencies and impacted departments. Including enhancement of RBOR functionalities and business processes.
 - b. Participating on Agile Sprint Teams, leading functional design, user story documentation and validation with stakeholders, and collaboration with SCO, FI\$Cal, the Department of Finance (DOF), and other impacted subject matter resources.
 - c. Prepare, conduct, and document the results of functional, user acceptance, and regression testing.
 - d. Facilitate user acceptance testing with end users, document results, and follow up on any defects or business process changes that are required.
 - e. Prepare and conduct system demonstrations for end users.
 - f. Document process flows, identify business process efficiencies, and facilitate solutions to business issues, including gaining agreement with stakeholders on business process and system changes.
 - g. Participate and gain approvals of Agile epics through established SCO and FI\$Cal governance processes.
 - h. Participate in cutover planning, task preparation and completion, and status reporting.
5. Prepare and provide knowledge transfer sessions to internal subject matter resources.

Background

The SCO RBOR includes the work effort to complete the transition of the Financial Reporting BOR to

FI\$Cal. SCO is jointly responsible for the success of the overall statewide implementation of FI\$Cal, along with the Department of FI\$Cal and the other partner agencies, the DOF, the State Treasurer's Office (STO), and the Department of General Services (DGS). SCO responsibilities as required by the Constitution, statutes, and other rules, regulations, etc. will not change as a result of the FI\$Cal implementation; however, our supporting business processes, technology, and jobs (people) will be impacted. Therefore, it is critical that SCO is prepared to perform our statewide financial reporting control functions, by understanding the solution options, identifying impacts, re-engineering our business processes, and preparing to support our divisions, programs, and jobs as we transition the RBOR.

The contractor will assist the state in the following types of activities for parallel validation.

Crosswalks

Creation of crosswalk tools to translate SCO legacy Chartfields to FI\$Cal Chartfields when State Government Reporting (SGR) and the Sprint Team validate and make entries in the FI\$Cal system. These tools are needed for use in multiply areas:

- Assisting with determining data entry needs, specifically for journal entries, accruals, and trial balances enter for FI\$Cal and Non-FI\$Cal business units in the FI\$Cal System.
- Used to help SCO SGR when they are doing report comparison and validation between SCO legacy data and FI\$Cal data. Crosswalks make the process more effective and efficient by having Chart of Account data readily available.

Research of Variances

Research of variances for data differences will be a key activity as part of the Parallel ACFR/Budgetary Legal Basis Annual Report BLBAR (Budgetary Legal Basis Annual Report) a period when syncing up between the SCO Legacy system and Fiscal system for FY2025/2026. Due to the difficulty in keeping the FI\$Cal System aligned with the SCO Legacy system at a balance and transaction level; resources are needed that understand the FI\$Cal system to research variances in the following areas:

- SCO Legacy ledgers vs FI\$Cal Departmental ledgers, researching Chartfield errors and transaction amount differences.
- Researching INFG108 interface errors that lead to variances because of the INFG108 process. This interface currently provides Non-FI\$Cal accruals, encumbrances, and pre-closing trial balances which after the book of record transitioned should be entered directly into FI\$Cal system with FI\$Cal COA.
- Analyzing variances discovered using OAS/Power BI dashboards in the FI\$Cal system, specifically differences found in the SGR ledgers, which would require knowledge of FI\$Cal Ledger architecture and dashboard logic.

Business Process Design

Included within parallel activities is the need to have SGR to be prepared for their first publication from FI\$Cal. A key readiness activity will be business process design and support for SGR to be Standard Operating Procedures and job aids in FI\$Cal. Having these procedures will ensure SGR will have clear instructions on use of FI\$Cal tools and functionality to support effective and efficient business process execution in year one of FI\$Cal. Contracted resources will assist mapping current system workflows, make recommendations for design improvements in PeopleSoft knowing the system design, focusing on providing clarity for system tools and ledger architecture, which will provide better outcomes for SGR.

Extracts and queries

Contracted resource support will be needed to support FI\$Cal system extracts and queries when completing the true parallel validation for FY2025/2026. As part of the SGR integration with the FI\$Cal system and the use of FI\$Cal data for publication of the ACFR and BLBAR, they will need to integrate FI\$Cal data with their report publishing tool. This will require the use of extracts and queries from the FI\$Cal system to connect the publishing tool to help automate the report publishing timeline and create efficiencies.

It is imperative that SCO plans, executes, and monitors RBOR implementation successfully in order to gauge effectiveness and maintain operational excellence while improving services for our end-users and customers.

Agreement Term

The term of this agreement shall be for eighteen months, with the options to extend the term for up to two optional one-year extensions, add funds, and/or increase the number of key staff at the originally agreed upon hourly rates specified in Exhibit B, Attachment 1 Cost Worksheet. The Agreement term and any amendment(s) will be in accordance with the Technology, Digital, and Data Consulting (TDDC) Master Service Agreement (MSA) 5-22-70-25-001 to 359. The rates in Exhibit B, Attachment 1, Cost Worksheet will not increase as a result of any amendment to this Agreement. This Agreement may be terminated by SCO with a 30-day written notice to the Contractor.

Contractors are cautioned that no work will begin until the Agreement has been fully executed. If work is performed prior to agreement approval, and the Agreement for any reason is not approved, all previous work performed by the Contractor is considered donated to SCO and no payment shall be made for that work.

Agreement Amount

The Contractor and SCO Contract Manager are responsible for monitoring the Agreement cost to ensure it does not exceed the maximum amount of the Agreement without an executed amendment.

B. Contractor Responsibilities:

1. SCO requires that all PeopleSoft DD&I Tasks be completed and delivered to the SCO Contract Manager in Section U.1 on or before the due dates. All completed tasks, standards, processes, plans, and applicable reference materials must be available to SCO upon request. SCO reserves the right to request an in-depth written and/or oral presentation of findings and/or recommendations put forth by the Contractor.
2. Table 1 describes the task groups and description of tasks required under the terms of this agreement.

Table 1: Task Groups and Description of Tasks

Task Group	Task Title	Task Description	Date Due
1	Monthly Status Reports (MSRs)	1 Monthly Status Reports Prepare and deliver written MSRs. The report period is the previous calendar month. MSRs must include the following information: a. The background, scope, and purpose of services, b. Activities completed during the report period, c. Work in progress, d. Unplanned activities, e. Activities scheduled for the next report period, f. Listing of tasks completed during the report period and their status, g. Concerns and issues, and h. A financial summary, including budgeted and actual expenses and planned monthly expenditures for this agreement and any revisions (e.g., changes to the spending plan).	The fifth State business day of each calendar month.
2	Lead financial reporting parallel validation activities	3.1 Parallel Validation Support Conduct analysis, provide technical and process expertise, and resolve reconciling differences. 3.2 Crosswalk Creation and Maintenance Creation of crosswalk tools to translate SCO legacy Chartfields to FI\$Cal Chartfields when SGR and the Sprint Team validate and make entries in the FI\$Cal system. 3.3 Data Variance Research and Resolution Research of variances for data differences will be a key activity as part of the Parallel ACFR/BLBAR period when syncing up between the SCO Legacy system and Fiscal system for FY2025/2026. a. SCO Legacy ledgers vs FI\$Cal Departmental ledgers, researching chartfield errors and transaction amount differences. b. Researching INFL108 interface errors that lead to variances because of the INFL108 process. c. Analyzing variances discovered using OAS/Power BI dashboards in the FI\$Cal system, specifically differences found in the SGR ledgers - BLBAR/GAAP/GAAPGW (Generally Accepted Accounting Principles, Government Wide), which require knowledge of FI\$Cal Ledger architecture and dashboard logic.	Per sprint plan, supported by submitted work planned in the MSR

Task Group	Task Title	Task Description	Date Due
		3.4 Data Extracts and Queries Prepare and perform FI\$Cal system extracts and queries supporting completion of the parallel validation activities.	
3	Maintenance and Operations advisory services and support	3.5 Production Incidents and Case Resolution Conduct analysis, provide expertise, and resolve RBOR production incidents and cases.	Per sprint plan, supported by submitted work planned in the MSR
		3.6 Interface Analysis and Corrective Measures Assess interface processing results, provide root cause analysis, and implement corrective measures and data clean-up activities.	
4	Business Process Efficiencies and Documentation	3.7 Discussion Facilitation Facilitate discussions with key Stakeholders, Executive Management, Project Sponsor, Business Analysts, and Subject Matter Experts (SME) to gain an understanding of the goals, objectives, and constraints of current system functions and business processes, and determine the impacts of new or changed functionality or processes.	Per sprint plan, supported by submitted work planned in the MSR
		3.8 Business Process Evaluation Evaluate SCO business processes relative to the FI\$Cal system functionality to identify process reengineering opportunities and potential customization triggers, while advising on strategies to reduce the need for customization of the PeopleSoft ERP solution.	
		3.9 Analysis Facilitation Facilitate analysis and gain agreement with SCO and other stakeholders on solutions to business problems and any associated change requests that produce system enhancements or business processing changes.	
		3.10 Business Process Development Develop business process collateral to be used in training and implementation of new or changed business processes and technical procedures.	
5	Design, Development, and Implementation (DD&I)	4.1 Agile Development Processes Lead the functional activities in the Agile development process including Analysis, transition to Build, Functional, User Acceptance, and Regression Tests, and cutover and migration to Production activities.	Per sprint plan, supported by submitted work planned in the MSR

Task Group	Task Title	Task Description	Date Due
		4.2 Epic Maintenance, User Stories, and Functional Designs a. Collaborate with SCO and FI\$Cal Project Managers and update the Rational Team Concert (RTC) tool with the status and details of each epic. b. Collaborate with SCO and FI\$Cal subject matter resources and document user stories for each epic. c. Prepare for and conduct user story validation sessions. d. Document functional designs for each epic, including user story details. e. Work with FI\$Cal Information Technology resources to transition each epic from functional to technical design.	
		4.3 Test Plan Activities a. Develop test plans, test cases, and scenarios, and own the documentation of results. b. Facilitate data staging, test plan execution with appropriate stakeholders, and monitoring of results. c. Review and validate test completion and test results with stakeholders. d. Document and track defects to completion. e. Improve upon testing practices as necessary to achieve quality results.	
		4.1 Governance Activities Participate in FI\$Cal and SCO Governance processes, such as the Change Control Review Board, and produce the required documentation necessary to gain approval for migration of functionality to the Production system. Represent SCO in required meetings. Present concepts, explain detailed functionality, and respond to questions verbally and in writing.	
		4.2 Post-Production Stabilization Support a. Prepare for post-production support by ensuring	

Task Group	Task Title	Task Description	Date Due
		that end-to-end business processes have been documented and procedures are in place for transactional processing and reporting. b. Provide support for analysis and resolution of defects as new functionality goes live. c. Determine root cause analysis and collaborate with the SCO and FI\$Cal on configuration and system code changes, or business process adjustments. d. Provide assistance to Production Support staff on new processes and transaction results.	
6	Knowledge Transfer	5.1 Knowledge Transfer Materials Prepare and deliver all documents and artifacts required for SCO staff to perform BOR activities. Include the following: a. Knowledge Transfer Plan b. Training Materials for SCO Staff c. Training Sessions for SCO Staff d. Training Assessments/Further Training of SCO Staff	Per sprint plan, supported by submitted work planned in the MSR
		5.2 Knowledge Transfer Topics Provide knowledge transfer to State staff for topics agreed to with the SCO Contract Manager, examples include: a. Project management support activities, b. New or changed business processes, c. Queries and reports usage, d. Maintenance and operations procedures, and e. Planned system enhancements.	
		5.3 Knowledge Transfer Training Conduct knowledge transfer training sessions.	
7	Final Report	6.1 Final Report Develop and submit a Final Report. The report shall detail agreement activities, accomplishments, a budget summary, lessons learned, and suggestions for improvement.	Ten State business days prior to agreement term end date.

3. The Contractor shall:

- a. Provide draft results and incorporate, as appropriate, comments provided by SCO Executive

Management. The Contractor should expect to conduct walkthroughs to discuss preliminary and draft results of their work.

- b. Attend meetings in-person, when necessary, and support SCO end users in person at, 3301 C St., Sacramento, CA 95816 (The Park at East Sacramento) or at 2000 Evergreen Street, Sacramento, CA 95815 (FI\$Cal Office). Contractor staff shall be responsible for travel arrangements and for expenses incurred to and from Sacramento at the time and date scheduled with the SCO Contract Manager. SCO shall provide up to five business days' advance notice of a required in-person meeting.
- c. Designate a contract manager to whom all communications are addressed and who has the authority to act on all aspects of the services. The Contract Manager shall review the Agreement and associated documents with the SCO Contract Manager to ensure understanding of the responsibilities of both parties.
- d. Comply with all applicable SCO policies and procedures.
- e. Retain independence and avoid undue influence by any internal or external entity while advising the SCO Executive Management team.
- f. Provide a physical address, if necessary, to which the laptop and RSA hard token will separately ship, as well as a phone number and an email address for the laptop recipient.
- g. Contact the SCO Contract Manager listed in Section U. Contacts, 1. to verify contractor staff credentials and to enable the laptop upon receipt of the SCO laptop and RSA hard token. Be responsible for the care of the laptop and use it only for SCO-related business.
- h. Connect only a Bluetooth mouse, keyboard, and other SCO-approved peripherals to the SCO laptop.
- i. Not insert a Universal Serial Bus (USB), external hard drive, or any other storage devices into the SCO laptop.
- j. Return all SCO property, including security badges and computer equipment prior to the expiration date of the Agreement.
- k. When applicable, contact the SCO Contract Manager listed in Section U. Contacts, 1. at least 24 hours prior to packaging the laptop for return on the SCO-determined date, ensuring the laptop has an internet connection that allows SCO to log in and wipe the laptop prior to packaging and shipping.
- l. Ship – at the Contractor's expense the laptop back to SCO at the address provided by the SCO Contract Manager listed in Section U. Contacts, 1. Use overnight delivery with signature required and insure the package for \$3,000.00.
- m. Ship – at the Contractor's expense – the RSA hard token back separately to SCO at the address provided by the SCO Contract Manager listed in Section U. Contacts, 1. using overnight delivery with signature required.

C. Contractor Tasks and Reporting Requirements

SCO requires that all reports be completed and delivered to SCO on or before the due date. Due dates will be established by mutual agreement after Agreement execution. All reports, standards, processes, plans, and applicable reference materials must be available to SCO upon request. For all tasks, SCO reserves the right to request an in-depth written and oral presentation of findings and recommendations put forth by the Contractor.

1. Monthly Activity Reports

Submit written monthly activity reports to the SCO Contract Manager for time spent on completed tasks and work in process. The reports shall identify the tasks associated with completed work and the hours and rate by staff, as well as an overview of research, reviews, activities, findings, and recommendations. There shall be a signed acceptance from SCO Executive Management for each Activity Report before invoices can be processed for payment.

2. Findings, Recommendations, and Work Products

Prepare reports for SCO Executive Management as needed. The Contractor must submit written reports, upon the request of SCO Executive Management, demonstrating research, reviews, activities, findings, and recommendations.

3. Final Report

At agreement completion, develop and submit a Final Report to the SCO Contract Manager. The report must detail project activities, accomplishments, budget summary, lessons learned, and suggestions for developing and/or improving ongoing activities.

4. Work with various external vendors in addition to state staff and various stakeholders.

5. Attend scheduled meetings and provide presentations as required.

6. Promptly notify the SCO Contract Manager of events or proposed changes that could affect the scope, budget, or schedule of work performed under this Agreement.

7. Perform work virtually unless otherwise agreed upon by the parties during normal business hours which are 8:00 a.m. to 5:00 p.m. Pacific Time (PT) Monday through Friday, except State holidays. For a list of holidays which SCO observes, go to the following link: www.calhr.ca.gov/employees/pages/state-holidays.aspx .

8. Ensure all Contractor staff read and complete standard SCO documents (i.e. Policy Acknowledgement, Technology Resources, Zero Tolerance for Discrimination, and Harassment Training) upon onboarding. These documents will be presented to the Contractor's staff by SCO for completion and return to SCO Contract Manager within five business days.

D. General Service Requirements

1. Document Format: Unless explicitly stated otherwise in Exhibit A, all required documentation will be provided in a format compatible with SCO standard applications (Microsoft Office). For the reports identified in Section C. Contractor Tasks and Reporting Requirements, the format and content must be pre-approved by SCO Executive Management.

2. Electronic versions will be stored in an SCO-designated central repository and remain the sole property of SCO. The delivery media will be compatible with SCO storage devices.

E. Kickoff Meeting

Within 15 business days of agreement execution, the Contractor shall conduct a kickoff meeting with the SCO team to:

1. Review the details of the Scope of Work (SOW) to ensure a clear understanding of the goals and expectations.
2. Review the roles and responsibilities of the Contractor and SCO staff.
3. Review the tasks, the schedule, and coordinate a high-level review.
4. Discuss critical factors that may impact workload.
5. Review administrative and reporting requirements.
6. Discuss and agree upon the process for communicating issues, risks, and status.
7. Discuss and agree upon the approach to tracking and managing performance and results.
8. Introduce contractor staff.

F. Performance Review and Acceptance Criteria

It shall be the sole determination of SCO as to whether the Contractor's performance has been successfully completed and is acceptable to SCO.

1. Process:
 - a) The Contractor shall complete assigned tasks and deliver any required documentation by the written agreed-upon date for review.
 - b) SCO documentation review time shall not be more than 10 business days, except when there is another written mutually agreed-upon time frame. Business days are Monday through Friday, 8:00 a.m. to 5:00 p.m. Pacific Time (PT) excluding the California state holidays listed at: <http://www.calhr.ca.gov/employees/pages/state-holidays.aspx>.
 - c) The SCO shall provide written notification to the Contractor of any required revisions. The Contractor will review the SCO written response, make appropriate adjustments, and submit to SCO for acceptance within three business days of receiving revision requests.
 - d) After considering the scope of the changes, SCO may, at their discretion, allow a period longer than three business days, which shall be confirmed in writing.
 - e) After receipt of the revised documents, SCO review time must not be more than five business days unless another, written mutually agreed-upon time frame has been determined.
 - f) The Contractor shall not change a report that has been accepted by SCO without SCO Contract Manager written approval.

G. Performance Not Meeting Requirements

Should the work performed, or the work product produced by the Contractor fail to meet the minimum state requirements or other applicable standards, specifications, or guidelines, the following resolution process will be employed except as superseded by other binding processes. Project documentation that does not meet agreement requirements will be returned to the Contractor as incomplete.

1. The SCO Contract Manager must notify the Contractor in writing within 10 business days after receipt of the unsatisfactory work performed or work product produced, about any acceptance problems by identifying the specific inadequacies and/or failures in the services performed and/or the products produced by the Contractor.
2. Within five business days after initial problem notification, the Contractor shall respond to SCO Contract Manager by submitting a detailed explanation that describes how the identified services and products actually adhere to and satisfy all applicable requirements, and/or a proposed corrective action plan to address the specific inadequacies or failures in the identified services or products. Failure by the Contractor to respond to SCO Contract Manager's initial problem notification within the required time limits may result in payment delays, or immediate agreement termination. In the event of such termination, SCO must pay all amounts due to the Contractor at SCO Contract Manager's direction for all work accepted prior to termination.
3. The SCO Contract Manager shall, within five business days after receipt of the Contractor's detailed explanation or proposed corrective action plan, notify the Contractor in writing whether they accept or reject the explanation and plan. If SCO Contract Manager rejects the explanation and 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 SCO Contract Manager's notification of rejection by submitting a revised corrective action plan within the required time limits may result in immediate agreement termination. In the event of such termination, SCO shall pay all amounts due to the Contractor at SCO Contract Manager's direction for all work accepted prior to termination.
4. The SCO Contract Manager shall notify the Contractor in writing whether the revised corrective action plan proposed by the Contractor is accepted or rejected, within five business days of receiving the revised plan. Rejection of the revised corrective action plan may result in immediate agreement termination. In the event of such termination, SCO must pay all amounts due to the Contractor at SCO Contract Manager's direction for all work accepted prior to termination.

H. Contractor Staff Changes

1. The Contractor must commit to the continuing availability and participation of the qualified staff filling staff responsibilities, to the extent of the Contractor's control for the duration of the agreement. Contractor shall not request the State's mutual agreement for Contractor staff changes for a period of 12 months after the Effective Date of this agreement.
2. SCO recognizes that the Contractor's staff may be unavailable due to circumstances beyond the Contractor's control such as illness, an extended leave of absence, death, termination, resignation, or other factors beyond the Contractor's control. However, the Contractor shall make its best efforts to ensure staff continuity throughout the term of the Agreement.
3. In the event that contractor staff are unable to perform his or her duties due to illness, resignation, or other factors beyond the Contractor's control, the Contractor shall make every effort to provide suitable replacement staff with equivalent knowledge, skill set and experience.

4. Contractor shall remove any staff or subcontractors who, in the opinion of the State, have engaged in improper conduct.
5. In the event either party identifies a performance issue with a contractor staff, the identifying party must contact the other party within two business days.
6. The identifying party must document the performance issues, discuss the issues with the other party, and together, they shall determine the best approach for resolving the issues.
7. Replacement or additional Contractor staff must be the same classifications identified in this agreement.
8. Contractor Staff Replacement
 - a. The SCO Contract Manager shall approve any changes to the Contractor's staff before replacement of a staff member. This includes any changes that occur between the submission of the Contractor's offer and the initiation of the Agreement. The Contractor shall not reassign the staff without prior notification to the SCO Contract Manager. The Contractor shall notify SCO in writing within 14 business days of the event and provide SCO with at least one replacement candidate that meets or exceeds the experience and skill level that was presented by the Contractor, and which was scored by SCO as part of the Offer.
 - b. SCO will assess replacement candidates based on the criteria set forth in Request for Offer (RFO) EFIS90126. Offered replacement staff shall meet or exceed the same qualifications as the staff that is being replaced, including passing a Live Scan background check. The Contractor shall assign SCO-selected replacement(s) to the Agreement upon SCO written approval of the Contractor's replacement(s) after a five-to-10-day review period, which includes interviewing offered replacement staff. Under no circumstances shall the Contractor replace selected staff unless SCO agrees in writing to such replacement.
 - c. SCO shall not compensate the Contractor for any time or effort required to prepare the new staff member for work on the Project.
 - d. SCO, for cause, reserves the right to require the Contractor to replace an assigned staff member at any time. SCO will notify the Contractor in writing when exercising that right, providing the Contractor with the cause. The Contractor, within 14 business days of such notification, shall provide a replacement candidate who meets or exceeds the requirements as defined in RFO EFIS90126. The submission of Exhibit A, Attachment 2, Personnel Change Request Form, Exhibit A, Attachment 3, Personnel Change Reference Forms, a resume, the RFO Attachment 16, TDDC MSA Classification Qualifications, and interview will be required. The Contractor shall assign the replacement to the FI\$Cal Project within 14 business days of SCO approval of the replacement.
 - e. If SCO rejects the offered staff, the Contractor shall provide another viable staff within 14 calendar days.
 - f. If a qualified staff is not identified within 14 calendar days of rejection, the Contractor shall be in material breach of the Agreement unless the Contractor submits a written request for an extension and SCO provides written approval before the deadline.
 - g. The Contractor shall propose acceptable staff replacement at the same or lower cost as the original offered staff. Substitute staff shall not automatically receive the hourly rate of the individual or positions being replaced. The parties of this agreement may negotiate the hourly rate of any

substitute staff to the Agreement. The hourly rate negotiated shall be dependent, in part, upon the experience and individual skills of the offered replacement staff. The negotiated hourly rate shall not exceed the hourly rate for that position as set forth in the Agreement.

I. Contractor Staff Additions

1. SCO or the Contractor may request to add staff by mutual agreement.
2. Within 14 calendar days, the Contractor shall submit the following items to the SCO Contract Manager:
 - a. The offered staff's resume that meets the qualifications identified in RFO EFIS90126 and in the TDDC MSA classification for the added staff,
 - b. Exhibit A, Attachment 2, Personnel Change Request Form,
 - c. Exhibit A, Attachment 3, Personnel Change Reference Form,
 - d. TDDC MSA Classification Qualifications Form (refer to RFO EFIS90126, Attachment 16), including any required certifications or degrees,
 - e. Staff Mandatory Qualifications Form (refer to RFO EFIS90126, Attachment 17),
 - f. The offered staff's work email and direct phone number. This information is needed for the State to schedule the Live Scan background check and SharePoint user access.
3. SCO shall have the ability to interview the offered staff prior to approval or rejection of the offered staff change.
4. If SCO rejects the offered staff, the Contractor shall provide the State with another viable staff within 30 calendar days.
5. If a qualified staff is not identified within 30 calendar days of rejection, the Contractor shall be in material breach of the Agreement unless the Contractor submits a written request for an extension and SCO provides written approval before the deadline.
6. If the offered staff is acceptable to the State, the State representative shall sign the Exhibit A, Attachment 2, Personnel Change Request Form and submit it to the Contractor representative for signature.
7. Upon receipt of signed Exhibit A, Attachment 2, Personnel Change Request Form, the State representative will schedule a Live Scan background check as described in Section L. The offered staff must pass the Live Scan background check.
8. Upon passing Live Scan background check, the SCO representative will submit approval to the Contractor.

J. Subcontractors

1. The Contractor may, with prior written permission from SCO, enter into subcontracts with third parties for the performance of any part of Contractor's duties and obligations.

2. The Contractor is responsible and liable for the proper performance of, and the quality of any work performed by any and all subcontractors.
3. The State reserves the right to reject or refuse admission to any contractor or subcontractor staff whose workmanship, in the reasonable judgment of SCO, is deemed substandard.
4. In no event shall the existence of a subcontract operate to release or reduce the liability of the Contractor to SCO for any breach in the performance of the Contractor's duties.
5. In connection with a request to SCO to approve a subcontractor, the Contractor shall provide a copy of the Subcontractor's Certificate of Good Standing issued by the California Secretary of State and a Bidder Declaration (Written) GSPD-105-05.
6. Due to privity of agreement between the State and the prime contractor, it is the complete responsibility of the prime contractor to hold their subcontractors (permitted by SCO) subject to the applicable requirements of this agreement.
7. The Contractor agrees that all subcontracts shall include a provision that the Subcontractor shall indemnify and hold harmless the State to the extent described in Information Technology (IT) – General Provisions, Non-Cloud Goods & Services, DGS PD 403-ITGP (Non-Cloud) Section 11, Indemnification and Section 12, Limitation of Liability.
8. Any agreement between the Contractor and its subcontractors shall require the Subcontractors to adhere to the same performance standards and other standards required of the Contractor as applicable to the Subcontractor's service.
9. If the Contractor commits to subcontract with a Disabled Veteran Business Enterprise (DVBE), they are responsible to provide to SCO a [Prime Contractor's Certification – DVBE Subcontracting Report STD 817](#), within 60 days of agreement completion.
10. In accordance with California Government Code (GC) Section 14837(d) and California Military and Veterans Code Section 999, all Small Business (SB) and DVBE contractors, subcontractors, and suppliers that bid on or participate in a State agreement, regardless of being an oral or written solicitation, shall perform a Commercially Useful Function (CUF).
11. The Contractor shall satisfy their Small Business (SB) Participation commitment as identified on the Bidders Declaration (Written) submitted with the Bid response. Exhibit A, Attachment 3, Prime Contractor Certification – SB Subcontractor Report shall be submitted to the SCO Contact Manager identified in Section U, Contacts, on January 31st and July 31st of each calendar year during the term of the Agreement.

K. Subcontractor Changes

1. Contractor shall provide SCO 14 business days' advance notice of subcontractor termination. The notice shall document the change, the reason for the change and the effective date of the change.
2. The Contractor shall obtain SCO approval to any subcontractor changes prior to the termination of the existing subcontractor(s) and retention of the new subcontractor(s). This also includes any changes made between submittal of the Final Offer and actual start of the Agreement.
3. All replacement subcontractor(s) shall meet all requirements of this agreement.

4. For DVBE subcontractor changes, Contractor shall use another California (CA) certified DVBE subcontractor and shall perform a CUF.
5. For SB subcontractor changes, Contractor shall use another CA certified SB subcontractor and shall perform a CUF.
6. SCO shall not compensate the Contractor for any of the Contractor's time or effort to educate or otherwise make the new subcontractor(s) ready to begin work on the Agreement.

L. Background Checks

1. The Contractor's staff shall be required to complete and pass a Live Scan background check prior to starting work and receiving an SCO asset and permission to access the SCO network. This agreement requires that the offered staff performing the services of this agreement pass a Live Scan background check. SCO provides all necessary background check forms and location information for each offered staff to complete the process. If offered staff are located in the Sacramento area, they must be fingerprinted at SCO. If offered staff are located outside the Sacramento area, but in California, they may go to a Live Scan location of their choosing. If offered staff are located outside of California, they must go to a local law enforcement agency or to another entity licensed to roll fingerprints and request completion of a standard FBI applicant fingerprint card (FD-258), provided by SCO. Offered staff shall mail the completed forms and FD-258 back to SCO via the United States Postal Service (USPS).
2. Background checks must be completed and passed prior to beginning work on the Agreement. If a Contractor's offered staff does not pass the Live Scan background check process, the Contractor must replace the offered individual with a new candidate within seven business days that meets or exceeds all requirements stated in Section D. Staff Requirements, Item 2. Background Check of the RFO. Contractors and the offered staff will be held to the same background check standards as SCO employees.
3. The Contractor shall ensure that each offered staff under the Agreement is made aware of, understands, and complies with the provisions of SCO Live Scan background checks. Any additional or replacement individuals added to the Agreement will be subject to the same terms.
4. SCO shall not compensate the Contractor for any time or effort required to prepare the new staff member for work on the project. The Contractor shall recover and return any state-issued identification card or equipment provided to the Contractor's employee(s) upon their departure or termination, if applicable.

M. Follow-On Agreements

The provisions of Public Contract Code (PCC) Section 10365.5 and the Information Technology (IT) – General Provisions, Non-Cloud Goods & Services, DGS PD 403-ITGP (Non-Cloud), Section 13. Follow-On Contracts will apply. The Department of General Services IT General Provisions can be viewed at: <https://www.dgs.ca.gov/-/media/Divisions/PD/Acquisitions/Solicitation-Documents/IT-General-Provisions-NonCloud-DGS-PD-403ITGP-Revised-02202025.pdf>

N. Conflict of Interest

No consultant shall be paid out of State funds for developing recommendations on the acquisition of IT goods or services if that consultant is to be a source of such acquisition or would otherwise directly and/or materially benefit from the State adoption of such recommendations or the course of action recommended.

Further, no consultant shall be paid out of State funds for developing recommendations on the disposal of State surplus IT products if that consultant would directly and/or materially benefit from State adoption of such recommendations.

Contractors in response to State procurements for the development of recommendations for the acquisition of IT goods and/or services must disclose any financial interests (i.e., service contracts, OEM agreements, remarketing agreements, etc.) that may foreseeably allow the individual or organization submitting the proposal to materially benefit from the State's adoption of a course of action recommended for the acquisition recommendations.

For additional information on determining whether a conflict exists, or whether participation in this Agreement would preclude participation in future FI\$Cal opportunities, refer to State Administrative Manual Management Memorandum 07-04 at: <https://www.dgs.ca.gov/Resources/ManagementMemos>

O. Requirement to Sign Confidentiality Statements

To preserve the integrity of the security and confidentiality measures integrated into SCO and the FI\$Cal Project, each contractor and subcontractor is required to sign a Conflict of Interest and Confidentiality Statement. Similarly, any contractor and subcontractor and each of their employees engaging in services to SCO related to RFO EFIS90126 and the resulting agreement, requiring them to come into contact with confidential agency information, will be required to exercise security precautions for such data. Each of the employees of the successful Contractor and any subcontractors and their employees must sign Exhibit A, Attachment 1, Conflict of Interest and Confidentiality Statement, formal compliance agreements regarding confidentiality and non-disclosure prior to commencing work identified in this agreement.

P. Requirement for Security Training and Awareness

To preserve the integrity of the security and confidentiality measures integrated into SCO and the FI\$Cal Project, each of the employees of the successful Contractor and any subcontractors and their employees utilizing SCO devices must take SCO Security Awareness and Training prior to commencing work identified in this agreement.

Q. Requirement to File a Statement of Economic Interests

In accordance with Title 22, California Code of Regulations, Section 123000, the consultant Contractor is required to complete a Statement of Economic Interests (Form 700) on an annual basis.

Upon award and prior to beginning work, the Contractor's Contract Manager and any professional-level employees and subcontractors engaged in performing the consulting tasks described in this agreement must submit a completed Form 700 to SCO Executive Management.

On an annual basis during the term of this agreement, the Contractor and the same individual and any new professional-level personnel or subcontractors must complete and submit a new Form 700. All subsequent forms must be received before the expiration of the initial Form 700. Noncompliance may be cause for termination of this agreement.

R. SCO Responsibilities

SCO shall:

1. Coordinate with the Contractor to provide a schedule for meeting the objectives of this agreement.

2. Provide access to project documents as necessary for the Contractor to complete the activities identified in Exhibit A.
3. Provide a SCO Contract Manager who will regularly monitor the services provided to determine if the services meet the requirements of this agreement.
4. Coordinate tasks and activities in the completion of all identified tasks.
5. Provide Contractor staff with SCO laptop and software necessary to perform all tasks.
6. Provide staff knowledgeable in IT program areas.
7. Provide staff knowledgeable in business program areas.
8. Provide staff authorized to make decisions regarding state IT projects.
9. Arrange access to state documents, teams, and subject matter experts.
10. Furnish office space when at SCO locations for the duration of the Agreement to include desk, chair, telephone, personal computer, printer access, Internet connection, and a facility in which to conduct any necessary meetings.
11. Provide an SCO Contract Manager to whom all Contractor communications will be addressed and who has the authority to act on all aspects of the services—this person shall review the Agreement and associated documents with the Contractor to ensure understanding of the responsibilities of both parties.
12. Determine the return date of the laptop and communicate that with the Contractor's Contract Manager listed in Section U. Contacts, 1.
13. Log into the laptop and wipe it clean upon receiving the 24-hour notification from the Contractor that the laptop is ready to be shipped back.

S. Travel

Travel expenses, which include parking fees, associated vehicle costs, tolls, and airfare incurred are at the expense of the Contractor and shall not be reimbursed by SCO.

T. Contacts

1. Project contacts during the term of the Agreement:

State Controller's Office	Contractor
Name: TBD	Name: TBD
Address:	Address:
Phone:	Phone:
Email:	Email:

2. Direct all agreement inquiries to:

State Controller's Office	Contractor
Name: TBD	Name: TBD
Address:	Address:
Phone:	Phone:
Email:	Email:

3. Contacts may be changed upon written notice to either party without need of an agreement amendment.

PERSONNEL CHANGE REQUEST FORM

Contractor Name		Agreement Number		
		CFIS90126		
Staff To Be Added	Staff Replaced	Classification	Hourly Rate	Effective Date
Staff to be Deleted	Effective Date	Reason		
Description of Change				
Staff Mandatory Qualifications Form and Resumes Attached? (Yes or No):				
Classification Qualifications Form Attached? (Yes or No):				
Staff Reference Form Attached? (Yes or No):				
Approval: Changes identified above are in accordance with the terms and condition of the agreement. By signing below, the Contractor Official has confirmed that the offered staff meets any requirements listed in the Statement of Work (SOW). The SCO Contract Manager's signature below indicates confirmation that the offered personnel staff meets the requirements listed in the SOW.				
SCO Contract Manager Approval		Contractor Approval		
Print Name		Print Name and Title		
Signature		Signature		
Date		Date		

PERSONNEL CHANGE REFERENCE FORM

Staff Name: _____ Reference Contact Name: _____

CONTRACTOR INSTRUCTIONS:

Step 1: Contractor shall enter the staff and reference above and complete Tables 1 and 2 below.

Step 2: Contractor shall send the form to the reference listed in Table 2 for completion.

Step 3: Contractor shall compile and submit three signed reference forms for each staff.

REFERENCE INSTRUCTIONS:

Step 1: Reference shall enter a numeric rating into Table 4 from the Rating Scale in Table 3.

Step 2: Reference shall sign and date the bottom of the form.

Step 3: Reference shall return the signed form to the Offeror Contact listed in Table 1.

Table 1 – Contractor Contact:

Contractor Name:	Contact Phone #:
Contractor Contact Name:	Contact Email:

Table 2 – Reference, Staff Name, and Staff Experience:

Reference Contact Name and Title:		
Reference Client Company Name:		
Reference Phone #:	Reference Email:	
Staff Name:		
Staff Begin/End Dates (MM/DD/YY):	From:	To:
Project Name and Description:		
Staff's Experience on this Project:		

Table 3 – Rating Scale:

10=Excellent 8=Above Average 5=Satisfactory 2=Below Average 0=Unsatisfactory

Table 4 – Performance Ratings:

#	Performance Statements	Rating
1	Rate the Staff's ability to meet deadlines.	
2	Rate the Staff's ability to communicate verbally and in writing.	
3	Rate the Staff's ability to work well with others.	
4	Rate the Staff's knowledge in the required areas of expertise.	
5	Rate the Staff's overall performance during this engagement.	

By signing this Form, the Reference certifies all information provided is correct.

Signature of Reference Contact

Date signed

State Controller's Office									
Prime Contractor's Certification - Small Business Subcontractor Report									
Reporting Period		Begin		through	End				
Prime Contractor Information									
			Agreement		Agreement Payment Information				
Name			Number		Amount Invoiced During Current 6- Month Reporting Period		Amount Invoiced During Contract Term		
			Amount						
List all California certified Small Business (SB) firms performing services as a subcontractor for this agreement.									
SB Information			Commitment Information		Payment Information				
	(A) SB Subcontractor(s) Name	(B) SB Certification Number	(C) Commitment Percentage	(D) Commitment Amount	(E) Amount Paid to SB During Current 6- Month Reporting Period	(F) Percentage Paid to SB During Current 6- Month Reporting Period	(G) Total Paid to SB During Agreement Term	(H) Percentage Paid to SB During Agreement Term	(I) Variance Comitment Percentage vs. Actual Percentage
1				\$ -	\$ -	#DIV/0!		#DIV/0!	#DIV/0!
2									#DIV/0!
3									#DIV/0!
4									#DIV/0!
5									#DIV/0!
6									#DIV/0!
7									#DIV/0!
8									#DIV/0!
9									#DIV/0!
10									#DIV/0!
11									#DIV/0!
12									#DIV/0!
13									#DIV/0!
14	Grand Total			\$ -	\$ -	#DIV/0!	\$ -	#DIV/0!	
	(J) Comments/Explanations								
Attach copies of this page for additional lines									
I certify under penalty of perjury under the laws of the State of California that all information submitted is true and correct.									
Prime Contractor Contract Manager Print Name:					Date Signed:				
Title:									
Signature:									

Instructions on how to complete Exhibit A, Attachment 3

Report Field	Report Field Description	Responsible Party
Reporting Period	Identifies the current 6-month reporting period that will be either July - December (due by January 31) or January - June (due by July 31)	Prime Contractor
Prime Contractor Information		
Name	Full legal name	Prime Contractor
Agreement Number	Executed agreement number	SCO Contracts & Procurement Office
Agreement Amount	Total agreement amount for the agreement term	SCO Contracts & Procurement Office
Amount Invoiced During Current 6-Month Reporting Period	Dollar amount invoiced during the current reporting period.	Prime Contractor
Amount Invoiced During Contract Term	Cumulative dollar amount invoiced by the Prime Contractor during the agreement term	Prime Contractor
List of CA certified SB		
A) SB Subcontractor's Name	DGS certified SB identified on the Bidder Declaration submitted with the bid response and/or approved by SCO during the term of the Agreement	SCO Contracts & Procurement Office
B) SB Certification Number	DGS assigned SB certification number	SCO Contracts & Procurement Office
C) Deliverable Number	Refer to Exhibit A. Scope of Work for the specific deliverable number.	Prime Contractor
D) Work Performed	Include the distinct element of work performed for the specific deliverable identified in Box C.	Prime Contractor
E) Commitment Percentage	Percentage commitment to the SB for the agreement term as identified on the Bidder Declaration submitted with the bid response and/or approved by SCO during the term of the Agreement	SCO Contracts & Procurement Office
F) Commitment Amount	Dollar amount spend committed to the SB for the agreement term	SCO Contracts & Procurement Office
G) Amount Paid to SB During Current 6-Month Reporting Period	Amount paid to SB during the current reporting period	Prime Contractor
H) Percentage Paid to SB during Current 6-Month Reporting Period	Percentage of agreement spend paid to the SB during the current reporting period	Auto-Calculates based on the Prime Contractor's total amount invoiced during the reporting period.
I) Total Paid to SB During Agreement Term	Cumulative amount paid to SB for all reporting periods during the agreement term	Prime Contractor
J) Percentage Paid to SB During Agreement Term	Total percentage of agreement spend paid to the SB during the agreement term	Auto-Calculates based on the Prime Contractor's total amount invoiced during the Agreement term.
K) Variance Actual % vs. Commitment %	Comparison of the percentage of agreement spend committed to with the actual spend	Auto-Calculates
L) Comments/Explanations	Section for Contractor to provide any clarifying or important information	Prime Contractor
Prime Contractor Contract Manager Print Name	Name of the Contractor representative authorized to submit the report	Prime Contractor
Title	Title of the Contractor representative authorized to submit the report	Prime Contractor
Date	Date the Prime Contractor representative signs the report.	Prime Contractor
Signature	Signature of the Prime Contractor representative authorized to submit the report	Prime Contractor

	State Controller's Office															
	Prime Contractor's Certification - Small Business Subcontractor Report															
	Reporting Period		Begin		through	End										
	Prime Contractor Information															
Agreement																
Agreement Payment Information																
Name					Number				Amount Invoiced During Current 6-Month Reporting Period				Amount Invoiced During Contract Term			
					Amount											
	List all California certified Small Business (SB) firms performing services as a subcontractor for this agreement.															
SB Information				Deliverable Information		Commitment Information		Payment Information								
	(A) SB Subcontractor(s) Name	(B) SB Certification Number	(C) Deliverable Number	(D) Work Performed	(E) Commitment Percentage	(F) Commitment Amount	(G) Amount Paid to SB During Current 6-Month Reporting Period	(H) Percentage Paid to SB During Current 6-Month Reporting Period	(I) Total Paid to SB During Agreement Term	(J) Percentage Paid to SB During Agreement Term	(K) Variance Comitment Percentage vs. Actual Percentage					
1						\$ -	\$ -	#DIV/0!		#DIV/0!	#DIV/0!					
2											#DIV/0!					
3											#DIV/0!					
4											#DIV/0!					
5											#DIV/0!					
6											#DIV/0!					
7											#DIV/0!					
8											#DIV/0!					
9											#DIV/0!					
10											#DIV/0!					
11											#DIV/0!					
12											#DIV/0!					
13											#DIV/0!					
14	Grand Total					\$ -	\$ -	#DIV/0!	\$ -	#DIV/0!						
	(L) Comments/Explanations															
Attach copies of this page for additional lines																
I certify under penalty of perjury under the laws of the State of California that all information submitted is true and correct.																
Prime Contractor Contract Manager Print Name:							Date Signed:									
Title:																
Signature:																

BUDGET DETAIL AND PAYMENT PROVISIONS

A. Invoicing and Payment

1. For services satisfactorily rendered, and upon receipt and approval of invoices, SCO agrees to compensate the Contractor for actual expenditures incurred in accordance with the rates specified in Exhibit B, Attachment 1, Cost Worksheet.
2. Itemized invoices shall be submitted on Contractor's letterhead not more frequently than monthly, in arrears, and at a minimum must include:
 - Agreement Number **CFIS90126**
 - Contractor's name, address, and telephone number
 - Staff name
 - Dates and Hours of Service
 - Hourly Rate
 - Monthly Activity Report
 - Total amount payable for each invoice

If submitting electronically, send one PDF copy to ADMAP@sco.ca.gov.

If invoices cannot be submitted electronically, please mail one copy to:

State Controller's Office
Departmental Accounting Office
P.O. Box 942850
Sacramento, CA 94250-0001

Invoice inquiries: ADMAP@sco.ca.gov.

B. Budget Contingency Clause

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

C. Prompt Payment Clause

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

D. Disabled Veteran Business Enterprise (DVBE) Subcontractor Authorization to Withhold \$10,000

SCO is authorized to withhold \$10,000, or full payment if less than \$10,000, from a prime contractor's final payment pending receipt of a complete and accurate Prime Contractor's Certification – DVBE Subcontracting Report STD 817. The complete and accurate report must be received within 60 days of the Agreement expiration date.

COST WORKSHEET

RFO Attachment 20 shall be inserted here at agreement award.

**INFORMATION TECHNOLOGY GENERAL PROVISIONS NON-CLOUD GOODS & SERVICES
DGS PD 403-ITGP (REV. 02/20/2025)**

Exhibit C, Information Technology General Provisions Non-Cloud Goods & Services DGS PD 403-ITGP (Rev. 02/20/2025), is hereby incorporated by reference and made part of this agreement as if attached hereto. Information Technology General Provisions Non-Cloud Goods & Services DGS PD 403-ITGP may be viewed and downloaded at internet site:

<https://www.dgs.ca.gov/-/media/Divisions/PD/Acquisitions/CMAS/2025/IT-General-Provisions-NonCloud-DGS-PD-403ITGP-Revised-02202025.pdf>

If you do not have Internet access, a hard copy can be provided.

SPECIAL TERMS AND CONDITIONS

A. Insurance Requirements

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

- A. Commercial General Liability Insurance – The Contractor shall maintain general liability on an occurrence form with limits not less than \$1 million per occurrence for bodily injury and property damage liability combined with a \$2 million annual policy aggregate. A “per project aggregate” endorsement is required. The policy shall include coverage for liabilities arising out of premises, operations, independent contractors, products, completed operations, personal and advertising injury, and liability assumed under an insured agreement. This insurance shall apply separately to each insured against whom claim is made, or suit is brought subject to the Contractor's limit of liability. **The policy shall include the State of California, its officers, agents, employees, Adval and the Evergreen Company (TEC) as additional insured's.** The additional insured endorsement must be provided.
- B. Workers' Compensation and Employer's Liability – The Contractor shall maintain statutory workers' compensation insurance issued and shall furnish to State Controller's Office (SCO) a certificate of insurance evidencing workers' compensation insurance and employer's liability for all its employees who will be engaged in the performance of the Agreement. In addition, employer's liability limits of \$1 million are required. By signing this agreement, the Contractor acknowledges compliance with these regulations. **A Waiver of Subrogation or Right to Recover endorsement in favor of SCO must be attached to the certificate.** Right to Recover endorsement in favor of the State of California, State Controller's Office, for claims related to Contractor's sole negligence, must be attached to the certificate. This may be satisfied by blanket endorsement.
- C. Automobile Liability – The Contractor shall maintain motor vehicle liability with limits not less than \$1 million combined single limit per accident. Such insurance shall cover liability arising out of a motor vehicle including owned, hired, and non-owned motor vehicles. Should the scope of the Agreement involve transportation of hazardous materials, evidence of an MCS-90 endorsement or its equivalent is required. **The policy must name The State of California, its officers, agents, and employees as additional insured, but only with respect to work performed under the Agreement.** This may be satisfied by blanket endorsement. If contractor will not have any commercially owned vehicles used during the life of this agreement, by signing this agreement, the Contractor certifies that the Contractor and any employees, subcontractors or servants possess valid automobile coverage in accordance with California Vehicle Code Sections 16450 to 16457, inclusive. The State reserves the right to request proof at any time.
- D. Professional Liability – insurance with a limit of no less than \$1 million [or \$2 million based on risk] per claim and \$2 million aggregate. The policy shall cover any damages caused by an error, omission or any negligent acts. If this coverage is written on a claims made coverage form the certificate must show the policy retroactive date, which must be no later than the date of agreement execution or the date work under the Agreement begins.
- E. Cyber Liability Insurance – Contractor shall maintain Cyber Liability with limits of not less than \$15 million covering claims involving notification costs, privacy violations, information theft, damage to or destruction of electronic information, intentional and/or unintentional release of private information, and alteration of electronic information, extortion, and network security.

The certificate of insurance must include the following general provisions stating:

- A. Coverage Term – Coverage needs to be in force for the complete term of the Agreement. If insurance expires during the term of the Agreement, a new certificate must be received by SCO within ten days of the renewal of this insurance. Any new insurance must comply with the original agreement terms of the Agreement.
- B. Policy Cancellation or Termination & Notice of Non-Renewal – The Contractor is responsible to notify SCO within five (5) business days of any cancellation, non-renewal, or material change that affects required insurance coverage. New certificates of insurance are subject to the approval of the Department of General Services (DGS) and the Contractor agrees no work or services will be performed prior to obtaining such approval. In the event the Contractor fails to keep in effect at all times the specified insurance coverage, SCO may, in addition to any other remedies it may have, terminate this Agreement upon the occurrence of such event, subject to the provisions of this agreement.
- C. Premiums, Assessments and Deductible – The Contractor is responsible for any premiums, policy assessments, deductibles or self-insured retentions contained within their insurance program.
- D. Primary Clause – Any required insurance contained in this agreement shall be primary, and not excess or contributory, to any other insurance carried by the State.
- E. Insurance Carrier Required Rating – All insurance companies must carry an AM Best rating of at least "A-" with a financial category rating of no lower than VII. If the Contractor is self-insured for a portion or all of its insurance, review of financial information including a letter of credit may be required.
- F. Endorsements – Any required endorsements requested by the State must be physically attached to all requested certificates of insurance and not substituted by referring to such coverage on the certificate of insurance.
- G. Inadequate Insurance – Inadequate or lack of insurance does not negate the Contractor's obligations under the Agreement.
- H. Subcontractors – In the case of the Contractor's utilization of subcontractors to complete the contracted scope of work, the Contractor shall include all subcontractors as insured under the Contractor's insurance or supply evidence of subcontractor's insurance to the State equal to policies, coverages and limits required of the Contractor.
- I. Available Coverage/Limits – All coverage and limits available to the Contractor shall also be available and applicable to the State within the parameters of the Limitation of Liability section and if applicable the Indemnification section of this Agreement.
- J. Satisfying an SIR – All insurance required by this agreement must allow SCO to pay and/or act as the Contractor's agent in satisfying any self-insured retention (SIR). The choice to pay and/or act as the Contractor's agent in satisfying any SIR is at the SCO discretion.

B. Licenses and Permits

The Contractor shall be an individual or firm licensed to do business in California and shall obtain at his/her expense all license(s) and permit(s) required by law for accomplishing any work required in connection with this agreement.

If you are a Contractor located within the State of California, a business license from the city/county in which you are headquartered is necessary; however, if you are a corporation, a copy of your incorporation documents/letter from the Secretary of State's Office can be submitted. If you are a Contractor outside the State of California, you will need to submit to SCO a copy of your business license or incorporation papers

for your respective state showing that your company is in good standing in that state.

In the event, any license(s) and/or permit(s) expire at any time during the term of this agreement; the Contractor agrees to provide SCO a copy of the renewed license(s) and/or permit(s) within 30 days' following the expiration date. In the event the Contractor fails to keep in effect at all times all required license(s) and permit(s), SCO may, in addition to any other remedies it may have, terminate this agreement upon occurrence of such event.

C. Excise Tax

The State of California is exempt from federal excise taxes, and no payment will be made for any taxes levied on employees' wages. SCO will pay for any applicable State of California or local sales or use taxes on the services rendered or equipment or parts supplied pursuant to this agreement. California may pay any applicable sales and use tax imposed by another state.

D. Potential Subcontractors

Nothing contained in this agreement or otherwise, shall create any contractual relationship between SCO and any subcontractors, and no subcontract shall relieve the Contractor of his responsibilities and obligations hereunder. The Contractor agrees to be as fully responsible to SCO for the acts and omissions of its subcontractors and of persons either directly or indirectly employed by any of them as it is for the acts and omissions of persons directly employed by the Contractor. The Contractor's obligation to pay its subcontractors is an independent obligation from SCO obligation to make payments to the Contractor. As a result, SCO shall have no obligation to pay or to enforce the payment of any moneys to any subcontractor. Prior to accessing SCO data, the Contractor must notify and disclose all subcontractors or third parties involved in handling or processing SCO data.

E. Notification of Personnel Changes

SCO Project Representatives shall approve any changes to the Contractor's key personnel before replacement. The Contractor shall notify in writing within 14 calendar days of the event and shall provide a reason for replacement. SCO reserves the right to request a statement from the staff who is being replaced to confirm the reason for replacement. All replacement key personnel must meet the minimum requirements as stated in this agreement. SCO shall not compensate the Contractor for any time or effort required to prepare the new staff member for work on the project. In addition, contractor must recover and return any State-issued identification card provided to the Contractor's employee(s) upon their departure or termination.

F. Prohibition of Tax Delinquents from Contracting

The State of California is prohibited from entering into any agreements for services with persons whose name appears on either list of the 500 largest tax delinquencies pursuant to Sections 7063 and 19195 of the Revenue and Taxation Code (RTC) and Public Contract Code (PCC) Section 10295.4.

The Contractor certifies that it is not included on either the California Franchise Tax Board's (FTB) or on the California Department of Tax and Fee Administration's (CDTFA) lists, that can be found at:

FTB: <https://www.ftb.ca.gov/about-ftb/newsroom/tax-news/may-2018/top-500-delinquents-taxpayers-list.html>

CDTFA: <https://www.cdtfa.ca.gov/taxes-and-fees/top500.htm>

G. Civil Rights Certifications

PCC Section 2010 requires contractors on agreements of \$100,000 or more to certify that they are in compliance with various civil rights laws.

H. Iran Contracting Act Certification

Pursuant to the Iran Contracting Act of 2010 (PCC Sections 2200 through 2208 are "the Act"), vendors are ineligible to bid on, submit a bid, proposal, or offer for, enter into, or renew any agreement with the State for goods or services of \$1 million or more if the vendor engages in investment activities in Iran, as defined in the Act.

The Contractor certifies that it is not on the current list of Entities Prohibited from Contracting with Public Entities in California per the Act found at:

[List of Ineligible Businesses \(ca.ghttps://www.dgs.ca.gov/PD/Resources/Page-Content/Procurement-Division-Resources-List-Folder/List-of-Ineligible-Businesses?search=iran%20contractingov\)](https://www.dgs.ca.gov/PD/Resources/Page-Content/Procurement-Division-Resources-List-Folder/List-of-Ineligible-Businesses?search=iran%20contractingov)

I. Evaluation of Contractor

Performance of the Contractor under this agreement will be evaluated. The evaluation shall be prepared on Contract/Contractor Evaluation Sheet (STD 4), and maintained in the Agreement file. For consultant agreements, a copy of the evaluation will be sent to the Department of General Services, Office of Legal Services, if it is negative and over \$5,000.

For consultant Agreements over \$500,000 and related to an Information Technology (IT) project as defined in the State Administrative Manual (SAM) Section 4819.2, performance of the Contractor under this agreement will be evaluated on a Post Evaluation for IT Services Agreements (STD 971), found at [ALL FORMS \(ca.gov\)](#), and sent to the California Department of Technology at Form971@state.ca.gov. A post evaluation and contractor response pursuant to PCC Section 12102.3 is exempt from the Public Records Act.

J. Exclusion for Conflict of Interest

No consultant shall be paid out of State funds for developing recommendations on the acquisition of IT goods or services, or assisting in the preparation of a feasibility study, if that consultant is to be a source of such acquisition or would otherwise directly and/or materially benefit from the State adoption of such recommendations or the course of action recommended in the feasibility study. Further, no consultant shall be paid out of State funds for developing recommendations on the disposal of State surplus IT products if that consultant would directly and/or materially benefit from State adoption of such recommendation.

Information Technology, Data, and Security Provisions

Unless otherwise specified in Exhibit A (Scope of Work), the following provisions shall apply whenever the Contractor has access to data owned by the State Controller's Office (SCO) or data for which SCO serves as custodian.

A. SCO Data and Resource Ownership

1. All data, resources and materials provided by SCO shall remain the sole and exclusive property of SCO, including all applicable rights to patents, copyrights, trademarks, trade secrets or other proprietary property rights. Additionally, all rights, titles and interest in and to any data and materials relating to SCO business will remain the property of SCO whether or not supplied to Contractor. Nothing in this agreement shall be construed as conveying any rights or interest in the data, resource or material to Contractor. Contractor shall not utilize, retain, or transfer SCO Data, resources or materials to any individual or entity without the express written permission of SCO. Upon termination of this agreement, the Contractor agrees to provide the data or material to SCO, or, at SCO request, confirm in writing that said data or material in all formats in the Contractor's (and the Contractor's employees, agents, and subcontractors) custody, has been destroyed in compliance with NIST SP 800-88 and the terms of this agreement.
2. Upon full and final payment to Contractor of fees owed under the Agreement, Contractor (i) assigns to SCO, all right, title and interest in and to the deliverables except to the extent any Contractor Property is contained therein, and (ii) grants SCO a royalty-free, non-exclusive, non-transferable, non-sublicensable perpetual license, to use such Contractor Property solely in connection with SCO's use of the deliverables. Contractor Property shall mean all intellectual property, technology, know-how, methodologies, works of authorship, and other materials pre-existing the Agreement or created, acquired, or licensed separately from the Agreement, or created in performance of the Agreement which are not specific to SCO, including any modifications, enhancements, improvements, or derivative works. Notwithstanding anything herein that may be construed to the contrary, SCO agrees that nothing in this Agreement prevents Contractor from using residual knowledge, which includes generalized knowledge, experience, know-how, or any of the ideas, concepts, methodologies, tools or techniques derived from or discovered during the provision of the services performed under the Contract. Contractor shall have the right to retain for its files copies of all information necessary to comply with its contractual obligations and applicable professional standards.
3. SCO gives Contractor the right to use SCO's logo solely for presentations or reports to SCO or for internal Contractor presentations and intranet sites.

B. Access Control

1. All individuals accessing, processing, or manipulating SCO Data shall utilize either a Contractor managed device that meets the security requirements of this agreement or an SCO managed device that meets the SCO's security standards and configurations. These devices include, but are not limited to, laptops, desktops, mobile devices, or any other computing equipment provided by SCO for business purposes, unless prior approval has been obtained from the SCO Contract Owner, SCO Chief Information Officer (CIO) and the SCO Chief Information Security Officer (CISO).
2. In exceptional circumstances where the use of a non-SCO managed device is utilized to interact with SCO Data without direct interaction with the SCO environment, the Contractor must adhere to additional security requirements as defined by SCO in this agreement. Additional Security Requirements are:

- a. Data that belongs to SCO and
 - b. SCO Security Policy applies to the system in use
3. The Contractor must ensure the continuous logging, monitoring, and auditing of SCO Data in the Contractor environment.
 4. The Contractor (and the Contractor's agents or subcontractors) shall allow SCO access to relevant and available security logs, latency statistics, and other related security data that affect this agreement and SCO Data and resources, at no cost to SCO.

C. Data Classification and Handling

1. All data categorized as anything other than "public" by SCO and made available to the Contractor in order to carry out this agreement, or which becomes available to the Contractor in carrying out this agreement, shall be protected by the Contractor from unauthorized use and disclosure through the observance of the same or more effective procedural requirements as specified in this agreement.
2. The Contractor shall not be required to keep SCO Data confidential whether it is or becomes publicly available, is already rightfully in Contractor's possession, is independently developed by Contractor outside the scope of this agreement or is rightfully obtained from third parties.
3. The Contractor receiving SCO Data agrees that the data obtained will be kept in the strictest confidence in accordance with the terms of this agreement. The Contractor receiving SCO Data recognizes it's their responsibility to protect the confidentiality of the data in their custody as provided by law and ensure that such data is disclosed only to those individuals and for such purposes as are authorized by law and this agreement.
4. The Contractor employees, agents, and subcontractors who may have access to SCO Data will be required to have on file annually a signed confidentiality statement, approved by SCO, attesting to the fact that he/she is aware of the data categorization and the penalties for unauthorized disclosure thereof under applicable state and federal law.
5. The Contractor receiving SCO Data shall take all governmental regulations and industry acceptable measures to ensure the integrity of the SCO Data. This includes implementing appropriate security controls as required by industry standards and governmental regulations, such as encryption, data validation, and monitoring, to prevent unauthorized modification or tampering of the data.
6. The Contractor receiving SCO Data shall implement a Role-Based Access Control (RBAC) methods that identify the access rights and permissions for staff members based on their designated roles and responsibilities.
7. The Contractor shall adhere to the principle of least privilege, which means that staff members shall only be granted access privileges necessary to fulfill their job requirements.
8. The Contractor shall maintain an Access Control List (ACL) that outlines the authorized users with privileges to access SCO-specific systems, networks, or data. The ACL shall be regularly reviewed, updated, and documented to ensure accuracy and adherence to RBAC and the principle of least privilege.
9. The Contractor shall implement Separation of Duties (SoD) to prevent any single individual from having excessive control over sensitive SCO Data. SoD ensures that different tasks and responsibilities related to the handling of SCO Data are assigned to the proper individuals.

10. The Contractor shall maintain a collaborative Data Control Log (DCL) as a part of their data control and transparency measures. The DCL should comprehensively capture crucial details prior to the transfer of SCO Data to the third-party environment. These details include the document name, third-party business justification, third-party storage location, and users being granted access (must be on the ACL).
11. The Contractor shall be required to log all interactions with SCO Data in the third-party environment. The logging mechanism should capture relevant details such as the date, time, user ID, activity performed, and the SCO Data accessed or modified.
12. The Contractor shall regularly monitor and review the logs of interactions with SCO Data to ensure compliance with the agreed-upon access controls and to detect any unauthorized or suspicious activities. These logs should be available for auditing purposes, enabling SCO to verify compliance with the agreed-upon requirements and to investigate any potential security incidents or breaches.
13. The Contractor shall maintain records and documentation of their implementation of the agreed-upon requirements. These records should be made available to SCO upon request as proof of compliance and adherence to the agreed-upon requirements.

D. Confidentiality of SCO Data

1. All financial, statistical, personal, technical, and other data and materials relating to SCO operations, which are designated confidential or sensitive by SCO and made available to the Contractor in order to carry out this agreement, or which becomes available to the Contractor in carrying out this agreement, shall be protected by the Contractor from unauthorized use and disclosure through the observance of the same or more effective procedural requirements as specified in this agreement.
2. The Contractor shall not, however, be required to keep confidential data or materials which are or become publicly available, are already rightfully in the Contractor's possession, are independently developed by the Contractor outside the scope of this agreement or are rightfully obtained from third parties.
3. The Contractor receiving SCO Data agrees that the data obtained will be kept in the strictest confidence and shall make data available to its own employees, agents, and subcontractors only on a "need to know" basis. The "need to know" standard is met by authorized employees who need the data to perform their official duties in connection with the uses of the data authorized by this agreement.
4. The Contractor receiving SCO Data recognizes its/their responsibility to protect the confidentiality of the data in its/their custody as provided by law and ensure that such data is disclosed only to those individuals and for such purposes as are authorized by law and this agreement.
5. The Contractor employees, agents, and subcontractors who may have access to SCO confidential or sensitive data will be required to have on file annually a signed confidentiality statement, approved by SCO, attesting to the fact that he/she is aware of the confidential or sensitive data and the penalties for unauthorized disclosure thereof under applicable state and federal law.

E. Data Storage, Transmission, Security Procedures, and Practices

Contractor's data storage, transmission, security procedures and practices are subject to audit by SCO to ensure compliance with this agreement, NIST standards, and applicable California state laws.

F. Location of SCO Data

1. Unless otherwise stated in the Statement of Work and approved in advance by SCO, the physical location of SCO Data retained or stored by the Contractor (and contractor's employees, agents, and subcontractors) shall be within the continental United States.
2. Contractor grants the SCO and its designees the right to audit and confirm compliance with data location restrictions, including on-site inspections of relevant facilities and systems utilizing SCO's Data as reasonably required. Violations of the data location provisions shall be grounds for immediate termination of this agreement.

G. Information Security

1. In addition to the Compliance with the Statutes and Regulations provision set forth in the General Provisions, the Contractor (and the Contractor's agents or subcontractors) shall confirm to SCO:
 - a. The sufficiency of its security standards, tools, technologies and procedures under this agreement.
 - b. Compliance with the following:
 - 1) The California Information Practices Act (Civil Code Sections 1798 et seq.).
 - 2) Compliance with the moderate security impact level privacy and security control guidelines specified in the National Institute of Standards and Technology (NIST) Special Publication (SP) 800-53 (Rev.5).
 - 3) Privacy provisions of the Federal Privacy Act of 1974.
 - 4) Federal Information Processing Standards Publication Standards for Security Categorization of Federal Information and Information Systems (FIPS 199).
 - 5) Federal Information Processing Standards Publication Standards Minimum Security Requirements for Federal Information and Information Systems (FIPS 200).
2. The Contractor (and the Contractor's agents or subcontractors) shall implement and maintain all appropriate administrative, physical, technical, and procedural safeguards in accordance with section a. above at all times during the term of this agreement that are designed to secure such data from data breach, protect the data and resources from hacks, introduction of viruses, disabling devices, malware and other forms of malicious or inadvertent acts that can disrupt SCO Data and resources.
3. The Contractor (and the Contractor's agents or subcontractors) shall allow SCO reasonable access to security logs, latency statistics, and other related security data that affect this agreement and SCO Data and resources, at no cost to SCO.
4. The Contractor (and the Contractor's agents or subcontractors) assumes responsibility for the security and confidentiality of SCO Data and resources under its control.
5. No SCO Data shall be copied, modified, destroyed or deleted by the Contractor (and the Contractor's agents or subcontractors) other than for normal operation or maintenance of the Contractor (and the Contractor's agent's or subcontractor's) systems or business process during the Agreement period without prior written notice to and written approval by SCO.

6. Remote access to SCO Data and resources from outside the continental United States, including remote access to data by authorized contractor support staff in identified support centers (and the Contractor's employees, agents, and subcontractors), is prohibited unless approved in advance by the SCO Chief Information Security Officer.
7. The Contractor (and the Contractor's agents or subcontractors) shall comply with all applicable SCO administrative, technical, and information security policies and standards that are provided to the Contractor in writing, in advance of the time of anticipated compliance while utilizing SCO resources, services and facilities while performing services under this agreement.

H. Encryption

SCO Data classified as confidential, sensitive, or personal information shall be encrypted while electronically transported or stored (at rest). Encryption methodologies must meet Federal Information Processing Standards (FIPS). When SCO Data is being sent via electronic mail (email), encryption must be employed.

I. Information Security Control Review

SCO retains the right to conduct information security control reviews of the Contractor (and Contractor's agents, and subcontractors) use of SCO Data and the security controls established to protect the confidentiality, integrity, and accountability of SCO Data by requiring the Contractor to provide responses to cybersecurity questionnaires and other assessments. SCO will provide a minimum of seven days' notice of the review being conducted. SCO warrants the Contractor that information derived from the information security control review will be protected from public disclosure under the terms of California Government Code § 7929.210.

J. Security Incident or Violation

1. The Contractor and its employees, agents, or subcontractors shall immediately notify the SCO Contact of any actual or suspected theft, loss, damage, unauthorized destruction, unauthorized modification, or unintentional or unauthorized release of any SCO Data classified as confidential or sensitive retained in electronic, paper, or any other digital or non-digital medium within 24 hours.
2. The obligations and responsibilities outlined in the agreed upon requirements shall survive the termination or expiration of the agreement, ensuring continued adherence to these requirements even after the Contractor's engagement with SCO has ended.
3. The Contractor shall take:
 - a. Prompt corrective action to mitigate any risks or damages involved with the breach or security incident and to protect the operating environment; and
 - b. Any action pertaining to a breach required by applicable federal and state laws, including, specifically, California Civil Code section 1798.29 [California Civil Code 1798.29, subdivision (e), California Civil Code 1798.82, subdivision (f)].

K. Data Sanitization

Subject to any retention of confidential information permitted under this agreement, the Contractor shall destroy all SCO Data and any documents created in the execution of this agreement in accordance with the guides outlined in NIST Special Publication 800-88, Revision 1 located at <https://nvlpubs.nist.gov/nistpubs/SpecialPublications/NIST.SP.800-88r1.pdf>.

L. Secure Areas

Computer monitors, printers, hard copy printouts, or any other forms of information accessed or obtained under the performance of this agreement must be placed so that they may not be viewed by the public or other unauthorized persons as described in the Agreement.

M. Supervision of Data

SCO Data shall not be left unattended at any time, unless it is physically locked in a file cabinet, file room, desk or office; and monitored through a security camera system. Unattended means that information is not being observed by an employee authorized to access the information. SCO Data shall not be left unattended at any time in vehicles or planes and shall not be checked in baggage on commercial airplanes. Computer equipment shall remain locked when there is not a person attending the system.

N. Escorting Visitors

Visitors to areas where SCO Data is contained shall be escorted and SCO Data shall be kept out of sight while visitors are in the area.

O. Removal of Data

SCO Data must not be removed from the premises of the Contractor except with express written permission of SCO. SCO Data maintained on any laptops or other mobile devices managed by the Contractor in accordance with the requirements of this agreement shall be deemed on the premises of the Contractor for the purposes of this Section 15. Removal of Data.

P. Disaster Recovery

The Contractor must establish a documented plan to enable continuation of critical business processes and protection of the security of electronic SCO Data in the event of an emergency. Emergency means any circumstance or situation that causes normal computer operations to become unavailable for use in performing the work required under this agreement for more than 24 hours.

Q. Data Backup Plan

The Contractor must have established documented procedures to securely back up SCO Data to maintain retrievable exact copies of SCO Data. The backups shall be encrypted. The plan must include a regular schedule for making backups, storing backup's offsite, an inventory of backup media, and the amount of time to restore SCO Data should it be lost. At a minimum, the schedule must be a weekly full backup and monthly offsite storage of SCO Data.

R. Confidentiality Statement

All persons that will be working with SCO Data must sign a confidentiality statement. The statement must include at a minimum, General Use, Security and Privacy safeguards, Unacceptable Use, and Enforcement Policies. The statement must be signed by the workforce member prior to access to SCO Data. The statement must be renewed annually. The Contractor shall retain each person's confidentiality statement for SCO inspection for a period of three years following agreement termination.

S. Lower Tier Transactions

The terms of this exhibit shall apply to all agreements, subcontracts, and subawards, and the information privacy and security requirements the Contractor is obligated to follow with respect to SCO Data disclosed to the Contractor, or collected, created, maintained, stored, transmitted, or used by the Contractor for or on behalf of SCO, pursuant to the Contractor's agreement with SCO. When applicable, the Contractor shall incorporate the relevant provisions of this exhibit into each subcontract or subaward to its agents, subcontractors, or independent consultants.

T. Security Assessment Questionnaire

To help the State of California understand the level of security risk when conducting a business process, if at any point during the term of the Agreement it becomes necessary for SCO Data to be moved from the SCO environment to the Contractor's environment, the Contractor is required to complete a Qualys Security Assessment Questionnaire (SAQ) prior. The absolute minimum requirements that SCO must address to comply with applicable laws, regulations and agreements, which shall include all successor publications encompasses:

1. Information Practices Act of 1977 (IPA).
2. California Assembly Bill 2135 Information Security 2021/2022.
3. National Institute of Standards and Technology (NIST) Special Publication (SP) 800-53 - Security and Privacy Controls for Information Systems and Organizations Moderate Baseline Version 5.0.
4. Federal Information Processing Standards (FIPS) 199 for Security Categorization of Federal Information and Information Systems.
5. FIPS 200 Minimum Security Requirements for Federal Information and Information Systems.
6. Health Insurance Portability and Accountability Act (HIPAA).
7. Health Information Technology for Economic and Clinical Health Act (HITECH) 2009.

The SAQ is a self-reporting tool designed for conducting business process control assessments to reduce the chance of security breaches and compliance violations. The Contractor will be required to answer all questions in the SAQ and provide documentation that allows SCO to verify the accuracy of responses.

RESUMES

To be inserted at agreement.