

ATTACHMENT 25: APPENDIX A - STATEMENT OF WORK

1. Background and Purpose

The Department of Cannabis Control (Department) leverages two separate instances of the Accela platform to manage essential business processes related to cannabis licensure, compliance, and enforcement. The two systems, known as the Cannabis Licensing, Enforcement, and Reporting (CLEaR) system and the Cultivation Licensing System (CLS), address distinct aspects of cannabis regulation in California.

The CLEaR system focuses on the licensure and regulatory oversight of cannabis retailers, distributors, laboratories, transporters, microbusinesses, event organizers and manufactured cannabis. Business processes include processing applications, tracking licensee activities, and ensuring compliance with state laws. The CLEaR system contains functionality to support Compliance and Enforcement activities as applicable to the licensing process within the system.

The CLS is specifically tailored to support the licensure and oversight of cannabis cultivation activities. This includes processes related to cannabis growers, raw product processing facilities, and nursery operators throughout California. Like CLEaR, the CLS incorporates tools for monitoring compliance and conducting enforcement activities, ensuring that cultivators adhere to state regulations and maintain high standards for safety, sustainability, and legal operations.

While these systems offer configurability, maintaining two separate instances of the Accela platform, creates a layer of complexity. The segregation complicates data integration and increases the potential for inconsistencies between the systems. Users often face challenges navigating the structure, which can hinder efficient coordination across regulatory activities or new mandates.

The Department of Cannabis Control (Department) seeks to consolidate the two instances of their current cannabis licensing software into one solution. These two systems are not integrated to communicate and share real-time data, nor have functionality to streamline current workflows such as document management, validating inputs, case management and the communication needed which could benefit the Department, and external stakeholders. Having the CLEaR and CLS solutions maintained on two separate systems has presented operational challenges.

Many other State departments partner with the Department of Cannabis Control for licensing related activities. These agencies include the California Department of Pesticide Regulation, the California Department of Fish and Wildlife, the Department of Water Resources Control Board, the California Air Resources Control Board, Department of Justice, and California Department of Food and Agriculture. The licensing requirement activities the Department conducts with these organizations can be better tracked and regulated in a new centralized database. These organizations may have an impact on the functionality targeted for the new system.

The public will indirectly benefit from the implementation of a more modernized system as enhanced data collection will drive better reporting, policy and business process decisions. Cannabis consumers will be better served should they submit a complaint to the Department as it will be tracked in an improved manner for all license types. Members of the public who are licensees will experience an improved level of service from the Department. Local entities support the Department in licensing and enforcement activities. These organizations may influence the development of functionality for the new system.

1.1. Objective

Currently, the Department must utilize two separate cannabis licensing systems. Having two separate systems does not allow for efficiency in current operations, as duplicate efforts must occur. A centralized database would better track and regulate licensing, compliance, and lab activities. Enhanced data collection will drive improved reporting, policy development and business process decisions. A centralized system would also provide more streamlined services to cannabis consumers who submit complaints, as their information would be tracked in a unified manner. Additionally, system changes required by legislative and regulatory mandates could be delivered more quickly, ensuring timelier compliance.

A centralized database would improve the Department's cannabis oversight by increasing operational efficiency, enhancing data-driven decision-making, streamlining customer service, and accelerating regulatory compliance.

2. Description of Proposed New System

This Statement of Work (SOW) reflects the services the System Integrator, hereafter referred to as the Contractor, must provide to the Department of Cannabis Control (DCC) during the term of the Contract. This SOW is governed by, and incorporates the terms and conditions of EXHIBIT D: IT - GP CLOUD - COMPUTING SERVICES, DGS PD 402-ITGP (Cloud). The Contractor must have extensive and demonstrated technical knowledge and experience as identified in this SOW as well as practical project experience.

The State anticipates that Project completion will be achieved through the progressive decommissioning and replacement of two existing legacy systems, with each phase addressing one legacy system independently.

Phase 1 shall include the configuration, development, and implementation of the proposed SaaS solution for one designated legacy system (CLEAR or CLS), including all required data conversion and migration activities necessary to support a production launch and go-live for that system. Upon successful completion of Phase 1, the solution shall be operational and in use by internal and external users. Deployment of Phase 1 shall not relieve the Contractor of its obligation to continue delivery of Phase 2 functionality.

Phase 2 shall include the configuration, development, and implementation of the proposed solution for the remaining legacy system, including all required data conversion and migration activities, resulting in full Project completion and replacement of both legacy systems.

Each phase shall include, at a minimum, planning, design, development, configuration, data migration, testing, and deployment, performed iteratively and incrementally in accordance with agile Scrum practices and the approved Contractor Tasks and Deliverables per [SECTION 15. Contractor Tasks and Deliverable Requirements](#). Each phase shall result in a separately deployable and usable production release of the solution.

Project utilizes an incremental Agile-based approach to software development, the Project will have a period during which functionality is live in production while the remaining balance of Project scope has yet to be delivered to production. To clearly describe this, the period between the first phase and second phase launch would be a period in which functionality is live in production but the entire Project scope has not yet been delivered. During such a period, the Contractor shall update functionality already delivered to production if directed by the State via the [SECTION 14. Change Control Procedures](#).

The Contractor will propose a Software as a Service (SaaS) to develop, configure and design all requirements identified in EXHIBIT A: FUNCTIONAL AND NON-FUNCTIONAL REQUIREMENTS for a licensing and compliance software solution which is capable of integrating in real-time with internal and external solutions based on ATTACHMENT 21: WORK ORDER AUTHORIZATION FORM approved by DCC. The Contractor will put high importance on enterprise-grade development and reusable components for DCC future enterprise operations. Data conversion from the two Accela instances into one solution is in the scope of this project.

*Detailed as-is and to-be workflows can be found in the [Bidder's Library](#) for reference to the number of workflows in project scope.

3. Term of the Contract

Effective upon approval of CDT, Office of Statewide Technology Procurement (OSTP), the base term of the Contract shall be three and a half years (3.5) years from the Contract Execution Date. The project phase is two and a half (2.5) years and one-year of maintenance and operations for implementation services.

The State, at its sole discretion, may exercise its option to execute two (2) additional one (1) year optional extensions for maintenance and operations for a maximum contract term of five and one-half (5.5) years, at the rates specified in the EXHIBIT C: COST WORKSHEETS. The State is not obligated to use any or all of these options. Additionally, the State, at its sole discretion, may exercise an extension of up to six

months for time-related work, to include implementation and full system acceptance. This time-only extension shall be at the originally agreed-upon deliverable rates specified in this Contract and at no additional cost to the total Contract.

The Agreement is of no effect unless approved by CDT and no work shall begin before full execution of the Agreement. The Contractor shall not be authorized to deliver goods or commence performance of services described in this Agreement prior to the effective date of the contract. Any delivery of goods or performance of services by the Contractor that is commenced prior to the effective date shall be at no cost to the State.

4. Amendment

The Agreement may be amended, consistent with the terms and conditions of the Agreement, and by mutual consent of both parties, subject to approval by the CDT Office of Statewide Technology Procurement under Public Contract Code (PCC) Section 12100. No amendment or variation of the terms of this Agreement shall be valid unless made in writing, signed by the parties, and approved by oversight agencies if required. No oral understanding not incorporated in the Agreement is binding on any of the parties.

5. Location and Availability

All Contractor work shall be performed remotely based in the continental United States, unless in-person services are required. The State will provide a set of collaboration tools to facilitate remote development. No off-shore remote work shall be allowed under this Contract.

Department of Cannabis Control
2920 Kilgore Road
Rancho Cordova, CA 95670

Normal hours of access are Monday through Friday, 7:00 a.m. to 5:00 p.m., excluding State holidays. The Contractor is required to perform work duties within the normal hours of work. The Contractor must make prior arrangements and receive approval from the State for access to the project office outside these normal working hours. State holidays are listed on the California Department of Human Resources (Cal HR) website at the link below, and are subject to change:

<http://www.calhr.ca.gov/employees/Pages/state-holidays.aspx>

6. Contract Representative

All notices required by, or relating to, this Contract shall be in writing and shall be sent to the parties of the

Contract at the address set below unless changed from time to time, in which event each party shall so notify the other in writing, and all such notices shall be deemed duly given if deposited, postage prepaid, in the United States mail or e-mailed and directed to the addresses then prevailing.

The contract representatives during the term of this contract will be:

PROJECT/PROGRAM CONTRACT REPRESENTATIVES			
State Department: Department of Cannabis Control		Contractor: TBD	
Name:	TBD	Name:	TBD
Title:	TBD	Title:	TBD
Telephone Number:	TBD	Telephone Number:	TBD
E-mail Address:	TBD	E-mail Address:	TBD

Direct all contract inquiries to:

CONTRACT REPRESENTATIVES FOR INQUIRIES			
State Department: Department of Cannabis Control		Contractor: TBD	
Name:	TBD	Name:	TBD
Title:	TBD	Title:	TBD
Telephone Number:	TBD	Telephone Number:	TBD
E-mail Address:	TBD	E-mail Address:	TBD

All inquiries during the term of this Agreement will be directed to the contract contacts listed above.
Contract representatives may be changed by written notice without amending this Agreement.

7. Solution Requirements

The Contractor shall complete and implement the DCC requirements as defined in EXHIBIT A: FUNCTIONAL AND NON-FUNCTIONAL REQUIREMENTS. The DCC EXHIBIT A: FUNCTIONAL AND NON-FUNCTIONAL REQUIREMENTS will be electronically tracked, in DCC's requirements traceability solution as they are completed. The Contractor shall be responsible and accountable for implementing requirements that address DCC's business needs.

The following subsections are the high-level business needs for the DCC software solution.

7.1. Integrations

The Contractor shall configure the Software Solution to integrate with various external systems. All integrations developed shall adhere to the integration requirements and shall be secure and prevent the unauthorized disclosure or release of information. Data within the Solution is confidential and shall be protected. If client-side integration architecture components are needed, the Contractor shall provide recommendations on infrastructure components (hardware and software) to the State to successfully support these integration. The State technical team shall validate these recommendations and the State shall be responsible for procuring the necessary technical components only if suitable infrastructure components and architecture are not already available in DCC's technical infrastructure. At the State's direction, the Contractor shall install, configure, and manage this client-side environment.

Specific integration requirements are included in [EXHIBIT A: FUNCTIONAL AND NON-FUNCTIONAL REQUIREMENTS](#) . The Contractor shall further develop and define each requirements via an Integration Control Document (ICD) that shall be approved by the State via the Project's Deliverables management process as described in [SECTION 15. Project \(Contractor\) Tasks and Deliverable Requirements](#) and [SECTION 16. Deliverable and Work Product Acceptance/Rejection Process](#). These ICDs will define the data fields, format, processing logic, scheduling, success and error reporting and technical infrastructure components required of each individual integration. Integrations may consist of outbound data to an external partner, inbound data from an external partner, or both.

While the Contractor shall leverage real-time Application Program Interfaces (APIs) and web services to achieve the business needs of a given integration, the technological capabilities of the external partner will play a role in defining the scope of the integration.

7.2. Applications

To apply for a DCC license, the Applicant shall submit an application to DCC for a specific license type. The license shall be issued to a specific person or entity (sole proprietor, partnership, corporation, etc.) and specific location.

DCC requires the Applicant to submit the required application (via an online application portal, in person, or mail), complete the application by providing the required information and documentation, and pay for application and license fees. In addition, the solution shall allow DCC to input application information received via mail or in person.

The Contractor shall configure the solution to allow the Applicant to create an account/profile or log-in to an existing account to submit and/or complete a new or existing application. Applicants shall have the ability to add application materials through an online application portal. The software solution must also allow materials to be manually keyed or uploaded to the application file if they are submitted to the Program via a different method. Once the applicant has submitted an application, the applicant shall be able to obtain the submitted application status information via the online application portal.

Applicants shall have the ability to save applications in progress so that they may log-in to their accounts and resume work on the applications where they left off prior to the applications being submitted. When applicants resume work on applications, they need to identify (select from a list of one or more in-process applications) which application to resume (if multiple applications are in progress), and then begin work where they had stopped on the application process. All data entered up to the point where they had stopped must be saved with the application and shall not need to be re-entered. Applicants may need to review licensing policies, regulations, and other related information to ensure they understand what is required for each specific license type or application. In addition, prior to starting or during the application process, applicants may need additional information and/or guidance on what is required to complete each section of the application. Applicants shall be able to access aides (e.g., frequently asked questions, pop-up instructions, etc.) throughout the application process and not lose their place in the application. Some application types require third-parties (i.e., business partners) to submit documentation or data (i.e., attestations) related to an application.

If the application is approved, the applicant shall be able to obtain (print or download) the approved license. The Program must be able to communicate through the online application portal or via email or traditional letters to applicants. If applicants are missing any of the required application materials, applicants shall be able to submit those materials or information via the online application portal.

7.3. Licensees

Businesses who previously met all minimum requirements to hold a license(s) shall use the solution to apply for and obtain a license renewal or complete other post licensure maintenance.

Licensees must submit license renewal requests and required fees prior to the license expiration date to avoid a lapse and to avoid paying late fees. Licensees shall have the ability to access a license renewal application for their specific license type, complete all required areas of the application, submit all necessary documents, pay fees, and submit the license renewal application for back-office review.

Licensees may not be able to complete renewal applications in one session, meaning that they stopped work on the application before the application was submitted. When Licensees resume work on renewal applications, they must identify which application they want to resume, if multiple applications are in progress, then begin work on the application at the application section where they had stopped. All data entered up to the point where the Licensee stopped must be saved with the application information and shall be available when the application process is resumed.

Licensees shall have the ability to access aides (e.g., frequently asked questions, pop-up instructions, etc.) throughout the renewal process. When renewal applications are approved, Licensees shall have the ability to obtain (e.g., print or download) the approved renewed license.

7.4. Back Office Processing

Once an application, renewal, or other license maintenance request has been submitted on-line, by mail, or in-person, and received by the DCC, a back-office review of the application is performed to ensure all sections of the application are complete. If the application is not complete, or attachments are not readable, the application shall be set to a status indicating it is incomplete and requires applicant's action. The Program shall have the ability to notify the applicant of application status.

7.5. Process and Document Case Activity

The DCC can discipline, suspend, revoke, and take other administrative action against licenses. The software solution must be configured to allow the DCC to receive, document, and track all case activity such as compliance, inspections, complaints, investigations related to a specific License(s) and investigations related to unlicensed activity (individuals or entities who may not already have an account/profile). In addition, the DCC must be able to archive documentation and correspondence related to a specific License(s) or the subject of the complaint/investigation, record fines associated with the Licensee and their assigned account or the subject of the complaint/investigation, and capture enforcement actions taken, and resolution of enforcement action.

7.6. Reporting

While most initial reporting needs are expected to be met via an integration with DCC's current business intelligence platform, the software solution shall also provide basic ad-hoc reporting and advanced back office search functionality for the data stored natively in the software solution. The software solution shall be able to provide real-time replicated data to the State's data warehouse.

7.7. Accounting and Cashiering

The Contractor shall configure the software solution to receive various forms of payment options. The options shall include accepting payments online, in person, and by mail. Forms of payment shall include,

but are not limited to, cash, check, e-check, and credit/debit cards. The solution shall have the ability to create online cashiering receipts, issue refunds, and apply payments to the appropriate applications, licenses, compliance and enforcement related activity. In addition, the solution should have the ability to perform a transfer of funds from one account to another and the ability to identify bad-checks.

7.8. Information Technology Services Division (ITSD) System Maintenance

DCC Information Technology Services Division (ITSD) shall be administrative users of the software solution. A limited set of administrative functions shall be delegated to the Programs if adequate role-based-security can limit the scope of administrative actions available to non-IT staff.

Upon completion of knowledge transfer, to ITSD staff, they shall have the ability to configure, monitor, and administer the operational characteristics of any proposed software solution. This includes such characteristics as configuration, user management, web service modification, performance, availability, and overall utilization.

ITSD shall have the ability to obtain and/or verify Service Level Agreement (SLA) data. ITSD shall have access to the SLA raw data, download this data, and review the information to determine if the contractually agreed to SLAs have been met. ITSD shall have the ability to add, delete, and suspend users of the software solution and to perform other user management functions such as the assignment of roles, generation of initial passwords, generation of password resets, etc.

7.9. Mandatory-Optional Requirements

Mandatory Optional requirements FG-93 through FG-95 (below) and as identified in EXHIBIT A: FUNCTIONAL AND NON-FUNCTIONAL REQUIREMENTS, are not negotiable. To be considered responsive, all requirements identified as (MO) must receive a cost in the EXHIBIT C: COST WORKSHEETS. It is at the State's option/discretion on whether to utilize the option and execute an amendment to the contract.

Requirement #	Requirement Description
FG-93	The system shall support bi-directional data exchange with state and federal systems, values determined by DCC and provide fail and success reports, for new legislative driven license types.
FG-94	The system shall support the configuration and management of new legislatively-mandated license types (up to five in total), including fees, variable fee rules, expiration date assignment rules, eligibility rules, owner relationship requirements, and required licensing disclosures.

Requirement #	Requirement Description
FG-95	The system shall support modification of license types to conform with legislatively-mandated changes to fees, variable fee rules, expiration date assignment rules, eligibility rules, owner relationship requirements, and required licensing disclosures.

8. Contractor Hosted Facility Environment

The cloud solution shall be hosted at a provider-operated facility and must be compliant with GovCloud (US) standards and meet all applicable moderate FedRAMP requirements for security and authorization. Refer to EXHIBIT D: IT - GP CLOUD - COMPUTING SERVICES, DGS PD 402-ITGP (Cloud).

9. State's Roles and Responsibilities

The DCC Contract Representative is the contact person to whom all Contractor communications may be addressed. The following describes the responsibilities of DCC:

- A. Review the agreement and associated documents with the Contractor, as needed, to ensure understanding of the responsibilities of both parties.
 - A. Coordinate and schedule meetings between the Contractor and state key personnel.
 - B. Review and assess Contractor tasks and deliverables for quality and completeness and ensure the technical requirements of the Agreement are met.
 - C. Provide Contractor(s) with sufficient and timely access to appropriate documentation and DCC staff, as appropriate, to facilitate the execution of the Contractor tasks and deliverables as in [SECTION 15. Contractor Tasks and Deliverable Requirements](#).
 - D. Provide information regarding the data, and schedule the availability of the DCC personnel for interviews, as required by the Contractor to perform its responsibilities.
 - E. Provide Contractor with standard Department imaged desktop(s), phone equipment, and standard cubicle and/or office working facilities at any of the DCC sites and/or other locations specified by the DCC, as necessary, with limited network connectivity to access team working documents.
 - F. Provide (and require signature as applicable) the Contractor staff the applicable policies and procedures for review/ signature, such as Sexual Harassment Training Policy, confidentiality, DCC facilities, security, and Internet usage policies

The State will have staff who can perform the following roles and responsibilities:

Role	Responsibility
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Executive Sponsor	The Executive Sponsor plays a vital leadership role by championing the project throughout the State of California within the Programs, Department, Agency, and State Stakeholders.
Product Owner	The Product Owner establishes the vision for the product and serves in a leadership role. They prioritize the business needs, provide input to the Vendor regarding defects, and validate requirements. They also determine the severity and priority of any software defects discovered through testing.
Project Director	The Project Director assists the Executive Sponsor with external stakeholder management specific to technical scope. The Project Director supports the Project Manager Team by working directly with the Executive Sponsor and external stakeholders to ensure that decisions that impact the technical scope are managed appropriately by defining and implementing a governance structure.
Project Manager Consultant (State)	The Project Manager manages the day-to-day activities of the team and works with the Product Owner and Vendor to ensure an effective, user-focused product that meets the business needs.
Project Management Staff	Project Management Support Staff assist the Project Director and Project Manager in the day-to-day project management activities in support of the project.
Subject-Matter Experts	Subject-Matter Experts will provide business clarification on requirements and may review project deliverables and participate in testing.
Independent Verification and Validation (IV&V) Staff	IV&V staff provide independent review and analysis of specific project activities and documentation related to the solution and requirements, monitor the requirements to ensure they meet the stated business needs, monitor the solution to ensure it meets the requirements, and review the ongoing project.

10. Contractor's Roles and Responsibilities

In partnership with the DCC, the Contractor shall provide the software and Key and non-key staff to implement the SaaS solution to meet the DCC's requirements. The Contractor's scope of work shall include:

- A. Provide a licensing and compliance cloud SaaS product and any other software products required to meet all requirements identified in EXHIBIT A: FUNCTIONAL AND NON-FUNCTIONAL REQUIREMENTS.
- B. Set up and provision the production and all required non-production environments of the SaaS product.
- C. Provide a Key and non-key staff that meets the minimum Key and non-key staff qualifications/ experience requirements as outlined in this request and the resulting Agreement.
- D. Provide technical services for all activities associated with the execution of the deliverables, tasks, and responsibilities identified in this SOW.
- E. Unless otherwise specified by the DCC Project Director, Contractor shall use Microsoft Office Professional Suite 2010, for supporting word processing documents, Microsoft Excel 2010 for spreadsheets, Microsoft PowerPoint for presentations and Microsoft Project for the schedule. The media of delivery shall be compatible with the DCC document storage devices.
- F. The Contractor shall establish integrations with cloud-based systems of record(s).
- G. The Contractor shall work collaboratively with DCC resources for the sole purpose of performing the work specified in this agreement.
- H. The Contractor shall not connect non-DCC personal computers to the DCC network without prior written approval.
- I. The Contractor shall complete all tasks and deliverables within the periods specified in the State-accepted project System Development Plan and shall submit them to the appropriate DCC project representative.
- J. Upon engagement, the Contractor shall comply with and sign all applicable DCC policies and procedures, including but not limited to those relative to discrimination, sexual harassment, confidentiality, conflict of interest, privacy, security, facilities, personal computing device and Internet usage.
- K. Prior to the termination of the agreement, the Contractor shall return all DCC property, such as card keys, office equipment, and project documentation upon demand by DCC.

The DCC Projects follow a hybrid/modular approach with aspects similar to the California Agile Framework ([CA-Agile](#)) and the California Project Management Framework ([CA-PMF](#)). The CA-Agile was developed by the California Department of Technology's (CDT) California Project Management Office and it provides practical guidance for managing iterative incremental project delivery activities. The CA-

PMF is a customized project management methodology derived from the Project Management Institute's process groups. The CA-PMF follows best practices based on the State processes and the Project Management Body of Knowledge. The Contractor will direct and implement the CSI project's SaaS solution through a development approach, as presented in their ATTACHMENT 17: NARRATIVE RESPONSE. Upon contract award, a more defined and detailed description will be provided in the System Development Plan in order to meet the requirements in this SOW.

11. Key Staff Qualifications and Skills

KEY STAFF QUALIFICATIONS AND SKILLS

The Contractor is fully responsible for providing staffing resources to successfully complete the tasks, deliverables, and performance standards set forth in this SOW. The proposed staff must be capable of fulfilling all roles and tasks/deliverables outlined in this SOW.

Based upon DCC business needs, DCC requires the following number of key staff personnel to provide support under this Agreement.

Mandatory Minimum qualifications	Desirable Qualifications
Manager (1)	

Key Staff: Project

1. Bachelor degree in Business Administration, Information Technology, Project Management or Computer Science.

If the degree is not in English, it must be accompanied by an evaluation performed by a member of the National Association of Credential Evaluation Services (NACES).

1. One (1) to three (3) years of experience as the Project Manager implementing or maintaining a Cannabis Licensing and Compliance system.

2. Four (4) years of experience as a Project Manager on a large scale complex IT project for a government agency (City, State, County or Federal), managing the end-to-end design, development and implementation (DDI) of software solutions.

3. Two (2) years managing cross-functional project teams, ensuring alignment with organizational goals, budgets, and timelines.

4. Two (2) years developing, updating, and executing project management plans, and must have experience in managing all the following: scope, schedule, resource allocation, risk, and stakeholder communication.

5. Two (2) years applying standard project management methodologies and Agile, Scrum, or hybrid approaches using modern project management tools.

6. Project Management Institution (PMI) Project Management Professional (PMP) certification.

Key Staff: Scrum Master (1) Desirable Qualifications

1. Bachelor's degree in Business Administration, Information Technology, Project Management or Computer Science.

If the degree is not in English, it must be accompanied by an evaluation performed by a member of the National Association of Credential Evaluation Services (NACES).

1. One (1) to three (3) years of experience as the Scrum Master implementing or maintaining a Cannabis Licensing and Compliance registration system.
2. Four (4) years of experience as a Scrum Master on a large-scale complex IT project and must have experience in managing all the following: facilitating Agile ceremonies, daily stand-ups, sprint planning, reviews, and retrospectives.
2. Scrum Master Certificate
3. Two (2) years of experience maintaining sprint velocity, ensuring a collaborative and self-organizing environment.
4. Two (2) years of experience partnering with Product Owners and must have experience in managing all the following: prioritize and refine backlogs, manage stakeholder expectations, and deliver increments.

Key Staff: Business Analyst Lead (1) Desirable Qualifications

1. Bachelor degree in Business Administration, Information Technology, Project Management or Computer Science.

If the degree is not in English, it must be accompanied by an evaluation performed by a member of the National Association of Credential Evaluation Services (NACES).

1. One (1) to three (3) years of experience as the Lead Business Analyst implementing or maintaining a Cannabis Licensing and Compliance system.
2. Four (4) years of experience as a Business Analyst on a large-scale complex IT project and experience must be in a regulatory, licensing, and compliance system.
3. Two (2) years overseeing a team of business analysts and coordinating with cross-functional teams to ensure consistency and quality of analysis deliverables (e.g., business process models, user stories, use cases).
4. Two (2) years leading business analysis efforts across the full project lifecycle, and must have experience in all of the following: requirements analysis, user story development, documentation, validation, and traceability.

Key Staff: Configuration Lead (1)

Desirable Qualifications

1. Bachelor degree in Information Technology, Computer Science, Information Systems Management, or Engineering.

If the degree is not in English, it must be accompanied by an evaluation performed by a member of the National Association of Credential Evaluation Services (NACES).

1. One (1) to three (3) years of experience as the Configuration Lead implementing or maintaining a Cannabis Licensing and Compliance system.
2. Four (4) years of experience as a Configuration Lead in a large-scale complex IT project and must have experience in managing all the following: coordinating cross functional teams (e.g. development, QA, or security, operations) to promote, deploy, and validate configuration changes across multiple environments (e.g. dev, test, staging, or prod).
3. Two (2) years of experience in managing all the following: establishing and governing configuration management processes, defining standards, policies, and baselines for code, infrastructure, and environment configurations.
4. Two (2) years of experience in managing all the following: leading continuous improvement by

analyzing configuration incidents, root causes, and metrics to streamline releases and reduce defects.

Key Staff: Technical Architect Lead (1) Desirable Qualifications

1. Bachelor degree in Computer Science, Software Engineering, Information Systems Management, Computer Engineering or Systems Engineering.

If the degree is not in English, it must be accompanied by an evaluation performed by a member of the National Association of Credential Evaluation Services (NACES).

1. One (1) to three (3) years of experience as the Technical Architect implementing or maintaining a Cannabis Licensing and Compliance system.
2. Four (4) years of experience as a Technical Architect Lead on a large complex IT project and must have experience on systems integration and data exchange between enterprise platforms and third-party applications.
3. Two (2) years of experience in all of the following: leading data conversion and migration efforts, data mapping, transformation logic, data quality validation, and secure transfer of data between legacy systems and modern platforms.
4. Two (2) years of experience in developing and maintaining technical architecture designs and artifacts ensuring traceability, auditability, and compliance with frameworks such as ITIL, ISO 20000, or NIST.
5. Two (2) years of experience leading the design and implementation of application programming interfaces (APIs).

11.1. NON-KEY STAFF QUALIFICATION

All Contractor staff designated to perform the activities outlined in [SECTION 31. Maintenance and Operations \(M&O\)](#) must have no less than one (1) year of demonstrated experience providing monthly operational support for the proposed solution. However, any replacement of non-key staff shall follow the [SECTION 12. Key Personnel Changes](#)

At the State's discretion, the Contractor shall provide evidence of minimum qualifications for personnel assigned to perform monthly service activities.

12. Key Personnel Changes

The Contractor must commit to the continuing availability and participation of the staff filling the key role(s) for the duration of the Project or for their proposed period of involvement (as defined in the System Development Plan). Except in the case of a leave of absence, sickness, death, termination or resignation of employment or association, or other circumstances outside the reasonable control of Contractor, the individual(s) designated to fill any of the key role(s) in Contractor's Response shall not be removed by Contractor from performing their assigned tasks during the period of performance without the prior written approval of the State. The State recognizes that an unforeseen resignation or other events may cause key staff to be unavailable. The State Project Director reserves the right to approve or deny all of the Contractor's proposed replacement key staff designated to fill any of the key role(s). Any of the proposed replacement must have the same or higher-level skills and experience as those requirements stated in the Contractor's response (including Desirable qualifications that the Contractor proposed). Contractor must request approval of replacement staff designated to fill any of the key staff role(s) from the State Project Director in writing at least 10 State business days before they are scheduled to begin work on the project and such replacement staff shall not start on the Project without the State Project Director's written approval.

If staff designated to fill any of the keyrole(s) submitted by the Contractor for the Contract is unable to participate in this Contract due to leaving the firm or having a significant health issue, they must be replaced within 20 State business days.

The Contractor must provide a replacement key staff member who has equal or better qualifications and ratings. Replacement staff shall be subject to all the same requirements as the original proposed key staff. The Contractor must submit to the State Project Director, for consideration of any replacement staff, the applicable Key Staff Qualifications Form using [SECTION Key Staff Replacement Form](#), that indicates how the replacement staff meets or exceeds all the minimum requirements and any of the desirable project characteristics that were evaluated as part of the award and the resulting Agreement. The Contractor's request to replace staff must be approved in writing by the State prior to the replacement staff beginning work.

The State Project Director may, at its sole discretion, request additional information to substantiate whether the replacement staff is in compliance with the Contractor's response requirements.

The State Project Director will respond, in writing, indicating approval or rejection of the proposed replacement staff within five State business days after receipt of the request to replace staff; if the State Project Director requires additional information regarding the replacement personnel from references, such five-day period shall be increased by the number of days required to receive responses from all references in excess of one State business day. The State Project Director must approve replacement staff designated in writing before they begin work on the project.

If any of the proposed replacement staff designated to fill any of the key role(s) is rejected, the Contractor shall work diligently to promptly provide a qualified replacement to the State for approval within 10 State business days of the rejection.

The State will notify the Contractor concerning any issues and/or concerns the State has regarding the poor or otherwise unsatisfactory performance of any Contractor staff and the Contractor will have 10 State business days in which to remedy the State's issues and/or concerns. If Contractor has not remedied the issues and/or concerns regarding the Contractor staff within this period of time, the State reserves the right in its sole discretion to require the Contractor to replace such staff at any time thereafter. The State will notify the Contractor in writing when exercising that right. The Contractor, no later than 20 State business days of such notification, shall provide a replacement candidate.

The State recognizes that changes to Subcontractor(s) may be necessary and in the best interests of the State; however, advance notice of a contemplated change and the reasons for such change must be given to the State no less than seven State business days prior to the existing Subcontractor's termination. The State Project Director or designee must approve any changes to the Subcontractor(s) prior to the termination of the existing Subcontractor(s) and hire of the new Subcontractor(s) and such approval will not be unreasonably withheld or delayed. This also includes any changes made between submittal of the Contractor's RFP Response and Contract Award Date. The State will not compensate the Contractor for any of the Contractor's time or effort to educate or otherwise make the new Subcontractor(s) ready to begin work on the Contract.

13. Escalation Process

The parties acknowledge and agree that certain technical and project related problems or issues may arise, and that such matters shall be brought to the DCC's attention. Problems or issues shall normally be reported in regular status reports. There may be instances, however, where the severity of the problems justifies escalated reporting. To this extent, the Vendor will determine the level of severity and notify the appropriate DCC personnel. The DCC personnel notified, and the time period taken to report the problem or issue, shall be at a level commensurate with the severity of the problem or issue. Additional information regarding performance when submitting deliverables is defined in [SECTION 16. Acceptance, Review, and Correction of Deliverables, Work Products, and Other Contractor-Performed Work](#) and [SECTION 35. Service Level Agreements \(SLAs\)](#) defines other areas of service. To notify the DCC, the personnel include, but are not limited to, the following:

First level: DCC ITSD Project Director

Second level: DCC ITSD PMO Supervisor

Third level: DCC ITSD Chief Information Officer

14. Change Control Procedures

To ensure effective governance of CSI project, decision-making and operational oversight need to be executed as close as possible to the point where the action is required. The development framework approach identified by the Contractor to execute the CSI project will support decision-making at the lowest levels of the organization. This requires empowerment of the individuals by the decision body and excellent communication horizontally across the product teams and vertically throughout the governance hierarchy.

Minor refinements may be agreed upon between the Contractor and DCC Project Director or designee. Minor refinement of deliverables and/or work products are defined as having twenty-hours (20-hours) or less from contractor time from the original agreed upon scope of work. If both parties agree the request falls within a minor changes, then a formal change request is **NOT** required.

Minor refinements necessary for project inclusion will be approved by the DCC Project Director or designee and implemented within the appropriate project development phase **either in phase 1, which could constitute a production support refinement if phase 1 has been released to production, or included in phase 2 for release with the final project scope.**

Major refinement may be agreed upon between the Contractor and DCC Project Director or designee. Major refinement of deliverables and/or work products are defined as having twenty one hours (21-hours) or more refinement from contractor time from the original scope of work. If both parties agree the request falls within a major refinement, then a formal change request **IS** required. If a formal change request is required, a ATTACHMENT 23: REQUEST FOR CHANGE FORM will be required.

Major refinement will be submitted to the DCC's Information Technology Governance Council (ITGC) for discussion and recommendation and implemented **either in phase 1, which could constitute a production support if phase 1 has been released to production, or included in phase 2 for release with the final project scope.**

Formal ATTACHMENT 23: REQUEST FOR CHANGE FORM submitted and approved by the ITGC will be incorporated into the project scope and may require contract amendments to be executed, if beyond the Unanticipated Tasks referenced in [SECTION 37. Unanticipated Tasks](#) .

In circumstances where a project requirement or integration cannot be implemented due to factors beyond DCC's or the Contractor's control—such as an external entity's inability or refusal to participate, or dependency on unsupported legacy systems—DCC reserves the right to modify or remove the affected requirement or integration through the established Request for Change (RFC) process.

Changes through the RFC process shall not constitute non-performance by either party. When feasible, DCC and the Contractor will collaborate to identify reasonable alternatives that meet the project's intent

within existing resource and technical constraints. Any resulting adjustments to cost, schedule, or deliverables will be managed through the standard RFC review and approval process and, if necessary, formal contract amendment.

Unless explicitly stated otherwise, all RFC's and Change Log documentation shall be created using 2010 (or later) versions of the following Microsoft applications: Word; Excel; PowerPoint; Visio; or Project.

SharePoint may be used as an alternative, but the Contractor shall verify application compatibility with the DCC Project Manager prior to creation or delivery of any electronic documentation. The delivery media shall be compatible with the State storage devices.

15. Contractor Tasks and Deliverable Requirements

The Contractor shall comply with all tasks and deliverables in [SECTION 15. Contractor Tasks and Deliverable Requirements](#) and subsections throughout the project execution.

The State, with the assistance of the Contractor, will determine the scope, sequence, and timing of WOAs as they relate to the execution of tasks described in this section.

15.1. Project Management Tasks

The Contractor's tasks outlined in the SOW and the Deliverables required from the Contractor for Project Management are defined in the following tables. These tasks comprise a set of activities and Deliverables for which the Contractor is responsible. The System Development Plan shall identify the Contractor's approach to developing and/or configuring the solution to meet the identified system requirements, including a section in the plan specifically outlining configuration management standards. The Contractor shall use the System Development Plan Deliverable-defined processes to develop and implement the solution.

Additionally, the DCC Project team has created a set of project management plans that the Project team will use to manage the Project. The Contractor must adhere to these plans and include the activities from these plans (e.g., attend risk management meetings), as described in the requirements, below, in its Project Schedule.

DCC will manage the project; however, the Contractor must proactively manage its responsibilities. The Contractor shall perform the following identified project management tasks and create and submit specified Project Management artifacts for the Project.

DCC recognizes the importance of allocating sufficient time for upfront planning activities (i.e., Sprint Zero). While this phase may require an extended duration (e.g., up to six months) to refine requirements and finalize the solution design, the exact timeline will be guided by the complexity of the effort (i.e., out-of

the-box requirements versus a third-party software integration) and the agreed-upon project schedule.

Table 15.1: Project Management Tasks and Deliverables

ID	Statement of Work Tasks
S.15.1.1	The Contractor shall lead a planning effort (i.e., Sprint Zero) in which the State and Contractor shall mutually agree to the scope of both phases of the project. The Project Schedule , System Development Plan , and Data Conversion Plan may be updated because of this planning effort.
S.15.1.2	The Contractor shall deliver its proposed Project Schedule : A detailed timeline of both project phases, tasks, and milestones, including Sprint cycles, and Go-Live activities. Must be updated bi-weekly and reflect dependencies and sequencing for review and approval per SECTION 16. Acceptance, Review, and Correction of Deliverables, Work Products, and Other Contractor-Performed Work .
S.15.1.3	The Contractor shall deliver its proposed System Development Plan : Outlines the Contractor's approach for developing and/or configuring the solution, including methodology (Agile/hybrid), configuration standards, environments, and release strategy. Includes configuration management standards, for review and approval per SECTION 16. Acceptance, Review, and Correction of Deliverables, Work Products, and Other Contractor-Performed Work .
S.15.1.4	The Contractor shall deliver its proposed System Security Plan : Defines security controls, compliance with FedRAMP/GovCloud standards, and measures for data protection, access control, and vulnerability management, for review and approval per SECTION 16. Acceptance, Review, and Correction of Deliverables, Work Products, and Other Contractor-Performed Work .
S.15.1.5	The Contractor shall deliver its proposed Technical Design Document : Provides detailed technical architecture, including system components, integrations, APIs, and data exchange specifications, for review and approval per SECTION 16. Acceptance, Review, and Correction of Deliverables, Work Products, and Other Contractor-Performed Work .
S.15.1.6	The Contractor shall deliver its proposed Functional Design Document : Documents functional requirements and how they will be implemented in the solution, including workflows, user roles, and business processes, for review and approval per SECTION 16. Acceptance, Review, and Correction of Deliverables, Work Products,

ID	Statement of Work Tasks
	and Other Contractor-Performed Work .
S.15.1.7	The Contractor shall deliver its proposed Maintenance and Operations Plan : Details how the Contractor will maintain and operate the solution post-implementation, including SLA adherence, monitoring, and support processes, for review and approval per SECTION 16. Acceptance, Review, and Correction of Deliverables, Work Products, and Other Contractor-Performed Work .
S.15.1.8	The Contractor shall deliver its proposed Disaster Recovery Plan : a formal strategy to ensure the continuity and restoration of critical IT systems and business services in the event of a disruption—such as a cyberattack, system failure, or natural disaster, for review and approval per section SECTION 16. Acceptance, Review, and Correction of Deliverables, Work Products, and Other Contractor-Performed Work .
S.15.1.9	The Contractor shall deliver its proposed Transition Plan : a formal strategy which includes handing over operational control, system documentation, and support mechanisms to the State for review and approval per section SECTION 16. Acceptance, Review, and Correction of Deliverables, Work Products, and Other Contractor-Performed Work .
S.15.1.10	The Contractor shall update its project schedule bi-weekly and deliver the Bi-Weekly : An updated version of the Project Schedule submitted every two weeks to reflect progress, changes, and upcoming tasks in a Microsoft Project .mpp format or agreed upon alternative.
S.15.1.11	By the fifth State business day of each month, the Contractor shall submit a Monthly Status Report for the prior month that summarizes completed tasks, in-progress activities, planned work, risks, issues, and open and closed change requests for the prior month.
S.15.1.12	The Contractor shall participate in meetings to discuss, define, and resolve integration issues, approaches, and specifications between the Platform and other IT systems.
S.15.1.13	Contractor shall co-host a Kick-off meeting with DCC to introduce stakeholders, Key Staff, validate roles, responsibilities, and set project expectations. The Contractor shall participate in other project meetings as needed.
S.15.1.14	The Contractor shall provide input for presentations and briefings as needed.

ID	Statement of Work Tasks
S.15.1.15	The Contractor shall produce impact assessments for proposed changes that have been assigned to the Contractor.
S.15.1.16	The Contractor shall implement approved changes that have been assigned to the Contractor.
S.15.1.17	The Contractor shall create and submit change requests for changes to DCC-controlled baselines that the Contractor is requesting as documented in the Change Control Management Plan.
S.15.1.18	The Contractor shall participate in Information Technology Governance Council (ITGC) meetings.
S.15.1.19	The Contractor shall create and submit draft versions of the Deliverables as scheduled in the Contractor's Project Schedule.
S.15.1.20	The Contractor shall update the draft Deliverables based on DCC-provided comments and shall submit the final Deliverables as scheduled in the Contractor's schedule as incorporated into the Master Schedule.
S.15.1.21	The Contractor shall submit all WOAs, Work Products, and Deliverables, to the DCC Project Director or designee.
S.15.1.22	The Contractor shall participate in the bi-weekly Risk and Issue Management meetings.
S.15.1.23	The Contractor shall identify and formally submit issues as identified by the Contractor.
S.15.1.24	The Contractor shall actively manage issues that have been assigned to the Contractor.
S.15.1.25	The Contractor shall facilitate and provide lessons learned and Sprint Retrospective meetings, as scheduled.
S.15.1.26	The Contractor shall identify and formally submit risks and issues as identified by the Contractor.
S.15.1.27	The Contractor shall actively manage risks and issues that have been assigned to the Contractor.
	End Project Management Requirements

15.2. Implementation and Interface Tasks

The Contractor Implementation Tasks defined in the SOW include all work efforts to define, configure, test, and implement the software solution using an Agile methodology. The following SOW requirements are documented based upon the Contractor's use of the software as required by the State.

The State requires the Contractor to be responsible for all configurations to the Solution during the project phase. Therefore, for the State to control the configurations to the software solution, the State requires specific Deliverables to be developed and submitted by the Contractor to be approved by the State. In addition, the State and the Contractor shall use a formal Change Management Process as defined in the State's Change Control Management Plan. The following SOW requirements identify the tasks required for the Contractor to perform.

15.2 Implementation and Interface Tasks and Deliverables

ID	Statement of Work Tasks
Implementation	
S.15.2.1	<p>The Contractor shall provision, configure, and maintain all required system environments, including:</p> <ul style="list-style-type: none"> i. Production Environment ii. Non-production Environments <p>within its GovCloud–hosted architecture. These environments shall be set up in accordance with applicable security, compliance, and performance requirements.</p> <p>The Contractor shall supply and make available the cloud SaaS solution's all environments to the DCC throughout the term of the agreement. The Contractor shall propose the set of non-production environments, in the EXHIBIT C: COST WORKSHEETS . A production environment is required.</p>
S.15.2.2	The Contractor shall implement, configure, and validate all system functionality in accordance with the documented EXHIBIT A: FUNCTIONAL AND NON-FUNCTIONAL REQUIREMENTS including but not limited to performance, security, scalability, availability, and usability standards.
S.15.2.3	End Implementation tasks
Interface Control	
S.15.2.4	The Contractor shall develop and deliver an Interface Control Document : Defines each system interface (input and output), including message formats, sender/receiver

ID	Statement of Work Tasks
	details, encoding, error handling, and logging requirements.
S.15.2.5	The Interface Control Document shall document the data logging and reporting provided by the interface to identify the activity performed by each interface.
	End Interface Control tasks

15.3. User Story Development Tasks

The objective of the User Story Development Tasks is to document the detailed application functionality of the IT Solution. The Contractor shall draft the initial User Story, including the core statement, acceptance criteria, pre-condition, post-condition, and requirement mapping. The State shall validate the completeness of the User Story.

The Contractor's development methodology in the System Development Plan may expand upon a State-developed individual process and associated sub-processes to understand the context of System Requirements before drafting User Stories. The Contractor will then proceed with developing User Stories for the selected process and sub-processes in an iterative-type approach. However, it is important that the Contractor validate and review all business processes and sub-processes throughout the Scrum development.

The Contractor shall ensure that the User Stories are traceable to the system requirements and adhere to the State's definition of done and ready.

In addition, the User Story Development tasks shall define and document the interfaces required for supporting fully automated data transfer and system to system communications.

The Contractor shall adhere to the development methodology, as defined in the State-approved System Development Plan, for identifying, eliciting, documenting, and validating the requirements (User Stories) and Deliverables.

Table 15.3 Product Backlog and User Story Tasks

ID	Statement of Work Tasks
S.15.3.1	The Contractor shall develop and deliver a Product Backlog : A prioritized list of user stories mapped to functional requirements, maintained throughout the project lifecycle, prior to beginning the development of Sprint 1.

ID	Statement of Work Tasks
S.15.3.2	The Contractor-provided Product Backlog shall include a mapping that identifies all the functional requirements covered.
S.15.3.3	The Contractor shall utilize the DCC's defect and enhancement tracking tool and provide best practices to store the User Story(s), establish requirement traceability.
	End of Product Backlog (User Stories) Requirements

15.4. Test Support Tasks

The objective of the Test Support Tasks is for the Contractor to provide testing support for the Solution. The State shall engage in and lead testing for individual Sprints, regression testing, and end-to-end business process testing prior to the completion of each phase. This testing shall be supplemental to any testing the Contractor completes as identified in the System Development Plan.

Table 15.4: Test Support Tasks

ID	Statement of Work Tasks
S.15.4.1	The Contractor shall utilize the software provider's test environments to perform testing for Sprint development, Sprint enhancement efforts, and M&O throughout the life of the contract.
S.15.4.2	The Contractor shall perform configuration updates and refreshes to the test environments to keep the test environments consistent with the production environment and the Solution under test.
S.15.4.3	The Contractor shall utilize the DCC's software defect and tracking tool.
S.15.4.4	The Contractor shall provide the State unlimited access to any Contractor-provided test tools to record defects and to generate reports.
S.15.4.5	The Contractor shall provide the State with Contractor-provided test tools training.
S.15.4.6	The Contractor shall deliver its proposed Test Management Plan : Outlines testing strategy, environments, test scripts, acceptance criteria, and defect management processes, for review and approval per SECTION 16. Acceptance, Review, and Correction of Deliverables, Work

ID	Statement of Work Tasks
	Products, and Other Contractor-Performed Work
S.15.4.7	The Contractor shall support and provide testing of the software product upgrades throughout the term of this agreement.
	End of Test Support Requirements

15.5. Sprint Tasks

The objective of the Sprint Tasks is to implement the Solution in a production cloud environment. Readiness of the cloud to support production is critical for the State. Readiness not only includes the installation and checkout of the environment but also the monitoring, M&O readiness, SLA reporting, etc; it is a total system view of readiness.

The State anticipates that Project completion will be achieved through the progressive decommissioning and replacement of two existing legacy systems, with each phase addressing one legacy system independently.

Phase 1 shall include the configuration, development, and implementation of the proposed SaaS solution for one designated legacy system (CLEAR or CLS), including all required data conversion and migration activities necessary to support a production launch and go-live for that system. Upon successful completion of Phase 1, the solution shall be operational and in use by internal and external users. Deployment of Phase 1 shall not relieve the Contractor of its obligation to continue delivery of Phase 2 functionality.

Phase 2 shall include the configuration, development, and implementation of the proposed solution for the remaining legacy system, including all required data conversion and migration activities, resulting in full Project completion and replacement of both legacy systems.

Each phase shall include, at a minimum, planning, design, development, configuration, data migration, testing, and deployment, performed iteratively and incrementally in accordance with agile Scrum practices and the approved Contractor Tasks and Deliverables per [SECTION 15. Contractor Tasks and Deliverable Requirements](#). Each phase shall result in a separately deployable and usable production release of the solution.

After production implementation of any functionality, the Contractor shall continue with the Sprint Tasks until the Contractor completes the remaining functionality and before the end of the contract. Because the Project is using an incremental Agile-based approach to software development, the Project will have a period during which functionality is live in production while the remaining balance of Project scope has yet

to be delivered to production. To clearly describe this, the period between the first phase and second phase launch would be a period in which functionality is live in production but the entire Project scope has not yet been delivered. During such a period, the Contractor shall update functionality already delivered to production if directed by the State via the [SECTION 14. Change Control Procedures](#) .

Table 15.5: Sprint Tasks

ID	Statement of Work Tasks
S.15.5.1	The Contractor shall collaborate with the State to determine the User Stories from the Product Backlog to include in each Sprint.
S.15.5.2	The Contractor shall follow the State's Development Approach to execute each Sprint, which includes a Scrum Master and Scrum Development Team as well as a Daily Scrum and Sprint Cycle.
S.15.5.3	The Contractor shall develop and submit the Sprint Backlog (WP1), which contains the User Stories for a specific Sprint.
S.15.5.4	The Contractor shall develop and submit the Acceptance Criteria (WP2), which contains the acceptance criteria for each user story.
S.15.5.5	The Contractor shall develop and submit the Sprint Test Scripts (WP3), which contains the test scripts for a specific Sprint and will feed into the Test Scripts Deliverable.
S.15.5.6	The Contractor shall develop and submit the Sprint Test Results (WP4), which contains the test results for a specific Sprint and will feed into the Test Results Report Deliverable.
S.15.5.7	The Contractor shall develop and submit the Sprint Status Report (WP5), which contains the release burn-up chart, story scoreboard, release backlog, and earned value management data for a specific Sprint.
S.15.5.8	The Contractor shall refine the Product Backlog after each Sprint with the State's Product Owner, or more often as required by the State.
S.15.5.9	The Contractor shall refine Interface Control Documents after each Sprint if functionality in the Sprint resulted in changes to Interface functionality.
S.15.5.10	The Contractor shall organize a Sprint Retrospective Meeting within each Sprint to reflect on lessons learned.
S.15.5.11	After the completion of each Sprint, the Contractor shall submit the Sprint Package , which includes the following Work Products:

ID	Statement of Work Tasks													
	<table><tr><th>WP ID</th><th>Title</th></tr><tr><td>WP1</td><td>Sprint Backlog</td></tr><tr><td>WP2</td><td>Acceptance Criteria</td></tr><tr><td>WP3</td><td>Sprint Test Scripts</td></tr><tr><td>WP4</td><td>Sprint Test Results</td></tr><tr><td>WP5</td><td>Sprint Status Report</td></tr></table>		WP ID	Title	WP1	Sprint Backlog	WP2	Acceptance Criteria	WP3	Sprint Test Scripts	WP4	Sprint Test Results	WP5	Sprint Status Report
WP ID	Title													
WP1	Sprint Backlog													
WP2	Acceptance Criteria													
WP3	Sprint Test Scripts													
WP4	Sprint Test Results													
WP5	Sprint Status Report													
S.15.5.12	The Contractor shall deliver a Sprint Package for each Sprint.													
S.15.5.13	The Contractor shall provide the Sprint support tools necessary that shall be accessible by the State.													
S.15.5.14	The Contractor shall provide the State unlimited access to the Contractor-provided Sprint tools.													
S.15.5.15	The Contractor shall provide the State with Contractor-provided Sprint tools training.													
	End of Sprint Requirements													

15.6. Training Tasks

The objective of Training Tasks is to have all State-identified users adequately trained to use and, as applicable, support the Solution. Contractor shall develop a comprehensive State-accepted training program for the delivered Solution. The Contractor shall execute the training program through Contractor-delivered training sessions to all State-identified stakeholder groups requiring training prior to each production release.

The following table 14.6A shows some of the stakeholder groups, who will use or support the Solution

Table 15.6A: Stakeholder Groups

Stakeholder	Examples
State Department	Program Staff (i.e., internal end users) Technical Staff

Stakeholder	Examples	Training the
	Help Desk Staff	
Industry Applicants/Licensees	Prospective applicants and licensees (i.e., external end users).	
General Public	Individuals who perform license lookup to verify license status and submit consumer complaints (i.e., external end users).	

stakeholder groups on the Solution will be a crucial step in the overall adoption of the Solution. The State expects the Contractor to draw upon experiences when providing these training services. The State shall provide on-line training tools and if needed, the Contractor shall conduct in-person training at a State-provided facility.

Table 15.6B: Training Tasks

ID	Statement of Work Tasks
	Training Plan
S.15.6.1	The Contractor shall develop and deliver a Knowledge Transfer and Training Plan which includes outlines of course descriptions and identifies prerequisites, training objectives, content, and length of classes for each of the referenced groups, for review and approval per SECTION 16. Acceptance, Review, and Correction of Deliverables, Work Products, and Other Contractor-Performed Work . The Knowledge Transfer and Training Plan shall also include a proposed schedule of training for all training groups.
S.15.6.2	The Contractor shall identify in the Knowledge Transfer and Training Plan its proposed delivery methodology for all State-identified stakeholder groups and identify all methods proposed to include but not be limited, E-learning facilitated, E-Learning self-paced, Self-paced learning (written materials), and , train-the-trainer and other proposed types.
S.15.6.3	The Contractor must identify in the Knowledge Transfer and Training Plan when the required “Train the Trainer” approach is feasible for the long term, and subsequent remediation training.

ID	Statement of Work Tasks
S.15.6.4	The Contractor shall describe in the Knowledge Transfer and Training Plan its lessons learned from its training experiences and how those lessons will improve the effectiveness of training.
S.15.6.5	The Contractor's approach for non-State entity training shall utilize methods that are repeatable and freely distributable by the State, e.g. Web content and instructional video content.
S.15.6.6	The Contractor's schedule for training shall be completed no earlier than 60 days prior to each phase released to production unless otherwise agreed to by the State and a final update to all training material after Training and all Implementations are completed..
	End of Training Plan Requirements
	Training Material
S.15.6.7	The Contractor shall develop and deliver Knowledge Transfer and Training Plan materials in electronic format as directed by the State for the participants including all Stakeholder groups. The Training Material shall at a minimum include system screenshots, step-by-step walkthroughs, and narrative sections. The Training Material, once accepted, shall be considered the property of the State.
S.15.6.8	End of Training Material Requirements
	Training Delivery
S.15.6.9	The Contractor shall develop and deliver a Knowledge Transfer and Training Delivery Evaluation Summary Report to evaluate feedback from all training participants on the quality and effectiveness of its training delivery. Contractor shall share completed evaluations with DCC.
	End of Training Delivery Requirements

15.7. Data Conversion Tasks

The objective of the Data Conversion Tasks is to plan and execute the conversion activities critical to ensuring continuity of business as the Programs implement new functionality during the project. Data Conversion is a common driver of complexity and risk on projects, and the activities below reflect the State's intent to limit Data Conversion scope to only the data and systems that absolutely require it. The

Table 15.7A below represents descriptive information on the major systems of record currently used by the Programs. The proposed software solution must include the data migration tools required to complete the data conversion scope and included within the Data Conversion Plan.

Table 15.7A: Major Existing Systems of Record

System Name	High Level System Functionality	Technical Information
Accela Cannabis Licensing, Enforcement and Reporting (CLEaR) System	<p>The CLEaR system focuses on the licensure and regulatory oversight of cannabis retailers, distributors, laboratories, transporters, micro-businesses, event organizers and manufactured cannabis. Business processes include:</p> <ul style="list-style-type: none"> • Processing applications • Tracking licensee activities, • Ensuring compliance with state laws, • Contains functionality to support Compliance and Enforcement activities as applicable to the licensing process within the system, • Records payments received, • Tracks application requirements to qualify for licensure (fingerprint background check results, etc.), • Generates automated and manually triggered letters suitable for mailing; • Replicates data to a separate database for reporting. 	<p>Accela cloud-based software-as-a-service (SaaS)</p> <p>Native configuration</p> <p>Customizable scripting, such as Python and Java scripting.</p>

System Name	High Level System Functionality	Technical Information
System Name	High Level System Functionality	Technical Information
Accela Cultivation Licensing System (CLS)	<p>The CLS is specifically tailored to support the licensure and oversight of cannabis cultivation activities. This includes processes related to cannabis growers, raw product processing facilities, and nursery operators throughout California.</p> <ul style="list-style-type: none"> • Processing applications • Tracking licensee activities, • Ensuring compliance with state laws, • Contains functionality to support Compliance and Enforcement activities as applicable to the licensing process within the system, • Records payments received, • Tracks application requirements to qualify for licensure (fingerprint background check results, etc.), • Generates automated and manually triggered letters suitable for mailing; • Replicates data to a separate database for reporting. 	<p>Accela cloud-based software-as-a-service (SaaS)</p> <p>Native configuration</p> <p>Customizable scripting, such as Python and Java scripting.</p>

Table 15.7B: Data Conversion Tasks

ID	Statement of Work Tasks
S.15.7.1	The Contractor shall collaborate with the State to determine the most effective data conversion strategies to minimize risk and complexity while preserving business continuity and viability of new functionality.
S.15.7.2	The Contractor shall develop and deliver for the State's approval, a Data Conversion Plan to the State for review and approval per SECTION 16. Acceptance, Review, and Correction of Deliverables, Work Products, and Other Contractor-Performed Work . The Data Conversion Plan shall identify: the detailed scope of the data to be converted prior to phase 1 and 2; analyze

15.8.

ID	Statement of Work Tasks	Go-Live
	existing data tables and structure, create data dictionary, data cleansing and correction, methodology of the data conversion, tools used to convert the data and how they will be used; and any scheduling dependencies to align conversion tasks with other development tasks. Scheduling dependencies shall also be included in the Project Schedule.	
S.15.7.3	The Contractor shall complete conversion and migration of all data identified in scope in the Data Conversion Plan in accordance with the Project Schedule.	
	End of Data Conversion Requirements	

Tasks

The objective of Go-Live Tasks is to ensure that the Contractor and State collaborate for a successful production launch of both major phases.

Table 15.8A: Go-Live Tasks

ID	Statement of Work Tasks
S.15.8.1	The Contractor shall develop and deliver for the State's approval, a Go-Live Plan to the State for review and approval per SECTION 16. Acceptance, Review, and Correction of Deliverables, Work Products, and Other Contractor-Performed Work . Go-live plan details activities, roles, and checklist for phase 1 and 2 production deployment, including readiness criteria and rollback procedures.
S.15.8.2	The Contractor shall develop and deliver a Go-Live Report : Documents lessons learned, issues encountered, and recommendations following each production release, for review and approval per SECTION 16. Acceptance, Review, and Correction of Deliverables, Work Products, and Other Contractor-Performed Work
	End of Go-Live Requirements

15.9. Full System Acceptance Tasks

Full System Acceptance is defined as achieving a period of stability of 45 consecutive calendar days upon

the completion of the implementation of all functional and non-functional requirements identified in EXHIBIT A: FUNCTIONAL AND NON-FUNCTIONAL REQUIREMENTS and final phase as defined in the approved Project Schedule (“Full System Acceptance Period”). The conclusion of the final phase shall be identified explicitly in the Project Schedule. Severity 1 and 2 in the Service and Support Requirements in [SECTION 35. Service Level Agreements \(SLAs\)](#) are those deficiencies attributed, in DCC’s sole discretion, to the Contractor’s scope of responsibility. Unless otherwise agreed, if a Severity 1 and 2 deficiency occurs during the FSA period, the 45-day clock will restart upon contractor’s resolution of the deficiency and the fix is successfully migrated to production.

Unless otherwise agreed, deficiency resolution will be performed at the Contractor’s own expense for all deficiencies that are covered during the FSA Period as specified above.

Table 15.9: Full System Acceptance Tasks

ID	Statement of Work Tasks
S.15.9.1	The Contractor shall be responsible for monitoring the internal cloud hardware, software, networks, and infrastructure to detect and resolve defects and incidents as defined in the +ATTACHMENT 1: APPENDIX A - STATEMENT OF WORK SECTION 34. Service Level Agreement (SLAS).
S.15.9.2	Upon written notification from the DCC Project Director, the Contractor shall deliver the Full System Acceptance Attestation Letter : Formal confirmation from the Contractor that the system has achieved stability for 45 consecutive days after final release, for review and approval per SECTION 16. Acceptance, Review, and Correction of Deliverables, Work Products, and Other Contractor-Performed Work .
S.15.9.3	The Full System Acceptance Attestation Letter shall be delivered with all baselined system configurations and extension code provided in a format approved by the State at the time of Full System Acceptance.
	End of Full System Acceptance Requirements

16. Acceptance, Review, and Correction of Deliverables, Work Products, and Other Contractor-Performed Work

This section supersedes the [IT GP Cloud Computing Services, DGS PD 402-ITGP \(Cloud\)](#) , Provision 7 – Inspection, Acceptance and Rejection (February 2025).

DCC will be the sole judge of the acceptability of all work performed, and all work products produced by the Contractor as a result of this SOW. Should the work performed or products produced by the Contractor fail to meet DCC's minimum conditions, requirements, specifications, or guidelines, the

following process will be employed, except as superseded by other binding processes.

16.1. Deliverable and Work Product Acceptance/Rejection Process

This section defines the procedures for the submission, review, acceptance, rejection, and correction of Contractor deliverables and work products, including review timelines, deficiency notifications, resubmissions, cure notices, and post-acceptance changes.

16.1.1. Work Order Authorization (WOA)-Based Approval Framework

All Deliverables and Work Products must be identified and approved within an ATTACHMENT 21: WORK ORDER AUTHORIZATION FORM, prior to the commencement of any work. The WOA shall include the corresponding ATTACHMENT 20: DELIVERABLE EXPECTATION DOCUMENT (DED) DOCUMENT (DED) which defines the scope, schedule, format, content, and Acceptance Criteria for each item. No work shall begin on any Deliverable or Work Product until the WOA and its associated DED have been formally approved by the State. Any work initiated prior to WOA approval is performed at the Contractor's sole risk and may not be compensated or may require rework without payment.

16.1.2. Acceptance Overview

All Deliverables and Work Products are subject to formal State Acceptance. Acceptance shall be communicated exclusively through written notification from the State's Project Director via the WOA process, or through formal testing procedures as outlined in +SECTION 27 System Testing and Acceptance Procedures. No Deliverable or Work Product shall be deemed accepted without such written confirmation.

16.1.3. Submission and Review Process

The Contractor shall submit each Deliverable or Work Product by the due date in the approved Project Schedule, accompanied by a formal notification from the Contractor's Project Manager to the State Project Director. Submissions shall use agreed-upon tools (e.g., MS Teams, Jira Kanban, SharePoint) and include:

- An Approval section with submission date, recipient, author, and title.
- The applicable Deliverable Expectation Document (DED).

By submitting, the Contractor affirms that the Deliverable or Work Product meets the Acceptance Criteria and contractual requirements.

16.1.4. Review Timelines

Unless otherwise specified in the DED, the State shall review each submission within ten (10) State

business days. Concurrent reviews of multiple items may extend this timeline based on complexity, resource availability, and volume.

The State will assign technical and business teams to review respective components. Review periods may be extended at the State's discretion if additional time is needed to assess corrections or concurrent submissions.

16.1.5. Deficiency Notification and Correction

If deficiencies are identified, the State shall notify the Contractor in writing. The Contractor must correct deficiencies within five (5) State business days unless a longer period is approved based on scope.

Deficiencies will be assigned severity levels. These levels will be mutually defined post-award and reflect the impact on quality, completeness, and consistency.

16.1.6. Resubmission and Re-review

Corrected Deliverables or Work Products shall be reviewed within the same timeframe as the original submission. The State will make good faith efforts to identify all deficiencies during initial review, but any new or remaining issues will be addressed through the same notification and correction cycle.

16.1.7. Uncorrected Deficiencies and Corrective Action Plans (CAPs)

If deficiencies remain unresolved after 30 calendar days from initial or corrected submission, the State may request a CAP. The CAP must include:

- Root cause analysis
- Corrective actions
- Assigned resources
- Schedule

CAP execution requires written approval from the State Project Director. Progress shall be reported weekly and summarized in Monthly Status Reports. Completion is subject to State review and approval.

16.1.8. Cure Notice and Termination

If the CAP is rejected or the Contractor fails to cure deficiencies within the specified timeframe, the State may issue a Cure Notice per SECTION 16.3. Cure Notice. This provides up to 30 calendar days (or more, if warranted) to resolve issues. Failure to cure may result in contract termination under Provision 16 of the IT GP Cloud Computing Services, DGS PD 402-ITGP (Cloud) (February 2025).

The State may reject Deliverables or Work Products and any dependent items without penalty or liability,

and withhold payment until performance is cured.

16.1.9. Post-Acceptance Changes

No changes may be made to an accepted Deliverable or Work Product without prior written approval from the State. In case of conflict between documents, the most recent State-approved Deliverable shall prevail unless it omits a previously documented requirement.

16.2. Other Contractor Work Performed and Work Products Produced

1. DCC will notify the Contractor in writing within five (5) business days after discovery of any acceptance problems by identifying the specific inadequacies and/or failures in the services performed and/or the products produced by the Contractor.
2. The Contractor will, within five (5) business days after initial problem notification, respond to DCC by submitting a detailed explanation describing precisely how the identified services and/or products actually adhere to and satisfy all applicable requirements, and/or a proposed remediation plan to address the specific inadequacies and/or failures in the identified services and/or products.
3. DCC will, within five (5) business days after receipt of the Contractor's detailed explanation and/or proposed remediation plan, notify the Contractor in writing whether it accepts or rejects the explanation and/or plan.
 - a. If DCC rejects the explanation and/or plan, the Contractor will submit a revised remediation plan within three (3) business days of notification of rejection.
 - b. DCC will, within three (3) business days of receipt of the revised remediation plan, notify the Contractor in writing whether it accepts or rejects the revised remediation plan proposed by the Contractor.
4. If a contractor project component or deliverable is rejected three (3) times by DCC, the Cure Notice process will follow.

16.3. Cure Notice

DCC will issue a cure notice to inform the Contractor in the event the Contractor fails to meet a project work product, component, requirement or deliverables. Upon issuance, the cure notice will specify how much time the Contractor has to remedy the condition, not to conflict with [SECTION 35. Service Level Agreements \(SLAs\)](#) or [SECTION 16. Acceptance, Review, and Correction of Deliverables, Work Products, and Other Contractor-Performed Work](#).

If the condition is not corrected within the period specified, the cure notice states that the Contractor may face termination of its Agreement in accordance with the DGS PD-402 ITGP Cloud Computing Software as a Service (SaaS) General Provisions-Information Technology (02/20/2025), section 16.3 Termination for Default.

16.3.1. Triggers for a Cure Notice

Cure notices may be triggered by any of the following conditions, or other conditions that arise in performance of the Agreement:

- The Contractor continues to miss agreed-upon deadlines.
- Quantifiable evidence is lacking to show that work is being accomplished
- The quality of deliverables does not meet DCC's standards.
- The Contractor is non-responsive to DCC requests, or
- The Contractor does not replace key staff, as outlined in [SECTION 12. Key Personnel Changes](#)

17. Data Handling and Ownership

The Contractor shall abide by provisions in EXHIBIT D: IT - GP CLOUD - COMPUTING SERVICES, DGS PD 402-ITGP (Cloud) and EXHIBIT E: SECURITY AND DATA PROTECTION provisions to ensure proper access, ownership and security of data.

18. Reporting

Reporting in reference to the scope of work for this agreement, including deliverables, are identified in the sections of the ATTACHMENT 25: APPENDIX A - STATEMENT OF WORK [SECTION 2. Description of Proposed New System](#), [SECTION 10. Contractor's Roles and Responsibilities](#), [SECTION 15. Contractor Tasks and Deliverable Requirements](#), [SECTION 16. Acceptance, Review, and Correction of Deliverables, Work Products, and Other Contractor-Performed Work](#), [SECTION 29. Knowledge Transfer and Training](#), and [SECTION 31. Maintenance and Operations \(M&O\)](#).

19. Security

The Contractor shall abide by provisions in [SECTION 35. Service Level Agreements \(SLAs\)](#), EXHIBIT D: IT - GP CLOUD - COMPUTING SERVICES, DGS PD 402-ITGP (Cloud), and EXHIBIT E: SECURITY AND DATA PROTECTION provisions to ensure proper access and security in the proposed solution.

20. Disaster Recovery

The Contractor shall abide by provisions in EXHIBIT D: IT - GP CLOUD - COMPUTING SERVICES, DGS PD 402-ITGP (Cloud) to ensure business continuity in the event of a disaster.

21. Delivery (Software)

The Contractor shall supply the cloud SaaS solution to the DCC throughout the term of the agreement.

22. Software Needs

The Contractor shall provide the DCC with a cloud SaaS solution, and supporting software tools to meet the functional business requirements and non-functional requirements as described in EXHIBIT A: FUNCTIONAL AND NON-FUNCTIONAL REQUIREMENTS and comply with requirements in [SECTION 1. Exhibit D: IT GP Cloud Computing Services, DGS PD 402-ITGP \(Cloud\)](#), EXHIBIT E: SECURITY AND DATA PROTECTION. All required supporting software tools shall be included in the EXHIBIT C: COST WORKSHEETS.

23. Escrow Source Code

The Contractor shall document and deliver the custom code, if any, to DCC.

All custom code, if any, shall be stored in the DCC's Centralized Repository tool. DCC will use source code repository software, like "GitHub or similar repositories", to store custom code during the contract. The Contractor will be responsible for maintaining and updating versions of the code while in development and maintenance and operations.

The Contractor agrees to:

1. Deposit a copy of any DCC specific custom code of the proprietary software product(s) used in the implementation, and Maintenance support with documentation of the system in DCC's repository during the term of the Agreement.
2. If any of the original third-party code has been modified to meet the requirements of this SOW and resulting contract, then the Contractor agrees to deposit a copy of the DCC specific customizations made to the third-party proprietary software code in DCC's repository.
3. The Contractor guarantees that it will deposit a copy of revised or additional software code and documentation no later than bi-annually.
4. Documentation to be deposited includes the software build instructions, programming documentation, configuration information, and any other documentation used by the Contractor's staff to understand the code or to develop, compile, maintain, or update DCC specific customizations to the software.

Repository

1. The software shall be in a format agreed to by the DCC such that the DCC will be able to run and maintain the software should the need arise to obtain the code from the account.
2. The Contractor shall provide DCC with a text listing all files included in the repository.

Verification

In the event that the deposited material does not conform to the requirements, the Contractor shall promptly deposit the conforming material. Failure to meet this requirement will place the Contractor in breach of the Contract and may result in termination or other remedies available to the State pursuant to this agreement.

24. Compatibility and Interface

[SECTION 7. Solution Requirements](#) and EXHIBIT A: FUNCTIONAL AND NON-FUNCTIONAL REQUIREMENTS define compatibility and interface requirements. The Contractor shall develop Interface Control Documents (ICD's) that define the requirements necessary to interface with systems for the DCC, and external entities identified in EXHIBIT A: FUNCTIONAL AND NON-FUNCTIONAL REQUIREMENTS. The ICD's will identify each interface (input & output), which addresses the message, sender, encoding, channel, decoding, receiver, feedback, and noise. The ICD shall document the data logging and success and failure reporting provided by the interface to identify the activity performed by each interface.

25. System Implementation or Integration

The Contractor shall supply implementation of the cloud SaaS solution to the DCC throughout the term of the agreement. All integrations shall be documented in ICD's by the Contractor and used to integrate with DCC systems, and external entities of record as identified in [SECTION 24. Compatibility and Interface](#) and EXHIBIT A: FUNCTIONAL AND NON-FUNCTIONAL REQUIREMENTS that define compatibility and interface requirements.

26. Technology Refresh

The Contractor shall provide access to any software updates utilized to fulfill the requirements, tasks, and deliverables of this agreement. The software updates shall be made available free-of-charge and include any relevant software release notes. The State shall receive notification at least 120 days in advance of any planned software release. Failure to notify the State in advance of any planned software release may result in system downtime or defects associated with functionality. Any system downtime or defects resulting from failure to notify the State prior to a planned software release shall be subject to the Service Level Agreement timelines documented in [SECTION 35. Service Level Agreements \(SLAs\)](#) .

27. System Testing and Acceptance Procedures

As defined in [SECTION 10. Contractor's Roles and Responsibilities](#) , a non-production environment will be made available to support requirements validation, acceptance testing, and regression throughout system development. If, in the course of system design and development, additional environments are necessary the Contractor shall define the environments made available for system testing and acceptance activities.

The Contractor will coordinate development and testing efforts with DCC to implement the solution, including user acceptance testing, execution, and defect management. Test procedures will be defined and be supported by the Test Management Plan. Testing shall be performed during each development phase with test results reported in the Sprint Package. Prior to a production release, a pilot test with the DCC-identified Stakeholder groups will be executed in preparation for system readiness and Go-Live.

Delivery of a Go-Live Plan will include a mutually agreed upon Go-Live criteria, "go/no-go" checklist. Additional details are provided in [SECTION 10. Contractor's Roles and Responsibilities](#) and [SECTION 15. Contractor Tasks and Deliverable Requirements](#). Upon completion of full system development a 'System Acceptance' period as described in [SECTION 15.9. Full System Acceptance Tasks](#), will commence along with a Warranty Period ([SECTION 34. Warranty](#)).

28. Transition of Operation to New Contractor or to State

Transition Plan Submission

Upon notification from the State the, Contractor shall submit a detailed Transition Plan for State review and approval, per [SECTION 16. Acceptance, Review, and Correction of Deliverables, Work Products, and Other Contractor-Performed Work](#). The Transition Plan shall include:

1. An inventory of all Work Product, SaaS configurations, licenses, and tools used or developed under the Contract.
2. A schedule of transition activities and milestones.
3. Identification of system dependencies and successor systems.
4. Roles and responsibilities for both Contractor and State personnel.
5. Identification of any third-party products or services requiring continued licensing or support.
6. The transition period for CSI project shall be 90 days.

Work Product and SaaS Configuration Deliverables

Work Product Transfer: The Contractor shall transfer to the State or the new Contractor all source code, configuration files, scripts, APIs, integration components, and related materials developed exclusively under this Contract ("Work Product"). The State or the new Contractor shall receive all rights, title, and interest in such Work Product for its internal governmental use, including the right to maintain, modify,

enhance, and operate the Work Product after contract expiration or termination.

SaaS Configuration and Metadata: For the SaaS solution procured and implemented under this Contract, the Contractor shall provide all configuration documentation, system settings, metadata exports (to the extent supported by the SaaS platform), integration specifications, administrative credentials, and operational procedures required for the State to maintain and operate the SaaS solution. Metadata exports include, but are not limited to, system configuration definitions, custom objects, field definitions, workflows, rules, automation components, page layouts, and integration parameters, if not already included in the Technical and Functional Design Document Deliverables in [SECTION 15.1. Project Management Tasks](#).

Nothing in this Section shall require the Contractor or SaaS vendor to transfer proprietary source code or intellectual property owned by the SaaS platform provider.

License and Procurement Information Transfer

The Contractor shall provide procurement details for each software product or tool used under the Contract, including:

1. Vendor name, product name, version, license type, and expiration date;
2. The State-approved SKU or item number if available through a DGS leveraged procurement vehicle (e.g., CMAS, SLP, MSA);
3. Ordering instructions, contract numbers, and pricing tiers needed for future State procurement or renewal.

This information shall be delivered in a structured format (e.g., Excel or SharePoint list) as part of the Transition Plan deliverables.

Tool and Environment Access

The Contractor shall:

1. Provide administrative access to all environments (e.g., production and non-production) and tools (e.g., Jira, GitHub, CI/CD pipelines) used to develop or maintain the solution under this Contract.
2. Transfer all configuration documentation and user guides for such environments and tools.
3. Remove Contractor access upon completion of transition, following written confirmation from the State.

Validation and Acceptance of Transition Deliverables

The State shall validate the completeness and accuracy of all transition deliverables. Acceptance shall be based on:

1. Conformance to the approved Transition Plan;

2. Successful access to and operation of Work Product, SaaS configurations, and supporting tools;
3. Verification of license ownership or continued license availability;
4. Availability of procurement detail necessary for future State renewals and operations.

Failure to Transition

If the Contractor fails to complete the transition as required under this Section, the State may, withhold final payments until all obligations are met and initiate a Corrective Action Plan (CAP) or Cure Notice in accordance with +SECTION 13.2. Cure Notice

29. Knowledge Transfer and Training

The objective of Knowledge Transfer and Training Tasks identified in [SECTION 15.6. Training Tasks](#) is to have all State-identified users adequately trained to use and, as applicable, support the Solution per [SECTION 7.8. Information Technology Services Division \(ITSD\) System Maintenance](#) . Contractor shall develop a State-accepted training program for the delivered Solution. The Contractor shall execute the training program through Contractor-delivered training sessions to all State-identified stakeholder groups requiring training.

30. Phased Implementation and Production Support

Phased Implementation Approach

The Contractor shall deliver the Project using an agile scrum methodology and a phased implementation approach consisting of two phases, Phase 1 and Phase 2.

The State anticipates that Project completion will be achieved through the progressive decommissioning and replacement of two existing legacy systems, with each phase addressing one legacy system independently.

Phase 1 shall include the configuration, development, and implementation of the proposed SaaS solution for one designated legacy system (CLEAR or CLS), including all required data conversion and migration activities necessary to support a production launch and go-live for that system. Upon successful completion of Phase 1, the solution shall be operational and in use by internal and external users. Deployment of Phase 1 shall not relieve the Contractor of its obligation to continue delivery of Phase 2 functionality.

Phase 2 shall include the configuration, development, and implementation of the proposed solution for the remaining legacy system, including all required data conversion and migration activities, resulting in full Project completion and replacement of both legacy systems.

Each phase shall include, at a minimum, planning, design, development, configuration, data migration,

testing, and deployment, performed iteratively and incrementally in accordance with agile Scrum practices and the approved Contractor Tasks and Deliverables per [SECTION 15. Contractor Tasks and Deliverable Requirements](#). Each phase shall result in a separately deployable and usable production release of the solution.

Production Support Following Phase 1 Go-Live

Upon Phase 1 Go-Live, the Contractor shall provide Production Support for Phase 1 functionality while Phase 2 development activities continue.

Production Support shall commence immediately following Phase 1 Go-Live and continue through final Project acceptance or as otherwise specified in this Agreement. All Service Level Agreements per [SECTION 35. Service Level Agreements \(SLAs\)](#) shall be met for functionality live in production post phase 1 launch.

Scope of Production Support

Production Support activities may include, but are not limited to:

1. Resolution of production defects, bugs, and errors;
2. System stabilization and performance tuning related to Phase 1 functionality;
3. Configuration changes and data corrections necessary to maintain operational continuity;
4. Minor refinements required to support production operations, regulatory compliance, or business continuity

Production Support activities shall be prioritized through the Agile backlog and coordinated with the DCC Project Director or designee.

Production Support

Changes implemented in the production environment after Phase 1 Go-Live may constitute production refinements. Production refinements shall be classified and managed as follows:

- **Minor Refinements:** Mutually to be agreed upon between the Contractor and DCC Project Director or designee. Minor refinements of deliverables and/or work products are defined as having twenty (20) hours or less from contractor time from the original agreed upon scope of work. If both parties agree the request falls within a minor refinements, then a formal change request is **NOT** required.
- **Major Refinements:** Mutually to be agreed upon between the Contractor and DCC Project Director or designee. Major refinements of deliverables and/or work products are defined as having twenty-one (21) hours or more of contractor time from the original scope of work. If both parties agree the request falls within a major refinements , then a formal change request **IS**

required. If a formal change is required then a ATTACHMENT 23: REQUEST FOR CHANGE FORM will be required. Funding for approved RFC's will be allocated from the Unanticipated Task Fund.

Nothing in this section shall be construed to require the Contractor to perform major refinements or new functionality without an approved RFC or contract amendment.

Phase 2 Development

Phase 2 shall consist of remaining Project functionality as defined in the approved scope and Product Backlog. Phase 2 development shall proceed concurrently with Phase 1 Production Support unless otherwise directed by the State. Phase 2 deliverables shall remain subject to standard acceptance criteria and shall not be deemed complete solely by virtue of Phase 1 Go-Live.

No Waiver of Contractual Obligations

The provision of Production Support following Phase 1 Go-Live shall not constitute final Project acceptance, nor shall it waive any contractual requirements related to Phase 2 deliverables, security, compliance, documentation, or final acceptance.

31. Maintenance and Operations (M&O)

Maintenance and Operations (M&O) will commence upon completion of full system acceptance [SECTION 15.9. Full System Acceptance Tasks](#). During M&O, the Contractor shall maintain and support the solution as approved by the DCC in the M&O Plan per [SECTION 15.1. Project Management Tasks](#). Should the Contractor need to change any part of the solution that has achieved "Full System Acceptance" the Contractor must notify the DCC for approval prior to any change being made. Deficiency resolution will be performed at the Contractor's own expense for all Deficiencies that are covered under Warranty as specified in [SECTION 34. Warranty](#).

Since the Contractor is providing a cloud SaaS solution where the solution is providing a service to the DCC, Service Level Agreements (SLA) are critical for ensuring that the provided service meets the needs of the stakeholders and applies appropriate penalties should the service fall below contractually established thresholds. Service Level Agreements (SLA) are defined to objectively measure and report adherence to the threshold values and to invoke the mutually agreed upon contractual remedies for failing to provide the required levels of service. SLA's are defined in more detail in [SECTION 35. Service Level Agreements \(SLAs\)](#) . The SOW tasks and the deliverables required from the Contractor for the M&O period are defined in the following table. These tasks comprise a set of activities and deliverables for which the Contractor is responsible to maintain and configure the solution to meet the DCC needs once all functionality is in production. The tasks below would fall within the monthly services fee in the Exhibit C - Cost worksheets, 6. M&O Continuous Support tab.

Table 31A: Monthly Maintenance Support Tasks

ID	STATEMENT OF WORK TASK AND RESPONSIBILITY
S.31.01	Contractor shall provide all Service and Support Service requirements identified in SECTION 35. Service Level Agreements (SLAs) and respond to all technical issues and questions for each severity level identified.
S.31.02	The Contractor shall operate, monitor and maintain the solution in a Contractor- provided cloud SaaS environment through the life of the contract and document the approach in the State approved M&O Plan per SECTION 15.1. Project Management Tasks .
S.31.03	The Contractor shall not modify, alter, change, or cause to be changed any cloud SaaS boundary visible or behavioral functionality and interface of the Solution without pre-approval by the DCC through the contractual Change Management process.
S.31.04	The Contractor shall provide maintenance and operation services using staff that are located within the continental United States.
S.31.05	The Contractor shall perform the necessary work to address all impacts associated with product upgrades of the software solution as performed by the Contractor-engaged software provider.
S.31.06	The Contractor shall provide a Monthly M&O Report that, at a minimum, documents the M&O activities completed in the previous month, including all knowledge transfer or system support activities.
S.31.07	Contractor must correct all configuration, customization, and interface deficiencies, relating to all Severity Levels, as defined in SECTION 35. Service Level Agreements (SLAs) , which are known to the Contractor or reported by the State to the Contractor.
S.31.08	The Contractor shall create and submit updates to a knowledge transfer matrix, which shall be the document that details what system areas of knowledge transfer are complete and have been completely transitioned to State staff, and include the status in the Monthly M&O report.
S.31.09	The Contractor shall maintain all communications as per SECTION 32. Help Desk Support and ensure an established help desk support and ticketing system to track all incidents reported by the DCC and/or the Contractor.
S.31.10	The Contractor must develop and configure necessary minor refinements.

In addition to Fixed Monthly M&O Services, the Contractor shall provide designated Key Staff resources

outlined in EXHIBIT C: COST WORKSHEETS, Continuous Enhancements, Improvements or Statutory and Legislative Changes. The WOA process identified in [SECTION 16. Acceptance, Review, and Correction of Deliverables, Work Products, and Other Contractor-Performed Work](#) shall be followed. Tasks in **Table 31B: Key Staff Tasks** identify tasks to be performed for designated Key Staff resources.

Table 31B: Key Staff Tasks

ID	STATEMENT OF WORK TASK AND RESPONSIBILITY
S.31.11	The Contractor must develop and configure legislative or regulatory driven mandates.
S.31.12	The Contractor must provide impact analysis, illicit and validate requirements, solution design, and documentation associated with legislative, regulatory, or business-driven changes.
S.31.13	The Contractor must develop and configure process improvements and enhancements requests, which may include, but not limited to reconfiguration of workflows, rules engines, integrations, data models, or reporting structures.
S.31.14	The Contractor shall perform technical triage, root cause analysis, and remediation of complex issues directly related to configuration, customization, development, or integrations that are outside the scope of routine operational support defined in Table 31A.

32. Help Desk Support

Support Model and Accountability

The Contractor shall serve as the single point of accountability to the State for production support of the CSI Solution, including coordination of Help Desk Support and technical support services provided by the SaaS solution provider and any other subcontractors after each phase of the project and after FSA per [SECTION 15.9. Full System Acceptance Tasks](#).

While Help Desk support services may be performed by the SaaS solution provider or other third parties, the Contractor shall remain fully responsible to the State for support performance, issue resolution, and compliance with this agreement.

Scope of Help Desk and Support Services

The Contractor shall ensure that Help Desk and support services collectively provide the following functions for the CSI Solution:

- Intake, logging, categorization, and tracking of incidents, service requests, and defects;

- Coordination of investigation, resolution, and recovery activities across all solution components;
- Communication of issue status, impacts, workarounds, and resolutions to the State;
- Escalation of unresolved, recurring, or high-impact issues in accordance with the approved escalation procedures; and
- Root cause coordination and corrective action tracking for recurring issues.

Support Hours and Availability

Help Desk support hours and availability applicable to the SaaS solution shall be defined and managed by the Contractor on behalf of the State.

The Contractor shall ensure that the defined support hours and coverage are sufficient to meet the operational requirements of the CSI Solution and shall coordinate after-hours or emergency support when required to address Severity 1 and Severity 2 incidents as defined in the [SECTION 35. Service Level Agreements \(SLAs\)](#) . Where the SaaS provider utilizes different severity definitions, the System Integrator shall be responsible for mapping and aligning those definitions to the State's severity framework in [SECTION 35. Service Level Agreements \(SLAs\)](#) , to ensure consistent communication and enforcement.

Reporting and Metrics

The System Integrator shall provide in it's monthly status report, the following:

- Incident volumes by severity and category;
- Resolution and escalation trends;
- Repeated or systemic issues and associated corrective actions;
- SaaS provider support performance summaries; and
- Open issues and risks requiring State attention.

33. Insurance Requirements

General Insurance Provisions

1. Coverage Term – Coverage needs to be in force for the complete term of the contract. If insurance expires during the term of the contract, a new certificate must be received by the State at least ten (10) days prior to the expiration of this insurance. Any new insurance must still comply with the original terms of the contract.
2. Policy Cancellation or Termination & Notice of Non-Renewal – The Contractor is responsible to notify the State within five business days before the effective date of any cancellation, non-renewal, or material change that affects required insurance coverage. In the event the Contractor fails to keep in effect at all times the specified insurance coverage, the State may, in addition to any other remedies it may have, terminate this Contract upon the occurrence of such event,

subject to the provisions of the Contract.

3. Deductible – The Contractor is responsible for any deductible or self-insured retention contained within their insurance program.
4. Primary Clause – Any required insurance contained in this contract shall be primary, and not excess or contributory, to any other insurance carried by the State.
5. Insurance Carrier Required Rating – All insurance companies must carry a rating acceptable to the Department of General Services, Office of Risk and Insurance Management. If the Contractor is self-insured for a portion or all of its insurance, review of financial information including a letter of credit may be required.
6. Endorsements – Any required endorsements requested by the State must be physically attached to all requested certificates of insurance and not substituted by referring to such coverage on the certificate of insurance.
7. Inadequate Insurance – Inadequate or lack of insurance does not negate the Contractor obligations under the contract.
8. Satisfying an SIR - All insurance required by this contract must allow the State to pay and/or act as the Contractor's agent in satisfying any self-insured retention (SIR). The choice to pay and/or act as the Contractor's agent in satisfying any SIR is at the State's discretion.
9. Available Coverages/Limits - All coverage and limits available to the Contractor shall also be available and applicable to the State.
10. Subcontractors - In the case of the Contractor's utilization of subcontractors to complete the contracted scope of work, the Contractor shall include all subcontractors as insured's under Contractor's insurance or supply to the State evidence of insurance of such subcontractors that is equal to the policies, coverages and limits required of Contractor.
11. Premiums - The Contractor / Permittee shall be responsible for any premium, deductible or self-insured retention in connection with any required insurance.
12. Required Insurance - By requiring the insurance herein, the State does not represent that the insurance coverage and limits will necessarily be adequate to protect the Contractor / Permittee and such coverage and limits shall not be deemed as a limitation on the Contractor's / Permittee's liability under the indemnities granted to the State in this Contract.
13. Insurance Certificate - Contractor shall provide an insurance certificate evidencing the required insurance coverage before work commences under this Agreement.

Commercial General Liability Insurance

1. The Contractor shall maintain general liability coverage on an occurrence form with limits not less than \$1,000,000 per occurrence and \$2,000,000 in aggregate for bodily injury and property damage liability. The policy shall include coverage for liabilities arising out of premises, operations, independent contractors, products, completed operations, personal and advertising injury, and liability assumed under an insured agreement. This insurance shall apply separately to each insured against whom a claim is made, or suit is brought subject to the contractor's limit of liability.

2. The policy must name the State of California, its officers, agents, employees, and servants are included as additional insurers with respect to work performed under this Contract.

Worker's Compensation Liability Insurance

The Contractor shall maintain statutory worker's compensation and employer's liability coverage for all its employees who will be engaged in the performance of the Contract. In addition, employer's liability limits of at least \$1,000,000 are required. A Waiver of Subrogation or Right to Recover endorsement in favor of the State of California must be attached to the certificate.

Professional Liability / Technology Errors & Omissions Insurance

Contractor shall maintain Professional Liability (Errors and Omissions) Insurance, including Technology Errors and Omissions coverage, with coverage limits of \$2,000,000 for each incident and \$4,000,000 aggregate. Coverage shall be sufficiently broad to respond to all duties, responsibilities, and obligations undertaken by the Contractor under this Agreement, including but not limited to: configuration, customization, data conversion, data migration, integrations, business process design, system development, system administration, SaaS implementation services, and ongoing production support. Coverage shall include, but not be limited to, infringement of intellectual property, copyright, trademark, trade dress, or other U.S. Intellectual Property Rights; privacy violations, information theft, and release, destruction, alteration, or unauthorized manipulation of data; extortion, ransomware, network security failures, and system intrusion; damages to, alteration of, loss of, or destruction of electronic data and State Data, whether held on Contractor-owned systems or on third-party cloud systems used by Contractor to perform this Agreement; breach response costs, digital forensics, restoration, regulatory fines and penalties where insurable, consumer notification costs, call center operations, and credit monitoring expenses.

The policy shall include, or be endorsed to include, coverage for the State's electronic data as "property" in the care, custody, or control of the Contractor. If not available under the Contractor's Professional Liability or Technology Errors and Omissions policy, such coverage must be provided through the Contractor's Cyber Liability Insurance.

The Retroactive Date (the earliest date for which the insurance policy will cover wrongful accts, errors, omissions, or incidents) must be no later than the date Contractor begins performing any work under this Agreement. Insurance must be maintained, and proof of insurance provided, for no less than five (5) years following the completion or termination of this Agreement.

If coverage is canceled or non-renewed and not replaced with a policy incorporating a Retroactive Date on or before the start of work under this Agreement, Contractor shall purchase Extended Reporting Period (ERP) coverage (also known as "tail coverage") of at least five (5) years.

Cyber Liability Insurance

Contractor shall maintain Cyber Liability Insurance with limits \$2,000,000 for each incident and \$4,000,000 aggregate. Coverage shall be sufficiently broad to respond to the Contractor's obligations under this Agreement and shall include, without limitation claims involving: information security and privacy liability; data breach liability; unauthorized access, use, modification, corruption, disclosure, or destruction of State Data; system failure, business interruption, and data restoration costs; ransomware/extortion payments (to the extent permitted by law) and related negotiation services; social engineering, spear phishing, and fraudulent instruction coverage; cloud-computing incidents, including those occurring on third-party hosted environments; breach response, incident response, and digital forensics expenses; regulatory investigations, assessments, fines, and penalties where insurable; notification, call center support, identity theft recovery, and credit monitoring services.

The Retroactive Date and Extended Reporting Period (ERP) requirements in the Professional Liability clause apply equally to Cyber Liability Insurance.

34. Warranty

Warranty Commencement and Applicability

The Warranty Period shall commence upon completion of Full System Acceptance, as defined in [SECTION 15.9. Full System Acceptance Tasks](#) of this Statement of Work.

The provisions of EXHIBIT D: IT - GP CLOUD - COMPUTING SERVICES, DGS PD 402-ITGP (Cloud) EXHIBIT D: IT – GP Cloud Computing Services (DGS PD 402-ITGP) are incorporated herein by reference. The warranty provisions set forth below are intended to supplement and clarify, and not replace, the warranties provided in the General Provisions and applicable law.

Scope of Warranty

The Contractor warrants that all Software, Services, and Cloud Computing Services, including all configuration, customization, integrations, and deliverables developed or performed under this Agreement, shall conform in all material respects to the requirements, specifications, performance standards, and security controls in effect at the time of Full System Acceptance, as set forth in this Statement of Work and applicable exhibits.

This warranty shall remain in effect for the duration of the base contract period and optional years of the State's use of the Software, Services, and Cloud Computing Services with respect to conformance to the requirements accepted at Full System Acceptance, unless otherwise expressly stated in this Agreement.

Deficiency Coverage and Severity Definitions

For purposes of warranty enforcement, the term "material defects", as referenced in Section 8 of the

General Provisions, shall mean Deficiencies of Severity 1 or Severity 2 as defined in [SECTION 35. Service Level Agreements \(SLAs\)](#) . Deficiencies of Severity 3 or Severity 4 shall not constitute material defects unless otherwise agreed in writing by the State.

Deficiency Resolution

Unless otherwise agreed in writing, all Deficiencies covered under Section 8: Warranties and Representations of the EXHIBIT D: IT - GP CLOUD - COMPUTING SERVICES, DGS PD 402-ITGP (Cloud) shall be corrected at the Contractor's sole expense, except to the extent the Deficiency is directly attributable to State-directed changes or State use inconsistent with documented specifications.

The Contractor shall:

- Acknowledge warranty claims within two (2) State business days; and
- Provide a proposed resolution plan within five (5) State business days, or such other timeframe as mutually agreed based on the complexity and severity of the Deficiency, subject to approval by the DCC Project Director or designee.

All warranty services, including remediation, re-performance, reconfiguration, or replacement, shall be provided at no additional cost to the State and shall not reduce any prepaid service entitlements.

Warranty Enforcement and Remedies

If the Contractor fails to correct a covered Deficiency within the agreed-upon timeframe, the State may, consistent with the terms of this Agreement and applicable law:

- Withhold payment;
- Require re-performance or replacement of deficient work at no additional cost;
- Require corrective action through the Corrective Action Plan (CAP) process; and/or
- Require a Cure Notice per +SECTION 13.2. Cure Notice
- Invoke termination or other remedies available under Section 16: Termination of EXHIBIT D: IT - GP CLOUD - COMPUTING SERVICES, DGS PD 402-ITGP (Cloud).

The remedies set forth herein are cumulative and non-exclusive.

Warranty for Re-Performed or Replacement Work

Any Software, Services, or deliverables re-performed or replaced under this warranty shall be subject to a new warranty period commencing upon State acceptance of the corrected work and shall be subject to the same warranty scope and conditions as the original deliverable.

35. Service Level Agreements (SLAs)

Service Level Agreements (SLA) are critical for ensuring that the provided service meets the needs of the

stakeholders and applies appropriate remedies should the service fall below contractually established thresholds. Service Level Agreements (SLA) are defined to objectively measure and report adherence to the threshold values and to invoke the mutually agreed upon contractual remedies for failing to provide the required levels of service. The Contractor agrees to provide support to submit software and system defects and incidents. The SOW tasks required from the Contractor for the SLA's are defined in the following table along with the SLA's that will be used to measure service needs. These tasks and SLA's comprise a set of activities for which the Contractor is responsible to maintain and/or configure the solution to meet the DCC needs once in production.

ID	STATEMENT OF WORK TASK AND RESPONSIBILITY
S.35.01	The Contractor shall provide and manage the following SLA's for the Support Services for the solution.
S.35.02	The Contractor shall be responsible for monitoring the solution to detect and resolve any Severity 1 and Severity 2 incidents.
S.35.03	The Contractor shall monitor and manage the Solution to meet the contract SLAs throughout the duration of this contract and shall report the Service Level Agreement metric as soon as a change is made.
S.35.04	The Contractor shall provide Correction of Deficiencies services per the SLA.
S.35.05	Contractor must correct all Software Deficiencies relating to all Severity Levels (as defined in the SLA) which are known to the Contractor or reported by the DCC to the Contractor.

System Availability: Production Environment

TITLE	DESCRIPTION
Name	System Availability: Production Environment
SLA	The System is available 99.9%, excluding Exceptions and Scheduled Downtime
Measurement Process	<p>The Contractor shall be responsible for meeting System Availability SLA.</p> <p>The System Availability SLA shall be calculated as follows:</p> <p>1. Monthly Uptime % = (Maximum Available Minutes – Downtime) / Maximum Available Minutes X 100</p> <p><u>Definitions:</u></p>

TITLE	DESCRIPTION												
	<p>1. "Maximum Available Minutes" is the total accumulated minutes during a service period. Maximum Available Minutes is measured over the course of each calendar month.</p> <p>2. "Downtime" is the total accumulated minutes that are part of Maximum Available Minutes that have no connectivity.</p> <p><u>Exceptions:</u></p> <ol style="list-style-type: none"> 1. Failures of the DCC's internet connectivity. 2. Scheduled Downtime. 3. Due to factors outside reasonable control (i.e. natural disaster, acts of terrorism, or government action). 4. Resulting from services, hardware, or software not provided by Contractor. <p><u>Scheduled Downtime:</u></p> <ol style="list-style-type: none"> 1. All schedules outages, in whole or in part, shall be communicated to the client at least twenty-four (24) hours in advance. 												
Remedies for Availability Failures	<p>Each month the Contractor's performance fails to meet the SLA, the State will assess Liquidated Damages (LD) in the form of service credits deducted in full from any future invoice(s) until the credits are satisfied. The monthly recurring charges. Liquidated damages are calculated based on an annual period as indicated below.</p> <table data-bbox="594 1510 1390 2015"> <tr> <th data-bbox="599 1517 1009 1588">Availability of SLA</th><th data-bbox="1009 1517 1385 1588">LD AMOUNT</th></tr> <tr> <td data-bbox="599 1588 1009 1709">>=99.9%</td><td data-bbox="1009 1588 1385 1709">None. Meeting to discuss.</td></tr> <tr> <td data-bbox="599 1709 1009 1787"><99.9% but >=99.5%</td><td data-bbox="1009 1709 1385 1787">0.020% credit</td></tr> <tr> <td data-bbox="599 1787 1009 1864"><99.5% but >=99.0%</td><td data-bbox="1009 1787 1385 1864">0.040% credit</td></tr> <tr> <td data-bbox="599 1864 1009 1942"><99.0% but >=95.0%</td><td data-bbox="1009 1864 1385 1942">0.060% credit</td></tr> <tr> <td data-bbox="599 1942 1009 2015"><95.0%</td><td data-bbox="1009 1942 1385 2015">0.080% credit</td></tr> </table>	Availability of SLA	LD AMOUNT	>=99.9%	None. Meeting to discuss.	<99.9% but >=99.5%	0.020% credit	<99.5% but >=99.0%	0.040% credit	<99.0% but >=95.0%	0.060% credit	<95.0%	0.080% credit
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<95.0%	0.080% credit												

TITLE	DESCRIPTION
Measurement Period	Each calendar month, beginning with the first full calendar month after each phase of production deployment.
Reporting	<p>Any Unscheduled Downtime Minutes Attributable to the Contractor must be reported to the State within sixty (60) minutes of occurrence and documented and explained in writing to the State within two (2) business days.</p> <p>The Contractor shall report all occurrences and duration of each such Downtime, utilizing third-party monitoring tools, on the fifth day of the calendar month for the prior calendar month.</p>

Service and Support Requirements

TITLE	DESCRIPTION
Name	Service and Support Requirements
Severity Definition	<ol style="list-style-type: none"> “Severity 1 Incident” means a Critical Event causing a complete (100%) loss of a key safety related feature and prevents the ability to perform critical functions on the platform, excluding third party integrations. Associated with Client Platform outage or platform unavailability greater than or equal to 50% loss of usability of the system. “Severity 2 Incident” means a Serious Event causing a significant component of the platform or services to fail or to perform materially differently than designed, creating inconvenience for normal functions but workarounds exist for critical functions. “Severity 3 Incident” means a Medium Event (minor business impact) that had minimal current impact on the Client and causes a malfunction of a non-essential feature. “Severity 4 Incident” means a Low/Minor event that has low impact on the DCC and causes malfunction of a non-essential feature.
Severity Levels	<ol style="list-style-type: none"> Severity 1 Incidents shall have an initial response time of 1 hour with status update intervals every 1 hour until the event is resolved or severity of the event is lowered to 3 or 4. Severity 2 Incidents shall have an initial response time of 2 hours with

TITLE	DESCRIPTION																														
	<p>status update intervals every 4 hours until the event is resolved or severity of the event is lowered to 3 or 4.</p> <p>3. Severity 3 Incidents shall have an initial response time of 1 business day.</p> <p>4. Severity 4 Incidents shall have an initial response time of 2 business days.</p> <p>Severity 1 and 2 events will be provided support 24 hours a day, 7 days a week. Severity 3 and 4 events will be provided support during business hours, which are defined 8am to 5pm, Monday – Friday, except for US Public Holidays.</p> <p>The Contractors incident or ticketing system tool of record shall serve as the system of record for the purposes of enforcing the durations identified.</p> <p>Resolved = Incident remediation released to production and incident has not re-occurred.</p>																														
Measurement Process	If a production system incident resolution time is greater than the SLA for the incident priority, the SLA for that incident is not met.																														
Remedies for Severity Failures	<p>Each month the Contractor’s performance fails to meet the SLA, the State will assess liquidated damages in the form of service credits deducted from the next annual software subscription total cost as identified in the Cost Workbook.</p> <table><tr><th>FAILURE TO MEET SLA</th><th>LD Amount (Severity 1)</th><th>LD Amount (Severity 2)</th><th>LD Amount (Severity 3)</th><th>LD Amount (Severity 4)</th></tr><tr><td>First Failure</td><td>10% credit</td><td>5% credit</td><td>Meet to discuss</td><td>Meet to discuss</td></tr><tr><td>Second Failure</td><td>20% credit</td><td>10% credit</td><td>5% credit</td><td>1% credit</td></tr><tr><td>Third Failure</td><td>30% credit</td><td>15% credit</td><td>10% credit</td><td>5% credit</td></tr><tr><td>Fourth Failure</td><td>40% credit</td><td>20% credit</td><td>15% credit</td><td>10% credit</td></tr><tr><td>Greater than four failures</td><td>50% credit</td><td>25% credit</td><td>20% credit</td><td>15% credit</td></tr></table>	FAILURE TO MEET SLA	LD Amount (Severity 1)	LD Amount (Severity 2)	LD Amount (Severity 3)	LD Amount (Severity 4)	First Failure	10% credit	5% credit	Meet to discuss	Meet to discuss	Second Failure	20% credit	10% credit	5% credit	1% credit	Third Failure	30% credit	15% credit	10% credit	5% credit	Fourth Failure	40% credit	20% credit	15% credit	10% credit	Greater than four failures	50% credit	25% credit	20% credit	15% credit
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Measurement	Per Severity 1, 2, 3, or 4 Incident, beginning with the phase one.																														

TITLE	DESCRIPTION
Period	
Reporting	<p>The Contractor shall generate a report from Contractor's service management tool based on Incident Severity Level, Opened Date, Target and Actual Resolution Dates, Impact to Operations, Mitigation Steps, and Recovery Plan.</p> <p>The Contractor shall report all incident events within the Monthly Incident Report, as described in the Incident Management Plan. Upon agreement of the State, this monthly reporting requirement can be removed if the Contractor trains Department staff in how to obtain this information directly in the Contractors incident tracking system. The Contractor shall report all incident events, utilizing the service ticket tool, on the fifth day of the calendar month for the prior calendar month.</p>

DCC Security Risk Assessment

TITLE	DESCRIPTION
Name	DCC-identified Vulnerabilities
Vulnerability Definition	<p>1. "Critical" vulnerabilities that cause failure or are exploitable issues. Examples include Login bypass (e.g., broken authentication, SSO failure), Code injection or command execution, Data exposure, Critical misconfigurations impacting security controls.</p> <p>2. "High" vulnerabilities that weaken security but do not immediately expose data or require specific conditions to exploit. Examples include improper access control, lack of proper encryption for sensitive data in transit or at rest, improper session management, significant misconfigurations.</p> <p>3. "Medium" vulnerabilities that do not pose an immediate risk but could be leveraged in combination with other vulnerabilities. Examples include overly permissive role-based access control, logging deficiencies that hinder security monitoring, use of outdated or weak security protocols, insecure API configurations that expose unnecessary data.</p> <p>4. "Low" vulnerabilities that do not pose an immediate risk but are industry best practices. Examples include lack of security headers, use of weak cryptographic algorithms where no immediate risk exists, excessive information disclosure in error messages.</p>

TITLE	DESCRIPTION
Vulnerability Levels	<p>Response Time</p> <p>Critical:</p> <ul style="list-style-type: none"> •Initial Acknowledgment: Within 2 hours •Temporary Mitigation (workaround or restriction): Within 24 hours •Permanent Resolution: Within 5 days <p>High:</p> <ul style="list-style-type: none"> •Initial Acknowledgment: Within 4 hours •Mitigation Plan: Within 3 days •Permanent Resolution: Within 15 days <p>Medium:</p> <ul style="list-style-type: none"> •Initial Acknowledgment: Within 1 business day <p>•Mitigation Plan: Within 7 days</p> <p>•Permanent Resolution: Within 30 days</p> <p>Low:</p> <ul style="list-style-type: none"> •Initial Acknowledgment: Within 3 business days •Permanent Resolution: Within the next maintenance cycle (up to 90 days) <p>Additional Considerations</p> <ul style="list-style-type: none"> •Incident Notification: The SaaS provider must notify DCC within 2 hours of identifying a security issue affecting our organization. •Temporary Controls: If a fix cannot be applied immediately, an alternative risk mitigation plan must be provided. •Ongoing Communication: Regular updates on progress for unresolved issues. <p>The Contractor's incident or ticketing system tool of record shall serve as the system of record for the purposes of enforcing the durations identified.</p>
Measurement Process	If a vulnerability response time is greater than the SLA for the vulnerability level, the SLA for that incident is not met.
Remedies for Vulnerability Failures	Each month the Contractor's performance fails to meet the SLA, the State will assess liquidated damages in the form of service credits deducted from the next annual software subscription total cost as identified in the Cost Workbook.

TITLE	DESCRIPTION																														
	<table><tr><th>FAILURE TO MEET SLA</th><th>LD AMOUNT (Critical)</th><th>LD AMOUNT (High)</th><th>LD AMOUNT (Medium)</th><th>LD AMOUNT (Low)</th></tr><tr><td>First Failure</td><td>Meet to discuss</td><td>Meet to discuss</td><td>Meet to discuss</td><td>Meet to discuss</td></tr><tr><td>Second Failure</td><td>1% credit</td><td>Meet to discuss</td><td>Meet to discuss</td><td>Meet to discuss</td></tr><tr><td>Third Failure</td><td>3% credit</td><td>1% credit</td><td>Meet to discuss</td><td>Meet to discuss</td></tr><tr><td>Fourth Failure</td><td>5% credit</td><td>3% credit</td><td>1% credit</td><td>Meet to discuss</td></tr><tr><td>Greater than four failures</td><td>10% credit</td><td>5% credit</td><td>3% credit</td><td>1% credit</td></tr></table>	FAILURE TO MEET SLA	LD AMOUNT (Critical)	LD AMOUNT (High)	LD AMOUNT (Medium)	LD AMOUNT (Low)	First Failure	Meet to discuss	Meet to discuss	Meet to discuss	Meet to discuss	Second Failure	1% credit	Meet to discuss	Meet to discuss	Meet to discuss	Third Failure	3% credit	1% credit	Meet to discuss	Meet to discuss	Fourth Failure	5% credit	3% credit	1% credit	Meet to discuss	Greater than four failures	10% credit	5% credit	3% credit	1% credit
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Measurement Period	Per vulnerability, beginning with the first System production release.																														
Reporting	<p>The Contractor shall generate a report from Contractor's service management tool based on Vulnerability Severity Level, Opened Date, Target and Actual Resolution Dates, Impact to Operations, Mitigation Steps, and Recovery Plan.</p> <p>The Contractor shall report all vulnerabilities, utilizing the service ticket tool, on the fifth day of the calendar month for the prior calendar month.</p>																														

Security Incident Notification Response Time

TITLE	DESCRIPTION
Name	Security Incident Resolution Notification Response Time
SLAs	Any breach of Departmental data present in the Contractor's software solution shall be reported to the Department immediately upon discovery. Within 24 hours of

TITLE	DESCRIPTION												
	discovery of the breach, the Department shall be provided details related to the breach including the specific data accessed, whether the data was encrypted or unencrypted, whether it included personal identifying information (e.g. name, driver's license, social security number), and the approximate date range, to the greatest degree of confidence possible, that the breached data was accessed.												
Measurement Process	Measurement will be performed using the time the Contractor learned of the incident to when the State received written notification.												
Liquidated Damages	<p>Each month the Contractor's performance fails to meet the SLA, the State will assess liquidated damages in the form of service credits deducted from the next annual software subscription total cost as identified in the Cost Workbook.</p> <table> <tr> <th>FAILURE TO MEET SLA</th><th>LD AMOUNT</th></tr> <tr> <td>First Failure</td><td>10% credit</td></tr> <tr> <td>Second Failure</td><td>20% credit</td></tr> <tr> <td>Third Failure</td><td>30% credit</td></tr> <tr> <td>Fourth Failure</td><td>40% credit</td></tr> <tr> <td>Greater than four failures</td><td>50% credit</td></tr> </table>	FAILURE TO MEET SLA	LD AMOUNT	First Failure	10% credit	Second Failure	20% credit	Third Failure	30% credit	Fourth Failure	40% credit	Greater than four failures	50% credit
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Fourth Failure	40% credit												
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Measurement Period	Per Incident, beginning with the first System production release.												
Reporting	Any breach of Departmental data present in the Contractor's software solution shall be reported to the Department immediately upon discovery. Within 24 hours of discovery of the breach, the Department shall be provided details related to the breach including the specific data accessed, whether the data was encrypted or unencrypted, whether it included personal identifying information (e.g. name, driver's license, social security number), and the approximate date range, to the greatest degree of confidence possible, that the breached data was accessed.												

Security Incident Resolution Response Time

TITLE	DESCRIPTION												
Name	Security Incident Resolution Response Time												
SLAs	<table> <tr> <th>CATEGORY</th><th>RESOLUTION TIME FRAME CRITERIA</th></tr> <tr> <td>Data Breach Involving Personal Identifying Information</td><td>Not more than 1 hour from discovery.</td></tr> <tr> <td>Data Breach Involving Cannabis Product Supply Chain Data.</td><td>Not more than 12 hour from discovery.</td></tr> <tr> <td>Data Breaches Including All Other Data Types</td><td>Not more than 24 hour from discovery.</td></tr> </table> <p>When determining the resolution timeframe criteria for a given data breach, the timeframe shall be defined by the most sensitive data included in the breach. For example, if the breach included personal identifying information and cannabis supply chain data, the resolution timeframe criteria shall be not more than 1 hour from discovery.</p>	CATEGORY	RESOLUTION TIME FRAME CRITERIA	Data Breach Involving Personal Identifying Information	Not more than 1 hour from discovery.	Data Breach Involving Cannabis Product Supply Chain Data.	Not more than 12 hour from discovery.	Data Breaches Including All Other Data Types	Not more than 24 hour from discovery.				
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Data Breaches Including All Other Data Types	Not more than 24 hour from discovery.												
Measurement Process	If a security incident resolution time is greater than the SLA for the incident priority, the SLA for that incident is not met.												
Liquidated Damages	<p>Each month the Contractor's performance fails to meet the SLA, the State will assess liquidated damages in the form of service credits deducted from the next annual software subscription total cost as identified in the Cost Workbook.</p> <table> <tr> <th>FAILURE TO MEET SLA</th><th>LD AMOUNT</th></tr> <tr> <td>First Failure</td><td>10% credit</td></tr> <tr> <td>Second Failure</td><td>20% credit</td></tr> <tr> <td>Third Failure</td><td>30% credit</td></tr> <tr> <td>Fourth Failure</td><td>40% credit</td></tr> <tr> <td>Greater than four failures</td><td>50% credit</td></tr> </table>	FAILURE TO MEET SLA	LD AMOUNT	First Failure	10% credit	Second Failure	20% credit	Third Failure	30% credit	Fourth Failure	40% credit	Greater than four failures	50% credit
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TITLE	DESCRIPTION
Measurement Period	Per Incident, beginning with the first System production release.
Reporting	Any breach of Departmental data present in the Contractor's software solution shall be reported to the Department immediately upon discovery. Updates to mitigation on an ongoing incident shall require hourly updates to the Department until the incident is resolved.

KEY STAFF

TITLE	DESCRIPTION
Name	Key Staff Replacement
SLA	Key staff must be replaced within the timeframe and the process in accordance with SECTION 12. Key Personnel Changes .
Measurement Process	The start date of the measurement begins on the date the Contractor provides notification of any proposed changes, or on the date the State requests the Contractor to replace key staff plus the number of days as defined in SECTION 12. Key Personnel Changes Key Staff positions shall not be filled with State employees to fulfill the roles and responsibilities of the position in a temporary capacity and/or maintain responsibilities for a Contractor's key staff position.
Liquidated Damages	For each State business day over the number of days required to replace key staff, as defined in SECTION 12. Key Personnel Changes .The State may assess liquidated damages in the amount of the key Staff hourly rate defined in the SECTION 1. COST WORKBOOK multiplied by eight (8) hours per business day until an approved key staff replacement starts.
Measurement Period	Daily, for each Key Staff position that has not been filled within the number of days required.
Reporting	The State shall report delays to Key Staff fulfillment to the Contractor's Project Manager. If the Project Manager is not available the State shall report to the Contractor's Contract administrator.

36. Liquidated Damages

Liquidated Damages are intended to encourage timely delivery of critical Deficiency remediations and responsive services from the Contractor. The purpose of this Liquidated Damages provision is to ensure adherence to the requirements of the Contract and to set an amount in advance of contractual non-compliance to compensate the State for damages that are impractical or extremely difficult to estimate, but which would be sustained by the State in the event the Contractor fails to perform services as agreed. The Liquidated Damages are intended, and are agreed by the Parties, to be a reasonable estimate of the damages and costs the State would sustain as a result of non-compliance to the terms of the Contract. These are not punitive. The State and Contractor, therefore, agree that in the event the Contractor fails to perform certain agreed upon services in a timely manner as specified in the Contract or SLAs [SECTION 35. Service Level Agreements \(SLAs\)](#) the State may assess Contractor such amounts as Liquidated Damages.

Liquidated Damages will not be assessed for delays due to Acts of God or of the public enemy that are beyond the control of the State and the Contractor.

36.1. Payment of Liquidated Damages

DCC will notify the Contractor in writing of any claim for Liquidated Damages pursuant to this section on or before the date DCC deducts such sums from money payable to the Contractor. If DCC imposes Liquidated Damages, upon notification by DCC, the Contractor must show the Liquidated Damages as a subtracted item from its invoice(s) to DCC.

Imposition of Liquidated Damages does not constitute a waiver of the State's right to issue a Stop Work Order, as provided in Provision 18 Stop Work of the GSPD-401IT or to terminate the Agreement pursuant to Provision 16.3 Termination for Default of the GSPD-401IT. In the event of such a termination, the State shall be entitled at its discretion to recover actual damages caused by the Contractor's failure to perform its obligations under this Agreement

36.2. Liquidated Damages Cap

If imposed, except for Service and Support Requirements, Security Incident Notification Response Time and Security Incident Resolution Response Time SLAs, Liquidated Damages will not exceed twenty percent (20%) of the Contract Amount.

The Liquidated Damages are outlined in [SECTION 35. Service Level Agreements \(SLAs\)](#) .

37. Unanticipated Tasks

During the Contract period, legislative and/or program changes may necessitate changes to the system

and/or software. These changes may result in unanticipated tasks and be structured based on the Contractor's hourly labor rates identified in the cost worksheet. These rates will be used to support change requests for changes and enhancements to the Agreement.

Unanticipated tasks are additional work performed within the scope of the Contract but were not identified in the State's solicitation document or SOW. Both the State and the Contractor must agree upon the work to be performed which will result in unanticipated costs. No work can be performed in advance of the State's approval of unanticipated task work; the Contractor will use the same hourly labor rates per staff classification as identified in the Base Contract Term and pricing portion of the cost worksheet.

The State limits the budget for unanticipated tasks not to exceed ten percent (10%) of the sum of the base Contract for services identified in the EXHIBIT C: COST WORKSHEETS.

If additional work must be done, the procedures outlined in this section will be followed.

Unanticipated tasks include, but are not limited to, corrections to errors made by State staff. For each unanticipated task, the Contractor shall prepare a ATTACHMENT 23: REQUEST FOR CHANGE FORM

It is understood and agreed by both parties to this Agreement that all the terms and conditions of this Agreement shall remain in force with the inclusion of any such RFC. Such RFC shall in no way constitute an Agreement other than as provided pursuant to this Agreement nor in any way amend or supersede any of the other provisions of this Agreement.

Each RFC shall consist of a detailed statement of the scope, purpose, objective, and/or goals to be undertaken by the Contractor, including:

1. The job classification(s), or approximate skill level(s), and name of the staff to be assigned as available by the Contractor.
2. An identification of all significant material to be developed by the Contractor and delivered to the State.
3. An identification of all significant materials to be delivered by the State to the Contractor.
4. An estimated time schedule of the fulfillment of these services by the Contractor.
5. Completion criteria for the work to be done.
6. The Contractor's estimated work hours required to accomplish the scope, purpose, objective, and/or goals.
7. The Contractor's billing rates as identified in EXHIBIT C: COST WORKSHEETS and the Contractor's estimated total cost on the RFC.

All must be in writing and signed by the Contractor and State prior to beginning work. The Contractor shall not begin work on a RFC until the authorized State staff has approved the RFC.

The State has the right to require the Contractor to stop or suspend work on any RFC with three (3) State business days' notification.

If, in the performance of the work, the Contractor determines that a RFC to be performed under this Contract cannot be accomplished within estimated work hours, the Contractor shall immediately notify the State in writing of the Contractor's estimate of additional work hours and cost which will be required to complete the RFC in full. Upon receipt of the notification, the State will:

1. Authorize the Contractor to expend the estimated additional work hours or service in excess of the original estimate necessary to accomplish the work.
2. Terminate the RFC; or
3. Alter the scope of the RFC in order to define tasks that can be accomplished within the remaining estimated work hours and cost.
4. Notify the Contractor in writing of its decision within seven (7) State business days after receipt of the notification.

Upon successful completion of the work to be performed for an approved RFC, the State will provide acceptance with the deliverables and or work product(s), introduced by the RFC, indicating the acceptance criteria of the RFC have been met and signed to indicate approval. The Contractor must receive the acceptance document before invoicing the State.

38. Budget Detail and Payment Provisions

INVOICING AND PAYMENT

1. For deliverables satisfactorily rendered and upon receipt and approval of the invoice(s), the State agrees to pay the Contractor for said deliverables and work products in accordance with the approved ATTACHMENT 21: WORK ORDER AUTHORIZATION FORM and EXHIBIT C: COST WORKSHEETS .
2. For software licenses provided during the base term and optional years, the State agrees to pay upon confirmation of delivery and acceptance of the software, the state agrees to pay the Contractor for said software in accordance with the rates specified in EXHIBIT C: COST WORKBOOK, on an annual basis.
3. The payment schedule for maintenance and operations services are paid monthly in arrears at the rates indicated in the EXHIBIT C: COST WORKSHEETS
4. For unanticipated tasks, the State agrees to pay the contractor according to the work performed as described in [SECTION 37. Unanticipated Tasks](#) .
5. Invoices shall be submitted not more frequently than monthly in arrears to the email itacquisitions@cannabis.ca.gov and must include:
 - a. An approved ATTACHMENT 21: WORK ORDER AUTHORIZATION FORM
 - b. The Contractor name, address and phone number.

- c. The Contract Number <<Agreement Number>>
- d. The Contractor's invoice number
- e. The invoice date

Department of Cannabis Control
2920 Kilgore Road
Rancho Cordova, CA 95670
IT Project Management and Administrative Office

Any invoices submitted without the above-referenced information will be unpaid and returned to the Contractor for further processing.

TRAVEL AND PER DIEM EXPENSES

There will be no travel or per diem costs reimbursed under this contract.

STATE BUDGET CONTINGENCY CLAUSE

It is mutually agreed that if the Budget Act of the current year and/or any subsequent years covered under this contract does not appropriate sufficient funds for the program, this contract shall be 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.

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

FINAL BILLING

Invoices for services must be received by the state within 90 days following each state fiscal year, or 90 days following the end of the contract term, whichever comes first. The final invoice must include the statement "Final Billing."

PAYMENTS

Payment for services under this Agreement shall be made in accordance with the State of California's Prompt Payment Act (Government Code Section 927 et seq.).

SUBMISSION OF INVOICES

1. All Invoices must be submitted according to Invoicing and Payment described above.
2. The Contractor may only invoice for actual deliverables and work products for items accepted

under the approved DED's. The State will reduce the invoice amount by 20% for the hold back and pay the remainder of the invoiced amount for the deliverables and the Unanticipated Tasks.

3. For SaaS License and the Maintenance and Operations, the 20% holdback will not apply. The Contractor shall submit an invoice for the software on a yearly basis and in accordance with the EXHIBIT C: COST WORKSHEETS.
4. Contractor cannot submit an invoice more frequently than once a month.

PAYMENT METHOD

Upon receipt and approval of the invoice, the State shall compensate the Contractor for actual expenditures incurred in accordance with the rates specified in EXHIBIT C: COST WORKSHEETS.

PAYMENT WITHHOLD

In accordance with Public Contract Code, Section 12112, the State will withhold, from each invoiced payment amount to the Contractor for implementation services, an amount equal to twenty percent (20%) of the payment. Such retained amount shall be held by the State and only released to the Contractor upon the Contract Manager's determination that the Contractor has satisfactorily completed all of the required deliverables under the contract pursuant to ATTACHMENT 25: APPENDIX A - STATEMENT OF WORK. The State's approval of the Full System Acceptance Attestation Letter deliverable upon completion of the "Acceptance Period" shall serve as confirmation of completion implementation services for the purpose of releasing the retained withhold amount.

SALES TAX

Sales Tax is not to be included in the cost workbook. If awarded, the contract Sales Tax, if applicable, should be added at the time of invoicing. The Sales Tax rate applied should be based on the rate of the area where the service is to be provided. See the California Department of Tax and Fee Administration Sales and Use Tax Regulation 1502 (f) (1) (D).

39. GenAI Technology Use

The Contractor must notify the State in writing if it: (1) intends to provide GenAI as a deliverable to the State; or (2), intends to utilize GenAI, including GenAI from third parties, to complete all or a portion of any deliverable that materially impacts: (i) functionality of a State system, (ii) risk to the State, or (iii) Contract performance. For avoidance of doubt, the term "materially impacts" as used in this section shall have the same meaning set forth in the State Administrative Manual (SAM) § 4986.2 Definitions for GenAI.

40. Glossary of Terms

Refer to ATTACHMENT 24: GLOSSARY OF TERMS