

**STANDARD AGREEMENT**

APPROVED BY THE  
ATTORNEY GENERAL

TD. 2 (REV. 5-81)

|  |                      |
|--|----------------------|
| CONTRACT NUMBER<br><b>01-15746</b>                 | AM. NO.<br><b>00</b> |
| TAXPAYER'S FEDERAL ID. NUMBER<br><b>94-6000532</b> |                      |

THIS AGREEMENT, made and entered into this **1st** day of **June, 2001** in the  
State of California, by and between State of California, through its duly elected or appointed, qualified and acting

|   |  |                                   |
|---|--|-----------------------------------|
| TITLE OF OFFICER ACTING FOR STATE<br><b>Chief, Program Support Branch</b> | AGENCY<br><b>Department of Health Services</b> | , hereafter called the State, and |
|---|--|-----------------------------------|

CONTRACTOR'S NAME  
**COUNTY OF SAN MATEO (Health Services)**, hereafter called the Contractor.

WITNESSETH: That the Contractor for and in consideration of the covenants, conditions, agreements, and stipulations of the State hereinafter expressed, does hereby agree to furnish to the State services and materials as follows: *(Set forth services to be rendered by Contractor, amount to be paid Contractor, time for performance or completion, and attach plans and specifications, if any.)*

**1. Contract Term**

The term of this agreement shall be from July 1, 2001 through June 30, 2002.

**2. Maximum Amount Payable**

The maximum amount payable under this contract shall not exceed \$16,000.

**CONTINUED ON 4 SHEETS, EACH BEARING NAME OF CONTRACTOR AND CONTRACT NUMBER.**

The provisions on the reverse side hereof constitute a part of this agreement.

IN WITNESS WHEREOF, this agreement has been executed by the parties hereto, upon the date first above written.

|  |  |  |  |
|--|--|--|--|
| <b>STATE OF CALIFORNIA</b>                     |  | <b>CONTRACTOR</b>  |  |
| AGENCY<br><b>Department of Health Services</b> |  | CONTRACTOR (If other than an individual, state whether a corporation, partnership, etc.)<br><b>COUNTY OF SAN MATEO (Health Services)</b> |  |
| BY (AUTHORIZED SIGNATURE)<br>▷ For             |  | BY (AUTHORIZED SIGNATURE)<br>▷   |  |
| PRINTED NAME OF PERSON SIGNING                 |  | PRINTED NAME OF AND TITLE OF PERSON SIGNING  |  |
| TITLE<br><b>Chief, Program Support Branch</b>  |  | ADDRESS<br><b>225 W. 37<sup>th</sup> Avenue<br/>San Mateo, CA 94403</b>  |  |

|   |   |                              |                        |                                 |
|---|---|------------------------------|------------------------|---------------------------------|
| AMOUNT ENCUMBERED BY THIS DOCUMENT<br><b>\$ 16,000.00</b>   | PROGRAM / CATEGORY (CODE AND TITLE)<br><b>Local Assistance</b>        | FUND TITLE<br><b>General</b> |                        |                                 |
|   | (OPTIONAL USE) <b>Subject to passage of the Governor's Budget</b>     |                              |                        |                                 |
| PRIOR AMOUNT ENCUMBERED FOR THIS CONTRACT<br><b>\$ 0</b>  | ITEM<br><b>4260-111-001</b>   | CHAPTER                      | STATUTE<br><b>2001</b> | FISCAL YEAR<br><b>2001/2002</b> |
| TOTAL AMOUNT ENCUMBERED TO DATE<br><b>\$ 16,000.00</b>  | OBJECT OF EXPENDITURE (CODE AND TITLE)<br><b>01-51343-4470-702-03</b> |                              |                        |                                 |
| I hereby certify upon my own personal knowledge that budgeted funds are available for the period and purpose of the expenditure stated above. |   | T.B.A. NO.                   | B.R. NO.               |                                 |
| SIGNATURE OF ACCOUNTING OFFICER<br>▷  |   |                              | DATE                   |                                 |

*Department of General Services Use Only*

**STANDARD AGREEMENT**

1. The 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, materialmen, laborers and any other person, firm or corporation furnishing or supplying work services, materials or supplies in connection with the performance of this contract, and from any and all claims and losses accruing or resulting to any person, firm or corporation who may be injured or damaged by the Contractor in the performance of this contract.
2. The Contractor, and the agents and employees of Contractor, in the performance of the agreement, shall act in an independent capacity and not as officers or employees or agents of State of California.
3. The State may terminate this agreement and be relieved of the payment of any consideration to Contractor should Contractor fail to perform the covenants herein contained 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. The cost to the state shall be deducted from any sum due the Contractor under this agreement, and the balance, if any, shall be paid the Contractor upon demand.
4. Without the written consent of the State, this agreement is not assignable by Contractor either in whole or in part.
5. Time is the essence of this agreement.
6. No alteration or variation of the terms of this contract shall be valid unless made in writing and signed by the parties hereto, and no oral understanding or agreement not incorporated herein, shall be binding on any of the parties hereto.
7. 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 and per diem, unless otherwise expressly so provided.

3. Incorporated Exhibits

A. The following exhibits are attached, incorporated herein, and made a part hereof by this reference:

|                 |  |          |
|-----------------|--|----------|
| 1. Exhibit A    | Scope of Work  | 6 pages  |
| 2. Exhibit A(S) | Additional Provisions                                      | 14 pages |
| 3. Exhibit A-1  | Current Contract Year Equipment Purchased with State Funds | 1 page   |
| 4. Exhibit B    | Budget   | 1 page   |
| 5. Exhibit C    | Contract Uniformity  | 2 pages  |
| 6. Exhibit D    | Contractor's Release                                       | 1 page   |
| 7. Exhibit E    | Travel Reimbursement Information                           | 2 pages  |

4. Payment Provisions

- A. For services satisfactorily rendered and upon receipt and approval of an undisputed invoice, the State agrees to compensate the Contractor in accordance with the rates and/or amounts specified herein. Invoices shall be prepared according to the provision entitled, "Invoice Instructions".
- B. DHS shall make periodic payments to the Contractor for all allowable and approved expenses not more frequently than once quarterly in arrears.
- C. DHS agrees to make every reasonable effort to arrange for the payment of invoices no later than forty-five (45) calendar days from the date of invoice receipt. Payment will be made in accordance with and within the time specified in Government Code, Chapter 4.5 (commencing with Section 927).

5. Invoice Instructions

- A. In consideration of the services performed in a manner acceptable to the State according to the contract terms and conditions herein, the State shall reimburse the Contractor for allowable costs incurred according to approved and authorized budget expenses. Authorized expenses that have been approved for payment may be later disallowed and/or subject to repayment as the result of a subsequent program and/or financial audit.
- B. The State shall reimburse the Contractor quarterly, in arrears, upon submission of a quarterly, itemized invoice by Contractor in a format acceptable to the State. The invoice shall be on Contractor's letterhead bearing the Contractor's name as shown on the agreement, stating the time period covered and the contract number, for actual expenditures in accordance with the approved budgetary detail, titled, Application for Immunization Project Subvention Funds.

The invoice shall be submitted to:

State Department of Health Services  
Immunization Branch  
2151 Berkeley Way, Room 712  
Berkeley, CA 94704

- C. All invoices must be signed by a duly authorized person who can certify the authenticity and accuracy of all expenses submitted for reimbursement. Invoices must also bear the name of a contact person, their telephone number and a fax number.

6. Timely Submission of Final Invoice

- A. A final undisputed invoice shall be submitted for payment no more than ninety (90) calendar days following the expiration or termination date of this contract, 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 contract 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 contract.
- C. The Contractor is hereby advised of its obligation to submit, with the final invoice, a "**Contractor's Release (Exhibit D)**" 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 contract.

7. Contract Amendments

- A. This provision supplements the "Contract Amendments" provision appearing in Exhibit A(S) entitled, "Additional Provisions".
- B. No amendment or variation of the terms of the agreement shall be valid unless made in writing, signed by the parties hereto, and approved, as required. No oral understanding or agreement not incorporated herein is binding on either of the parties.
- C. 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.

8. 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 prior to receipt of the notice of termination or cancellation, provided such expenses do not exceed the stated maximum amounts payable.

9. Prohibited Use of State Funds for Software

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 contract for the acquisition, operation or maintenance of computer software in violation of copyright laws.

10. Union Organizing

Contractor by signing this agreement hereby acknowledges the applicability of Government Code Section 16645 through Section 16649 to this agreement.

- 1. Contractor will not assist, promote or deter union organizing by employees performing work on a state service contract, including a public works contract.
- 2. No state funds received under this agreement will be used to assist, promote or deter union organizing.
- 3. 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.
- 4. 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.

11. Allowable Line Item Shifts

- A. Cumulative line item shifts of up to \$25,000 or 10% of the annual contract total may be made, whichever is greater, up to a cumulative annual maximum of \$50,000, provided the annual contract total does not increase or decrease.
- B. Line item shifts meeting this criteria shall not require a formal contract amendment.
- C. Contractor shall adhere to State requirements regarding the process to follow in requesting approval to make line item shifts.
- D. Line item shifts may be proposed/requested by either the State or the Contractor.

12. Purchasing/Procurement Rules

- A. Provisions 2a and 2b in Additional Provisions Exhibit A(S) are amended to read as follows:

"a. Units of local government, public entities (including the Universities of California and California State University and auxiliary organizations/foundations thereof), and state or federal agencies,

whether acting as a contractor and/or subcontractor, may use their existing procurement systems to secure *all* articles, supplies, equipment (e.g., *nonexpendable items with a unit cost of \$500 \$5,000 or more and a useful life expectancy of ~~four or more years~~ one year or more, including EDP/ADP, telecommunications, and motor vehicles*), and services related to such purchases that are required in performance of this contract, without regard to dollar limit, subject to the provisions in paragraphs e through i of this section. *The provisions in paragraphs b, c, and d of this section may also apply, if purchases are subdelegated to subcontractors that are nonprofit organization, for-profit entities or private vendors.*

- b. All other entities (nonprofit organizations, for-profit entities, or private vendors), whether acting as a contractor or subcontractor, may use their existing procurement systems to secure articles, supplies, equipment (e.g., *nonexpendable items with a unit cost of \$500 \$5,000 or more and a useful life expectancy of ~~four or more years~~ one year or more, including EDP/ADP, telecommunications and motor vehicles*), and services related to such purchases that are required in performance of this contract. Equipment procurement shall not exceed an annual maximum limit of \$50,000, subject to the provisions in paragraphs c through i of this section. *The provisions in paragraph a of this section may also apply, if purchases are subdelegated to subcontractors that are units of local government, public entities, state or federal agencies.*"

13. Ownership/Disposition/Inventory of Equipment Purchased/Reimbursed with Contract Funds or Furnished by the State

A. Provision 3a and 3e in Additional Provisions Exhibit A(S) is amended to read as follows:

- "a. All equipment ~~of any kind, as defined in section 3 paragraph a~~ with a unit cost of \$500 or more and a life expectancy of more than one year and certain theft sensitive items (regardless of cost), purchased/reimbursed with contract funds or furnished by the State under the terms of this contract and not fully consumed in performance of this contract shall be considered state equipment and the property of the State.
- e. ~~Equipment, as defined in section 3 paragraph a,~~ purchased/ reimbursed with contract funds or furnished by the State under the terms of this contract, shall only be used for performance of this contract."

EXHIBIT A  
Scope of Work  
Statewide Immunization Information System (SIIS)  
July 1, 2001 – June 30, 2002

TABLE OF CONTENTS

| <u>Topic</u>  | <u>Page</u> |
|---|-------------|
| SECTION I. TERMS AND CONDITIONS                                       |             |
| A. Objectives.....  | 2           |
| B. Specific Automated Regional Immunization Registry Activities ..... | 2-5         |
| C. Required Reports.....  | 5-6         |

**EXHIBIT A**  
**Scope of Work**  
**Statewide Immunization Information System (SIIS)**  
**July 1, 2001 – June 30, 2002**

**SECTION I. TERMS AND CONDITIONS**

The Contractor must agree to the following inclusive objectives and conduct the following activities. Please note that many of these Terms and Conditions are also objectives and activities required by the Federal Government and are conditions for funding of the California Immunization Program and/or statutory requirements of State and local health departments. The level of subvention contract funding to be awarded is not represented as sufficient for support of all the required activities; a significant amount of local support and funding is expected. Subvention contract funds must not be used to supplant (i.e., replace) local funds currently being expended for routine immunization services and activities. Subvention funds can only be used for the activities outlined in the budget justification.

**A. Objectives:**

- 1) Plan and begin to implement regional automated immunization information and reminder system to ensure adequate immunization of all children in the community, whether served by private or public providers.
- 2) Involve public and private immunization providers throughout the local area in the planning and implementation of the automated immunization information and reminder system and outreach to the community to educate and involve them in plans for increasing immunization through the use of the automated registry and recall system.
- 3) Formulate and implement specific plans for protecting the security of the system and the integrity and confidentiality of shared data on the automated immunization system.
- 4) Provide pilot project information on implementation of the regional automated system to the Statewide Immunization and Information System (SIIS) in order to contribute to the overall development of the statewide system.
- 5) Coordinate with SIIS and other SIIS grantees to develop internetwork capabilities and share immunization information.
- 6) Submit reports, as required, to the Statewide Immunization Information System (SIIS).

**B. Specific Automated Regional Immunization Registry Activities**

- 1) Planning and Implementation
  - a. Develop and execute regional governance procedures and inter-county agreements.
  - b. Establish a regional server database in which all records of children in the region are to be maintained.
  - c. Develop and initiate plans for migrating any existing immunization registry database in the region into the regional database, while maintaining support for current users.



**EXHIBIT A**  
**Scope of Work**  
**Statewide Immunization Information System (SIIS)**  
**July 1, 2001 – June 30, 2002**

- d. Use hardware and software options for database management, telecommunications, and network linkage that are easy to modify and facilitate interconnectivity, specifically including web enablement.
  - e. Identify target population(s) and prioritize entry into registry, beginning with infants and children under age 5 years.
  - f. Determine estimated fiscal/resource needs of registry and develop a plan to meet them.
  - g. Allow providers to input information into the registry by fully or partially automated mechanisms.
  - h. Merge, store, and update information on immunizations to each client by all providers in registry.
  - i. Allow providers to access clients' immunization history and immunization status in registry.
  - j. Provide registry function and usage guidelines, training and/or consultation to participating immunization providers.
  - k. Establish and maintain help desk(s) to support software users in whole region.
  - l. Allow rapid retrieval of client immunization information on a continual on-line basis.
  - m. Evaluate individual client immunization status vis-a-vis standard ACIP and/or AAP recommended schedules to determine immunizations currently due.
  - n. Periodically issue immunization reminder and/or recall notifications based on immunization status to clients, their families, or providers.
  - o. Perform at least annual immunization coverage assessments of clients under 5 years of age, according to specifications of age and vaccine group given by DHS.
- 2) Community-wide Participation
- a. Assess current capacity of health care providers in region to effectively participate in registry in regard to automated equipment and to staffing and training.
  - b. Allow any interested immunization providers to participate in registry, provided they comply with confidentiality, security, and other requirements the registry adopts.
  - c. Form advisory group(s) with representation from at least the local health department, immunization and/or MCH programs, non-profit Community Health Center, and at least three private immunization providers.  
[Recommended: Include at least one HMO that is a major immunization provider, input from schools, WIC agencies, lay community groups and technical advisers.]
  - d. Secure ongoing input from advisory group(s) into registry design and operation.

**EXHIBIT A**  
**Scope of Work**  
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**July 1, 2001 – June 30, 2002**

- e. Design registry to be multi-provider and catchment area-wide, capable of serving all providers who want to participate.
  - f. Within one year of the registry becoming operational, include at least some providers from the local health department, non-profit CHC's, and the private medical sector.
  - g. Require all "outside" providers regularly receiving pediatric vaccines from local health departments to participate in registry, once it is operational, as a condition for receipt of vaccine.
- 3) Security, Data Integrity, and Confidentiality
- a. Develop plans to ensure the security of the physical system through proper housing and maintenance and of the registry through software security systems in accordance with state guidelines.
  - b. Establish and maintain written confidentiality procedures, in accordance with state guidelines.
  - c. Maintain records containing name and address of each provider or other agency with which each client's information is shared.
  - d. Include in the registry the source of information inputted on clients.
  - e. Identify sources of incorrect information.
  - f. Conduct quality control of data, identify incorrect information, and develop procedures to prevent inclusion of incorrect information.
  - g. Require providers to inform clients of what data will be entered into the registry, what data will be shared with whom for what purposes and of these clients' rights:
    - to refuse to allow information to be shared beyond one's own provider;
    - to refuse to receive immunization recall/reminder notice;
    - to inspect information to be shared and to have input to correct errors;
    - to obtain, upon request, names and addresses of those with whom information has been shared.
- 4) Sharing Regional Project Information
- a. Allow DHS site visits and inspections of registry procedures, protocols, software, forms, etc., developed wholly or partly with this funding.
  - b. Share these materials with DHS to assist in development of registries throughout the state and the statewide registry system.

EXHIBIT A  
Scope of Work  
Statewide Immunization Information System (SIIS)  
July 1, 2001 – June 30, 2002

- 5) Internetworking and Coordination with SIIS
- a. A regional registry representative must participate in SIIS conferences and internetwork planning.
  - b. Registry must meet inter-registry and linkage standards developed by DHS with its SIIS working groups, in regard to hardware and software used.
  - c. Registry must translate minimum client information data elements into a specified state-wide format for inter-registry transfer.
  - d. Participate in pilot testing of registry-DHS transfer of minimum client data.
  - e. Respond to queries for information in the required format.
  - f. Be open on-line for inter-registry and registry-DHS information transfer at hours specified by DHS, once the registry is in operation.
  - g. Provide DHS with non-identified individual or aggregate client data for immunization coverage assessment.

C. Required Reports

1) Reports of Local Program Progress and Activities

In accordance with the guidelines and format provided by the Immunization Branch, the Contractor shall submit to the SIIS Coordinator, at the Branch address identified in paragraph 4 of Section I in this Exhibit, an annual progress report and other reports as required for registry development and maintenance. In addition to the written report the Contractor and Project Liaison, or his designee, may meet and discuss the above matters in person.

- 2) Contractor agrees that itemized personnel positions listed in the Application for Immunization Project Subvention Funds shall not be subject to Contractor's personnel policy decisions to refrain from filling vacant positions. The total amount of the contract will be indicated as either some part, or all, of the total operations budget. If the total amount of the contract is less than the total operations budget, the Contractor will be responsible for providing the difference between the total amount of the contract and the total operations budget. Further, all invoices to the State which request reimbursements for positions included in the Contractor's Application for Immunization Project Subvention Funds submitted by the Contractor on May 1, 2001 shall include the name and position title of the persons that have performed in these positions.
- 3) The Contractor shall provide for any personnel or operating expenses that are necessary to meet the provisions included herein but are not provided for in the Budget included as Exhibit "B".
- 4) All reports, invoices, and other written communications are to be addressed and delivered to the State Department of Health Services, Immunization Branch, 2151 Berkeley Way, Berkeley, California 94704.

**EXHIBIT A  
Scope of Work  
Statewide Immunization Information System (SIIS)  
July 1, 2001 – June 30, 2002**

- 5) The State reserves the right to use and reproduce all reports and data produced and delivered pursuant to this Contract and reserves the right to authorize others to use or reproduce such materials, provided that the confidentiality of patient information and records are protected pursuant to California State laws and regulations.

STATE OF CALIFORNIA  
DEPARTMENT OF HEALTH SERVICES

**ADDITIONAL PROVISIONS**

**(FOR STATE FUNDED SUBVENTION AID/LOCAL ASSISTANCE  
COST REIMBURSEMENT CONTRACTS/GRANTS)**

**1. TRAVEL AND PER DIEM**

Any reimbursement for necessary travel and per diem shall be at rates currently in effect, as established by the Department of Personnel Administration, for similar state employees. Exceptions to these rates may be approved by the State upon the verification of a statement submitted by the Contractor indicating that such rates are not available to the Contractor. No travel outside the State of California shall be reimbursed unless prior written authorization is obtained from the State.

**2. PURCHASING/PROCUREMENT RULES**

- a. **Units of local government and public entities (including the Universities of California and California State University and auxiliary organizations/foundations thereof) and state and federal agencies, whether acting as a contractor and/or subcontractor, may use their existing procurement systems to secure all articles, supplies, equipment (e.g., nonexpendable items with a unit cost of \$500 or more and a useful life expectancy of four or more years, including EDP/ADP, telecommunications, and motor vehicles) and services related to such purchases that are required in performance of this contract, without regard to dollar limit, subject to the provisions in paragraphs e through i of this section. The provisions in paragraphs b, c, and d of this section may also apply, if purchases are subdelegated to subcontractors that are nonprofit organizations, for-profit entities or private vendors.**
- b. **All other entities (nonprofit organizations, for-profit entities, or private vendors) may use their existing procurement systems to secure articles, supplies, equipment (e.g., nonexpendable items with a unit cost of \$500 or more and a useful life expectancy of four or more years, including EDP/ADP, telecommunications, and motor vehicles) and services related to such purchases that are required in performance of this contract. Equipment procurement shall not exceed an annual maximum limit of \$50,000, subject to the provisions stipulated in paragraphs c through i of this section. The provisions in paragraph a of this section may also apply, if purchases are subdelegated to subcontractors that are units of local government, public entities, state or federal agencies.**
- c. **All other entities (nonprofit organizations, for-profit entities, or private vendors), whether acting as a contractor or subcontractor, shall use procurement systems that meet the following standards:**
  - (1) **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.**
  - (2) **Procurements shall be conducted in a manner that provides, to the maximum extent practical, open, and free competition.**

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

- (a) Avoidance of the purchasing of unnecessary or duplicate items.
- (b) Solicitations for capital expenditures (equipment) shall be based upon a clear and accurate description of the technical requirements of the goods to be procured.
- (c) The taking of positive steps to utilize small, minority, women or veteran owned businesses.

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

e. Prior written authorization from the DHS program contract manager will be required before the Contractor will be reimbursed for any purchase of \$5,000 or more for articles, supplies, equipment, and services related to such purchases. The Contractor must provide in its request for authorization all particulars necessary, as specified by the State, 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.

f. In special circumstances, defined by the State, the State may require prior written authorization and/or the submission of paid vendor receipts for any purchase, regardless of dollar amount. The State reserves the right to either deny claims for reimbursement or to request repayment for any Contractor and/or Subcontractor purchase that the State determines to be unnecessary in carrying out performance under this contract.

g. 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 contract. The State reserves the right to request copies of these documents and to inspect the purchasing practices of the Contractor and/or Subcontractor at any time.

h. For all purchases, the Contractor and/or Subcontractor must maintain copies of all paid vendor receipts, documents, bids, and other information used in vendor selection, for inspection or audit by the State. 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 by the State.

i. The State 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 a and/or b of this section, by giving the Contractor no less than 30 calendar days written notice.

**3. OWNERSHIP/DISPOSITION/INVENTORY OF EQUIPMENT PURCHASED/REIMBURSED WITH CONTRACT FUNDS OR FURNISHED BY THE STATE**

a. All equipment of any kind, as defined in section 3, paragraph a, purchased/reimbursed with contract funds or furnished by the State under the terms of this contract and not fully

- consumed in performance of this contract shall be considered state equipment and property of the State.
- b. Title to state equipment shall not be affected by its incorporation or attachment to any property not owned by the State.
  - c. Unless otherwise stipulated, the State shall not be under 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.
  - d. The Contractor and/or Subcontractor shall maintain and administer, according to state directives and sound business practices, a program for the proper use, maintenance, repair, protection, insurance, and preservation of state equipment.
  - e. Equipment, as defined in section 3, paragraph a, purchased/reimbursed with contract funds or furnished by the State under the terms of this contract, shall only be used for performance of this contract.
  - f. The Contractor shall submit an annual inventory of equipment, as defined in section 3, paragraph a, purchased/reimbursed with contract funds or furnished by the State under the terms of this contract. Include in that inventory, said equipment in the Contractor's possession and/or in the possession of a subcontractor. The State will prescribe the inventory format and may supply applicable forms to be used for this purpose.
  - g. Within 90 calendar days prior to the termination or end of this contract, the Contractor shall provide a final inventory of equipment to the State and shall at that time query the State as to the requirements, including the manner and method, of returning state equipment to DHS. Final disposition of equipment shall be at state expense and according to state instructions. Property disposition instructions shall be issued by the State immediately after receipt of the final equipment inventory.
  - h. **Motor Vehicles**
    - (1) If motor vehicles are purchased/reimbursed with contract funds or furnished by the State under the terms of this contract, within 30 calendar days prior to the termination or end of this contract, the Contractor and/or Subcontractor shall return such vehicles to the State and shall deliver all necessary documents of title or registration to enable the proper transfer of a marketable title to the State.
    - (2) If motor vehicles are purchased/reimbursed with contract funds or furnished by the State under the terms of this contract, the State shall be the legal owner of said motor vehicles and the Contractor shall be the registered owner. The Contractor and/or Subcontractor may use said vehicles for performance and under the terms of this contract.
    - (3) The Contractor and/or Subcontractor agree that all operators of motor vehicles, purchased/reimbursed with contract funds or furnished by the State under the terms of this contract, shall hold a valid State of California driver's license. In the event that 10 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 contract funds or furnished by the State under the terms of this contract, 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 contract or any period of contract extension during which any vehicle remains in the Contractor's and/or Subcontractor's possession:

(a) **Automobile Liability Insurance**

The Contractor, by signing this contract, 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 liability combined. Said insurance must be obtained and made effective upon the delivery date of any motor vehicle, purchased/reimbursed with contract funds or furnished by the State under the terms of this contract, 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 State.

(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 contract or until such time as the motor vehicle is returned to the State.

(d) The Contractor and/or Subcontractor agree to provide, at least 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 contract, 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 must provide evidence that any required certificates of insurance contain the following provisions:

[1] The insurer will not cancel the insured's coverage without 30 calendar days prior written notice to the State (Department of Health Services).

[2] The State of California, its officers, agents, employees, and servants are included as additional insureds, but only insofar as the operations under this contract and any extension or continuation of this contract are concerned.

[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 contract number for which insurance was obtained.

(f) 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, Office of Insurance and Risk Management. The Contractor shall be notified by the State, in writing, if this provision is applicable to this contract.

(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, the State may, in addition to any other remedies it may have, terminate this contract upon the occurrence of such event.

**4. REQUIREMENTS APPLICABLE TO SUBCONTRACTS FOR SERVICES**

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. For subcontracts for services exceeding \$5,000, Contractors 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.
- b. The State reserves the right to approve or disapprove the selection of subcontractors, require the substitution of subcontractors, and order the termination of subcontracts entered into in support of this contract.
  - 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 the State. the State may, at its discretion, elect to waive this right. All such waivers shall be confirmed in writing by the State.
  - d. Contractor shall maintain a copy of each subcontract entered into in support of this contract and shall, upon request by the State, make said copies available for approval, inspection, or audit.
  - e. Sole responsibility rests with the Contractor to ensure that subcontractors are paid in a timely manner.
- 
- f. The Contractor is responsible for all performance requirements under this contract even though performance may be carried out through a subcontract.
  - g. The Contractor is responsible for a subcontractor's actions or failure to take action in fulfilling the requirements of this contract.
  - h. When entering into consulting services contracts with the State, Contractor may be required to supply budget detail for each subcontractor and/or each major subcontracted activity under this contract.
    - (1) Budget detail format and submission requirements will be prescribed by the State.
    - (2) Methods of including budget detail in this contract, if applicable, will be prescribed by the State.
    - (3) Any subcontractor budget detail displayed in this contract, or incorporated by reference, is included for information purposes only.

Changes to a subcontractor's identity or subcontract budget detail may be made with the mutual consent of the State and the Contractor and said changes shall not require the processing of a formal amendment to this contract.
  - i. The Contractor shall ensure that all subcontracts for services include provision(s) requiring compliance with applicable terms and conditions specified in this contract.
  - j. 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 (Contract Number) and final payment from the State, and to permit the State or any duly authorized representative, to have access to, examine or audit any pertinent books, documents, papers and records related to this subcontract."*
  - k. Unless otherwise stipulated in writing by the State, the Contractor shall be the subcontractor's sole point of contact for all matters related to performance and payment under this contract.
  - l. 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, 9, 10, 11, 12, 13, 15, 16, 17, 19, and 30.

## 5. INCOME RESTRICTIONS

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

## 6. EXAMINATION OF ACCOUNTS, AUDITS, AND RECORDS

- 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 contract, including any matching costs and expenses. The foregoing constitutes "records" for the purposes of this clause.
- b. The Contractor's and/or Subcontractor's facility or office or such part thereof as may be engaged in the performance of this contract and his/her records shall be subject at all reasonable times to inspection, audit, and reproduction by the State of California Bureau of State Audits or any of its duly authorized representatives.
- c. 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 contract, and (2) for such longer period, if any, as is required by applicable statute, by any other clause of this contract, or by subparagraphs (1) or (2) below:
  - (1) If this contract 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.

## 7. 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 thereunder including subcontract supported activities and the premises in which it is being performed. If any inspection or evaluations made by the State of the premises of the Contractor or a Subcontractor, the Contractor shall provide and shall require Subcontractors to provide all reasonable facilities and assistance for the safety and convenience of the state 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.

## 8. FUNDING AVAILABILITY

State Contract Funds Committed Prior to July 1 of any Fiscal Year.

- a. Contractor understands that this contract may have been written and executed prior to the passage of a Governor's annual budget in order to avoid program and fiscal delays which could occur if the contract were executed after such event.
- b. This contract is valid and enforceable only if sufficient funds are made available by the appropriate budget act for the purposes of this program. In addition, this contract is subject to any additional restrictions, limitations, or conditions enacted by the legislature and contained in a budget bill or any statute enacted by the legislature that may affect the provisions, terms, or funding of this contract in any manner.

- c. If sufficient funds are not appropriated for this program and contract, this contract shall be invalid and of no further force and effect. In this event, the State shall have no liability to pay any funds whatsoever to the contractor or to furnish any other considerations under this contract, and the contractor shall not be obligated to perform any provisions of this contract.

## 9. STATE NONDISCRIMINATION CLAUSE AND REQUIREMENTS

- a. During the performance of this contract, Contractor and its subcontractors shall not unlawfully discriminate, harass or allow harassment, against any employee or applicant 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. Contractors and subcontractors shall ensure 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 12900 et seq.) and the applicable regulations promulgated thereunder (California Code of Regulations, Title 2, Section 7285.0 et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing Government code, Section 12990 (a-f), set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations are incorporated into this contract 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 contract.
- b. Contractor shall include the nondiscrimination and compliance provisions of paragraph a in all subcontracts to perform work under the contract.
- c. The Contractor will not discriminate in the provision of services against any person with protected status as provided by state and federal law and described in paragraph a.
- d. For the purpose of this contract, distinctions made on the basis of a person's protected status as noted in paragraph a include, but are not limited to, the following: denying a participant any service or providing a benefit to a participant which is different, or is provided in a different manner or at a different time or place from that provided to other participants under this contract; subjecting a participant to segregation or separate treatment in any matter related to his or her receipt of any service; restricting a participant in any way in the enjoyment of any advantage or privilege enjoyed by others receiving any service or benefit; treating a participant differently from others in determining whether he or she satisfied any admission, enrollment quota, eligibility, membership, or other requirement or condition which individuals must meet in order to be provided any service or benefit.
- e. The Contractor will take affirmative action to ensure that intended beneficiaries are provided services without regard to their protected status as noted in paragraph a.
- f. The Contractor agrees that complaints alleging discrimination in the delivery of services by the Contractor or his or her subcontractor because of a person's protected status as noted in paragraph a will be resolved by the State through the Department of Health Services' Affirmative Action/Discrimination Complaint Process.
- g. The Contractor shall, subject to the approval of the Department of Health Services, establish procedures under which participants of service are informed of their rights to file a complaint alleging discrimination or a violation of their civil rights with the Department of Health Services.
- h. The Contractor shall operate the program or activity in such a manner that it is readily accessible to and usable by mentally or physically handicapped persons pursuant to 45 Code of Federal Regulations, Part 84, Sections 84.21 and 84.22.

- i. The Contractor shall keep records, submit required compliance reports, and permit state access to records in order that the State can determine compliance with the nondiscrimination requirements pursuant to 45 Code of Federal Regulations, Part 80, 84, and 90, Sections 80.6, 84.61, and 90.42.

#### 10. FREEZE EXEMPTIONS

(Applicable only to local governmental and public entities.)

- a. Contractor agrees that any hiring freeze adopted during the term of this contract shall not be applied to the positions funded, in whole or in part, by this contract.
- b. Contractor agrees not to implement any personnel policy which may adversely affect performance or the positions funded, in whole or in part, by this contract.
- c. Contractor agrees that any travel freeze or travel limitation policy adopted during the term of this contract shall not restrict travel funded, in whole or in part, by this contract.
- d. Contractor agrees that any purchasing freeze or purchase limitation policy adopted during the term of this contract shall not restrict or limit purchases funded, in whole or in part, by this contract.

#### 11. AMERICANS WITH DISABILITIES ACT REQUIREMENTS

By signing this contract, contractor assures the state that it complies with the Americans with Disabilities Act (ADA) of 1990, (42 U.S.C. 12101 et seq.), which prohibits discrimination on the basis of disability, as well as all applicable regulations and guidelines issued pursuant to the ADA.

#### 12. RIGHTS IN DATA

- a. **Subject Data.** As used in this clause, the term "Subject Data" means writings, sound recordings, pictorial reproductions, drawings, designs or graphic representations, procedural manuals, forms, diagrams, work flow charts, equipment descriptions, data files and data processing or computer programs, and works of any similar nature (whether or not copyrighted or copyrightable) which are first produced or developed under this contract. The term does not include financial reports, cost analyses, and similar information incidental to contract administration.
- b. **Federal Government and State Rights.** Subject only to the provisions of c below, the Federal Government and State may use, duplicate, or disclose in any manner and for any purpose whatsoever, and have or permit others to do so, all Subject Data delivered under this contract.
- c. **License to Copyrighted Data.** In addition to the Federal Government and state rights as provided in b above, with respect to any subject data which may be copyrighted, the Contractor and applicable subcontractor agrees to and does hereby grant to the Federal Government and State a royalty-free, nonexclusive, and irrevocable license throughout the world to use, duplicate, or dispose of such data in any manner for State or Federal Government purposes and to have or permit others to do so. *Provided, however,* that such license shall be only to the extent that the Contractor now has, or prior to completion or final settlement of this contract may acquire, the right to grant such license without becoming liable to pay compensation to others solely because of such grant.

#### 13. CLEAN AIR AND WATER

(Applicable only if the contract is not with a sole source vendor of products or services, or if it exceeds \$5,000.)

The Contractor agrees under penalty of perjury (it, he, she) is not in violation of any order or resolution which is not subject to review promulgated by the State Air Resources Board or an air pollution district.

The Contractor agrees under penalty of perjury (it, he, she) is not subject to a cease and desist order which is not subject to review issued pursuant to Section 13301 of the Water Code for violation of waste discharge requirements or discharge prohibitions, or is not finally determined to be in violation of provisions of federal law relating to air or water pollution.

#### 14. **USE OF MINORITY, WOMEN, AND DISABLED VETERAN BUSINESS ENTERPRISES**

(Applicable to any contract subject to M/W/DVBE goal participation or good faith effort compliance. Not applicable to local government or public entities or entities exempted by DHS.)

- a. It is a federal policy to award a fair share of contracts to small, minority, and women owned business firms. The State Legislature has declared that a fair proportion of the total purchases and contracts or subcontracts for property and services for the State be placed with minority, women, and disabled veteran owned business enterprises.
- b. All M/W/DVBE participation attachments, however labeled, completed as a condition of bidding, contracting or amending a subject contract are incorporated herein and made a part of this contract by this reference.
- c. Contractor agrees to use any and all proposed M/W/DVBEs, as identified in previously submitted M/W/DVBE attachments, unless the contractor submits a written request for substitution of a like vendor. All requests for substitution must be approved by the State, in writing, prior to using a substituted M/W/DVBE subcontractor, supplier or vendor.

Requests for substitution must be directed to the program funding this contract and must contain: (1) identity of the firm to be substituted and its M/W/DVBE status, (2) reason for the substitution, and (3) identity of the replacement firm and its M/W/DVBE status.

- d. Contractor agrees the State will have the right to review, obtain, and copy all records pertaining to performance of the contract. Contractor agrees to provide the State or its delegatee with any relevant information requested and shall permit the State or its delegatee access to its premises, upon reasonable notice, during normal business hours for the purpose of interviewing employees and inspecting and copying such books, records, accounts, and other material that may be relevant to a matter under investigation for the purpose of determining compliance with State M/W/DVBE goal or good faith effort compliance. Contractor further agrees to maintain such records for a period of three (3) years after final payment is received under the contract.

#### 15. **PRINTING**

If printing or other reproduction work of more than an incidental and minor dollar amount (e.g., \$25,000 or 10 percent of contract total, whichever is less) is a reimbursable item in this contract, it shall be printed or produced by the State Printer. The State Printer may, at his sole option, elect to forego said work and delegate the work to the private sector. If the State Printer prints or produces said work, or the State obtains the printing or other work through another source, the cost will be deducted from said contract amount. This requirement does not apply to normal in-house copying necessary for routine business matters of the Contractor.

#### 16. **PRIOR APPROVAL OF TRAINING SEMINARS, WORKSHOPS, OR CONFERENCES**

Contractor shall obtain prior state approval over the location, costs, dates, agenda, instructors, instructional materials, and attendees at any reimbursable training seminar, workshop, or conference, and over 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 the contract in any media. This paragraph does not apply to necessary staff meetings to conduct routine business matters.

#### **17. CONFIDENTIALITY OF INFORMATION**

- a. The Contractor and his or her employees, agents, or subcontractors shall protect from unauthorized disclosure names and other identifying information concerning persons either receiving services pursuant to this contract or persons whose names or identifying information become available or are disclosed to the Contractor, his/her employees, agents, or subcontractors as a result of services performed under this contract, except for statistical information not identifying any such person.
- b. The Contractor, his/her employees, agents, or subcontractors shall not use such identifying information for any purpose other than carrying out the Contractor's obligations under this contract
- c. The Contractor, his/her employees, agents, or subcontractors shall promptly transmit to the State 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 contract or authorized by the client, any such identifying information to anyone other than the State without prior written authorization from the State.
- e. For purposes of this paragraph, 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.

#### **18. NATIONAL LABOR RELATIONS BOARD CERTIFICATION**

(Not applicable if Contractor is a public entity.)

Contractor, by signing this contract, does swear under penalty of perjury that no more than one final unappealable finding of contempt of court by a federal court has been issued against Contractor within the immediately preceding two-year period because of the Contractor's failure to comply with an order of a federal court which orders the Contractor to comply with an order of the National Labor Relations Board.

#### **19. DOCUMENTS AND WRITTEN REPORTS**

Any document or written report prepared as a requirement of this contract 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.

#### **20. RESOLUTION OF DIRECT SERVICE CONTRACT DISPUTES**

- a. If Contractor believes there is a dispute or grievance between the Contractor and the State, the procedures set forth in Chapter 2.1, Sections 20201 through 20205, of Title 22, of the California Code of Regulations, shall be followed.
- b. If the Contractor wishes to appeal the decision of the Deputy Director for Public Health 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 or examination of a contract 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 contract shall be handled in accordance with the procedures identified in Sections 51016 through 51047, Title 22, California Code of Regulations.

## 21. FINANCIAL AND COMPLIANCE AUDIT OF NONPROFIT ENTITIES

(Applicable only if Contractor is a nonprofit entity.)

- a. Definitions within this paragraph are defined in Section 38040 of the Health and Safety Code, which, by this reference, is made a part hereof.
- b. Contractor agrees to obtain an annual single, organization-wide financial and compliance audit. The audit shall be conducted in accordance with the requirements specified in the Federal Office of Management and the Budget (OMB) Circular A-133, "Audits of Institutions of Higher Education and Other Nonprofit Organizations."
- c. References to "Federal" in OMB Circular A-133 shall be considered to mean "Federal and/or State" in contracts where state funds are present either alone or in conjunction with federal funds.
- d. The audit shall be completed by the 15th day of the fifth month following the end of the Contractor's fiscal year. Two copies of the audit report shall be delivered to the state program funding this contract. The report shall be due within 30 days after the completion of the audit.
- e. If the Contractor receives less than \$25,000 per year from the State, the audit shall be conducted biennially, unless there is evidence of fraud or other violation of state law in connection with this contract. This requirement takes precedence over the OMB A-133 section which exempts from federal audit requirements any nonprofit institution receiving less than \$25,000 per year.
- f. The cost of such audit may be included in the funding for this contract up to the proportionate amount this contract represents of the Contractor's total revenue.
- g. The State, or its authorized designee including the Bureau of State Audits, is responsible for conducting contract performance audits which are not financial and compliance audits.
- h. Nothing in this contract limits the State's responsibility or authority to enforce state law or regulations, procedures, or reporting requirements arising pursuant thereto.
- i. Nothing in this paragraph limits the authority of the State to make audits of this contract, provided, however, that if independent audits arranged for by Contractor meet generally accepted governmental auditing standards, the State shall rely on those audits and any additional audit work shall build upon the work already done.
- j. The State may, at its option, direct its own auditors to perform the single audit described in OMB Circular A-133. The State's auditors shall meet the independence standards specified in Government Auditing Standards. The audit shall be conducted in accordance with OMB Circular A-133 so as to satisfy all state and federal requirements for a single organization-wide audit.

## 22. CONTRACT AMENDMENTS

This contract may be amended by mutual agreement between the parties as stipulated in the body of this contract. The amendment may be subject to the approval of the Department of General Services.

## 23. CONFLICT OF INTEREST—CURRENT AND FORMER STATE EMPLOYEES

### a. Current State Officers and Employees

- (1) Contractor shall not utilize in the performance of this contract any state officer or employee in the state civil service or other appointed state official unless the employment, activity, or enterprise is required as a condition of the officer or employee's regular state employment. Employee in the state civil service is defined to be any person legally holding a permanent or intermittent position in the state civil service.
- (2) If any state officer or employee is utilized or employed in the performance of this contract, Contractor shall first obtain written verification from the State that the employment, activity, or enterprise is required as a condition of the officer's, employee's, or official's regular state employment and shall keep said verification on file for three years after the termination of this contract.
- (3) Contractor may not accept occasional work from any currently employed state officer, employee, or official.
- (4) If Contractor accepts volunteer work from any currently employed state officer, employee, or official, Contractor may not reimburse, or otherwise pay or compensate, such person for expenses incurred, including, without limitation, travel expenses, per diem, or the like, in connection with volunteer work on behalf of Contractor.
- (5) Contractor shall not employ any state officers, employees, or officials who are on paid or unpaid leave of absence from their regular state employment.
- (6) Contractor or anyone having a financial interest in this contract may not become a state officer, employee, or official during the term of this contract. Contractor shall notify each of its employees, and any other person having a financial interest in this contract that it is unlawful under the Public Contract Code for such person to become a state officer, employee, or official during the term of this contract unless any relationship with the Contractor giving rise to a financial interest, as an employee or otherwise, is first terminated.
- (7) Occasional or one-time reimbursement of a state employee's travel expenses is not acceptable.

### b. Former State Officers and Employees

- (1) Contractor shall not utilize in the performance of this contract any formerly employed person of any state agency or department that was employed under the state civil service, or otherwise appointed to serve in the state government, if that person was engaged in any negotiations, transactions, planning, arrangement, or any part of the decision-making process relevant to the contract while employed in any capacity by any state agency or department. This prohibition shall apply for a two-year period beginning on the date the person left state employment.
- (2) Contractor shall not utilize within 12 months from the date of separation of services, a former employee of the contracting state agency or department if that former employee was employed in a policy-making position in the same general subject area as the proposed contract within the 12-month period prior to the employee leaving state service.

### c. Failure to Comply with Subparts a or b

If Contractor violates any provision of subparts a or b above, such action by Contractor shall render this contract void, *unless the violation is technical or nonsubstantive.*



**24. CONTRACTOR NAME CHANGE**

Contractor shall provide a written notice to the State at least 30 days prior to any changes to the Contractor's current legal name.

**25. NOVATION**

If the Contractor proposes any novation agreement, the State shall act upon the proposal within 60 days after receipt of the written proposal. The State 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 may be made orally within the 60-day period, and confirmed in writing within five days.

**26. DRUG-FREE WORKPLACE**

Contractor certifies to the State that it will provide a drug-free workplace by doing all of the following:

- a. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited in the person's or organization's workplace and specifying the actions that will be taken against employees for violations of the prohibition.
- b. Establishing a drug-free awareness program to inform employees about all of the following:
  - (1) The dangers of drug abuse in the workplace.
  - (2) The person's or organization's policy of maintaining a drug-free workplace.
  - (3) Any available drug counseling, rehabilitation, and employee assistance programs.
  - (4) The penalties that may be imposed upon employees for drug abuse violations.
- c. Requiring that each employee engaged in the performance of the contract or grant be given a copy of the statement required by subdivision a and that, as a condition of employment on the contract or grant, the employee agrees to abide by the terms of the statement.
- d. Contractor agrees this contract may be subject to suspension of payments or termination of this contract, or both, and the Contractor may be subject to debarment, in accordance with the requirements of the Government Code, Section 8350 et seq., if the Department determines that any of the following has occurred:
  - (1) The Contractor or grantee has made a false certification.
  - (2) The Contractor violates the certification by failing to carry out the requirements of subdivisions a through c above.

**27. COVENANT AGAINST CONTINGENT FEES**

The Contractor warrants that no person or selling agency has been employed or retained to solicit/secure this contract upon an agreement of understanding for a commission, percentage, brokerage, or contingent fee, excepting *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, the State shall have the right to annul this contract without liability or in its discretion to deduct from the contract price or consideration, or otherwise recover, the full amount of such commission, percentage, brokerage, or contingent fee.

**28. FINAL INVOICE—FINAL REPORT—RETENTION OF FUNDS**

(Applicable only if a final report is required by the contract)

The State may, at its discretion, withhold 10 percent (10%) of the face amount of the contract, 50 percent (50%) of the final invoice, or \$3,000, whichever is greater, until receiving a final report that is satisfactory to the State.

**29. CONTRACTOR PERFORMANCE EVALUATION**

The State may, at its discretion, evaluate the performance of the Contractor at the conclusion of the contract. If performance is evaluated, the evaluation shall not be a public record, but may be placed on file with the Department of General Services. Negative performance evaluations may be considered by the State prior to making future contract awards. Performance evaluations may include, but not be limited to, the following:

- a. Whether the work or services were completed as specified.
- b. The reasons for and amount of cost overruns, if any.
- c. Whether the work or services met the specified quality standards.
- d. Whether the Contractor fulfilled all contract requirements.
- e. The factors outside the Contractor's control that may have caused performance difficulties.

**30. OFFICIALS NOT TO BENEFIT**

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

### EXHIBIT A-1 CURRENT CONTRACT YEAR EQUIPMENT PURCHASED WITH STATE FUNDS

Contract number: 01-15746  
 Previous contract number (if applicable): 00-90224  
 Contractor's name: County of San Mateo (Health Services)  
 Complete address: 225 W. 35<sup>th</sup> Avenue  
San Mateo, CA 94403  
 Telephone number: (650) 573-2348  
 Contractor's contact person: Sally Brother, R.D., M.P.H.

Date current contract expires: 06/30/02  
 DHS program name: Immunization Branch  
 DHS program liaison: Rowena Manuel  
 DHS program address: 2151 Berkeley Way, Room 712  
Berkeley, CA 94704  
 Liaison telephone number: (510) 540-2585  
 Date of this report: \_\_\_\_\_

**Please Read Instructions on Reverse Side Before Completing  
(THIS IS NOT A BUDGET FORM)**

| State ID Tag Number<br>(If motor vehicle,<br>list license number) | Quantity | Description<br><small>1. Include manufacturer's name, model number, type, size, and/or capacity.<br/>2. If motor vehicle, list year, make, model number, type of vehicle (van, sedan, pick-up, etc.)<br/>3. If van, include passenger capacity.</small> | Base Cost Per<br>Unit | DHS Order<br>or<br>DHS Document<br>Number | Date<br>Received | Serial Number<br>(If Motor Vehicle,<br>List VIN Number) |
|---|----------|---|-----------------------|---|------------------|---|
|   |          |   | \$                    |   |                  |   |
|   |          |   | \$                    |   |                  |   |
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|   |          |   | \$                    |   |                  |   |
|   |          |   | \$                    |   |                  |   |
|   |          |   | \$                    |   |                  |   |
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|   |          |   | \$                    |   |                  |   |
|   |          |   | \$                    |   |                  |   |
|   |          |   | \$                    |   |                  |   |
|   |          |   | \$                    |   |                  |   |

After a Standard Agreement contract has been approved and the equipment has been received, the DHS Program Liaison is responsible for obtaining the following information from the contractors and ensuring that the information is complete and accurate. The information will be used to track DHS contract equipment.

#### INSTRUCTIONS:

1. List each item of: *Tangible* equipment having a base cost per unit of \$500.00 or more and a life expectancy of 4 years or more.  
*Intangible* equipment having a base cost per unit of \$5,000.00 or more and a life expectancy of 4 years or more (e.g., software, video, etc.).

The Department of Health Services (DHS) reserves the right to require the reporting and tagging of expendable equipment having a base cost per unit under \$500.00. This equipment will be issued either number series ID tags (e.g., computer monitor, facsimile, television, VCR, etc.) or blank ID tags (e.g., furniture, typewriter, calculator, etc.).

NOTE: It is a DHS policy not to ID tag modular furniture.

2. DHS Order or DHS Document Number: If applicable, DHS Program Liaison will note DHS Agency Purchase Estimate Number or Agency Order Number.  
If applicable, DHS Asset Management will note DHS document number that applies to final disposition of equipment.
3. Identification tags that have been lost or destroyed must be replaced and can be obtained by contacting the DHS Asset Management Unit.
4. If additional pages are necessary, please use additional copies of this report and label the upper right-hand corner (e.g., Page 1 of 3, etc.).
5. When completed, the contractor is to return the original and one copy of this form to the DHS Program Liaison. The program will forward the original form to the Contracts and Business Services/Asset Management Unit at the following address:  
P.O. Box 942732, 1800 Third Street, Room 455, Sacramento, CA 94234-7320.
6. A copy of this report is to be retained on file with the DHS program.
7. Upon receipt of this report in the Asset Management Unit, identification tags will be issued to the DHS Program Liaison. The DHS Program Liaison will forward the ID tags to the contractor. The contractor will place ID tags in plain sight to be easily read. To the extent possible, all equipment will be tagged on the asset's front, left-hand corner. The manufacturer's make and model number is not to be covered by the ID tags.

For more information regarding listing and tagging of equipment, please call Asset Management at (916) 323-4524.

**EXHIBIT B  
BUDGET  
July 1, 2001 - June 30, 2002**

|   |                    |
|---|--------------------|
| <b>PERSONNEL</b>                              | <b>\$6,065.00</b>  |
| <b>FRINGE BENEFITS (30% OF PERSONNEL)</b>     | <b>\$1,820.00</b>  |
| <b>OPERATING EXPENSES OR GENERAL EXPENSES</b> | <b>\$0.00</b>      |
| <b>EQUIPMENT</b>                              | <b>\$0.00</b>      |
| <b>TRAVEL</b>                                 | <b>\$2,500.00</b>  |
| <b>SUBCONTRACTS</b>                           | <b>\$5,615.00</b>  |
| <b>OTHER COSTS</b>                            | <b>\$0.00</b>      |
| <b>INDIRECT COSTS (0%)</b>                    | <b>\$0.00</b>      |
| <b>TOTAL BUDGET</b>                           | <b>\$16,000.00</b> |

### CONTRACT UNIFORMITY

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, the Department of Health Services sets forth the following policies, procedures, and guidelines regarding fringe benefits.

1. As used in this agreement with reference to State and/or federal funds, 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.
2. As used herein, fringe benefits do not include:
  - a. 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.
  - b. Director's and executive committee member's fees
  - c. Incentive awards and/or bonus incentive pay
  - d. Allowance for off-site pay
  - e. Location allowances
  - f. Hardship pay
  - g. Cost-of-living differentials
3. Specific allowable fringe benefits include:
  - a. 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, workers compensation insurance and the employers portion of pension/retirement plans provided they are granted in accordance with established written organization policies and meet all legal and Internal Revenue Service requirements.
4. To be an allowable fringe benefit, the cost must meet the following criteria:
  - a. Be necessary and reasonable for the performance of the contract.
  - b. Be determined in accordance with generally accepted accounting principles.
  - c. Be consistent with policies that apply uniformly to all activities of the Contractor.
5. It is agreed by both parties that any and all fringe benefits shall be at actual cost.
6. Earned/accrued Compensation.
  - a. Compensation for vacation, sick leave, and holidays is limited to that amount earned/accrued within the contract term. Unused vacation, sick leave, and holidays earned from periods prior to the contract period cannot be claimed as allowable costs (See example on page 2).
  - b. 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 contract. Holidays cannot be carried over from one contract year to the next. (See example on page 2).
  - c. For single year contracts, vacation, sick leave, and holiday compensation which is earned/accrued but not paid, due to employee(s) not taking time off within the contract term, cannot be claimed as an allowable cost (See example on page 2).

**Contract Uniformity**  
**Earned/Accrued Compensation Examples**

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 State contract term, the Contractor during a one-year contract 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 contract are not an allowable cost.

Example No. 2:

If during a three-year (multiple year) contract 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).

Example No. 3:

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

## CONTRACTOR'S RELEASE

### 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 01-15746** entered into between the State of California Department of Health Services and the Contractor (identified below), the Contractor does hereby 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 **[Enter "percentage value" or "zero"]** \_\_\_\_\_ percent 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): County of San Mateo (Health Services)

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

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

DHS Distribution: Accounting (Original) Program CMU contract file



**Travel Reimbursement Information  
Effective November 1, 1999**

1. The following rate policy is to be applied for reimbursing the travel expenses of persons under contract.
  - a. Reimbursement shall be at the rates established for nonrepresented/excluded state employees.
  - b. Short Term Travel is defined as a 24-hour period, and less than 31 consecutive days, and is at least 50 miles from the main office, headquarters or primary residence. Starting time is whenever a contract employee leaves his or her home or headquarters. "Headquarters" is defined as the place where the contracted personnel spends the largest portion of their working time and returns to upon the completion of special assignments.
  - c. Contractors on travel status for more than one 24-hour period and less than 31 consecutive days may claim a fractional part of a period of more than 24 hours. Consult the chart appearing on page 2 of this exhibit to determine the reimbursement allowance. All lodging must be receipted. If contractor does not present receipts, lodging will not be reimbursed.

(1) Lodging (with receipts):

| <b>Travel Location / Area</b>  | <b>Reimbursement Rate</b> |
|--|---------------------------|
| Statewide Non-High Cost Area   | \$ 84.00 plus tax         |
| High Cost Areas including the following counties: Alameda, San Francisco, San Mateo, Santa Clara and Central and Western Los Angeles (L.A.).<br>Central and Western L.A. is the territory bordered by Sunset Blvd. On the north, the Pacific Ocean on the West, Imperial Blvd./Freeway 105 on the South and Freeways 110, 10, and 101 on the East.<br><br>Central and Western L.A. includes downtown L.A., Englewood, L.A. International Airport, Playa del Rey, Venice, Santa Monica, Brentwood, West L.A., Westwood Village, Culver City, Beverly Hills, Century City, West Hollywood and Hollywood. | \$110.00 plus tax         |

Reimbursement for actual lodging expenses exceeding the above amounts may be allowed with the advance written approval of the Deputy Director of the Department of Health Service or his or her designee. Receipts are required.

- (2) Meal/Supplemental Expenses (with or without receipts): With receipts, the contractor will be reimbursed actual amounts spent up to the maximum.

| <b>Meal / Expense</b> | <b>Reimbursement Rate</b> |
|-----------------------|---------------------------|
| Breakfast             | \$ 6.00                   |
| Lunch                 | \$ 10.00                  |
| Dinner                | \$ 18.00                  |
| Incidental            | \$ 6.00                   |

- d. Out-of-state travel may only be reimbursed if such travel has been stipulated in the contract and has been approved in advance by the program with which the contract is held. For out-of-state travel, contractors may be reimbursed actual lodging expenses, supported by a receipt, and may be reimbursed for meals and supplemental expenses for each 24-hour period computed at the rates listed in c. (2) above. For all out-of-state travel, contractors must have prior Departmental approval and a budgeted trip authority.
- e. In computing allowances for continuous periods of travel of less than 24 hours, consult the chart appearing on page 2 of this bulletin.

- f. No meal or lodging expenses will be reimbursed for any period of travel that occurs within normal working hours, unless expenses are incurred at least 50 miles from headquarters.
2. If any of the reimbursement rates stated herein are changed by the Department of Personnel Administration, no formal contract amendment will be required to incorporate the new rates. However, DHS shall inform the contractor, in writing, of the revised travel reimbursement rates.
3. For transportation expenses, the contractor must retain receipts for parking; taxi, airline, bus, or rail tickets; car rental; or any other travel receipts pertaining to each trip for attachment to an invoice as substantiation for reimbursement. Reimbursement may be requested for commercial carrier fares; private car mileage; parking fees; bridge tolls; taxi, bus, or streetcar fares; and auto rental fees when substantiated by a receipt.
4. **Note on use of autos:** If a contractor uses his or her car for transportation, the rate of pay will be 31 cents maximum per mile. If the contractor is a person with a disability who must operate a motor vehicle on official state business and who can operate only specially equipped or modified vehicles may claim a rate of 31 cents per mile without certification and up to 37 cents per mile with certification. If a contractor uses his or her car "in lieu of" air fair, the air coach fair will be the maximum paid by the State. The contractor must provide a cost comparison upon request by the state. Gasoline and routine automobile repair expenses are not reimbursable.
5. The contractor is required to furnish details surrounding each period of travel. Travel detail may include, but not be limited to: purpose of travel, departure and return times, destination points, miles driven, mode of transportation, etc.
6. Contractors are to consult with the program with which the contract is held to obtain specific invoicing procedures.

**Travel Reimbursement Guide**

| Length of travel period                    | This condition exists...  | Allowable Meal(s)            |
|--|---|------------------------------|
| Less than 24 hours                         | Travel begins at 6:00 a.m. or earlier and continues until 9:00 a.m. or later.   | Breakfast                    |
| Less than 24 hours                         | <ul style="list-style-type: none"> <li>• Travel period ends at least one hour after the regularly scheduled workday ends, or</li> <li>• Travel period begins prior to or at 5:00 p.m. and continues beyond 7:00 p.m.</li> </ul> | Dinner                       |
| 24 hours                                   | Travel period is a full 24-hour period determined by the time that the travel period begins and ends.   | Breakfast, lunch, and dinner |
| Last fractional part of more than 24 hours | Travel period is more than 24 hours and traveler returns at or after 8:00 a.m.  | Breakfast                    |
|  | Travel period is more than 24 hours and traveler returns at or after 2:00 p.m.  | Lunch                        |
|  | Travel period is more than 24 hours and traveler returns at or after 7:00 p.m.  | Dinner                       |