



County of Santa Cruz

HEALTH SERVICES AGENCY

P.O. BOX 962, 1080 EMELINE AVENUE
SANTA CRUZ, CA 95061
(831) 454-4066 FAX: (831) 454-4770

HEALTH SERVICES AGENCY ADMINISTRATION

May 28, 2002

AGENDA: June 11, 2002

BOARD OF SUPERVISORS
County of Santa Cruz
701 Ocean Street
Santa Cruz, CA 95060

RE: Supplemental Funding for Public Health Preparedness and Response to Bioterrorism

Dear Members of the Board:

The Health Services Agency (HSA) requests your Board's approval of and authorization to submit a revenue agreement to the California Department of Health Services (CDHS) for the first phase of local funding available through the Center for Disease Control (CDC) Cooperative Agreement for Public Health Preparedness and Response to Bioterrorism Program. This agreement is in the amount of \$93,797 and represents our local share of the first 20% of the \$60.8 million set aside for local bioterrorism preparedness and response activities. The remaining 80% will become available once federal authorities approve the State plan and the State budget is signed. This agreement is for the period of February 15, 2002 through August 31, 2003.

Regardless of source, it is the responsibility of public health agencies to provide for the surveillance of infectious diseases, detection and investigation of outbreaks, identification of etiologic agents and their modes of transmission, and the development of prevention and control strategies. CDHS recognizes that acquiring and sustaining the capability for an adequate response to bioterrorism requires thoughtful analysis and carefully integrated planning by both state and local public health agencies. CDHS wants to strengthen the state's ability to respond to bioterrorism events, upgrade infectious disease surveillance and investigation, enhance the readiness of hospital systems, expand public health laboratory and communications capacities, and improve connectivity and information sharing between all segments of the public health and medical care systems to enhance disease reporting. It is critical that these interconnected functions be able to move smoothly and quickly to address bioterrorist threats to California communities.

Since public health agencies are the natural leaders in the development of cohesive public health systems, CDHS is working collaboratively with local health jurisdictions to develop a strong infrastructure for response to bioterrorism, outbreaks of infectious diseases, and other public health threats and emergencies. The Public Health Preparedness and Response to Bioterrorism

Program provides local funding to initiate and complete jurisdiction-wide preparedness and response plans. These plans must meet federal guidelines and will be integrated with the State plan as well as existing local disaster/emergency plans.

The first task for local health jurisdictions under this program will be to submit a Work Plan that clearly demonstrates the critical capacities and benchmarks established by the CDC for each of seven Focus Areas. The Focus Areas and critical capacities are outlined in the attached Local Work Plan Guidance document (5/23/02). This document is in compliance with federal guidelines and satisfies our first deliverable for a Work Plan. The Local Work Plan Guidance document must be signed by the County Health Officer and returned with the agreement.

The second task will be to develop a comprehensive, strategic Bioterrorism Preparedness Plan that outlines the specific core activities, interventions, and collaborations that are planned. The Plan must address capacities and benchmarks identified in the previously submitted Work Plan. The Plan must be submitted to CDHS by September 15, 2002. This is a monumental task that will require collaboration with many different agencies and shareholders. However, our County has already made a good start on this process. The Influenza Pandemic Planning Committee (IPPC) has been working for the past two years on a local plan that includes responding to mass casualty situations. The IPPC includes many stakeholders in the community, who are required to be a part of the bioterrorism planning effort. In fact, the IPPC had already begun to address bioterrorism response after the events of September 11 and the subsequent Anthrax attacks. There are other community members who will need to be included in the process, but fortunately the initial work is already underway. Additional resources will no doubt be needed to fulfill all of the deliverables required in the State contract. As additional information about our obligations becomes known, we will return to your Board with additional updates.

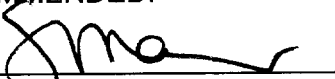
It is, therefore, RECOMMENDED that your Board:

1. Approve the Local Work Plan Guidance document and authorize the County Health Officer to sign the document; and
2. Approve the State standard revenue agreement with the California Department of Health Services for the Public Health Preparedness and Response to Bioterrorism Program in the amount of \$93,797 and authorize the Health Services Administrator, or as their designee the Director of Administration, to sign; and
3. Direct the Clerk of the Board to forward two certified copies of the Board Motion authorizing signature of the State standard agreement to the Health Services Agency for processing to the State; and
4. Direct the Health Services Agency to return on or before September 10, 2002 with the Bioterrorism Preparedness Plan.

Sincerely,


 Rama Khalsa, Ph.D.
 Health Services Administrator

RECOMMENDED:



Susan A. Mauriello
County Administrative Officer

Attachments: AMD-29 and State Standard Agreement
Local Work Plan Guidance document

cc: County Administrative Officer
Auditor Controller
County Counsel
HSA Administration
Public Health Administration

**Local Guidance for County/City Work Plan
Supplemental Funding for Public Health Preparedness and Response
for Bioterrorism
5/23/02**

The Centers for Disease Control (CDC) has established guidance documents to assist both state and local agencies in using supplemental funds for public health preparedness and response for bioterrorism. The California Department of Health Services (CDHS) is requiring that the local health jurisdictions eligible for bioterrorism funds through the CDC Supplemental Grant use the following as a guide to develop its Bioterrorism Preparedness Plan to meet the critical capacities and benchmarks identified by CDC.

Each local jurisdiction may fulfill the requirement to submit a Work Plan for the development of its Bioterrorism Preparedness Plan by signing this document. ***It is strongly recommended that each local jurisdiction return this completed form with the signed contract.***

This signature affirms that that the County of Santa Cruz will address the capacities and benchmarks described below in the development of its Bioterrorism Preparedness Plan.

Authorized health official signature: _____

Title: _____ Health Officer

Print name of person above: _____ David McNutt, M.D.

Date: _____ June 11.2002

Phone: _____ (831) 454-4476

E-Mail address: _____ david.mcnutt@health.co.santa-cruz.ca.us

~~~~~

**FOCUS AREA A: PREPAREDNESS PLANNING AND READINESS ASSESSMENT**

**I. Strategic Direction, Coordination, and Assessment**

**A. Critical Capacity – Establish a process for strategic leadership, direction, coordination, and assessment of activities to ensure local readiness, interagency collaboration, and preparedness for bioterrorism, infectious disease outbreaks and other public health threats and emergencies.**

1. Designate a senior local public health official responsible for local bioterrorism preparedness and response planning.  
**(Critical Benchmark #1)**

2. Establish a local advisory committee including representatives from the local health department, law enforcement agencies, fire departments, emergency rescue workers, occupational health workers, health care providers, community health centers, volunteer organizations, hospitals, emergency medical services, offices of emergency services, and emergency management agencies.  
**(Critical Benchmark #2)**
3. Establish a system to provide regular updates about local preparedness activities to the CDHS and to local policy makers and elected officials. Local policy makers and elected officials should have access to computers with email and internet capabilities. A local website with local preparedness activities should be made available.
4. Establish a coordinated and integrated process for monitoring local progress, allocating local resources, and developing local work plans.
  - Develop tool to monitor progress.
  - Develop, integrate, and update electronic accounting systems.
  - Coordinate with other affected local agencies in developing work plans.
5. Sponsor local conferences and workshops for all local partners and stakeholders including healthcare providers such as clinics, medical groups, the local medical society, etc.
6. Involve parts of the public health system that are not directly involved in bioterrorism preparedness.
  - Involve mental health and social service providers by including them in planning and implementing cooperative agreement activities.
  - Develop and maintain distribution lists that include those public health partners that are not directly involved in bioterrorism.
7. Provide technical, managerial, and leadership training to project leaders to ensure competency.

**B. Critical Capacity – Conduct integrated assessments of public health system capacities related to bioterrorism, other infectious disease outbreaks, and public health threats and emergencies to aid and improve planning, coordination, and implementation.**

1. Identify implementation priorities by preparing a timeline for assessing emergency preparedness and response capabilities related to bioterrorism, other infectious disease outbreaks and public health threats and emergencies.  
**(Critical Benchmark #3)**
2. Prepare a timeline for assessing ordinances that provide local delegation authority for executing emergency public health measures as well as special provisions for the liability of healthcare personnel in coordination with adjacent local jurisdictions.  
**(Critical Benchmark #4)**

3. When assessing ordinances and emergency preparedness and response capabilities, ensure that the response status of the local public health system can be determined.

## II. Preparedness and Response Planning

### A. Critical Capacity – Develop and exercise a comprehensive public health emergency preparedness and response plan for emergencies caused by bioterrorism, other infectious disease outbreaks, public health threats and emergencies.

1. Prepare a timeline for development of a local plan to respond to bioterrorism, other infectious disease outbreaks, public health threats and emergencies which will include emergency mutual aid agreements and/or compacts and provide for regular exercises that test their joint response proficiency.  
**(Critical Benchmark #5)**
2. Prepare a timeline to work with adjacent jurisdictions and the Regional Disaster Medical/Health Coordinator to develop joint/regional plans to respond to bioterrorism, other infectious disease outbreaks, and other public health threats and emergencies.  
**(Critical Benchmark #6)**
3. Designate a senior local public health professional responsible for developing and implementing local bioterrorism planning activities.
4. In collaboration with federal, state and other local agencies, assess readiness of local hospitals, emergency medical services, and other components of the healthcare system to respond to bioterrorism, other outbreaks of infectious disease, public health threats and emergencies and include them in local plan development and exercises.
5. Establish and maintain a system for 24/7 notification or activation of the public health emergency response system.
6. Test preparedness and response plan at least annually to demonstrate proficiency in responding to bioterrorism, other infectious disease outbreaks, public health threats and emergencies.

### B. Critical Capacity – Ensure that local preparedness for and response to bioterrorism, and other infectious disease outbreaks, public health threats and emergencies are effectively coordinated with State response assets.

1. Develop an interim plan, working with the CDHS, that identifies local personnel to be trained in receiving and managing the distribution of items, such as antibiotics, vaccines, and medical materiel from the National Pharmaceutical Stockpile.  
**(Critical Benchmark #7)**

2. Ensure that all preparedness and response planning is in compliance with the Standardized Emergency Management System (SEMS) and coordinated within the existing emergency management infrastructure as described in the operational area and state emergency plans.
3. Participate in regional exercises conducted by State and/or federal agencies.

### III. National Pharmaceutical Stockpile Preparedness

- A. Critical Capacity – Plan for the receipt, management, and distribution of the CDC National Pharmaceutical Stockpile, should deployment of the stockpile be necessary in the local jurisdiction.
  1. Coordinate with the State Department of Health Services which is responsible for development of the statewide plan to receive and manage the National Pharmaceutical Stockpile (NPS), in development of a compatible plan for the jurisdiction to receive and manage items from the NPS. The local plan should include procedures for the mass distribution of antibiotics, vaccines, and medical materiel. The plan should also identify personnel to be trained for these functions, or gaps in available staff or other resources, which will need to be supported by regional, state or federal response assets.
  2. Prepare a local description, with integrated local and regional area components, for the management and use of the NPS.
  3. Prepare a timeline to obtain documented commitments from all local agencies, organizations and others identified in the plan.
  4. Provide basic orientation, training, and periodic readiness exercises for those individuals or entities that will have a role in the NPS management and distribution.
  5. At the request of CDHS, develop a plan for distribution of antibiotics and other materiel in the NPS including proposed and environmentally acceptable storage sites.

## FOCUS AREA B: SURVEILLANCE AND EPIDEMIOLOGY CAPACITY

- I. Public Health Surveillance and Detection Capacities
  - A. Critical Capacity – Rapidly detect a terrorist event through a highly functioning, mandatory reportable disease surveillance system, as evidenced by ongoing timely and complete reporting by providers and laboratories within the local jurisdiction, especially of illnesses and conditions possibly resulting from bioterrorism, other infectious disease outbreaks, and other public health threats and emergencies.

1. Prepare a timeline for developing a system to receive and evaluate urgent disease reports from within the local health jurisdiction on a 24 hour per day, 7 day per week basis.  
**(Critical Benchmark #8)**
2. Ensure the timely (24/7) ability to transmit disease reports from local health department to the State of California.
3. Ensure that legal authority is in place at the local level that allows investigation of suspected cases, potential terrorist events, or unusual illness clusters.
4. Routinely assess the timeliness and completeness of the local reportable disease surveillance system especially for naturally occurring illnesses and conditions which may mimic those resulting from a terrorist action.
5. Provide ongoing disease surveillance and epidemiology training for local public health, clinical and healthcare staff to develop subject matter expertise at the local level. *(Link to FOCUS AREA G)*
6. Evaluate and improve the timely and complete reporting of outbreaks of illness and/or key categories of reportable diseases such as influenza, invasive bacterial diseases, vaccine preventable diseases, vectorborne diseases, and food- and waterborne diseases from the local level to the State.
7. Assess and improve local capacities, including surveillance systems, associated with monitoring dermatological conditions and rash illnesses.

## **II. Public Health Epidemiologic Investigation and Response Capacities**

### **A. Critical Capacity – Rapidly and effectively investigate and respond to a potential terrorist event as evidenced by a comprehensive and exercised epidemiologic response plan that addresses surge capacity, delivery of mass prophylaxis and immunizations, and pre-event development of a specific epidemiologic investigation and response needs.**

1. Assess current local health department epidemiologic capacity and prepare a timeline for achieving adequate capacity.  
**(Critical Benchmark #9)**
2. Ensure that a full-time response coordinator for bioterrorism, and other infectious disease outbreaks, public health threats and emergencies has been appropriately designated within the local health department.
3. Coordinate epidemiologic response planning with the overall planning conducted in Focus Area A.



4. Coordinate epidemiologic response planning with hospital preparedness activities being facilitated by HRSA.
5. Train designated local public health staff who would respond to a bioterrorist event in their roles and in the specifics of the local plan. (*Link with FOCUS AREA G*)
6. Ensure the performance of risk and vulnerability assessments of food and water to include assessments of production, processing, and/or distribution facilities.

**B. Critical Capacity – Rapidly and effectively investigate and respond to a potential terrorist event, as evidenced by ongoing effective local response to naturally occurring individual cases of urgent public health importance, outbreaks of disease, and emergency public health interventions such as emergency chemoprophylaxis or immunization activities.**

1. Achieve 24/7 capacity for immediate response to reports of urgent cases, outbreaks, or other public health emergencies.
2. Assess the adequacy of local public health response to outbreaks of disease and other public health emergencies.
3. Assess and strengthen links with animal surveillance systems and the animal health community.

## **FOCUS AREA C: LABORATORY CAPACITY – BIOLOGIC AGENTS**

**A. Critical Capacity – Develop and implement a local program to ensure rapid and effective laboratory services in support of the response to bioterrorism, and other infectious disease outbreaks, public health threats and emergencies.**

1. Prepare a timeline for the development of a plan to improve relationships and communications between the local health jurisdiction and Level A laboratories and Level B/C laboratories to ensure that Level A laboratories maintain core capability to: a) perform rule-out testing on critical BT agents; b) safely package and handle specimens; and c) refer to higher level laboratories for further testing.  
(*Critical Benchmark #10*)
2. Develop an integrated response plan that directs how laboratories at the local level will respond to a bioterrorism incident including: a) roles and responsibilities, b) inter- and intra-jurisdictional surge capacity, c) how the plan integrates with other local emergency response efforts, d) protocols for safe transport of specimens by air and ground, and e) how lab results will be reported and shared with state and other local public health and law enforcement agencies. (*Link with FOCUS AREAS A, B, and F*)

3. Establish and enhance operational relationships with local members of HazMat teams, first responders, and FBI to provide laboratory support for their response to bioterrorism including environmental testing and chain-of-custody procedures.
  - Cross-train personnel in each discipline.
  - Establish designated points of contact within these groups.
  - Jointly sponsor conferences and workshops.
4. Enhance relationships with community laboratory practitioners, university laboratories, and infectious disease physicians through participation in infectious disease rounds and conferences.
5. Develop a protocol for tracking and safe handling, packaging, and transport of chemical agents that might be present in human blood and urine samples.

**B. Critical Capacity – For local health jurisdictions with a public health laboratory, as a member of the Laboratory Response Network (LRN), ensure adequate and secure laboratory facilities, reagents, and equipment to rapidly detect and correctly identify biological agents likely to be used in a bioterrorist incident.**

1. Develop operational plans and protocols that:
  - Address issues relating to specimen/sample transport and handling.
  - Fully address worker safety.
  - Ensure appropriate Bio-Safety Level (BSL) working conditions.
  - Provide for appropriate and adequate staffing and training of personnel.
  - Address quality control and assurance (adherence to and validation of laboratory methods and protocols).
  - Ensure internal and external proficiency testing.
  - Develop and implement a triage procedure for prioritizing intake and testing of specimens/samples before analysis.
  - Ensure secure storage of critical agents.
  - Assess the level of supplies and equipment needed to respond to a disease outbreak or bioterrorism event.
  - Ensure appropriate levels of supplies and equipment are available, with a strong emphasis on surge capacities needed to effectively respond to a bioterrorism incident.
2. Ensure capacity exists for LRN-validated testing of the following BT threat agents on the Category A list:
  - a) *Bacillus anthracis*,
  - b) *Yersinia pestis*,
  - c) *Francisella tularensis*,
  - d) *Clostridium botulinum* toxin
  - e) Other Level B and C protocols as they are approved.

3. Conduct at least one simulation exercise per year that specifically tests laboratory readiness and capability to detect and identify at least one BT threat agent on the Category A list.
4. Ensure consistent laboratory security.
  - Utilize Bio-safety in Microbiological and Biomedical Laboratories, 4<sup>th</sup> Edition” (BMBL) Guidelines for local laboratory security.
  - Enhance local lab security as needed through use of video surveillance, perimeter security, and screening for radiological, explosive, and chemical risk of specimens prior to biologic analysis,
5. Enhance electronic communications within the LRN to enable network capacity monitoring, BT sentinel surveillance, support of proficiency-testing, and multi-center validation studies for new methods; laboratories should have appropriate computer equipment and high-speed Internet connectivity to access the LRN’s protocols, reagents, and lab user applications. *(Link with FOCUS AREA E)*

## **FOCUS AREA E: HEALTH ALERT NETWORK/COMMUNICATIONS AND INFORMATION TECHNOLOGY**

- A. Critical Capacity – Ensure effective communications connectivity between the local public health department, the CDHS, healthcare organizations, law enforcement organizations, public officials, and others as evidenced by: a) continuous high-speed connectivity to the internet, b) routine use of e-mail for notification of alerts and other critical communications, and c) a directory of public health participants, their roles, and contact information.**
1. Prepare a timeline for a plan that ensures that 90 percent of the population in the jurisdiction is covered by the Health Alert Network.  
***(Critical Benchmark #1 1)***
  2. Prepare a timeline for the development of a communications system that provides a 24/7 flow of critical health information among hospital emergency departments, state and local health officials, public health laboratories, and law enforcement officials.  
***(Critical Benchmark #12)***
  3. Assess and inventory existing communication connectivity at the local level in relation to CDC’s IT Function and Specifications Standards.
    - Ensure that at least 90% of local population can be reached to inform them of information concerning bioterrorism activities.
    - Provide 24/7 flow of critical health information and alerts from local health departments to hospital emergency rooms, law enforcement and other local partners.
  4. Maintain updated directories of local partners.

**B. Critical Capacity – Ensure a method of emergency communication for participants in public health emergency response that is fully redundant with e-mail.**

1. Assess local redundant communication device capacities.
  - Assess and improve two-way radios, cell phones, voice mail boxes, satellite phones, or wireless messaging capacities.
  - Assess and improve broadcast and/or autodial functions to automatically distribute alerts and messages to the communication devices.
  - Assess and improve the capacity to link to emergency communication systems of state and local emergency response partners.
2. Routinely assess the timeliness and completeness of the local redundant capacities to reach participants in public health response.

**C. Critical Capacity – Ensure the ongoing protection of critical data and information systems and capabilities for continuity of operations.**

1. Assess and improve the existing local policies and procedures for protecting and granting access to secure systems for the management of secure information, system backup and system redundancy.
2. Perform regular independent validation and verification of internet security, vulnerability assessment, and security and continuity of operations practices and rapidly implement recommended remedial activities.

**D. Critical Capacity – Ensure secure electronic exchange of clinical, laboratory, environmental, and other public health information in standard formats between the computer systems of public health partners. Achieve this capacity according to the relevant **IT** Functions and Specifications**

1. Assess and propose improvements to the existing capacity at the local level to exchange electronic data in compliance with public health information and data elements exchange standards, vocabularies, and specifications as referenced in the National Electronic Disease Surveillance System (NEDSS) initiative.
2. Ensure that the technical infrastructure exists to exchange a variety of data types, including possible cases, possible contacts, specimen information, environmental sample information, lab results, facilities, and possible threat information.
3. Regularly confirm the successful transmission and receipt of information to and from public health partners.

## FOCUS AREA F: RISK COMMUNICATION AND HEALTH INFORMATION DISSEMINATION (PUBLIC INFORMATION AND COMMUNICATION)

- A. Critical Capacity – Provide needed **health/risk** information to the public and key partners during a terrorism event by establishing critical baseline information about the current communication needs and barriers within individual communities, and identifying effective channels of communication for reaching the general public and special populations during public health threats and emergencies.
1. Develop an interim plan for risk communication and information dissemination at the local level to educate the public about exposure risks and effective public response. (*Link with FOCUS AREA A*)  
**(Critical Benchmark #13)**
  2. Conduct a needs assessment to evaluate the communication and information needs for health and risk information for public health threats and emergencies at the local level.
  3. Review appropriate risk communication strategies and resources from the private sector, the media, and state and federal emergency management sources, including the CDC Public Health Preparedness and Response Web site, other national Web sites, state and local Health Alert Networks, online and hard-copy “bulletin boards,” hotlines and clearinghouses, and other tested communication strategies and concepts.
  4. Develop a plan and implement effective channels of communication at the local level to reach the general public and special populations during public health emergencies.
  5. Identify local key public health spokespersons and ensure their competency, awareness, and ongoing training necessary to effectively and accurately deliver public health emergency information especially in times of crisis.

## FOCUS AREA G: EDUCATION AND TRAINING

- A. Critical Capacity – Ensure the delivery of appropriate education and training to key public health professionals, infectious disease specialists, emergency department personnel, and other healthcare providers in preparedness for and response to bioterrorism, other infectious disease outbreaks, and other public health threats and emergencies.
1. Prepare a timeline to assess training needs at the local level with special emphasis on emergency department personnel, infectious disease specialists, public health staff, and other health care providers.  
**(Critical Benchmark #14)**

2. Assess and improve the existing capacity to conduct a training needs assessment and planning for public health and private professionals, and to provide access to training in bioterrorism, other infectious disease outbreaks, and other public health threats and emergencies.
3. Develop an ongoing plan to meet local training needs through multiple sources.
  - Coordinate with schools of public health and medicine, academic health centers, and CDC training networks.
  - Develop formal partnerships with schools of public health and medicine, other academic institutions, and other organizations that provide education and training.
4. Develop the capacity at the local level to facilitate or provide education and training sessions and services on bioterrorism, and other infectious disease outbreaks, public health threats and emergencies.
  - Provide a trained distance learning coordinator within the local health department.
  - Ensure access to distance learning capabilities, such as ability to receive satellite broadcasts.
  - Provide for a higher level of internet connectivity with video and imaging capacity to view live feeds.
5. Review training program content and curricula to ensure educational value.
  - Develop and provide training for a speakers' bureau.
  - Provide training in core public health skills to program staff.
  - Provide funding for critical program staff to attend training, including travel and registration fees.

# COUNTY OF SANTA CRUZ

## REQUEST FOR APPROVAL OF AGREEMENT

TO: Board of Supervisors  
County Administrative Office  
Auditor Controller

FROM: Health Services Agency (Department)  
BY: [Signature] (Signature) 5/30/02 (Date)  
Signature certifies that appropriations/revenues are available

AGREEMENT TYPE (Check One)

Expenditure Agreement ☐

Revenue Agreement ☒

The Board of Supervisors is hereby requested to approve the attached agreement and authorize the execution of same.

1. Said agreement is between the Health Services Agency - Public Health (Department/Agency) 94234  
and State of Calif. Dept. of Health Services, P.O. Box 242732, Sacramento, CA (Name/Address)
2. The agreement will provide funding for bioterrorism preparedness plan creation  
State contract 01-16572

3. Period of the agreement is from February 15, 2002 to August 31, 2003

4. Anticipated Cost is \$ \$93,797 ☐ Fixed ☐ Monthly Rate ☐ Annual Rate ☐ Not to Exceed

Remarks: \_\_\_\_\_

5. Detail: ☐ On Continuing Agreements List for FY \_\_\_\_\_, Page CC \_\_\_\_\_, Contract No: \_\_\_\_\_ OR ☐ 1<sup>st</sup> Time Agreement  
☐ Section II No Board letter required, will be listed under Item 8  
☐ Section III Board letter required  
☒ Section IV Revenue Agreement

6. Appropriations/Revenues are available and are budgeted in 362960 (Index) 1130 (Sub object)

NOTE: IF APPROPRIATIONS ARE INWFRICIENT, ATTACHED COMPLETED AUD-74 OR AUD-60

Appropriations ~~are~~ are not ~~available and~~ will be ~~have been~~ encumbered.

Contract No: R-776

By: [Signature]  
Auditor Controller Deputy

Date: 5/31/02

Proposal and accounting detail reviewed and approved. It is recommended that the Board of Supervisors approve the agreement and authorize

Health Services Administrator (Dept/Agency Head) to execute on behalf of the \_\_\_\_\_

Health Services Agency (Department/Agency)

Date: 6-0

By: [Signature]  
County Administrative Office

### Distribution:

Board of Supervisors - White  
Auditor Controller - Canary  
Auditor-Controller - Pink  
Department - Gold

State of California  
County of Santa Cruz

I \_\_\_\_\_ ex-officio Clerk of the Board of Supervisors of the County of Santa Cruz, State of California, do hereby certify that the foregoing request for approval of agreement was approved by said Board of Supervisors as recommended by the County Administrative Office by an order duly entered in the minutes of said Board on \_\_\_\_\_ 20\_\_\_\_

ADM - 29 (8/01)  
Title I, Section 300 Proc Man

By: Deputy Clerk

### AUDITOR-CONTROLLER USE ONLY

| CO                  | 8         |       |            |           |      |  |
|---------------------|-----------|-------|------------|-----------|------|--|
| Document No.        | JE Amount | Lines | H/TL       | Keyed By  | Date |  |
| TC110               | 8         |       |            |           |      |  |
| Auditor Description | Amount    | Index | Sub object | User Code |      |  |

AGREEMENT NUMBER  
**01-16572**

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

STATE AGENCY NAME

**California Department of Health Services**

CONTRACTOR'S NAME

**County of Santa Cruz**

2. The term of this **February 15, 2002** through **August 31, 2003**  
Agreement is:

3. The maximum amount **\$93,797**  
of this Agreement is: **Ninety three thousand, seven hundred ninety seven**

4. The parties agree to comply with the terms and conditions of the following exhibits which are by this reference made a part of the Agreement.

|                                                                                        |                               |
|----------------------------------------------------------------------------------------|-------------------------------|
| Exhibit A – Scope of Work                                                              | 4 pages                       |
| Exhibit B – Budget Detail and Payment Provisions                                       | 2 pages                       |
| Exhibit C* – General Terms and Conditions                                              | <b>GTC 201 dated 02/20/01</b> |
| Exhibit D (F) Special Terms and Conditions (Attached hereto as part of this agreement) | <b>26 pages</b>               |
| Exhibit E – Additional Provisions                                                      | <b>1 page</b>                 |
| Exhibit F – Contractor's Release                                                       | <b>1 page</b>                 |

*Items shown with an Asterisk (\*), are hereby incorporated by reference and made part of this agreement as if attached hereto.  
These documents can be viewed at [www.dgs.ca.gov/contracts](http://www.dgs.ca.gov/contracts)*

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

**CONTRACTOR**

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

**County of Santa Cruz**

Signed (Authorized Signature)

*[Signature]*

DATE SIGNED (Do not type)

PRINTED NAME AND TITLE OF PERSON SIGNING

**Chair, Board of Supervisors**

ADDRESS

**731 Ocean Street, Santa Cruz, CA 95060**

**STATE OF CALIFORNIA**

AGENCY NAME

**California Department of Health Services**

Signed (Authorized Signature)

*[Signature]*

DATE SIGNED (Do not type)

PRINTED NAME AND TITLE OF PERSON SIGNING

**Edward Stahlberg, Chief, Program Support Branch**

ADDRESS

**1800 3<sup>rd</sup> Street, Rm. 455, P. P. Box 942732, Sacramento, CA 94234-7320**

**California Department of General  
Services Use Only**

☐ Exempt per:



**Exhibit A**  
Scope of Work

0243

1. Contractor agrees to provide to the Department of Health Services (DHS) the services described herein.

Contractor shall:

- Develop and submit a Work Plan to address emergency response to local bioterrorism activities (90% of the total contract amount); and
  - Submit a proposed Bioterrorism Preparedness Plan, proposed budget, and budget justification. The proposed budget may include reimbursement of costs associated with addressing local bioterrorism activities that have occurred between September 11, 2001 and February 19, 2002 resulting from the September 11, 2001 attack on the United States (10% of the total contract amount).
2. The services shall be performed at applicable facilities in the County of Santa Cruz.
  3. The services shall be provided during normal County working hours and days, as well as other hours and days the County deems appropriate.
  4. The project representatives during the term of this agreement will be:

| <b>Department of Health Services</b>                                 | <b>Contractor</b>                                                      |
|----------------------------------------------------------------------|------------------------------------------------------------------------|
| Lynnette Freitag<br>Telephone: (916) 324-4003<br>Fax: (916) 324-7806 | David McNutt, M.D.<br>Telephone: (831) 454-4476<br>Fax: (831) 454-4488 |

Direct all inquiries to:

| <b>Department of Health Services</b>                                                                                                                                                                                    | <b>Contractor</b>                                                                                                                                                                |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Emergency Preparedness Office<br>Attention: Lynnette Freitag<br>601 North 7 <sup>th</sup> Street, MS 244<br>P.O. Box Number 942732<br>Sacramento, CA 94234-7320<br><br>Telephone: (916) 324-4003<br>Fax: (916) 324-7806 | Public Health<br>Attention: David McNutt, M.D.<br>1080 Emeline Ave., Rm 230<br>P.O. Box 962<br>Santa Cruz, CA 95061-0962<br><br>Telephone: (831) 454-4476<br>Fax: (831) 454-4488 |

Either party may make changes to the information above by giving written notice to the other party. Said changes shall not require an amendment to this agreement.

**5. Allowable Informal Scope of Work Changes**

- A. The Contractor or the State may propose informal changes or revisions to the activities, tasks, deliverables and/or performance time frames specified in the Scope of Work, provided such changes do not alter the overall goals and basic purpose of the agreement.
- B. Informal SOW changes may include the substitution of specified activities or tasks; the alteration or substitution of agreement deliverables and modifications to anticipated completion/target dates.
- C. Informal SOW changes, processed hereunder, shall not require a formal agreement amendment, provided the Contractor's annual budget does not increase or decrease as a result of the informal SOW change.

**Exhibit A**  
Scope of Work

0244

- D. Unless otherwise stipulated in this agreement, all informal SOW changes and revisions are subject to prior written approval by the State.
- E. In implementing this provision, the State may provide a format for the Contractor's use to request informal SOW changes. If no format is provided by the State, the Contractor may devise its own format for this purpose.

**6. Progress Reports**

- A. Contractor shall submit progress reports or attend meetings with state personnel at intervals determined by **DHS** to determine if the Contractor is on the right track, whether the project is on schedule, provide communication of interim findings, and afford occasions for airing difficulties or special problems encountered so that remedies can be developed quickly.

- 7. See the following pages for a detailed description of the services to be performed.

**Exhibit A**  
Scope of Work

**Goal / Task #1:** Submit a Work Plan that will result in the submission of a bioterrorism plan

| Major Objectives                                                                                                                                 | Major Functions, Tasks, and Activities                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Timeline                                                                                                         | Performance Measure and/or Deliverable                                                                                                                                                                                           |
|--------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Submit a Work Plan to address bioterrorism threats.</p> <p>Reimbursement for this task shall not exceed 90% of the total contract amount.</p> | <ol style="list-style-type: none"> <li>The work plan must clearly demonstrate the critical capacities and benchmarks established by the Centers for Disease Control and Prevention (CDC) for the Focus Areas described below.               <ol style="list-style-type: none"> <li>Preparedness Planning and Readiness Assessment</li> <li>Surveillance and Epidemiology Capacity</li> <li>Laboratory Capacity - Biologic Agents</li> <li>Laboratory Capacity - Chemical Agents (not included)</li> <li>Health Alert Network/Communications and Information Technology</li> <li>Risk Communication and Health Information Dissemination (Public Information and Communication)</li> <li>Education and Training</li> </ol> </li> <li>Each Focus Area includes <b>Critical Capacities</b>, which consist of core requirements that should be implemented as soon as possible to enable a local public health system to prepare for and respond to bioterrorism, infectious disease outbreaks, and other public health threats and emergencies.</li> <li>The Work Plan must comply with the CDC's "Guidance for Fiscal Year 2002 Supplemental Funds for Public Health Preparedness and Response for Bioterrorism", which is incorporated herein by this reference. This document and its attachments may be accessed at the following Internet site:<br/><a href="http://www.bt.cdc.gov/Planning/CoopAgreementAward/index.asp">http://www.bt.cdc.gov/Planning/CoopAgreementAward/index.asp</a></li> </ol> | <p>Within 30 calendar days after execution of the contract (i.e. final approvals obtained from all parties.)</p> | <p>Submission and acceptance of a Work Plan that complies with the cited federal guidelines.</p> <p>Submit 6 copies of the work plan to DHS' designated representative identified in Provision 4 on page 1 of this document.</p> |

0245

**Exhibit A**  
Scope of Work

**Goal / Task #2: Submit a proposed Bioterrorism Preparedness Plan**

| Major Objectives                                                                                                                                                                                                                                                    | Major Functions, Tasks, and Activities                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Timeline                    | Performance Measure and/or Deliverable                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Develop comprehensive, strategic Bioterrorism Preparedness Plan that outlines the specific core activities, interventions, and collaborations that are planned.</p> <p><b>Reimbursement for this task shall not exceed 10% of the total contract amount.</b></p> | <ol style="list-style-type: none"> <li>1. The Bioterrorism Preparedness Plan must clearly include details for implementation along with proposed timelines and anticipated funding needs.</li> <li>2. Identify implementation priorities, specific proposed timelines for completing the actions indicated for each critical capacity and include measurable milestones that will trigger completion of each of the proposed actions and/or functions.</li> <li>3. Include a proposed budget by funded focus area that will show how you propose to allocate costs associated with the development and implementation of the Bioterrorism Preparedness Plan.<br/><br/>The proposed budget may include reimbursement of costs associated with addressing local bioterrorism activities that have occurred between September 11, 2001 and February 19, 2002 resulting from the September 11, 2001 attack on the United States.<br/><br/>Unless advance written approval is obtained from DHS, no more than 10% of the total contract amount can be allocated to county/city public health bioterrorism related costs incurred between 9-11-01 and 2-19-02.</li> <li>4. Include a narrative budget justification for all major expenditures within each focus area.</li> </ol> | <p>Submittal by 9-15-02</p> | <p>Submission of a Bioterrorism Preparedness Plan that will address capacities and benchmarks as identified in the previously submitted Work Plan.</p> <ul style="list-style-type: none"> <li>• The Bioterrorism Preparedness Plan will be evaluated by DHS for compliance with applicable federal guidelines and the State's plan submitted to the CDC.</li> </ul> <p>Submission of a proposed budget for future funding and a narrative budget justification.</p> <ul style="list-style-type: none"> <li>▪ The proposed budget and budget justification will be evaluated by DHS for compliance with applicable OMB circulars, federal guidelines, and DHS directives.</li> </ul> <p style="text-align: right;">0246</p> |

**Exhibit B**  
Budget Detail and Payment Provisions

3247

**1. Invoicing and Payment**

A. For services satisfactorily rendered, and upon receipt and approval of the invoices, the State agrees to compensate the Contractor for actual expenditures incurred in accordance with the rates specified herein.

B. Invoices shall include the Agreement Number and shall be submitted in triplicate to:

Department of Health Services  
Emergency Preparedness Office  
Attn: Lynnette Freitag  
601 North 7<sup>th</sup> Street, MS 244  
P.O. Box 942732  
Sacramento, CA 94234-7320

C. Invoices shall:

- 1) Be prepared on the Contractor's letterhead
- 2) Use the Contractor's name as shown on the agreement
- 3) Identify the billing and/or performance period covered by the invoice
- 4) Itemize allowable costs for the billing period
- 5) Be signed by an authorized official, employee or agent certifying that the expenditures claimed represent actual expenses for the service performed under this contract.

D. **This is fixed price agreement.** Payments shall be made incrementally upon receipt of an invoice following completion of the following tasks:

- 1) Submission and acceptance of a Work Plan that results in a Bioterrorism Preparedness Plan. Up to 90% of the total contract amount can be invoiced upon completion of this task.
- 2) Submission and acceptance of a proposed Bioterrorism Preparedness Plan, budget and budget justification by DHS.

Unless advance written approval is obtained from DHS, no more than 10% of the total contract amount can be allocated to county/city public health bioterrorism related costs incurred between 9-11-01 and 2-19-02. Contractor shall maintain on file for audit purposes adequate substantiation to show that each cost claimed was indeed incurred for bioterrorism activities and the expense was incurred in the wake of September 11, 2001.

**E. Future Funding**

DHS cannot assure the Contractor a set amount of funding or funding at a level that will fully cover all expenses associated with implementation of the Contractor's DHS approved Bioterrorism Preparedness Plan.

**2. Budget Contingency Clause**

A. It is mutually agreed that if the Budget Act of the current year and/or any subsequent years covered under this Agreement does not appropriate sufficient funds for the program, this Agreement shall be of no further force and effect. In this event, the State shall have no

**Exhibit B**  
Budget Detail and Payment Provisions

0248

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.

- B. If funding for any fiscal year is reduced or deleted by the Budget Act for purposes of this program, the State shall have the option to either cancel this Agreement with no liability occurring to the State, or offer an agreement amendment to Contractor to reflect the reduced amount.

**3. 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.

**4. Timely Submission of Final Invoice**

- A. A final undisputed invoice shall be submitted for payment no more than thirty (30) calendar days following the expiration or termination date of this agreement, unless a later or alternate deadline is agreed to in writing by the program contract manager. Said invoice should be clearly marked "Final Invoice", thus indicating that all payment obligations of the State under this agreement have ceased and that no further payments are due or outstanding.
- B. The State may, at its discretion, choose not to honor any delinquent final invoice if the Contractor fails to obtain prior written State approval of an alternate final invoice submission deadline. Written State approval shall be sought from the program contract manager prior to the expiration or termination date of this agreement.
- C. The Contractor is hereby advised of its obligation to submit, with the final invoice, a "**Contractor's Release (Exhibit F)**" acknowledging submission of the final invoice to the State and certifying the approximate percentage amount, if any, of recycled products used in performance of this agreement.

0249

California Home

Thursda



GTC201

## EXHIBIT C

## GENERAL TERMS AND CONDITIONS

1. **APPROVAL:** This Agreement is of no force or effect until signed by both parties and approved by the Department of General Services, if required. Contractor may not commence performance until such approval has been obtained.

2. **AMENDMENT:** No amendment or variation of the terms of this Agreement shall be valid unless made in writing, signed by the parties and approved as required. No oral understanding or Agreement not incorporated in the Agreement is binding on any of the parties.

3. **ASSIGNMENT:** This Agreement is not assignable by the Contractor, either in whole or in part, without the consent of the State in the form of a formal written amendment.

4. **AUDIT:** Contractor agrees that the awarding department, the Department of General Services, the Bureau of State Audits, or their designated representative shall have the right to review and to copy any records and supporting documentation pertaining to the Performance of this Agreement. Contractor agrees to maintain such records for possible audit for a minimum of three (3) years after final payment, unless a longer period of records retention is stipulated. Contractor agrees to allow the auditor(s) access to such records during normal business hours and to allow interviews of any employees who might reasonably have information related to such records. Further, Contractor agrees to include a similar right of the State to audit records and interview staff in any subcontract related to performance of this Agreement. (GC 8546.7, PCC 10115 et seq., CCR Title 2, Section 1896).

5. **INDEMNIFICATION:** Contractor agrees to indemnify, defend and save harmless the State, its officers, agents and employees from any and all claims and losses accruing or resulting to any and all contractors, subcontractors, suppliers, laborers, and any other person, firm or corporation furnishing or supplying work services, materials, or supplies in connection with the performance of this Agreement, and from any and all claims and losses accruing or resulting to any person, firm or corporation who may be injured or damaged by Contractor in the performance of this Agreement.

6. **DISPUTES:** Contractor shall continue with the responsibilities under this Agreement during any dispute,

7. **TERMINATION FOR CAUSE:** The State may terminate this Agreement and be relieved of any payments should the Contractor fail to perform the requirements of this Agreement at the time and in the manner herein provided. In the event of such termination the State may proceed with the work in any manner deemed proper by the State. All costs to the State shall be deducted from any sum due the Contractor under this Agreement and the balance, if any, shall be paid to the Contractor upon demand.

8. **INDEPENDENT CONTRACTOR:** Contractor, and the agents and employees of Contractor, in the performance of this Agreement, shall act in an independent capacity and not as officers or employees or agents of the State.

9. **RECYCLING CERTIFICATION:** The Contractor shall certify in writing under penalty of perjury, the minimum, if not exact, percentage of recycled content, both post consumer waste and secondary waste as defined in the Public Contract Code, Sections 12161 and 12200, in materials, goods, or supplies offered or products used in the performance of this Agreement, regardless of whether the product meets the required recycled product percentage as defined in the Public Contract Code, Sections 12161 and 12200. Contractor may certify that the product contains zero recycled content. (PCC 10233, 10308.5, 10354)

10. **NON-DISCRIMINATION CLAUSE:** During the performance of this Agreement, Contractor and its subcontractors shall not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of sex, race, color, ancestry, religious creed, national origin, physical disability (including HIV and AIDS), mental disability, medical condition (cancer), age (over 40), marital status, and denial of family care leave. Contractor and subcontractors shall insure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment. Contractor and subcontractors shall comply with the provisions of the Fair Employment and Housing Act (Government Code Section 12990 (a-9 et seq.) and the applicable regulations promulgated thereunder (California Code of Regulations, Title 2, Section 7285 et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code Section

29

0250

12990 (a-9, set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations, are incorporated into this Agreement by reference and made a part hereof as if set forth in full. Contractor and its subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other Agreement.

Contractor shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under the Agreement.

11. CERTIFICATION CLAUSES: The CONTRACTOR CERTIFICATION CLAUSES contained in the document CCC201 are hereby incorporated by reference and made a part of this Agreement by this reference as if attached hereto.

12. TIMELINESS: Time is of the essence in this Agreement.

13. COMPENSATION: The consideration to be paid Contractor, as provided herein, shall be in compensation for all of Contractor's expenses incurred in the performance hereof, including travel, per diem, and taxes, unless otherwise expressly so provided.

14. GOVERNING LAW: This contract is governed by and shall be interpreted in accordance with the laws of the State of California.

15. ANTITRUST CLAIMS: The Contractor by signing this agreement hereby certifies that if these services or goods are obtained by means of a competitive bid, the Contractor shall comply with the requirements of the Government Codes Sections set out below.

a. The Government Code Chapter on Antitrust claims contains the following definitions:

1). "Public purchase" means a purchase by means of competitive bids of goods, services, or materials by the State or any of its political subdivisions or public agencies on whose behalf the Attorney General may bring an action pursuant to subdivision (c) of Section 16750 of the Business and Professions Code.

2). "Public purchasing body" means the State or the subdivision or agency making a public purchase. Government Code Section 4550.

b. In submitting a bid to a public purchasing body, the bidder offers and agrees that if the bid is accepted, it will assign to the purchasing body all rights, title, and interest in and to all causes of action it may have under Section 4 of the Clayton Act (15 U.S.C. Sec. 15) or under the Cartwright Act (Chapter 2 (commencing with Section 16700) of Part 2 of Division 7 of the Business and Professions Code), arising from purchases of goods, materials, or services by the bidder for sale to the purchasing body pursuant to the bid. Such assignment shall be made and become effective at the time the purchasing body tenders final payment to the bidder. Government Code Section 4552.

c. If an awarding body or public purchasing body receives, either through judgment or settlement, a monetary recovery for a cause of action assigned under this chapter, the assignor shall be entitled to receive reimbursement for actual legal costs incurred and may, upon demand, recover from the public body any portion of the recovery, including treble damages, attributable to overcharges that were paid by the assignor but were not paid by the public body as part of the bid price, less the expenses incurred in obtaining that portion of the recovery. Government Code Section 4553.

d. Upon demand in writing by the assignor, the assignee shall, within one year from such demand, reassign the cause of action assigned under this part if the assignor has been or may have been injured by the violation of law for which the cause of action arose and (a) the assignee has not been injured thereby, or (b) the assignee declines to file a court action for the cause of action. See Government Code Section 4554.

16. CHILD SUPPORT COMPLIANCE ACT: "For any Agreement in excess of \$100,000, the contractor acknowledges in accordance with, that:

a). The contractor recognizes the importance of child and family support obligations and shall fully comply with all applicable state and federal laws relating to child and family support enforcement, including, but not limited to, disclosure of information and compliance with earnings assignment orders, as provided in Chapter 8 (commencing with section 5200) of Part 5 of Division 9 of the Family Code; and

b) The contractor, to the best of its knowledge is fully complying with the earnings assignment orders of all employees and is providing the names of all new employees to the New Hire Registry maintained by the California Employment Development Department."

17. UNENFORCEABLE PROVISION: In the event that any provision of this Agreement is unenforceable or held to be unenforceable, then the parties agree that all other provisions of this Agreement have force and effect and shall not be effected thereby.

18. UNION ORGANIZING For all contracts, except fixed price contracts of \$50,000 or less, the Contractor acknowledges that:

By signing this agreement Contractor hereby acknowledges the applicability of Government Code Section 16645



0251

through Section 16649 to this agreement and agrees to the following:

- a) Contractor will not assist, promote or deter union organizing by employees performing work on a state service contract, including a public works contract.
- b) No state funds received under this agreement will be used to assist, promote or deter union organizing.
- c) Contractor will not, for any business conducted under this agreement, use any state property to hold meetings with employees or supervisors, if the purpose of such meetings is to assist, promote or deter union organizing, unless the state property is equally available to the general public for holding meetings.
- d) If Contractor incurs costs, or makes expenditures to assist, promote or deter union organizing, Contractor will maintain records sufficient to show that no reimbursement from state funds has been sought for these costs, and that Contractor shall provide those records to the Attorney General upon request.

Updated :4/30/2002

[Back to Top of Page](#)

© 2000 State of California. Gray Davis, Governor. [Conditions of Use](#) [Privacy Policy](#)

**Special Terms and Conditions**

0252

(For federally funded service contracts and grant awards)

The use of headings or titles throughout this exhibit is for convenience only and shall not be used to interpret or to govern the meaning of any specific term or condition. The terms "contract", "Contractor" and "Subcontractor" shall also mean "grant", "Grantee" and "Subgrantee" respectively.

**Index of Special Terms and Conditions**

|                                                                   |                                                         |
|-------------------------------------------------------------------|---------------------------------------------------------|
| 1. Federal Equal Employment Opportunity Requirements              | 18. Novation Requirements                               |
| 2. Travel and Per Diem Reimbursement                              | 19. Debarment and Suspension Certification              |
| 3. Procurement Rules                                              | 20. Smoke-Free Workplace Certification                  |
| 4. Equipment Ownership / Inventory / Disposition                  | 21. Covenant Against Contingent Fees                    |
| 5. Subcontract Requirements                                       | 22. Payment Withholds                                   |
| 6. Income Restrictions                                            | 23. Performance Evaluation                              |
| 7. Audit and Record Retention                                     | 24. Officials Not to Benefit                            |
| 8. Site Inspection                                                | 25. Year 2000 Compliance                                |
| 9. Federal Contract Funds                                         | 26. Prohibited Use of State Funds for Software          |
| 10. Intellectual Property Rights                                  | 27. University of California Mutual Indemnification     |
| 11. Air or Water Pollution Requirements                           | 28. Use of Small, Minority Owned and Women's Businesses |
| 12. Prior Approval of Training Seminars, Workshops or Conferences | 29. Alien Ineligibility Certification                   |
| 13. Confidentiality of Information                                | 30. Union Organizing                                    |
| 14. Documents, Publications, and Written Reports                  | 31. Contract Uniformity (Fringe Benefit Allowability)   |
| 15. Dispute Resolution Process                                    | 32. Lobbying Restrictions and Disclosure Certification  |
| 16. Financial and Compliance Audit Requirements                   |                                                         |
| 17. Human Subjects Use Requirements                               |                                                         |

**1. Federal Equal Opportunity Requirements**

0253

(Applicable to all federally funded agreements.)

- a. The Contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, national origin, physical or mental handicap, disability, age or status as a disabled veteran or veteran of the Vietnam era. The Contractor will take affirmative action to ensure that qualified applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, national origin, physical or mental handicap, disability, age or status as a disabled veteran or veteran of the Vietnam era. Such action shall include, but not be limited to the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and career development opportunities and selection for training, including apprenticeship. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Federal Government or DHS, setting forth the provisions of the Equal Opportunity clause, Section 503 of the Rehabilitation Act of 1973 and the affirmative action clause required by the Vietnam Era Veterans' Readjustment Assistance Act of 1974 (38 U.S.C. 4212). Such notices shall state the Contractor's obligation under the law to take affirmative action to employ and advance in employment qualified applicants without discrimination based on their race, color, religion, sex, national origin physical or mental handicap, disability, age or status as a disabled veteran or veteran of the Vietnam era and the rights of applicants and employees.
- b. The Contractor will, in all solicitations or advancements for employees placed by or on behalf of the Contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, national origin physical or mental handicap, disability, age or status as a disabled veteran or veteran of the Vietnam era.
- c. The Contractor will send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding a notice, to be provided by the Federal Government or the State, advising the labor union or workers' representative of the Contractor's commitments under the provisions herein and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
- d. The Contractor will comply with all provisions of and furnish all information and reports required by Section 503 of the Rehabilitation Act of 1973, as amended, the Vietnam Era Veterans' Readjustment Assistance Act of 1974 (38 U.S.C. 4212) and of the Federal Executive Order No. 11246 as amended, and of the rules, regulations, and relevant orders of the Secretary of Labor.
- e. The Contractor will furnish all information and reports required by Federal Executive Order No. 11246 as amended, and the Rehabilitation Act of 1973, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to its books, records, and accounts by the State and its designated representatives and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.
- f. In the event of the Contractor's noncompliance with the requirements of the provisions herein or with any federal rules, regulations, or orders which are referenced herein, this agreement may be cancelled, terminated, or suspended in whole or in part and the Contractor may be declared ineligible for further federal and state contracts in accordance with procedures authorized in Federal Executive Order No. 11246 as amended and such other sanctions may be imposed and remedies invoked as provided in Federal Executive Order No. 11246 as amended, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.
- g. The Contractor will include the provisions of Paragraphs a through g in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to Federal Executive Order No. 11246 as amended, or Section 503 of the Rehabilitation Act of 1973 or (38 U.S.C. 4212) of the Vietnam Era Veteran's Readjustment Assistance Act, so

that such provisions will be binding upon each subcontractor or vendor. The Contractor will take such action with respect to any subcontract or purchase order as the Director of the Office of Federal Contract Compliance Programs or DHS may direct as a means of enforcing such provisions including sanctions for noncompliance provided, however, that in the event the Contractor becomes involved in, or is threatened with litigation by a subcontractor or vendor as a result of such direction by DHS, the Contractor may request in writing to DHS, who, in turn, may request the United States to enter into such litigation to protect the interests of the State and of the United States.

0254

## 2. Travel and Per Diem Reimbursement

(Applicable if travel and/or per diem expenses are reimbursed with contract funds.)

Reimbursement for travel and per diem expenses from DHS under this agreement shall, unless otherwise specified in this agreement, be at the rates currently in effect, as established by the California Department of Personnel Administration (DPA), for nonrepresented state employees. If the DPA rates change during the term of the agreement, the new rates shall apply upon their effective date and no amendment to this agreement shall be necessary. Exceptions to DPA rates may be approved by DHS upon the submission of a statement by the Contractor indicating that such rates are not available to the Contractor. No travel outside the State of California shall be reimbursed without prior written authorization from DHS.

## 3. Procurement Rules

(Applicable to all agreements in which equipment, miscellaneous property, commodities and/or supplies are furnished by DHS or expenses for said items are reimbursed with state or federal funds.)

### a. Equipment definitions

Wherever the term equipment and/or miscellaneous property is used, the following definitions shall apply:

- (1) **Major equipment:** A tangible or intangible item having a base unit cost of **\$5,000 or more** with a life expectancy of one (1) year or more and is either furnished by DHS or the cost is reimbursed through this agreement. Software and videos are examples of intangible items that meet this definition.
- (2) **Minor equipment:** A tangible item having a base unit cost of **less than \$5,000** with a life expectancy of one (1) year or more that is listed on the DHS Asset Management Unit's Minor Equipment List and is either furnished by **DHS** or the cost is reimbursed through this agreement. Contractors may obtain a copy of the Minor Equipment List by making a request through the DHS program contract manager.
- (3) **Miscellaneous property:** A specific tangible item with a life expectancy of one (1) year or more that is either furnished by DHS or the cost is reimbursed through this agreement. Examples include, but are not limited to: furniture (excluding modular furniture), cabinets, typewriters, desktop calculators, portable dictators, non-digital cameras, etc.

- b. **Government and public entities** (including state colleges/universities and auxiliary organizations), whether acting as a contractor and/or subcontractor, may secure all commodities, supplies, equipment and services related to such purchases that are required in performance of this agreement. Said procurements are subject to Paragraphs d through h of Provision 3. Paragraph c of Provision 3 shall also apply, if equipment purchases are delegated to subcontractors that are nonprofit organizations or commercial businesses.

- c. **Nonprofit organizations and commercial businesses**, whether acting as a contractor and/or subcontractor, may secure commodities, supplies, equipment and services related to such

purchases for performance under this agreement.

0255

**(1) Equipment purchases shall not exceed \$50,000 annually.**

To secure equipment above the annual maximum limit of \$50,000, the Contractor shall make arrangements through the appropriate DHS program contract manager, to have all remaining equipment purchased through DHS' Purchasing Unit. The cost of equipment purchased by or through DHS shall be deducted from the funds available in this agreement. Contractor shall submit to the DHS program contract manager a list of equipment specifications for those items that the State must procure. The State may pay the vendor directly for such arranged equipment purchases and title to the equipment will remain with DHS. The equipment will be delivered to the Contractor's address, as stated on the face of the agreement, unless the Contractor notifies the DHS program contract manager, in writing, of an alternate delivery address.

**(2) All equipment purchases are subject to Paragraphs d through h of Provision 3. Paragraph b of Provision 3 shall also apply, if equipment purchases are delegated to subcontractors that are either a government or public entity.**

**(3) Nonprofit organizations and commercial businesses, shall use a procurement system that meets the following standards:**

(a) Maintain a code or standard of conduct that shall govern the performance of its officers, employees, or agents engaged in awarding procurement contracts. No employee, officer, or agent shall participate in the selection, award, or administration of a procurement contract in which, to his or her knowledge, he or she has a financial interest.

(b) Procurements shall be conducted in a manner that provides, to the maximum extent practical, open, and free competition.

(c) Procurements shall be conducted in a manner that provides for all of the following:

[1] Avoid purchasing unnecessary or duplicate items.

[2] Equipment solicitations shall be based upon a clear and accurate description of the technical requirements of the goods to be procured.

[3] Take positive steps to utilize small and veteran owned businesses.

d. Unless waived or otherwise stipulated in writing by DHS, prior written authorization from the appropriate DHS program contract manager will be required before the Contractor will be reimbursed for any purchase of \$5,000 or more for commodities, supplies, equipment, and services related to such purchases. The Contractor must provide in its request for authorization all particulars necessary, as specified by DHS, for evaluating the necessity or desirability of incurring such costs. The term "purchase" excludes the purchase of services from a subcontractor and public utility services at rates established for uniform applicability to the general public.

e. In special circumstances, determined by DHS (e.g., when DHS has a need to monitor certain purchases, etc.), DHS may require prior written authorization and/or the submission of paid vendor receipts for any purchase, regardless of dollar amount. DHS reserves the right to either deny claims for reimbursement or to request repayment for any Contractor and/or subcontractor purchase that DHS determines to be unnecessary in carrying out performance under this agreement.

f. The Contractor and/or subcontractor must maintain a copy or narrative description of the procurement system, guidelines, rules, or regulations that will be used to make purchases under

this agreement. The State reserves the right to request a copy of these documents and to inspect the purchasing practices of the Contractor and/or subcontractor at any time. 0256

- g. For all purchases, the Contractor and/or subcontractor must maintain copies of all paid vendor invoices, documents, bids and other information used in vendor selection, for inspection or audit. Justifications supporting the absence of bidding (i.e., sole source purchases) shall also be maintained on file by the Contractor and/or subcontractor for inspection or audit.
- h. DHS may, with cause (e.g., with reasonable suspicion of unnecessary purchases or use of inappropriate purchase practices, etc.), withhold, cancel, modify, or retract the delegated purchase authority granted under Paragraphs b and/or c of Provision 3 by giving the Contractor no less than 30 calendar days written notice.

#### 4. Equipment Ownership / Inventory / Disposition

(Applicable to agreements in which equipment and/or miscellaneous property is furnished by DHS and/or when said items are purchased or reimbursed with state or federal funds.)

- a. Wherever the term equipment and/or miscellaneous property is used in Provision 4, the definitions in Provision 3, Paragraph a shall apply.

All equipment and/or miscellaneous property that are purchased/reimbursed with agreement funds or furnished by DHS under the terms of this agreement and not fully consumed in performance of this agreement shall be considered state equipment and the property of DHS.

- (1) DHS requires the reporting, tagging and annual inventorying of all equipment and/or miscellaneous property that is furnished by DHS or purchased/reimbursed with funds provided through this agreement.

Upon receipt of equipment and/or miscellaneous property, the Contractor shall report the receipt to the DHS program contract manager. To report the receipt of said items and to receive property tags, Contractor shall use a form or format designated by DHS' Asset Management Unit. If the appropriate form (i.e., Contractor Equipment Purchased with DHS Funds) does not accompany this agreement, Contractor shall request a copy from the DHS program contract manager.

- (2) If the Contractor enters into an agreement with a term of more than twelve months, the Contractor shall submit an annual inventory of state equipment and/or miscellaneous property to the DHS program contract manager using a form or format designated by DHS' Asset Management Unit. If an inventory report form (i.e., Inventory/Disposition of DHS-Funded Equipment) does not accompany this agreement, Contractor shall request a copy from the DHS program contract manager. Contractor shall:

- (a) Include in the inventory report, equipment and/or miscellaneous property in the Contractor's possession and/or in the possession of a subcontractor (including independent consultants).
- (b) Submit the inventory report to DHS according to the instructions appearing on the inventory form or issued by the DHS program contract manager.
- (c) Contact the DHS program contract manager to learn how to remove, trade-in, sell, transfer or survey off, from the inventory report, expired equipment and/or miscellaneous property that is no longer wanted, usable or has passed its life expectancy. Instructions will be supplied by DHS' Asset Management Unit.

- b. Title to state equipment and/or miscellaneous property shall not be affected by its incorporation or attachment to any property not owned by the State.

- c. Unless otherwise stipulated, DHS shall be under no obligation to pay the cost of restoration, or rehabilitation of the Contractor's and/or Subcontractor's facility which may be affected by the removal of any state equipment and/or miscellaneous property. 0257
- d. The Contractor and/or Subcontractor shall maintain and administer a sound business program for ensuring the proper use, maintenance, repair, protection, insurance and preservation of state equipment and/or miscellaneous property.
- (1) In administering this provision, DHS may require the Contractor and/or Subcontractor to repair or replace, to DHS' satisfaction, any damaged, lost or stolen state equipment and/or miscellaneous property. Contractor and/or Subcontractor shall immediately file a theft report with the appropriate police agency or the California Highway Patrol and Contractor shall promptly submit one copy of the theft report to the DHS program contract manager.
- e. Unless otherwise stipulated by the program funding this agreement, equipment and/or miscellaneous property purchased/reimbursed with agreement funds or furnished by DHS under the terms of this agreement, shall only be used for performance of this agreement or another DHS agreement.
- f. Within sixty (60) calendar days prior to the termination or end of this agreement, the Contractor shall provide a final inventory report of equipment and/or miscellaneous property to the DHS program contract manager and shall, at that time, query DHS as to the requirements, including the manner and method, of returning state equipment and/or miscellaneous property to DHS. Final disposition of equipment and/or miscellaneous property shall be at DHS expense and according to DHS instructions. Equipment and/or miscellaneous property disposition instructions shall be issued by DHS immediately after receipt of the final inventory report. At the termination or conclusion of this agreement, DHS may at its discretion, authorize the continued use of state equipment and/or miscellaneous property for performance of work under a different DHS agreement.
- g. **Motor Vehicles**

(Applicable only if motor vehicles are purchased/reimbursed with agreement funds or furnished by DHS under this agreement.)

- (1) If motor vehicles are purchased/reimbursed with agreement funds or furnished by DHS under the terms of this agreement, within thirty (30) calendar days prior to the termination or end of this agreement, the Contractor and/or Subcontractor shall return such vehicles to DHS and shall deliver all necessary documents of title or registration to enable the proper transfer of a marketable title to DHS.
- (2) If motor vehicles are purchased/reimbursed with agreement funds or furnished by DHS under the terms of this agreement, the State of California shall be the legal owner of said motor vehicles and the Contractor shall be the registered owner. The Contractor and/or a subcontractor may only use said vehicles for performance and under the terms of this agreement.
- (3) The Contractor and/or Subcontractor agree that all operators of motor vehicles, purchased/reimbursed with agreement funds or furnished by DHS under the terms of this agreement, shall hold a valid State of California driver's license. In the event that ten or more passengers are to be transported in any one vehicle, the operator shall also hold a State of California Class B driver's license.
- (4) If any motor vehicle is purchased/reimbursed with agreement funds or furnished by DHS under the terms of this agreement, the Contractor and/or Subcontractor, as applicable, shall provide, maintain, and certify that, at a minimum, the following type and amount of automobile

liability insurance is in effect during the term of this agreement or any period of contract extension during which any vehicle remains in the Contractor's and/or Subcontractor's possession:

#### Automobile Liability Insurance

0258

- (a) The Contractor, by signing this agreement, hereby certifies that it possesses or will obtain automobile liability insurance in the amount of \$1,000,000 per occurrence for bodily injury and property damage combined. Said insurance must be obtained and made effective upon the delivery date of any motor vehicle, purchased/reimbursed with agreement funds or furnished by DHS under the terms of this agreement, to the Contractor and/or Subcontractor.
- (b) The Contractor and/or Subcontractor shall, as soon as practical, furnish a copy of the certificate of insurance to the DHS program contract manager.
- (c) The Contractor and/or Subcontractor agree that bodily injury and property damage liability insurance, as required herein, shall remain in effect at all times during the term of this agreement or until such time **as** the motor vehicle **is** returned to **DHS**.
- (d) The Contractor and/or Subcontractor agree to provide, at least thirty (30) days prior to the expiration date of said insurance coverage, a copy of a new certificate of insurance evidencing continued coverage, as indicated herein, for not less than the remainder of the term of this agreement, the term of any extension or continuation thereof, or for a period of not **less** than one **(1)** year.
- (e) The Contractor and/or Subcontractor, if not a self-insured government and/or public entity, must provide evidence, that any required certificates of insurance contain the following provisions:
  - [1] The insurer will not cancel the insured's coverage without giving thirty (30) calendar days prior written notice to the State (California Department of Health Services).
  - [2] The State of California, its officers, agents, employees, and servants are included as additional insureds, but only with respect to work performed for the State under this agreement and any extension or continuation of this agreement.
  - [3] The insurance carrier shall notify the State of California Department of Health Services, in writing, of the Contractor's failure to pay premiums; its cancellation of such policies; or any other substantial change, including, but not limited to, the status, coverage, or scope of the required insurance. Such notices shall contain a reference to the agreement number for which the insurance was obtained.
- (9) The Contractor and/or Subcontractor is hereby advised that copies of certificates of insurance may be subject to review and approval by the Department of General Services (DGS), Office of Risk and Insurance Management. The Contractor shall be notified by DHS, in writing, if this provision is applicable to this agreement. If DGS approval of the certificate **of** insurance **is** required, the Contractor agrees that no work or services shall be performed prior to obtaining said approval.
- (g) In the event the Contractor and/or Subcontractor fails to keep insurance coverage, **as** required herein, in effect at **all** times during vehicle possession, DHS may, in addition to any other remedies it may have, terminate this agreement upon the occurrence of such event.

#### 5. Subcontract Requirements



(Applicable to agreements under which services are to be performed by subcontractors including independent consultants.) 0259

- a. Prior written authorization will be required before the Contractor enters into or is reimbursed for any subcontract for services costing \$5,000 or more. Except as indicated in Paragraph a(3) herein, when securing subcontracts for services exceeding \$5,000, the Contractor shall obtain at least three bids or justify a sole source award.
  - (1) The Contractor must provide in its request for authorization, all particulars necessary for evaluating the necessity or desirability of incurring such cost.
  - (2) The State may identify the information needed to fulfill this requirement.
  - (3) Subcontracts performed by the following entities or for the service types listed below are exempt from the bidding and sole source justification requirements:
    - (a) A local governmental entity or the federal government,
    - (b) A State college or university from any State,
    - (c) A Joint Powers Authority,
    - (d) An auxiliary organization of a California State University or a California community college,
    - (e) A foundation organized to support the Board of Governors of the California Community Colleges,
    - (f) An auxiliary organization of the Student Aid Commission established under Education Code § 69522,
    - (g) Entities of any type that will provide subvention aid or direct services to the public,
    - (h) Entities and/or service types identified as exempt from advertising in State Administrative Manual Section 1233 subsection 3. View this publication at the following Internet address: <http://sarn.dgs.ca.gov>.
  - (4) Unless otherwise mandated by the funding agency (i.e., federal government), DHS may only pay the Contractor's overhead charges or indirect costs on the first \$25,000 of each subcontract.
- b. DHS reserves the right to approve or disapprove the selection of subcontractors and with advance written notice, require the substitution of subcontractors and require the Contractor to terminate subcontracts entered into in support of this agreement.
  - (1) Upon receipt of a written notice from DHS requiring the substitution and/or termination of a subcontract, the Contractor shall take steps to ensure the completion of any work in progress and select a replacement, if applicable, within 30 calendar days, unless a longer period is agreed to by DHS.
- c. Actual subcontracts (i.e., written agreement between the Contractor and a subcontractor) of \$5,000 or more are subject to the prior review and written approval of DHS. DHS may, at its discretion, elect to waive this right. All such waivers shall be confirmed in writing by DHS.
- d. Contractor shall maintain a copy of each subcontract entered into in support of this agreement and shall, upon request by **DHS**, make said copies available for approval, inspection, or audit.
- e. Sole responsibility rests with the Contractor to ensure that subcontractors, used in performance of this agreement, are paid in a timely manner. The timeliness of said payments may be affected by the timeliness of payments issued by DHS to the Contractor.
- f. The Contractor is responsible for all performance requirements under this agreement even though performance may be carried out through a subcontract.

- g. The Contractor shall ensure that all subcontracts for services include provision(s) requiring compliance with applicable terms and conditions specified in this agreement. 0260
- h. The Contractor agrees to include the following clause, relevant to record retention, in all subcontracts for services:
- "(Subcontractor Name) agrees to maintain and preserve, until three years after termination of (Agreement Number) and final payment from DHS, to permit DHS or any duly authorized representative, to have access to, examine or audit any pertinent books, documents, papers and records related to this subcontract and to allow interviews of any employees who might reasonably have information related to such records."*
- i. Unless otherwise stipulated in writing by DHS, the Contractor shall be the subcontractor's sole point of contact for all matters related to performance and payment under this agreement.
- j. Contractor shall, as applicable, advise all subcontractors of their obligations pursuant to the following numbered provisions of this Exhibit: 1, 2, 3, 4, 5, 6, 7, 8, 10, 11, 12, 13, 14, 17, 19, 20, 24, and 32.

## 6. Income Restrictions

Unless otherwise stipulated in this agreement, the Contractor agrees that any refunds, rebates, credits, or other amounts (including any interest thereon) accruing to or received by the Contractor under this agreement shall be paid by the Contractor to DHS, to the extent that they are properly allocable to costs for which the Contractor has been reimbursed by DHS under this agreement.

## 7. Audit and Record Retention

(Applicable to agreements in excess of \$10,000.)

- a. The Contractor and/or Subcontractor shall maintain books, records, documents, and other evidence, accounting procedures and practices, sufficient to properly reflect all direct and indirect costs of whatever nature claimed to have been incurred in the performance of this agreement, including any matching costs and expenses. The foregoing constitutes "records" for the purpose of this provision.
- b. The Contractor's and/or subcontractor's facility or office or such part thereof as may be engaged in the performance of this agreement and his/her records shall be subject at all reasonable times to inspection, audit, and reproduction.
- c. Contractor agrees that DHS, the Department of General Services, the Bureau of State Audits, or their designated representatives including the Comptroller General of the United States shall have the right to review and to copy any records and supporting documentation pertaining to the performance of this agreement. Contractor agrees to allow the auditor(s) access to such records during normal business hours and to allow interviews of any employees who might reasonably have information related to such records. Further, the Contractor agrees to include a similar right of the State to audit records and interview staff in any subcontract related to performance of this agreement. (GC 8546.7, CCR Title 2, Section 1896).
- d. The Contractor and/or Subcontractor shall preserve and make available his/her records (1) for a period of three years from the date of final payment under this agreement, and (2) for such longer period, if any, as is required by applicable statute, by any other provision of this agreement, or by subparagraphs (1) or (2) below.

- (1) If this agreement is completely or partially terminated, the records relating to the work terminated shall be preserved and made available for a period of three years from the date of any resulting final settlement.

- (2) If any litigation, claim, negotiation, audit, or other action involving the records has been started before the expiration of the three-year period, the records shall be retained until completion of the action and resolution of all issues which arise from it, or until the end of the regular three-year period, whichever is later.

0261

- e. The Contractor and/or Subcontractor shall comply with the above requirements and be aware of the penalties for violations of fraud and for obstruction of investigation as set forth in Public Contract Code § 10115.10, if applicable.
- f. The Contractor and/or Subcontractor may, at its discretion, following receipt of final payment under this agreement, reduce its accounts, books and records related to this agreement to microfilm, computer disk, CD ROM, or other data storage medium. Upon request by an authorized representative to inspect, audit or obtain copies of said records, the Contractor and/or Subcontractor must supply or make available applicable devices, hardware, and/or software necessary to view, copy and/or print said records. Applicable devices may include, but are not limited to, microfilm readers and microfilm printers, etc.

## 8. Site Inspection

The State, through any authorized representatives, has the right at all reasonable times to inspect or otherwise evaluate the work performed or being performed hereunder including subcontract supported activities and the premises in which it is being performed. If any inspection or evaluation is made of the premises of the Contractor or Subcontractor, the Contractor shall provide and shall require Subcontractors to provide all reasonable facilities and assistance for the safety and convenience of the authorized representatives in the performance of their duties. All inspections and evaluations shall be performed in such a manner as will not unduly delay the work.

## 9. Federal Contract Funds

(Applicable only to that portion of an agreement funded in part or whole with federal funds.)

- a. It is mutually understood between the parties that this agreement may have been written before ascertaining the availability of congressional appropriation of funds, for the mutual benefit of both parties, in order to avoid program and fiscal delays which would occur if the agreement were executed after that determination was made.
- b. This agreement is valid and enforceable only if sufficient funds are made available to the State by the United States Government for the fiscal years covered by the term of this agreement. In addition, this agreement is subject to any additional restrictions, limitations, or conditions enacted by the Congress or any statute enacted by the Congress which may affect the provisions, terms or funding of this agreement in any manner.
- c. It is mutually agreed that if the Congress does not appropriate sufficient funds for the program, this agreement shall be amended to reflect any reduction in funds.
- d. DHS has the option to void or cancel the agreement with 30-days advance written notice or to amend the agreement to reflect any reduction in funds.

## 10. Intellectual Property Rights

### a. Ownership

- (1) Except where **DHS** has agreed in a signed writing to accept a license, DHS shall be and remain, without additional compensation, the sole owner of any and all rights, title and interest in all Intellectual Property, from the moment of creation, whether or not jointly conceived, that

are made, conceived, derived from, or reduced to practice by Contractor or DHS and which result directly or indirectly from this agreement.

0262

- (2) For the purposes of this agreement, Intellectual Property means recognized protectable rights and interest such as: patents, (whether or not issued) copyrights, trademarks, service marks, applications for any of the foregoing, inventions, trade secrets, trade dress, logos, insignia, color combinations, slogans, moral rights, right of publicity, author's rights, contract and licensing rights, works, mask works, industrial design rights, rights of priority, know how, design flows, methodologies, devices, business processes, developments, innovations, good will and all other legal rights protecting intangible proprietary information as may exist now and/or here after come into existence, and all renewals and extensions, regardless of whether those rights arise under the laws of the United States, or any other state, country or jurisdiction.
  - (a) For the purposes of the definition of Intellectual Property, "works" means all literary works, writings and printed matter including the medium by which they are recorded or reproduced, photographs, art work, pictorial and graphic representations and works of a similar nature, film, motion pictures, digital images, animation cells, and other audiovisual works including positives and negatives thereof, sound recordings, tapes, educational materials, interactive videos and any other materials or products created, produced, conceptualized and fixed in a tangible medium of expression. It includes preliminary and final products and any materials and information developed for the purposes of producing those final products. Works does not include articles submitted to peer review or reference journals or independent research projects.
- (3) In the performance of this agreement, Contractor will exercise and utilize certain of its Intellectual Property in existence prior to the effective date of this agreement. In addition, under this agreement, Contractor may access and utilize certain of DHS' Intellectual Property in existence prior to the effective date of this agreement. Except as otherwise set forth herein, Contractor shall not use any of DHS' Intellectual Property now existing or hereafter existing for any purposes without the prior written permission of DHS. **Except as otherwise set forth herein, neither the Contractor nor DHS shall give any ownership interest in or rights to its Intellectual Property to the other Party.** If during the term of this agreement, Contractor accesses any third-party Intellectual Property that is licensed to DHS, Contractor agrees to abide by all license and confidentiality restrictions applicable to DHS in the third-party's license agreement.
- (4) Contractor agrees to cooperate with DHS in establishing or maintaining DHS' exclusive rights in the Intellectual Property, and in assuring DHS' sole rights against third parties with respect to the Intellectual Property. If the Contractor enters into any agreements or subcontracts with other parties in order to perform this agreement, Contractor shall require the terms of the agreement(s) to include all Intellectual Property provisions. Such terms must include, but are not limited to, the subcontractor assigning and agreeing to assign to DHS all rights, title and interest in Intellectual Property made, conceived, derived from, or reduced to practice by the subcontractor, Contractor or DHS and which result directly or indirectly from this agreement or any subcontract.
- (5) Contractor further agrees to assist and cooperate with DHS in all reasonable respects, and execute all documents and, subject to reasonable availability, give testimony and take all further acts reasonably necessary to acquire, transfer, maintain, and enforce DHS' Intellectual Property rights and interests.

#### **b. Retained Rights / License Rights**

- (1) Except for Intellectual Property made, conceived, derived from, or reduced to practice by Contractor or DHS and which result directly or indirectly from this agreement, Contractor shall retain title to all of its Intellectual Property to the extent such Intellectual Property is in

existence prior to the effective date of this agreement. Contractor hereby grants to DHS, without additional compensation, a permanent, non-exclusive, royalty free, paid-up, worldwide, irrevocable, perpetual, non-terminable license to use, reproduce, manufacture, sell, offer to sell, import, export, modify, publicly and privately display/perform, distribute, and dispose Contractor's Intellectual Property with the right to sublicense through multiple layers, for any purpose whatsoever, to the extent it is incorporated in the Intellectual Property resulting from this agreement, unless Contractor assigns all rights, title and interest in the Intellectual Property as set forth herein. 0263

- (2) Nothing in this provision shall restrict, limit, or otherwise prevent Contractor from using any ideas, concepts, know-how, methodology or techniques related to its performance under this agreement, provided that Contractor's use does not infringe the patent, copyright, trademark rights, license or other Intellectual Property rights of DHS or third party, or result in a breach or default of any provisions of this Exhibit or result in a breach of any provisions of law relating to confidentiality.

#### **c. Copyright**

- (1) Contractor agrees that for purposes of copyright law, all works [as defined in Section a, subparagraph (2)(a) of this provision] of authorship made by or on behalf of Contractor in connection with Contractor's performance of this agreement shall be deemed "works made for hire". Contractor further agrees that the work of each person utilized by Contractor in connection with the performance of this agreement will be a "work made for hire," whether that person is an employee of Contractor or that person has entered into an agreement with Contractor to perform the work. Contractor shall enter into a written agreement with any such person that: (i) all work performed for Contractor shall be deemed a "work made for hire" under the Copyright Act and (ii) that person shall assign all right, title, and interest to DHS to any work product made, conceived, derived from, or reduced to practice by Contractor or DHS and which result directly or indirectly from this agreement.
- (2) All materials, including, but not limited to, visual works or text, reproduced or distributed pursuant to this agreement that include Intellectual Property made, conceived, derived from, or reduced to practice by Contractor or DHS and which result directly or indirectly from this agreement, shall include DHS' notice of copyright, which shall read in 3mm or larger typeface: "© 2001, State of California, Department of Health Services. This material may not be reproduced or disseminated without prior written permission from the Department of Health Services." This notice should be placed prominently on the materials and set apart from other matter on the page where it appears. Audio productions shall contain a similar audio notice of copyright.

#### **d. Patent Rights**

With respect to inventions made by Contractor in the performance of this agreement, which did not result from research and development specifically included in the agreement's scope of work, Contractor hereby grants to DHS a license as described under Section b of this provision for devices or material incorporating, or made through the use of such inventions. If such inventions result from research and development work specifically included within the agreement's scope of work, then Contractor agrees to assign to DHS, without additional compensation, all its right, title and interest in and to such inventions and to assist DHS in securing United States and foreign patents with respect thereto.

#### **e. Third-party Intellectual Property**

Except as provided herein, Contractor agrees that its performance of this agreement shall not be dependent upon or include any Intellectual Property of Contractor or third party without first: (i) obtaining DHS' prior written approval; and (ii) granting to or obtaining for DHS, without additional compensation, a license, as described in Section b of this provision, for any of Contractor's or

third-party's Intellectual Property in existence prior to the effective date of this agreement. If such a license upon the these terms is unattainable, and DHS determines that the Intellectual Property should be included in or is required for Contractor's performance of this agreement, Contractor shall obtain a license under terms acceptable to DHS.

**f. Warranties**

0264

(1) Contractor represents and warrants that:

- (a) It is free to enter into and fully perform this agreement.
- (b) It has secured and will secure all rights and licenses necessary for its performance of this agreement.
- (c) Neither Contractor's performance of this agreement, nor the exercise by either Party of the rights granted in this agreement, nor any use, reproduction, manufacture, sale, offer to sell, import, export, modification, public and private **display/performance**, distribution, and disposition of the Intellectual Property made, conceived, derived from, or reduced to practice by Contractor or DHS and which result directly or indirectly from this agreement will infringe upon or violate any Intellectual Property right, non-disclosure obligation, or other proprietary right or interest of any third-party or entity now existing under the laws of, or hereafter existing or issued by, any state, the United States, or any foreign country. There is currently no actual or threatened claim by any such third party based on an alleged violation of any such right by Contractor.
- (d) Neither Contractor's performance nor any part of its performance will violate the right of privacy of, or constitute a libel or slander against any person or entity.
- (e) It has secured and will secure all rights and licenses necessary for Intellectual Property including, but not limited to, consents, waivers or releases from all authors of music or performances used, and talent (radio, television and motion picture talent), owners of any interest in and to real estate, sites, locations, property or props that may be used or shown.
- (9) It has not granted and shall not grant to any person or entity any right that would or might derogate, encumber, or interfere with any of the rights granted to DHS in this agreement.
- (g) It has appropriate systems and controls in place to ensure that state funds will not be used in the performance of this agreement for the acquisition, operation or maintenance of computer software in violation of copyright laws.
- (h) It has no knowledge of any outstanding claims, licenses or other charges, liens, or encumbrances of any kind or nature whatsoever that could affect in any way Contractor's performance of this agreement.

(2) DHS MAKES NO WARRANTY THAT THE INTELLECTUAL PROPERTY RESULTING FROM THIS AGREEMENT DOES NOT INFRINGE UPON ANY PATENT, TRADEMARK, COPYRIGHT OR THE LIKE, NOW EXISTING OR SUBSEQUENTLY ISSUED.

**g. Intellectual Property Indemnity**

- (1) Contractor shall indemnify, defend and hold harmless DHS and its licensees and assignees, and its officers, directors, employees, agents, representatives, successors, and users of its products, ("Indemnitees") from and against all claims, actions, damages, losses, liabilities (or actions or proceedings with respect to any thereof), whether or not rightful, arising from any and all actions or claims by any third party or expenses related thereto (including, but not limited to, all legal expenses, court costs, and attorney's fees incurred in investigating,

preparing, serving as a witness in, or defending against, any such claim, action, or proceeding, commenced or threatened) to which any of the Indemnitees may be subject, whether or not Contractor is a party to any pending or threatened litigation, which arise out of or are related to (i) the incorrectness or breach of any of the representations, warranties, covenants or agreements of Contractor pertaining to Intellectual Property; or (ii) any Intellectual Property infringement, or any other type of actual or alleged infringement claim, arising out of DHS' use, reproduction, manufacture, sale, offer to sell, distribution, import, export, modification, public and private performance display, license, and disposition of the Intellectual Property made, conceived, derived from, or reduced to practice by Contractor or DHS and which result directly or indirectly from this agreement. This indemnity obligation shall apply irrespective of whether the infringement claim is based on a patent, trademark or copyright registration that issued after the effective date of this agreement. DHS reserves the right to participate in and/or control, at Contractor's expense, any such infringement action brought against DHS.

- (2) 'Should any Intellectual Property licensed by the Contractor to DHS under this agreement become the subject of an Intellectual Property infringement claim, Contractor will exercise its authority reasonably and in good faith to preserve DHS' right to use the licensed Intellectual Property in accordance with this agreement at no expense to DHS. DHS shall have the right to monitor and appear through its own counsel (at Contractor's expense) in any such claim or action. In the defense or settlement of the claim, Contractor may obtain the right for DHS to continue using the licensed Intellectual Property; or, replace or modify the licensed Intellectual Property so that the replaced or modified Intellectual Property becomes non-infringing provided that such replacement or modification is functionally equivalent to the original licensed Intellectual Property. If such remedies are not reasonably available, DHS shall be entitled to a refund of all monies paid under this agreement, without restriction or limitation of any other rights and remedies available at law or in equity.
- (3) Contractor agrees that damages alone would be inadequate to compensate DHS for breach of any term of this Intellectual Property Exhibit by Contractor. Contractor acknowledges DHS would suffer irreparable harm in the event of such breach and agrees DHS shall be entitled to obtain equitable relief, including without limitation an injunction, from a court of competent jurisdiction, without restriction or limitation of any other rights and remedies available at law or in equity.

#### **h. Federal Funding**

In any agreement funded in whole or in part by the federal government, DHS may acquire and maintain the Intellectual Property rights, title, and ownership, which results directly or indirectly from the agreement; except as provided in 37 Code of Federal Regulations part 401.14; however, the federal government shall have a non-exclusive, nontransferable, irrevocable, paid-up license throughout the world to use, duplicate, or dispose of such Intellectual Property throughout the world in any manner for governmental purposes and to have and permit others to do so.

#### **i. Survival**

The provisions set forth herein shall survive any termination or expiration of this agreement or any project schedule.

### **11. Air or Water Pollution Requirements**

Any federally funded agreement and/or subcontract in excess of \$100,000 must comply with the following provisions unless said agreement is exempt under 40 CFR 15.5.

- a. Government contractors agree to comply with all applicable standards, orders, or requirements issued under section 306 of the Clean Air Act [42 U.S.C. 1857(h)], section 508 of the Clean Water Act (33 U.S.C. 1368), Executive Order 11738, and Environmental Protection Agency regulations

(40 CFR part 15).

0266

- b. Institutions of higher education, hospitals, nonprofit organizations and commercial businesses agree to comply with all applicable standards, orders, or requirements issued under the Clean Air Act (42 U.S.C. 7401 et seq.), as amended, and the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.), as amended.

## 12. Prior Approval of Training Seminars, Workshops or Conferences

Contractor shall obtain prior **DHS** approval of the location, costs, dates, agenda, instructors, instructional materials, and attendees at any reimbursable training seminar, workshop, or conference conducted pursuant to this contract and of any reimbursable publicity or educational materials to be made available for distribution. The Contractor shall acknowledge the support of the State whenever publicizing the work under this agreement in any media. This provision does not apply to necessary staff meetings or training sessions held for the staff of the Contractor or Subcontractor to conduct routine business matters.

## 13. Confidentiality of Information

- a. The Contractor and its employees, agents, or subcontractors shall protect from unauthorized disclosure names and other identifying information concerning persons either receiving services pursuant to this agreement or persons whose names or identifying information become available or are disclosed to the Contractor, its employees, agents, or subcontractors as a result of services performed under this agreement, except for statistical information not identifying any such person.
- b. The Contractor and its employees, agents, or subcontractors shall not use such identifying information for any purpose other than carrying out the Contractor's obligations under this agreement.
- c. The Contractor and its employees, agents, or subcontractors shall promptly transmit to the DHS program contract manager all requests for disclosure of such identifying information not emanating from the client or person.
- d. The Contractor shall not disclose, except **as** otherwise specifically permitted by this agreement or authorized by the client, any such identifying information to anyone other than DHS without prior written authorization from the DHS program contract manager.
- e. For purposes of this provision, identity shall include, but not be limited to name, identifying number, symbol, or other identifying particular assigned to the individual, such as finger or voice print or a photograph.

## 14. Documents, Publications and Written Reports

(Applicable to agreements over \$5,000 under which publications, written reports and documents are developed or produced. Government Code Section 7550.)

Any document, publication or written report (excluding progress reports, financial reports and normal contract communications) prepared as a requirement of this agreement **shall** contain, in a separate section preceding the main body of the document, the number and dollar amounts of all contracts and subcontracts relating to the preparation of such document or report, if the total cost for work by nonemployees of the State exceeds \$5,000.

## 15. Dispute Resolution Process

- a. A Contractor grievance exists whenever the Contractor believes there is a dispute arising from DHS' action in the administration of an agreement. If the Contractor believes there is a dispute or grievance between the Contractor and **DHS**, both parties shall follow the procedure outlined



below.

0267

- (1) The Contractor should first discuss the problem informally with the DHS program contract manager. If the problem cannot be resolved at this stage, the Contractor shall direct its grievance together with any evidence, in writing, to the program Branch Chief. The grievance shall state the issues in dispute, the legal authority or other basis for the Contractor's position and the remedy sought. The Branch Chief shall make a determination on the problem within ten (10) working days after receipt of the written communication from the Contractor. The Branch Chief shall respond in writing to the Contractor indicating the decision and reasons therefore. Should the Contractor disagree with the Branch Chiefs decision, the Contractor may appeal to the second level.
- (2) The Contractor must prepare a letter indicating the reasons for disagreement with Branch Chiefs decision. The Contractor shall include with the letter a copy of the Contractor's original statement of dispute with any supporting documents and a copy of the Branch Chief's response. This letter shall be sent to the Deputy Director of the division in which the branch is organized within ten (10) working days from receipt of the Branch Chiefs decision. The Deputy Director of the division funding this agreement or his/her designee shall meet with the Contractor to review the issues raised. A written decision signed by the Deputy Director of the division funding this agreement or his/her designee shall be returned to the Contractor within twenty (20) working days of receipt of the Contractor's letter.
- b. If the Contractor wishes to appeal the decision of the Deputy Director of the division funding this agreement or his/her designee, the Contractor shall follow the procedures set forth in Division 25.1 (commencing with Section 38050) of the Health and Safety Code and the regulations adopted thereunder. (Title 1, Subchapter 2.5, commencing with Section 251, California Code of Regulations.)
- c. Disputes arising out of an audit, examination of an agreement or other action not covered by subdivision (a) of Section 20204, of Chapter 2.1, Title 22, of the California Code of Regulations, and for which no procedures for appeal are provided in statute, regulation or the agreement, shall be handled in accordance with the procedures identified in Sections 51016 through 51047, Title 22, California Code of Regulations.
- d. Unless otherwise stipulated by DHS, dispute, grievance and/or appeal correspondence shall be directed to the DHS program contract manager.

## 16. Financial and Compliance Audit Requirements

- a. The definitions used in this provision are contained in Section 38040 of the Health and Safety Code, which by this reference is made a part hereof.
- b. Direct service contract means a contract for services contained in local assistance or subvention programs or both (see Health and Safety [H&S] Code section 38020). Direct service contracts shall not include contracts, grants, or subventions to other governmental agencies or units of government nor contracts with regional centers or area agencies on aging (H&S Code section 38030).
- c. The Contractor, as indicated below, agrees to obtain one of the following audits:
  - (1) If the Contractor is a nonprofit organization (as defined in H&S Code section 38040) and receives \$25,000 or more from any State agency under a direct service contract; the Contractor agrees to obtain an annual single, organization wide, financial and compliance audit. Said audit shall be conducted according to Generally Accepted Auditing Standards. This audit does not fulfill the audit requirements of Paragraph c(3) below. The audit shall be completed by the 15th day of the fifth month following the end of the Contractor's fiscal year, and/or

- (2) If the Contractor is a nonprofit organization (as defined in H&S Code section 38040) and receives less than \$25,000 per year from any State agency under a direct service contract the Contractor agrees to obtain a biennial single, organization wide financial and compliance audit, unless there is evidence of fraud or other violation of state law in connection with this agreement. This audit does not fulfill the audit requirements of Paragraph c(3) below. The audit shall be completed by the 15th day of the fifth month following the end of the Contractor's fiscal year, and/or
- (3) If the Contractor is a State or Local Government entity or Nonprofit organization (as defined by the Federal Office of Management and Budget [OMB] Circular A-133) and expends \$300,000 or more in Federal awards, the Contractor agrees to obtain an annual single, organization wide, financial and compliance audit according to the requirements specified in OMB Circular A-133 entitled "Audits of States, Local Governments, and Non-Profit Organizations". An audit conducted pursuant to this provision will fulfill the audit requirements outlined in Paragraphs c(1) and c(2) above. The audit shall be completed by the end of the ninth month following the end of the audit period. The requirements of this provision apply if:
- (a) The Contractor is a recipient expending Federal awards received directly from Federal awarding agencies, or
  - (b) The Contractor is a subrecipient expending Federal awards received from a pass-through entity such as the State, County or community based organization.
- (4) If the Contractor submits to DHS a report of an audit other than an OMB A-133 audit, the Contractor must also submit a certification indicating the Contractor has not expended \$300,000 or more in federal funds for the year covered by the audit report.
- d. Two copies of the audit report shall be delivered to the DHS program funding this agreement. The audit report must identify the Contractor's legal name and the number assigned to this agreement. The audit report shall be due within 30 days after the completion of the audit. Upon receipt of said audit report, the DHS program contract manager shall forward the audit report to DHS' Audits and Investigations Unit.
  - e. The cost of the audits described herein may be included in the funding for this agreement up to the proportionate amount this agreement represents of the Contractor's total revenue. The DHS program funding this agreement must provide advance written approval of the specific amount allowed for said audit expenses.
  - f. The State or its authorized designee, including the Bureau of State Audits, is responsible for conducting agreement performance audits which are not financial and compliance audits. Performance audits are defined by Generally Accepted Government Auditing Standards.
  - g. Nothing in this agreement limits the State's responsibility or authority to enforce State law or regulations, procedures, or reporting requirements arising thereto.
  - h. Nothing in this provision limits the authority of the State to make audits of this agreement, provided however, that if independent audits arranged for by the Contractor meet Generally Accepted Governmental Auditing Standards, the State shall rely on those audits and any additional audit work and shall build upon the work already done.
  - i. The State may, at its option, direct its own auditors to perform either of the audits described above. The Contractor will be given advance written notification, if the State chooses to exercise its option to perform said audits.
  - j. The Contractor shall include a clause in any agreement the Contractor enters into with the audit

firm doing the single organization wide audit to provide access by the State or Federal Government to the working papers of the independent auditor who prepares the single organizationwide audit for the Contractor,'

0269

- k. Federal or state auditors shall have "expanded scope auditing" authority to conduct specific program audits during the same period in which a single organization wide audit is being performed, but the audit report has not been issued. The federal or state auditors shall review and have access to the current audit work being conducted and will not apply any testing or review procedures which have not been satisfied by previous audit work that has been completed.

The term "expanded scope auditing" is applied and defined in the **U.S. General Accounting Office (GAO)** issued Standards for ***Audit of Government Organizations, Programs, Activities and Functions***, better known as the "yellow book".

## 17. Human Subjects Use Requirements

(Applicable only to federally funded agreements/grants in which performance, directly or through a subcontract/subaward, includes any tests or examination of materials derived from the human body.)

By signing this agreement, Contractor agrees that if any performance under this agreement or any subcontract or subagreement includes any tests or examination of materials derived from the human body for the purpose of providing information, diagnosis, prevention, treatment or assessment of disease, impairment, or health of a human being, all locations at which such examinations are performed shall meet the requirements of 42 U.S.C. Section 263a (CLIA) and the regulations thereunder.

## 18. Novation Requirements

If the Contractor proposes any novation agreement, DHS shall act upon the proposal within 60 days after receipt of the written proposal. DHS may review and consider the proposal, consult and negotiate with the Contractor, and accept or reject all or part of the proposal. Acceptance or rejection of the proposal may be made orally within the 60-day period and confirmed in writing within five days of said decision. Upon written acceptance of the proposal, DHS will initiate an amendment to this agreement to formally implement the approved proposal.

## 19. Debarment and Suspension Certification

(Applicable to all agreements funded in part or whole with federal funds.)

- a. By signing this agreement; the Contractor/Grantee agrees to comply with applicable federal suspension and debarment regulations including, but not limited to 7 CFR Part 3017, 45 CFR 76, 40 CFR 32 or 34 CFR 85.
- b. By signing this agreement, the Contractor certifies to the best of its knowledge and belief, that it and its principals:
  - (1) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any federal department or agency;
  - (2) Have not within a three-year period preceding this application/proposal/agreement been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;

- (3) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in Paragraph b(2) herein; and 0270
  - (4) Have not within a three-year period preceding this application/proposal/agreement had one or more public transactions (Federal, State or local) terminated for cause or default.
  - (5) Shall not knowingly enter into any lower tier covered transaction with a person who is proposed for debarment under federal regulations (i.e., 48 CFR part 9, subpart 9.4), debarred, suspended, declared ineligible, or voluntarily excluded from participation in such transaction, unless authorized by the State.
  - (6) Will include a clause entitled, "Debarment and Suspension Certification" that essentially sets forth the provisions herein, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
- c. If the Contractor is unable to certify to any of the statements in this certification, the Contractor shall submit an explanation to the **DHS** program funding this contract.
  - d. The terms and definitions herein have the meanings set out in the Definitions and Coverage sections of the rules implementing Federal Executive Order 12549.
  - e. If the Contractor knowingly violates this certification, in addition to other remedies available to the Federal Government, the DHS may terminate this agreement for cause or default.

## 20. Smoke-Free Workplace Certification

(Applicable to federally funded agreements/grants and subcontracts/subawards, that provide health, day care, early childhood development services, education or library services to children under 18 directly or through local governments.)

- a. Public Law 103-227, also known as the Pro-children **Act** of 1994 (Act), requires that smoking not be permitted in any portion of any indoor facility owned or leased or contracted for by an entity and used routinely or regularly for the provision of health, day care, early childhood development services, education or library services to children under the age of 18, if the services are funded by federal programs either directly or through state or local governments, by federal grant, contract, loan, or loan guarantee. The law also applies to children's services that are provided in indoor facilities that are constructed, operated, or maintained with such federal funds. The law does not apply to children's services provided in private residences; portions of facilities used for inpatient drug or alcohol treatment; service providers whose sole source of applicable federal funds is Medicare or Medicaid; or facilities where **WIC** coupons are redeemed.
- b. Failure to comply with the provisions of the law may result in the imposition of a civil monetary penalty of up to \$1,000 for each violation and/or the imposition of an administrative compliance order on the responsible party.
- c. By signing this agreement, Contractor or Grantee certifies that it will comply with the requirements of the Act and will not allow smoking within any portion of any indoor facility used for the provision of services for children as defined by the Act. The prohibitions herein are effective December 26, 1994.
- d. Contractor or Grantee further agrees that it will insert this certification into any subawards (subcontracts or subgrants) entered into that provide for children's services as described in the Act.

## 21. Covenant Against Contingent Fees

(Applicable only to federally funded agreements.)

0271

The Contractor warrants that no person or selling agency has been employed or retained to solicit/secure this agreement upon an agreement of understanding for a commission, percentage, brokerage, or contingent fee, except *bona fide* employees or *bona fide* established commercial or selling agencies retained by the Contractor for the purpose of securing business. For breach or violation of this warranty, DHS shall have the right to annul this agreement without liability or in its discretion to deduct from the agreement price or consideration, or otherwise recover, the full amount of such commission, percentage, and brokerage or contingent fee.

## 22. Payment Withholds

(Applicable only if a final report is required by this agreement. Not applicable to government entities.)

Unless waived or otherwise stipulated in this contract, DHS may, at its discretion, withhold 10 percent (10%) of the face amount of the agreement, 50 percent (50%) of the final invoice, or \$3,000 whichever is greater, until DHS receives a final report that meets the terms, conditions and/or scope of work requirements of this agreement.

## 23. Performance Evaluation

(Not applicable to grant agreements.)

DHS may, at its discretion, evaluate the performance of the Contractor at the conclusion of this agreement. If performance is evaluated, the evaluation shall not be a public record and shall remain on file with DHS. Negative performance evaluations may be considered by DHS prior to making future contract awards.

## 24. Officials Not to Benefit

No members of or delegate of Congress or the State Legislature shall be admitted to any share or part of this agreement, or to any benefit that may arise therefrom. This provision shall not be construed to extend to this agreement if made with a corporation for its general benefits.

## 25. Year 2000 Compliance

(Applicable to agreements in which Information Technology (IT) services are provided to DHS or if IT equipment is procured.)

The Contractor warrants and represents that the goods or services sold, leased, or licensed to the State of California, its agencies, or its political subdivisions, pursuant to this agreement are "Year 2000 Compliant." For the purposes of this agreement, a good or services is Year 2000 compliant if it will continue to fully function before, at, and after the Year 2000 without interruption and, if applicable, with full ability to accurately and unambiguously process, display, compare, calculate, manipulate, and otherwise utilize date information. This warranty and representation supersedes all warranty disclaimers and limitations and all limitations on liability provided by or through the Contractor.

## 26. Prohibited Use of State Funds for Software

(Applicable to agreements in which computer software is used in performance of the work.)

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

## 27. University of California Mutual Indemnification

(Applicable only to agreements entered with the Regents of the University of California or a University of California campus under its jurisdiction.)

0272

- a. The State and the Regents of the University of California shall mutually defend, indemnify and hold each other and their respective agencies, officers, employees, and agents harmless from and against any and all liability, loss, expense, attorneys' fees, or claims for injury or damages arising out of the performance of this contract but only in proportion to and to the extent such liability, loss, expense, attorneys' fees, or claims for injury or damages are caused by or result from the negligent or intentional acts or omissions of either the State or the Regents of the University of California.
- b. It should be expressly understood that the obligations hereunder shall be conditioned upon this contract being one that falls within the purview of Section 895 of the Government Code.

## 28. Use of Small, Minority Owned and Women's Businesses

(Applicable to that portion of an agreement that is federally funded and entered into with institutions of higher education, hospitals, nonprofit organizations or commercial businesses.)

Positive efforts shall be made to use small businesses, minority-owned firms and women's business enterprises, whenever possible (i.e., procurement of goods and/or services). Contractors shall take all of the following steps to further this goal.

- (1) Ensure that small businesses, minority-owned firms, and women's business enterprises are used to the fullest extent practicable.
- (2) Make information on forthcoming purchasing and contracting opportunities available and arrange time frames for purchases and contracts to encourage and facilitate participation by small businesses, minority-owned firms, and women's business enterprises.
- (3) Consider in the contract process whether firms competing for larger contracts intend to subcontract with small businesses, minority-owned firms, and women's business enterprises.
- (4) Encourage contracting with consortiums of small businesses, minority-owned firms and women's business enterprises when a contract is too large for one of these firms to handle individually.
- (5) Use the services and assistance, as appropriate, of such organizations as the Federal Small Business Administration and the U.S. Department of Commerce's Minority Business Development Agency in the solicitation and utilization of small businesses, minority-owned firms and women's business enterprises.

## 29. Alien Ineligibility Certification

(Applicable to sole proprietors entering federally funded agreements.)

By signing this agreement, the Contractor certifies that he/she is not an alien that is ineligible for state and local benefits, as defined in Subtitle B of the Personal Responsibility and Work Opportunity Act. (8 U.S.C. 1601, et seq.)

**30. Union Organizing**

0273

(Applicable only to grant agreements.)

Grantee, by signing this agreement, hereby acknowledges the applicability of Government Code 16645 through 16649 to this agreement. Furthermore, Grantee, by signing this agreement, hereby certifies that:

- a. No state funds disbursed by this grant will be used to assist, promote or deter union organizing.
- b. Grantee shall account for state funds disbursed for a specific expenditure by this grant, to show those funds were allocated to that expenditure.
- c. Grantee shall, where state funds are not designated as described in b herein, allocate, on a **pro-rata** basis, all disbursements that support the grant program.
- d. If Grantee makes expenditures to assist, promote or deter union organizing, Grantee will maintain records sufficient to show that no state funds were used for those expenditures, and that Grantee shall provide those records to the Attorney General upon request.

**31. Contract Uniformity (Fringe Benefit Allowability)**

(Applicable only to nonprofit organizations.)

Pursuant to the provisions of Article 7 (commencing with Section 100525) of Chapter 3 of Part 1 of Division 101 of the Health and Safety Code, DHS sets forth the following policies, procedures, and guidelines regarding the reimbursement of fringe benefits.

- a. As used herein fringe benefits shall mean an employment benefit given by one's employer to an employee in addition to one's regular or normal wages or salary.
- b. As used herein, fringe benefits do not include:
  - 1) Compensation for personal services paid currently or accrued by the Contractor for services of employees rendered during the term of this agreement, which is identified as regular or normal salaries and wages, annual leave, vacation, sick leave, holidays, jury duty and/or military leave/training.
  - (2) Director's and executive committee member's fees.
  - (3) Incentive awards and/or bonus incentive pay.
  - (4) Allowances for off-site pay.
  - (5) Location allowances.
  - (6) Hardship pay.
  - (7) Cost-of-living differentials
- c. Specific allowable fringe benefits include:
  - (1) Fringe benefits in the form of employer contributions for the employer's portion of payroll taxes (i.e., FICA, SUI, **SDI**), employee health plans (i.e., health, dental and vision), unemployment insurance, worker's compensation insurance, and the employer's share of pension/retirement plans, provided they are granted in accordance with established written organization policies and meet all legal and Internal Revenue Service requirements.
- d. To be an allowable fringe benefit, the cost must meet the following criteria:
  - (1) Be necessary and reasonable for the performance of the agreement.
  - (2) Be determined in accordance with generally accepted accounting principles.
  - (3) Be consistent with policies that apply uniformly to all activities of the Contractor.

e. Contractor agrees that all fringe benefits shall be at actual cost.

0274

f. Earned/Accrued Compensation

- (1) Compensation for vacation, sick leave and holidays is limited to that amount earned/accrued within the agreement term. Unused vacation, sick leave and holidays earned from periods prior to the agreement term cannot be claimed as allowable costs. See Provision f (3)(a) for an example.
- (2) For multiple year contracts, vacation and sick leave compensation, which is earned/accrued but not paid, due to employee(s) not taking time off may be carried over and claimed within the overall term of the multiple years of the agreement. Holidays cannot be carried over from one contract year to the next. See Provision f (3)(b) for an example.
- (3) For single year agreements, vacation, sick leave and holiday compensation that is earned/accrued but not paid, due to employee(s) not taking time off within the term of the agreement, cannot be claimed as an allowable cost. See Provision f (3)(c) for an example.

(a) Example No. 1:

If an employee, John Doe, earns/accrues three weeks of vacation and twelve days of sick leave each year, then that is the maximum amount that may be claimed during a contract period of one year. If John Doe has five weeks of vacation and eighteen days of sick leave at the beginning of the agreement, the Contractor during a one-year agreement term may only claim up to three weeks of vacation and twelve days of sick leave actually used by the employee. Amounts earned/accrued in periods prior to the beginning of the agreement are not an allowable cost.

(b) Example No. 2:

If during a three-year (multiple year) agreement, John Doe does not use his three weeks of vacation in year one, or his three weeks in year two, but he does actually use nine weeks in year three; the Contractor would be allowed to claim all nine weeks paid for in year three. The total compensation over the three-year period cannot exceed 156 weeks (3 x 52 weeks).

(c) Example No. 3:

If during a single year agreement, John Doe works fifty weeks and used one week of vacation and one week of sick leave and all ~~fifty-two~~ weeks have been billed to DHS, the remaining unused two weeks of vacation and seven days of sick leave may not be claimed ~~as~~ an allowable cost.

## 32. Lobbying Restrictions and Disclosure Certification

(Applicable to federally funded contracts in excess of \$100,000 per Section 1352 of the 31, U.S.C.)

a. Certification and Disclosure Requirements

- (1) Each person (or recipient) who requests or receives a contract, subcontract, grant, or subgrant, which is subject to Section 1352 of the 31, U.S.C., and which exceeds \$100,000 at any tier, shall file a certification (in the form set forth in Attachment 1, consisting of one page, entitled "Certification Regarding Lobbying") that the recipient has not made, and will not make, any payment prohibited by Paragraph b of this provision.
- (2) Each recipient shall file a disclosure (in the form set forth in Attachment 2, entitled "Standard



Form-LLL "disclosure of Lobbying Activities") if such recipient has made or has agreed to make any payment using nonappropriated funds (to include profits from any covered federal action) in connection with a contract or grant or any extension or amendment of that contract or grant, which would be prohibited under Paragraph **b** of this provision if paid for with appropriated funds. . 0275

- (3) Each recipient shall file a disclosure form at the end of each calendar quarter in which there occurs any event that requires disclosure or that materially affect the accuracy **of** the information contained in any disclosure form previously filed by such person under Paragraph a(2) herein. An event that materially affects the accuracy of the information reported includes:
  - (a) A cumulative increase of \$25,000 or more in the amount paid or expected to be paid for influencing or attempting to influence a covered federal action;
  - (b) A change in the person(s) or individuals(s) influencing or attempting to influence a covered federal action; or
  - (c) A change in the officer(s), employee(s), or member(s) contacted for the purpose of influencing or attempting to influence a covered federal action.
- (4) Each person (or recipient) who requests or receives from a person referred to in Paragraph a(1) of this provision a contract, subcontract, grant or subgrant exceeding \$100,000 at any tier under a contract or grant shall file a certification, and a disclosure form, if required, to the next tier above.
- (5) **All** disclosure forms (but not certifications) shall be forwarded from tier to tier until received **by** the person referred to in Paragraph a(1) of this provision. That person shall forward all disclosure forms to DHS program contract manager.

b. Prohibition

Section 1352 of Title 31, **U.S.C.** provides in part that no appropriated funds may be expended by the recipient of a federal contract, grant, loan, or cooperative agreement to pay any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with any of the following covered federal actions: the awarding of any federal contract, the making of any federal grant, the making of any federal loan, entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.

**STATE OF CALIFORNIA  
DEPARTMENT OF HEALTH SERVICES**

02'16

**CERTIFICATION REGARDING LOBBYING**

The undersigned certifies, to the best of his or her knowledge and belief, that:

(1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the making, awarding or entering into of this Federal contract, Federal grant, or cooperative agreement, and the extension, continuation, renewal, amendment, or modification of this Federal contract, grant, or cooperative agreement.

(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency of the United States Government, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, or cooperative agreement, the undersigned shall complete and submit Standard Form LLL, "Disclosure of Lobbying Activities" in accordance with its instructions.

(3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontractors, subgrants, and contracts under grants and cooperative agreements) of \$100,000 or more, and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S.C., any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

\_\_\_\_\_  
Name of Contractor

\_\_\_\_\_  
Printed Name of Person Signing for Contractor

\_\_\_\_\_  
Contract/ Grant Number

\_\_\_\_\_  
Signature of Person Signing for Contractor

\_\_\_\_\_  
Date

\_\_\_\_\_  
Title

After execution by or on behalf of Contractor, please return to:

Department of Health Services  
(Name of the **DHS** program providing the funds)  
**P.O. Box 942732**  
**714 P Street**  
**Sacramento, CA 94234-7320**

## Attachment 2

0277

Approved by OMB  
0348-0046**CERTIFICATION REGARDING LOBBYING**

**Complete this form to disclose lobbying activities pursuant to 31 U.S.C. 1352**  
**(See reverse for public burden disclosure)**

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                               |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>1. Type of Federal Action:</b><br><input type="checkbox"/> a. contract<br><input type="checkbox"/> b. grant<br><input type="checkbox"/> c. cooperative agreement<br><input type="checkbox"/> d. loan<br><input type="checkbox"/> e. loan guarantee<br><input type="checkbox"/> f. loan insurance                                                                                                                                                                                                                                                                                                                                        | <b>2. Status of Federal Action:</b><br><input type="checkbox"/> a. bid/offer/application<br><input type="checkbox"/> b. initial award<br><input type="checkbox"/> c. post-award                                                                                                                                             | <b>3. Report Type:</b><br><input type="checkbox"/> a. initial filing<br><input type="checkbox"/> b. material change<br>For Material Change Only:<br><br>Year _____ quarter _____<br>date of last report _____ |
| <b>4. Name and Address of Reporting Entity:</b><br><br><input type="checkbox"/> Prime <input type="checkbox"/> Subawardee<br>Tier _____, if known:<br><br>Congressional District, If known: _____                                                                                                                                                                                                                                                                                                                                                                                                                                          | <b>5. If Reporting Entity in No. 4 is Subawardee, Enter Name and Address of Prime:</b><br><br><br>Congressional District, If known: _____                                                                                                                                                                                   |                                                                                                                                                                                                               |
| <b>6. Federal Department/Agency:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | <b>7. Federal Program Name/Description:</b><br><br>CDFA Number, if applicable: _____                                                                                                                                                                                                                                        |                                                                                                                                                                                                               |
| <b>8. Federal Action Number, if known:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | <b>9. Award Amount, if known:</b>                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                               |
| <b>10. a. Name and Address of Lobbying Entity</b><br>(If individual, last name, first name, MI):                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <b>b. Name and Address of Lobbying Entity</b><br>(If individual, last name, first name, MI):                                                                                                                                                                                                                                |                                                                                                                                                                                                               |
| (attach Continuation Sheet(s) SF-LLL-A, If necessary)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                               |
| <b>11. Amount of Payment (check all that apply):</b><br>\$ _____ <input type="checkbox"/> actual <input type="checkbox"/> planned                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | <b>13. Type of Payment (check all that apply):</b><br><input type="checkbox"/> a. retainer<br><input type="checkbox"/> b. one-time fee<br><input type="checkbox"/> c. commission<br><input type="checkbox"/> d. contingent fee<br><input type="checkbox"/> e. deferred<br><input type="checkbox"/> f. other, specify: _____ |                                                                                                                                                                                                               |
| <b>12. Form of Payment (check all that apply):</b><br><br><input type="checkbox"/> a. cash<br><input type="checkbox"/> b. in-kind, specify: Nature _____<br>Value _____                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                               |
| <b>14. Brief Description of Services Performed or to be Performed and Dates(s) of Service, including Officer(s), Employee(s), or Member(s) Contracted for Payment indicated in item 11:</b><br><br><br><br><br><br><br><br><br>(Attach Continuation Sheet(s) SF-LLL-A, If necessary)                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                               |
| <b>15. Continuation Sheet(s) SF-ILL-A Attached:</b> <input type="checkbox"/> Yes <input type="checkbox"/> No                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                               |
| <b>16. Information requested through this form is authorized by Title 31, U.S.C., Section 1352. This disclosure of lobbying activities is a material representation of fact upon which reliance was placed by the tier above when this transaction was made or entered into. This disclosure is required pursuant to Title 31, U.S.C., Section 1352. This information will be reported to the Congress semiannually and will be available for public inspection. Any person who fails to file the required disclosure shall be subject to a civil penalty of not less than \$19,000 and not more than \$100,000 for each such failure.</b> |                                                                                                                                                                                                                                                                                                                             | Signature: _____<br><br>Print Name: _____<br><br>Title: _____<br><br>Telephone No.: _____ Date: _____                                                                                                         |
| <b>Federal Use Only</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                             | Authorized for Local Reproduction<br>Standard Form-LLL                                                                                                                                                        |

## INSTRUCTIONS FOR COMPLETION OF SF-LLL, DISCLOSURE OF LOBBYING ACTIVITIES

0278

This disclosure form shall be completed by the reporting entity, whether subawardee or prime federal recipients at the initiation or receipt of a covered federal action, or a material change to a previous filing, pursuant to Title 31, U.S.C., Section 1352. The filing of a form is required for each payment or agreement to make payment to any lobbying entity for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with a covered federal action. Use the SF - LLL - A Continuation Sheet for additional information if the space on the form is inadequate. Complete all items that apply for both the initial filing and material change report. Refer to the implementing guidance published by the Office of Management and Budget for additional information.

1. Identify the type of covered federal action for which lobbying activity is and/or has been secured to influence the outcome of a covered federal action.
2. Identify the status of the covered federal action.
3. Identify the appropriate classification of this report. If this is a follow-up report caused by a material change to the information previously reported, enter the year and quarter in which the change occurred. Enter the date of the last previously submitted report by this reporting entity for the covered federal action.
4. Enter the full name, address, city, state, and ZIP code of the reporting entity. Include Congressional District, if known. Check the appropriate classification of the reporting entity that designates if it is, or expects to be, a prime or subaward recipient. Identify the tier of the subawardee, e.g., the first subawardee of the prime is the 1<sup>st</sup> tier. Subawards include but are not limited to subcontracts, subgrants, and contract awards under grants.
5. If the organization filing the report in Item 4 checks "Subawardee," then enter the full name, address, city, state, and ZIP code of the prime federal recipient. Include Congressional District, if known.
6. Enter the name of the federal agency making the award or loan commitment. Include at least one organizational level below agency name, if known. For example, Department of Transportation United States Coast Guard.
7. Enter the federal program name or description for the covered federal action (Item 1). If known, enter the full Catalog of Federal Domestic Assistance (CFDA) number for grants, cooperative agreements, loans, and loan commitments.
8. Enter the most appropriate federal identifying number available for the federal action identified in Item 1 (e.g., Request for Proposal (RFP) number, Invitation for Bid (IFB) number, grant announcement number, the contract grant, or loan award number, the application/proposal control number assigned by the federal agency). Include prefixes, e.g., "RFP-DE-90401."
9. For a covered federal action where there has been an award or loan commitment by the federal agency, enter the federal amount of the award/loan commitment for the prime entity identified in Item 4 or 5.
10. (a) Enter the full name, address, city, state, and ZIP code of the lobbying entity engaged by the reporting entity identified in Item 4 to influence the covered federal action.
10. (b) Enter the full names of the individual(s) performing services and include full address if different from 10.(a). Enter last name, first name, and middle initial (MI).
11. Enter the amount of compensation paid or reasonably expected to be paid by the reporting entity (Item 4) to the lobbying entity (Item 10). Indicate whether the payment has been made (actual) or will be made (planned). Check all boxes that apply. If this is a material change report, enter the cumulative amount of payment made or planned to be made.
12. Check the appropriate box(es). Check all boxes that apply. If payment is made through an in-kind contribution, specify the nature and value of the in-kind payment.
13. Check the appropriate box(es). Check all boxes that apply. If other, specify nature.
14. Provide a specific and detailed description of the services that the lobbyist has performed, or will be expected to perform, and the date(s) of services rendered. Include all preparatory and related activity, not just time spent in actual contact with federal officials. Identify the federal official(s) or employee(s) contacted or the officer(s), employee(s), or Member(s) of Congress that were contacted.
15. Check whether or not a SF-LLL-A Continuation Sheet(s) is attached.
16. The certifying official shall sign and date the form, print his/her name, title, and telephone number.

Public reporting burden for this collection of information is estimated to average 30 minutes per response, including time for reviewing instruction, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden to the Office of Management and Budget, Paperwork Reduction Project, (0348-0046), Washington, DC 20503.

**Exhibit E**  
**Budget Detail and Payment Provisions**

0279

**1. Contract Amendments**

Should either party, during the term of this agreement, desire a change or amendment to the terms of this Agreement, such changes or amendments shall be proposed in writing to the other party, who will respond in writing as to whether the proposed changes/amendments are accepted or rejected. If accepted and after negotiations are concluded, the agreed upon changes shall be made through the State's official agreement amendment process. No amendment will be considered binding on either party until it is formally approved by the State.

**2. Cancellation / Termination**

- A. This agreement may be cancelled or terminated without cause by either party by giving thirty (30) calendar days advance written notice to the other party. Such notification shall state the effective date of termination or cancellation and include any final performance and/or payment/invoicing instructions/requirements.
- B. Upon receipt of a notice of termination or cancellation from DHS, Contractor shall take immediate steps to stop performance and to cancel or reduce subsequent contract costs.
- C. Contractor shall be entitled to payment for all allowable costs authorized under this agreement, including authorized non-cancelable obligations incurred up to the date of termination or cancellation, provided such expenses do not exceed the stated maximum amounts payable.

**3. Priority Hiring Considerations**

- A. Contractor agrees that it shall give priority consideration in filling vacancies in positions funded by this agreement to qualified recipients of aid under Chapter 2 (commencing with Section 11200) of Part 3 of Division 9 of the Welfare and Institutions (W&I) Code, in accordance with Article 3.9 (commencing with Section 11349) of Chapter 2 of Part 3 of Division 9 of the W&I Code.
- B. This provision shall not be construed to do any of the following:
  - 1) Interfere with or create a violation of the terms of valid collective bargaining agreements
  - 2) Require the Contractor to hire an unqualified recipient of aid
  - 3) Interfere with, or create a violation of, any federal affirmative action obligation of a contractor for hiring disabled veterans or veterans of the Vietnam era
  - 4) Interfere with, or create a violation of, the requirements of Section 12990 of the Government Code implementing the State of California's nondiscrimination laws.

## Contractor's Release

0280

### Instructions to Contractor:

With final invoice(s) submit one ~~(1)~~ original and ~~two (2)~~ copies. The original must bear the original signature of a person authorized to bind the Contractor. The additional copies may bear photocopied signatures.

### Submission of Final Invoice

Pursuant to contract number \_\_\_\_\_ entered into between the State of California Department of Health Services (DHS) and the Contractor (identified below), the Contractor does acknowledge that final payment has been requested via invoice number(s) \_\_\_\_\_, in the amount(s) of \$ \_\_\_\_\_ and dated \_\_\_\_\_. If necessary, enter "See Attached in the appropriate blocks and attach a list of invoice numbers, dollar amounts and invoice dates.

### Release of all Obligations

By signing this form, and upon receipt of the amount specified in the invoice number(s) referenced above, the Contractor does hereby release and discharge the State, its officers, agents and employees of and from any and all liabilities, obligations, claims, and demands whatsoever arising from the above referenced contract.

### Repayments Due-to Audit Exceptions/ Record Retention

By signing this form, Contractor acknowledges that expenses authorized for reimbursement does not guarantee final allowability of said expenses. Contractor agrees that the amount of any sustained audit exceptions resulting from any subsequent audit made after final payment, will be refunded to the State.

All expense and accounting records related to the above referenced contract must be maintained for audit purposes for no less than three years beyond the date of final payment, unless a longer term is stated in said contract.

### Recycled Product Use Certification

By signing this form, Contractor certifies under penalty of perjury that a percentage (0% to 100%) of the materials, goods, supplies or products offered or used in the performance of the above referenced contract meets or exceeds the minimum percentage of recycled material, as defined in Public Contract Code Sections 12161 and 12200.

### Reminder to Return State Equipment/Property (If Applicable)

(Applies only if equipment was provided by DHS or purchased with or reimbursed by contract funds)

Unless DHS has approved the continued use and possession of State equipment (as defined in the above referenced contract) for use in connection with another DHS agreement, Contractor agrees to promptly initiate arrangements to account for and return said equipment to DHS, at DHS's expense, if said equipment has not passed its useful life expectancy as defined in the above referenced contract.

### Patents / Other Issues

By signing this form, Contractor further agrees, in connection with patent matters and with any claims that are not specifically released as set forth above, that it will comply with all of the provisions contained in the above referenced contract, including, but not limited to, those provisions relating to notification to the State and related to the defense or prosecution of litigation.

Contractor's Legal Name (As on contract): \_\_\_\_\_

Signature of Contractor or Official Designee: \_\_\_\_\_

Date: \_\_\_\_\_

Printed Name/Title of Person Signing: \_\_\_\_\_

DHS Distribution:    Accounting (Original)    Program    CMU contract file