



**INVITATION FOR BID (IFB)
Notice to Prospective Bidders**

**IFB Number: 15-20080-001
“Grease Trap Cleaning Services”**

October 21, 2015

You are invited to review and respond to this Department of State Hospitals (DSH) – Metropolitan solicitation. The DSH is seeking bids for a contractor to perform ***Grease Trap Cleaning Services***.

In submitting a bid, bidders agree that they have read, understood, and will comply with the instructions found herein. Failure to comply with any of the requirements may result in rejection of a bidder's bid. By submitting a response, bidders agree to the terms and conditions stated in this solicitation and any resulting agreement.

All agreements entered into with the State of California will include by reference the state's General Terms and Conditions and Contractor Certification Clauses that may be viewed and downloaded at: <http://www.dgs.ca.gov/ols/Resources/StandardContractLanguage.aspx>.

This bid solicitation is published online at the California State Contracts Register (CSCR), BidSync web site at: <http://www.dgs.ca.gov/pd/Programs/eprocure.aspx>. To ensure receipt of any addenda that may be issued, and answers to questions posed, interested parties must register online at: <https://www.bidsync.com/SupplierRegister?ac=register&posting=true&plan=0®type=default&cmd=next&&>.

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I. DESCRIPTION OF SERVICES

A. Description of Services/Background:

1. Contractor shall supply all personnel, labor, tools, supplies, materials, equipment, travel, insurance, incidentals, and a properly equipped service vehicle necessary for cleaning debris including large chunks of grease from one distribution box and one grease interceptor located below grade in a concrete vault on the South Side of the Main Kitchen Building.
2. Please carefully review and consider the minimum qualifications, and the detailed Scope of Work located in Attachment 10, Sample Agreement, Exhibit A, Scope of Work, in order to complete your bid.

B. Agreement Term and Security Provisions:

1. The term of any agreement resulting from this IFB is anticipated to be November 13, 2015, through October 31, 2017. Any agreement resulting from this IFB shall have no force or effect until it is signed by both parties and approved. Performance shall start no later than on the expressed date set by the awarding agency and after all approvals have been obtained and the agreement is fully executed.
2. All performance, under the agreement, shall be completed on or before the termination date of the agreement.
3. Should the Contractor fail to commence work at the agreed upon time, the DSH reserves the right to terminate the agreement upon five (5) days written notice to the Contractor.
4. Contractor shall agree to all security provisions where the performance of work takes place on any state hospital grounds.

II. MINIMUM QUALIFICATIONS (MQ)

A. Proof of Legal Right To Do Business:

Bidders must submit proof of their legal right to do business in the State of California:

1. Bidders must submit a copy of their license to do business in the State of California, where applicable.
2. Bidders must certify that they are and will continue to meet all terms and conditions for operating a business in the city/county in which the business is headquartered.
3. Bidders which are corporations, regardless of where they are incorporated, shall submit a print-out from the California Secretary of State website (<http://kepler.sos.ca.gov>) which shows that their corporation is registered and is currently in good standing.
4. See also "C. Other MQ" for other required certifications.

B. Agreement to Sign:

1. The bidder shall certify that, if awarded an agreement, they shall sign and return two (2) originals of the Standard Agreement signature pages (Std. 213), to be received by the DSH no later than seven (7) calendar days from the date the DSH e-mails the agreement to the email address provided by bidder on the Minimum Qualifications Response Form (Attachment 3). This requirement shall be ten (10) calendar days if the DSH elects to mail the agreement. The DSH reserves the right, at its sole discretion, to require documentation to be submitted in addition to the Std. 213. If the DSH exercises that right, the contractor must submit all required documentation within the timeframes noted here.

The bidder shall further certify that they understand the insurance requirements in Attachment 10, Sample Agreement, Exhibit F, Insurance Requirements, and if awarded an agreement, shall provide the DSH with all required insurance documents as may be applicable, in a timely manner.

The DSH reserves the right, at its sole discretion, to cancel a proposed award to a bidder who does not submit the required documentation described herein. Should the DSH cancel a proposed award for this reason, the DSH reserves the right, at its sole discretion, to award the contract to the next lowest, responsive and responsible bidder.

C. Other MQ: Inedible Kitchen Grease Transporter Commercial Registration

1. Bidders must submit proof of an active and valid Inedible Kitchen Grease Transporter Commercial Registration issued by the California Department of Food and Agriculture – Meat, Poultry and Egg Safety Branch.

III. BID REQUIREMENTS AND INFORMATION

A. Key Action Dates:

Event	Date	Time
IFB available to prospective bidders	October 21, 2015	-
Deadline for Submission of Questions	November 2, 2015	3:00PM
Final Date for Bid Submission	November 4, 2015	3:00PM
Public Bid Opening	November 4, 2015	3:00PM
Notice of Intent to Award Posted	November 4, 2015	N/A
Anticipated Start Date	November 13, 2015	-

B. Bidder's Questions:

1. Bidders should notify the DSH immediately through BidSync (www.bidsync.com) if they need clarification about the services being sought or have questions about the IFB instructions or requirements. The level of detail that shall be provided, in response, is subject to the availability of the DSH resources. ***Note: It is the responsibility of the bidder to check BidSync for questions and/or changes within the IFB as all questions, answers, and addendums will be posted. The DSH will not be held responsible for inaccurate bids due to bidder's oversight in reviewing any and all information via BidSync.***

2. Verbal comments regarding this IFB are unofficial and are not binding on the DSH unless later confirmed in writing as an official addendum.
3. Bidders that fail to report a known or suspected problem with the IFB or fail to seek clarification and/or correction of the IFB, submit a bid at their own risk.

C. Submission of Bids:

1. Physical Submission:

- i. All bids must be submitted under a **sealed** cover and received by the DSH by the date and time shown in Section III, A – Key Action Dates. The sealed cover must be plainly marked with the IFB number and title, and must be marked **“DO NOT OPEN.”** as shown in the following example:

IFB # 15-20080-001
Grease Trap Cleaning Services (Re-Bid)
Metropolitan State Hospital
ATTN: Natalie Garcia, General Services
Administration Building, 3rd Floor
Department of State Hospitals
11401 S. Bloomfield Ave.
Norwalk, CA 90650
DO NOT OPEN

- ii. All bids submitted under a sealed cover must clearly and legibly show the bidder's firm name and address.
 - iii. Bids not submitted under a sealed cover shall be rejected. A minimum of one (1) original and one (1) copy of the bid must be submitted, and clearly marked.
 - iv. The bid package should be prepared in the least complicated method. Originals and copies should be bound with binder-clips or staples (no covers, no spiral bindings, etc.). All pages in the bid must be standard 8.5" x 11" paper, except charts, diagrams, etc., which may be foldouts. If foldouts are used, the folded size must fit within the 8.5" x 11" format. Double-sided printing is preferred except for required attachments numbers 1 through 9, located in page 14 through page 24 of this IFB, which must be printed single-sided. It is the bidder's responsibility to ensure that his or her bid is submitted in a manner that enables the DSH to easily locate all response descriptions and exhibits for each requirement of this IFB. Page numbers must be located in the same page position throughout the bid. **Note:** Attachment 10 should **not** be returned with the bid.
 - v. Mail Delivery, Hand Delivery, or Overnight Delivery of bids should be addressed as in Item 1.i. above.
2. Signature Requirements:
- i. All documents requiring a signature must bear an original signature of a person authorized to bind the proposing firm.

- ii. An individual who is authorized to bind the bidder contractually shall sign the Bidder Certification Sheet. The signature should indicate the title or position that the individual holds in the firm. An unsigned bid may be rejected.

3. General Contents:

- i. All bids shall include all of the documents identified in Section VI, Required Attachments, Attachment 1, Bid Submission Checklist (Page 11).
- ii. Bids should provide straightforward and concise descriptions of the bidder's ability to satisfy the requirements of this IFB. The bid must be complete and accurate. Omissions, inaccuracies or misstatements will be sufficient cause for rejection of a bid.
- iii. Bids must be submitted for the performance of all the services described herein. Any deviation from the work specifications will not be considered and shall cause a bid to be rejected.
- iv. A bid shall be rejected if it is conditional or incomplete, or if it contains any alterations of form or other irregularities of any kind. The state may reject any or all bids and may waive an immaterial deviation in a bid. The state's waiver of an immaterial defect shall in no way modify the IFB document or excuse the bidder from full compliance with all requirements if awarded the agreement.
- v. Before submitting a response to this solicitation, bidders should review, correct all errors, and confirm compliance with the IFB requirements.
- vi. Where applicable, bidders must carefully examine work sites and specifications. Bidders shall investigate conditions, character, and quality of surface or subsurface materials or obstacles that might be encountered. No additions or increases to the agreement amount will be made due to a lack of careful examination of work sites and specifications.

4. General Considerations:

- i. No oral understanding or agreement shall be binding on either party.
- ii. Costs for developing bids and anticipation of award of the agreement are entirely the responsibilities of the bidder and shall not be charged to the State of California.

5. Withdrawing and Resubmitting:

- i. A bidder may modify a bid, after its submission, by withdrawing their original bid package and resubmitting a new bid package prior to the bid submission deadline. Bidders modifications offered in any other manner, oral or written, will not be considered.
- ii. A bidder may withdraw their bid by submitting a written withdrawal request to the DSH – Contracts Office, signed by the bidder or an authorized agent. A bidder may thereafter submit a new bid package prior to the bid submission deadline. Bids may not be withdrawn without cause, subsequent to the bid submission deadline. The DSH Contracts Office is located at:

Department of State Hospitals – Metropolitan
Contracts Office
11401 S. Bloomfield Ave.
Norwalk, CA 90650

6. Modification and Rejections:

- i. The DSH may modify the IFB, prior to the solicitation due date and time, by the issuance of an addendum to all parties who received a solicitation package.
- ii. The DSH reserves the right to reject all bids. The DSH is not required to award an agreement.
- iii. The DSH does not accept alternate contract language from a prospective contractor, unless offered through the Question and Answer period. A bid with alternate contract language will be considered a counter proposal and will be rejected. The State's General Terms and Conditions (GTC) are not negotiable. Bidders are hereby advised that proposals of alternate contract language or attempts to negotiate the state's Terms and Conditions after the selection of a proposed awardee shall be considered a counter proposal for the purposes of this solicitation. In such a situation, the DSH shall notify the proposed awardee that they must accept the state's language and terms as offered or be disqualified from being awarded a contract. Should a contractor fail to accept the language and terms offered, the DSH shall disqualify that vendor and award the contract to the next lowest bidder and issue a revised Letter of Intent if applicable.

IV. BID EVALUATION AND AWARD

A. Review of Bid Requirements:

1. At the time of the bid opening, each bid will be opened, read aloud, and checked for preference and incentive requests.

B. Responsiveness and Responsibility Determination:

1. After the bid opening, the DSH will evaluate each bid to determine its responsiveness and each bidder's responsibility to the published requirements of this IFB.
2. A responsive bidder is one who submits a bid that meets all of the submission requirements and minimum qualification requirements stated in the IFB. A responsible bidder is one that is trustworthy and possesses the necessary quality, fitness and capacity to satisfactorily perform the proposed work. Bidders who are determined to not be responsible or who submit non-responsive bids shall have their bids rejected.
3. Responsive bids shall be considered evidence of the proposer's responsibility. The DSH reserves the right to reevaluate a bidder's responsibility prior to award and is in no way limited to submitted bid packages in making a determination as to a bidder's responsibility. In determining whether a bidder is responsible, the DSH may require bidders to submit evidence of their qualifications at such times, and under such conditions, as it may require.

C. False Statements Disclaimer:

1. Bids that contain false or misleading statements, or which provide references which do not support an attribute or condition claimed by the bidder, may be rejected.

D. Intention to Award:

1. The DSH intends, if an award is made, to award to the lowest responsive responsible bidder in accordance with Section V, Preference and Incentive Programs.

E. Tie Breaker:

1. Should two or more bidders submit bids that, after the calculation of preferences as described in Section V, Preference and Incentive Programs, result in a tie, the DSH shall resolve the tie as follows:
 - i. In accordance with Government Code section 14838, subdivision (f), in the event of a precise tie between a small business or microbusiness, and a disabled veteran-owned small business or microbusiness, the agreement shall be awarded to the disabled veteran-owned small business or microbusiness.
 - ii. In accordance with the California Code of Regulations, title 2, section 1896.6, if, after the application of the small business preference, the bid of the small business is equal to the lowest priced bid from a responsible non-small business, the agreement shall be awarded to the small business.
 - iii. In all other circumstances a coin toss witnessed by two DSH admin staff shall determine the proposed awardee.

F. Award and Protest:

1. Whenever an agreement is awarded under a procedure which provides for competitive bidding, but the agreement is not to be awarded to the low bidder, the low bidder shall be notified by telegram, electronic facsimile transmission, overnight courier, electronic mail, or personal delivery five (5) working days prior to the award of the agreement.
2. Upon written request by any bidder, notice of the proposed award shall be posted in a public place in the office of the awarding agency at least five (5) working days prior to awarding the agreement.
3. If any bidder, prior to the award of agreement, files a written protest with the Department of General Services (DGS) and the DSH, including the grounds that the (protesting) bidder is the lowest responsive responsible bidder, the agreement shall not be awarded until either the protest has been withdrawn or the DGS has decided the matter.
4. Within five (5) days after filing the initial protest, the protesting bidder shall file with the DGS and the DSH a detailed written statement specifying the grounds for the protest. It is suggested that any protest be submitted by certified or registered mail.

5. Submissions shall be made to:

Department of General Services
Office of Legal Services
Attention: Protest Coordinator
707 Third Street, 7th Floor, Suite 7-330
West Sacramento, CA 95605
FAX: (916) 376-6226

Department of State Hospitals
Metropolitan
Attention: Natalie Garcia
11401 S. Bloomfield Ave.
Norwalk, CA 90650
FAX: (562) 863-7332

6. Protests may be sent by regular mail, facsimile, courier or personal delivery though it is suggested that submissions are made by certified or registered mail. Protestants should include their fax numbers, where applicable.

G. Disposition of Bids:

1. Upon bid opening, all documents submitted in response to this IFB will become the property of the State of California, and will be regarded as public records under the California Public Records Act (Government Code section 6250, et seq.) and subject to review by the public. Should a bidder desire to keep any or all components of their response to this IFB confidential, the bidder would need to obtain a protective order from a court of competent jurisdiction.

H. Tax Delinquency Disclaimer:

1. Pursuant to the Public Contract Code section 10295.4, persons or companies identified as the largest tax delinquents by the Franchise Tax Board (FTB) or the Board of Equalization (BOE) are ineligible to enter into any agreement with the state for non-IT goods or services. Any agreement entered into in violation of section 10295.4 is void and unenforceable.

Prior to executing any state agreement or renewal for non-IT goods or services, the DSH shall verify that the proposed awardee(s) is not on a prohibited list by checking both the FTB and BOE websites. The established lists can be found at:

- i. **FTB:** https://www.ftb.ca.gov/aboutFTB/Delinquent_Taxpayers.shtml
- ii. **BOE:** <http://www.boe.ca.gov/cgi-bin/deliq.cgi>

V. PREFERENCE AND INCENTIVE PROGRAMS

A. Small Business Preference:

1. In accordance with Government Code section 14838.5, et seq. and California Code of Regulations, title 2, section 1896, et seq., a five (5) percent preference will be granted to bidders properly certified as a California Small Business (SB), Microbusiness (MB), or Non-

Small Business (NSB) with a Small Business subcontracting for a minimum of 25% of the bid amount. A five (5) percent preference will be granted to bidders certified as a Non-Profit Veteran Service Agency in accordance with the Military and Veterans Code section 999.50. Applications must be on file at the Office of Small Business and Disabled Veteran Business Enterprise Certification by 5:00 p.m. on bid opening day. The preference adjustment for awards based on low price cannot exceed \$50,000.00.

2. Small Business Preference Example (Single Award):

	Bidder A	Bidder B	Bidder C
Bidder Status	NSB	NSB w/ 25%	SB
Preference Applicable?		X	X
Original Bid Amount	\$100,000	\$105,000	\$102,500
Apparent Low Bid	X		
Pref. Amount (5% of Low Bidder)	\$0	\$5,000	\$5,000
Revised Bid	\$100,000	\$100,000	\$97,500
Revised Lowest Bidder			X

3. Explanation of Example:

The lowest bidder at the time of bid opening is Bidder A, which is a NSB not claiming a SB subcontracting preference. Since both Bidder B and Bidder C claim a SB Preference, five (5) percent of Bidder A's bid is subtracted from those of Bidder B and C. In the example above, five (5) percent of \$100,000 is \$5,000. After applying these preferences, Bidder C's revised bid (\$97,500) is less than the other bids, making them the revised apparent low bidder.

Note: since the preferences are used only for computation purposes to determine the successful bidder, if an agreement was awarded to Bidder C, it would be at the original \$102,500 amount.

B. Disabled Veteran Business Enterprise Program and Incentive:

1. The DSH hereby waives the mandatory Disabled Veteran Business Enterprise (DVBE) participation requirement for this IFB.
2. An incentive for bidders who include DVBE participation is available and encouraged for this IFB. For evaluation purposes only, the State shall apply an incentive to bids that include California certified DVBE participation and confirmed by the DSH. The incentive amount will vary in conjunction with the percentage of DVBE participation in accordance with the following formula:

DVBE Incentive Participation	DVBE Incentive
5% or Over	5%
4% to 4.99% Inclusive	4%
3% to 3.99% Inclusive	3%
2% to 2.99% Inclusive	2%
1% to 1.99% Inclusive	1%

3. The net bid price of responsive bids with DVBE participation will be reduced (for evaluation purposes only) by the amount of DVBE incentive as applied to the lowest responsive net bid price. If the #1 ranked, responsive, responsible bid is a California certified small business, the only bidders eligible for the incentive will be other California certified small businesses. The incentive adjustment for awards based on low price cannot exceed 5% or \$50,000.00, whichever is less, of the #1 ranked net bid price. When used in combination with a Small Business preference adjustment, the cumulative adjustment amount cannot exceed \$100,000.00.
4. Information submitted by the bidder to claim the DVBE incentive will be verified by the DSH. Only the DVBEs who shall perform a commercially useful function relevant to the Scope of Work included in this IFB may be used to qualify the bidder for a DVBE incentive. **All DVBE bidders and their proposed subcontractors must submit a copy of the DVBE Declarations Form (Std. 843). See Attachment 7.**
5. Disabled Veteran Business Enterprise Incentive Example (Single Award):

	Bidder A	Bidder B	Bidder C
Bidder Status	NSB	NSB w/ 3%	DVBE
Incentive Applicable?		X	X
Original Bid Amount	\$100,000	\$105,000	\$102,500
Apparent Low Bid	X		
Incentive Qualified		3%	5%
Incent. Amount (% of Low Bidder)	\$0	\$3,000	\$5,000
Revised Bid	\$100,000	\$102,000	\$97,500
Revised Lowest Bidder			X

6. Explanation of Example:

The lowest bidder at the time of bid opening is Bidder A, which is a NSB not claiming a DVBE subcontracting incentive. Bidder B claims (and qualifies for) a DVBE incentive of three (3) percent. Bidder C is a DVBE, which qualifies them for a five (5) percent incentive. To apply the incentive, three (3) percent of Bidder A's bid is subtracted from Bidder B's bid, resulting in a revised bid of \$102,000. Five (5) percent of Bidder A's bid is subtracted from Bidder C's bid, resulting in a revised bid of \$97,500. After applying the incentives, Bidder C's revised bid (\$97,500) is less than the other bids, making them the revised apparent low bidder.

Note: since the preferences are used only for computation purposes to determine the successful bidder, if an agreement was awarded to Bidder C, it would be at the original \$102,500 amount.

C. Calculation of Multiple Preferences:

1. In the event that bidders qualify for the SB preference and/or the DVBE incentive, the SB preference shall be calculated first. In circumstances where the DSH will award a single agreement as a result of this solicitation, in accordance with Government Code section 14838, subdivision (f), the DVBE incentive will not be calculated if, after the application of the SB preference, an SB bidder is the apparent low bidder unless another SB bidder is also a DVBE or has subcontracted with DVBE firms.

Note: in accordance with Government Code section 14838, subdivision (f), in the event of a precise tie between a small business or microbusiness, and a disabled veteran-owned small business or microbusiness, the agreement shall be awarded to the disabled veteran-owned small business or microbusiness.

2. Example of the Calculation of Multiple Preferences:

	Bidder A	Bidder B	Bidder C	Bidder D
Bidder Status	NSB	NSB w/ 25%	DVBE	SB
SB Pref. Applicable?		X		X
Original Bid Amount	\$100,000	\$105,500	\$103,000	\$106,000
Apparent Low Bid	X			
SB Pref. Amt. (5% of Low Bid)	\$0	\$5,000	\$0	\$5,000
Revised Bid	\$100,000	\$100,500	\$103,000	\$101,000
Revised Lowest Bidder	X			
DVBE Incentive Applicable?			X	
Incentive Qualified			5%	
Incent. Amt. (% of Low Bid)	\$0	\$0	\$5,000	\$0
Revised Bid	\$100,000	\$100,500	\$98,000	\$101,000
Revised Lowest Bidder			X	

D. Other Preference Programs:

1. Additional preference programs exist and may be applicable. Specifically the Target Area Contract Preference Act (TACPA). For information regarding these programs please see the following website: <http://www.dgs.ca.gov/pd/Programs/DisputeResolution.aspx>

E. Additional Small Business and Disabled Veteran Enterprise Information:

1. Adherence to the DVBE Requirements:
 - i. Failure of Contractor to seek substitution and adhere to the DVBE participation level identified in the bid or offer may be cause for agreement termination, recovery of damages under rights and remedies due to the State, and penalties as outlined in Military & Veterans Code section 999.9; Public Contract Code section 10115.10 or Public Contract Code section 4110 (applies to public works only). Contractor must immediately notify the DSH's SB/DVBE Advocate that the substitution of a DVBE subcontractor is requested.
 - ii. Failure of Contractor to adhere to the certification requirements of Military and Veterans Code section 999.5, subdivision (d) may be used as evidence of the bidder's non-responsibility in future solicitations.
2. Commercially Useful Function (CUF) Disclaimer

Each certified SB/MB or DVBE must perform a commercially useful function. Bidders who are found to not be performing a CUF will have their bids deemed non-responsive. A SB/MB or

DVBE is deemed to perform a commercially useful function when the business does all of the following:

- i. Is responsible for the execution of a distinct element of the work of the agreement.
- ii. Carries out its obligation by actually performing, managing, or supervising the work involved.
- iii. Performs work that is normal for its business services and functions.
- iv. Is responsible, with respect to products, inventories, materials, and supplies required for the agreement, for negotiating price, determining quality and quantity, ordering, installing, if applicable, and making payment.
- v. Is not further subcontracting a portion of the work that is greater than that expected to be subcontracted by normal industry practices.

Agreements resulting from this solicitation shall afterwards be monitored for compliance with CUF for the duration of the agreement.

VI. REQUIRED ATTACHMENTS

A. Listing of Attachments:

1. Refer to the following list for additional attachments that are a required part of this solicitation.
 - i. Attachment 1 Bid Submission Checklist
 - ii. Attachment 2 Bidder's Certification
 - iii. Attachment 3 Minimum Qualifications Response
 - iv. Attachment 4 Darfur Contracting Act Certification (Only if applicable)
 - v. Attachment 5 Bidder's Rate Sheet(s)
 - vi. Attachment 6 Bidder Declaration Form (GSPD-05-105)
 - vii. Attachment 7 DVBE Declarations Form (Std. 843)
 - viii. Attachment 8 Payee Data Record (Std. 204)
 - ix. Attachment 9 Contractor Certification Clauses (CCC-307). The CCC-307 can also be found on the Internet at www.ols.dgs.ca.gov/Standard+Language.
 - x. Attachment 10 Sample Standard Agreement (Std. 213 and Exhibits)

Note: Attachment 10 is included for reference only. Only the successful bidder will submit these documents, when requested by DSH.

ATTACHMENT 1

Bid Submission Checklist

Complete this checklist to confirm the items in your bid. For your bid to be considered responsive, Attachments 1 through 9 in this checklist must be submitted by the Bid Submittal Deadline indicated in this IFB. Include this checklist with your bid package.

Contractor Name: _____

<u>Attachment</u>	<u>Name of Attachment</u>
_____ Attachment 1	Bid Submission Checklist
_____ Attachment 2	Bidder's Certification
_____ Attachment 3	Minimum Qualifications Response
_____ Attachment 4	Darfur Contracting Act Certification (only if applicable)
_____ Attachment 5	Bidder's Rate Sheet
_____ Attachment 6	Bidder Declaration Form (GSPD 05-105) This form is not included in this IFB. Please obtain from the following web site: http://www.documents.dgs.ca.gov/pd/delegations/GSPD105.pdf
_____ Attachment 7	DVBE Declarations Form (Std. 843) This form is not included in this IFB. Please obtain from the following web site: http://www.documents.dgs.ca.gov/pd/poliproc/STD-843.pdf
_____ Attachment 8	Payee Data Record (Std. 204) This form is not included in this IFB. Please obtain from the following web site: http://www.documents.dgs.ca.gov/dgs/fmc/pdf/std204.pdf
_____ Attachment 9	Contractor Certification Clauses (CCC – 307)

ATTACHMENT 2

Bidder's Certification

The signature affixed hereon and dated certifies compliance with all the requirements of this bid document. The signature below authorizes the verification of this certification.

By signing below, the bidder represents and warrants that statements and representations contained in the documents and data submitted in connection with this bid are true and correct. In the event the bidder's submittal in connection with this bid contains false statements or misrepresentations of fact, the bid may be rejected or any succeeding contract terminated for cause and the bidder deemed to be a non-responsible bidder which may adversely affect future bids submitted by the bidder. In addition, any misrepresentation of fact or fraud in connection with an attempt to secure a state contract, could result in legal action being taken against the bidder.

An Unsigned Bidder's Certification May Be Cause for Rejection

Company Name	Telephone Number	Fax Number
Address	Email	
Name	Title	
Original Signature	Date	

Small Business Preference Request	
Check one: <input type="checkbox"/> This bidder requests a Small Business preference <input type="checkbox"/> This bidder does NOT request a Small Business preference	California Certified Small Business Number: _____

ATTACHMENT 3

Minimum Qualification Response

Bidder's Name: _____

Minimum Qualification	Bidder's Response
Bidder must submit a copy of their license to do business in the State of California as applicable.	Business License(s) Included? Yes No N/A
Bidders must certify that they are and will continue to meet all terms and conditions for operating a business in the city/county in which the business is headquartered.	Do you so certify? Yes No
Bidders which are corporations shall submit a printout from the California Secretary of State website which shows that their corporation is currently in good standing.	Printout included? Yes No
The bidder certifies that they understand the insurance requirements and, if awarded an agreement, shall sign and return two (2) originals of the Standard Agreement signature pages (Std. 213) and any required insurance documents as directed. Email: _____	Do you so certify? Yes No
Bidders must submit proof of an active and valid Inedible Kitchen Grease Transporter Commercial Registration issued by the California Department of Food and Agriculture – Meat, Poultry and Egg Safety Branch.	Registration included? Yes No
<p>I, the undersigned, declare that the certifications required above are true and that I am authorized to make such certifications and bind the bidder contractually</p> <p> _____ Signature of Declarer Print First and Last Name Date Signed </p>	

ATTACHMENT 4

Darfur Contracting Act Certification

Public Contract Code sections 10475 - 10481 applies to any company that currently or within the previous three years has had business activities or other operations outside of the United States. For such a company to bid on or submit a proposal for a State of California contract, the company must certify that it is either a) not a scrutinized company; or b) a scrutinized company that has been granted permission by the Department of General Services to submit a proposal or bid.

If your company has not, within the previous three years, had any business activities or other operations outside of the United States, you do **not** need to complete this form.

OPTION #1 - CERTIFICATION

If your company, within the previous three years, has had business activities or other operations outside of the United States, in order to be eligible to submit a bid or proposal, please insert your company name and Federal ID Number and complete the certification below.

I, the official named below, CERTIFY UNDER PENALTY OF PERJURY that a) the prospective proposer/bidder named below is **not** a scrutinized company per Public Contract Code section 10476; and b) I am duly authorized to legally bind the prospective proposer/bidder named below. This certification is made under the laws of the State of California.

<i>Company/Vendor Name (Printed)</i>		<i>Federal ID Number</i>
<i>By (Authorized Signature)</i>		
<i>Printed Name and Title of Person Signing</i>		
<i>Date Executed</i>	<i>Executed in the County and State of</i>	

OPTION #2 – WRITTEN PERMISSION FROM DGS

Pursuant to Public Contract Code section 10477, subsection (b), the Director of the Department of General Services may permit a scrutinized company, on a case-by-case basis, to bid on or submit a proposal for a contract with a state agency for goods or services, if it is in the best interests of the state. If you are a scrutinized company that has obtained written permission from the DGS to submit a bid or proposal, complete the information below.

We are a scrutinized company as defined in Public Contract Code section 10476, but we have received written permission from the Department of General Services to submit a bid or proposal pursuant to Public Contract Code section 10477, subsection (b). A copy of the written permission from DGS is included with our bid or proposal.

<i>Company/Vendor Name (Printed)</i>		<i>Federal ID Number</i>
<i>Initials of Submitter</i>		
<i>Printed Name and Title of Person Initialing</i>		

ATTACHMENT 5

Bidder's Rate Sheet

Important Considerations:

1. The bidder shall set forth the bid rates in clear, legible figures in the space provided.
2. By submitting a bid, the bidder agrees that his or her final bid constitutes an irrevocable offer which shall be valid for 180 calendar days from the bid submission date.
3. The DSH does not expressly or by implication agree that the actual amount of work will correspond therewith and reserves the right to omit portions of the work as may be deemed necessary or advisable by the DSH. The estimates listed above are a good faith estimate and are not a guarantee of business and is subject to change depending on fluctuation in patient population. The amounts indicated above will be used solely for comparison of bids. The DSH makes no guarantee, expressed or implied for actual number of gallons to be used. However, the actual rates quoted by the bidder shall be binding for the term of the agreement.

Grease Trap Cleaning

A. November 13, 2015 – June 30, 2016

Description	Rate	X	# of Gallons	X	Quarterly Service	=	Total
Grease Trap Cleaning as described in Exhibit A – Scope of Work	\$ /per gallon	X	10,000 gallons	X	2	=	\$
A. Fiscal Year 2015/2016 Total =							

B. July 1, 2016 – June 30, 2017

Description	Rate	X	# of Gallons	X	Quarterly Service	=	Total
Grease Trap Cleaning as described in Exhibit A – Scope of Work	\$ /per gallon	X	10,000 gallons	X	4	=	\$
B. Fiscal Year 2016/2017 Total =							

C. July 1, 2017 – October 31, 2017

Description	Rate	X	# of Gallons	X	Quarterly Service	=	Total
Grease Trap Cleaning as described in Exhibit A – Scope of Work	\$ /per gallon	X	10,000 gallons	X	2	=	\$
A. Fiscal Year 2017/2018 Total =							

C. Summary Cost Sheet for Grease Trap Cleaning Services	
A. Total Bid Amount for Fiscal Year 2015/2016 (November 13, 2015 – June 30, 2016)	\$
B. Total Bid Amount for Fiscal Year 2016/2017 (July 1, 2016 – June 30, 2017)	\$
C. Total Bid Amount for Fiscal Year 2016/2017 (July 1, 2017 – October 31, 2017)	\$
GRAND TOTAL (A + B +C)=	\$

ATTACHMENT 6

Bidder Declaration Form (GSPD-05-105)

Form is located at the following web address:

<http://www.documents.dgs.ca.gov/pd/delegations/GSPD105.pdf>

ATTACHMENT 7

DVBE Declarations Form (Std. 843)

Form is located at the following web address:

<http://www.documents.dgs.ca.gov/pd/poliproc/STD-843.pdf>

ATTACHMENT 8

Payee Data Record (Std. 204)

Form is located at the following web address:

<http://www.documents.dgs.ca.gov/dgs/fmc/pdf/std204.pdf>

ATTACHMENT 9

Contractor Certification Clauses, CCC 307

CERTIFICATION

I, the official named below, CERTIFY UNDER PENALTY OF PERJURY that I am duly authorized to legally bind the prospective Contractor to the clause(s) listed below. This certification is made under the laws of the State of California.

<i>Contractor/Bidder Firm Name (Printed)</i>		<i>Federal ID Number</i>
<i>By (Authorized Signature)</i>		
<i>Printed Name and Title of Person Signing</i>		
<i>Date Executed</i>	<i>Executed in the County of</i>	

1. **STATEMENT OF COMPLIANCE**: Contractor has, unless exempted, complied with the nondiscrimination program requirements. (Gov. Code §12990 (a-f) and CCR, Title 2, Section 8103) (Not applicable to public entities.)

2. **DRUG-FREE WORKPLACE REQUIREMENTS**: Contractor will comply with the requirements of the Drug-Free Workplace Act of 1990 and will provide a drug-free workplace by taking the following actions:

a. Publish a statement notifying employees that unlawful manufacture, distribution, dispensation, possession or use of a controlled substance is prohibited and specifying actions to be taken against employees for violations.

b. Establish a Drug-Free Awareness Program to inform employees about:

- 1) the dangers of drug abuse in the workplace;
- 2) the person's or organization's policy of maintaining a drug-free workplace;
- 3) any available counseling, rehabilitation and employee assistance programs; and,
- 4) penalties that may be imposed upon employees for drug abuse violations.

c. Every employee who works on the proposed Agreement will:

- 1) receive a copy of the company's drug-free workplace policy statement; and,

2) agree to abide by the terms of the company's statement as a condition of employment on the Agreement.

Failure to comply with these requirements may result in suspension of payments under the Agreement or termination of the Agreement or both and Contractor may be ineligible for award of any future State agreements if the department determines that any of the following has occurred: the Contractor has made false certification, or violated the certification by failing to carry out the requirements as noted above. (Gov. Code §8350 et seq.)

3. NATIONAL LABOR RELATIONS BOARD CERTIFICATION: Contractor certifies that no more than one (1) final unappealable finding of contempt of court by a Federal court has been issued against Contractor within the immediately preceding two-year period because of Contractor's failure to comply with an order of a Federal court, which orders Contractor to comply with an order of the National Labor Relations Board. (Pub. Contract Code §10296) (Not applicable to public entities.)

4. CONTRACTS FOR LEGAL SERVICES \$50,000 OR MORE- PRO BONO REQUIREMENT: Contractor hereby certifies that contractor will comply with the requirements of Section 6072 of the Business and Professions Code, effective January 1, 2003.

Contractor agrees to make a good faith effort to provide a minimum number of hours of pro bono legal services during each year of the contract equal to the lessor of 30 multiplied by the number of full time attorneys in the firm's offices in the State, with the number of hours prorated on an actual day basis for any contract period of less than a full year or 10% of its contract with the State.

Failure to make a good faith effort may be cause for non-renewal of a state contract for legal services, and may be taken into account when determining the award of future contracts with the State for legal services.

5. EXPATRIATE CORPORATIONS: Contractor hereby declares that it is not an expatriate corporation or subsidiary of an expatriate corporation within the meaning of Public Contract Code Section 10286 and 10286.1, and is eligible to contract with the State of California.

6. SWEATFREE CODE OF CONDUCT:

a. All Contractors contracting for the procurement or laundering of apparel, garments or corresponding accessories, or the procurement of equipment, materials, or supplies, other than procurement related to a public works contract, declare under penalty of perjury that no apparel, garments or corresponding accessories, equipment, materials, or supplies furnished to the state pursuant to the contract have been laundered or produced in whole or in part by sweatshop labor, forced labor, convict labor, indentured labor under penal sanction, abusive forms of child labor or exploitation of children in sweatshop labor, or with the benefit of sweatshop labor, forced labor, convict labor, indentured labor under penal sanction, abusive forms of child labor or exploitation of children in sweatshop labor. The contractor further declares under penalty of perjury that they adhere to the Sweatfree Code of Conduct as set forth on the California Department of Industrial Relations website located at www.dir.ca.gov, and Public Contract Code Section 6108.

b. The contractor agrees to cooperate fully in providing reasonable access to the contractor's records, documents, agents or employees, or premises if reasonably required by authorized officials of the contracting agency, the Department of Industrial Relations, or the Department of Justice to determine the contractor's compliance with the requirements under paragraph (a).

7. DOMESTIC PARTNERS: For contracts over \$100,000 executed or amended after January 1, 2007, the contractor certifies that contractor is in compliance with Public Contract Code section 10295.3.

DOING BUSINESS WITH THE STATE OF CALIFORNIA

The following laws apply to persons or entities doing business with the State of California.

1. **CONFLICT OF INTEREST**: Contractor needs to be aware of the following provisions regarding current or former state employees. If Contractor has any questions on the status of any person rendering services or involved with the Agreement, the awarding agency must be contacted immediately for clarification.

Current State Employees (Pub. Contract Code §10410):

- 1). No officer or employee shall engage in any employment, activity or enterprise from which the officer or employee receives compensation or has a financial interest and which is sponsored or funded by any state agency, unless the employment, activity or enterprise is required as a condition of regular state employment.
- 2). No officer or employee shall contract on his or her own behalf as an independent contractor with any state agency to provide goods or services.

Former State Employees (Pub. Contract Code §10411):

- 1). For the two-year period from the date he or she left state employment, no former state officer or employee may enter into a contract in which he or she engaged in any of the negotiations, transactions, planning, arrangements or any part of the decision-making process relevant to the agreement while employed in any capacity by any state agency.
- 2). For the twelve-month period from the date he or she left state employment, no former state officer or employee may enter into a contract with any state agency if he or she was employed by that state agency in a policy-making position in the same general subject area as the proposed contract within the 12-month period prior to his or her leaving state service.

If Contractor violates any provisions of above paragraphs, such action by Contractor shall render this Agreement void. (Pub. Contract Code §10420)

Members of boards and commissions are exempt from this section if they do not receive payment other than payment of each meeting of the board or commission, payment for preparatory time and payment for per diem. (Pub. Contract Code §10430 (e))

2. **LABOR CODE/WORKERS' COMPENSATION**: Contractor needs to be aware of the provisions which require every employer to be insured against liability for Worker's Compensation or to undertake self-insurance in accordance with the provisions, and Contractor affirms to comply with such provisions before commencing the performance of the work of this Agreement. (Labor Code Section 3700)

3. **AMERICANS WITH DISABILITIES ACT**: Contractor assures the State that it complies with the Americans with Disabilities Act (ADA) of 1990, which prohibits discrimination on the basis of disability, as well as all applicable regulations and guidelines issued pursuant to the ADA. (42 U.S.C. 12101 et seq.)

4. **CONTRACTOR NAME CHANGE**: An amendment is required to change the Contractor's name as listed on this Agreement. Upon receipt of legal documentation of the name change the State will process the amendment. Payment of invoices presented with a new name cannot be paid prior to approval of said amendment.

5. CORPORATE QUALIFICATIONS TO DO BUSINESS IN CALIFORNIA:

a. When agreements are to be performed in the state by corporations, the contracting agencies will be verifying that the contractor is currently qualified to do business in California in order to ensure that all obligations due to the state are fulfilled.

b. "Doing business" is defined in R&TC Section 23101 as actively engaging in any transaction for the purpose of financial or pecuniary gain or profit. Although there are some statutory exceptions to taxation, rarely will a corporate contractor performing within the state not be subject to the franchise tax.

c. Both domestic and foreign corporations (those incorporated outside of California) must be in good standing in order to be qualified to do business in California. Agencies will determine whether a corporation is in good standing by calling the Office of the Secretary of State.

6. RESOLUTION: A county, city, district, or other local public body must provide the State with a copy of a resolution, order, motion, or ordinance of the local governing body which by law has authority to enter into an agreement, authorizing execution of the agreement.

7. AIR OR WATER POLLUTION VIOLATION: Under the State laws, the Contractor shall not be: (1) in violation of any order or resolution not subject to review promulgated by the State Air Resources Board or an air pollution control district; (2) subject to cease and desist order not subject to review issued pursuant to Section 13301 of the Water Code for violation of waste discharge requirements or discharge prohibitions; or (3) finally determined to be in violation of provisions of federal law relating to air or water pollution.

8. PAYEE DATA RECORD FORM STD. 204: This form must be completed by all contractors that are not another state agency or other governmental entity.

ATTACHMENT 10

Sample Agreement

STATE OF CALIFORNIA
STANDARD AGREEMENT
STD 213 (Rev 06/03)

AGREEMENT NUMBER 15-20080
REGISTRATION NUMBER

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

STATE AGENCY'S NAME

Department of State Hospitals – Metropolitan

CONTRACTOR'S NAME

2. The term of this Agreement is: November 13, 2015 or upon DGS approval, whichever is later, through October 31 2017

3. The maximum amount of this Agreement is: \$

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

Exhibit A – Scope of Work	6 page(s)
Exhibit B – Budget Detail and Payment Provisions	3 page(s)
Exhibit C – General Terms and Conditions*	GTC-610
Exhibit D – Special Terms and Conditions	8 page(s)
Exhibit E – Confidentiality and Information Security Provisions	7 page(s)
Exhibit F – Insurance Requirements	4 page(s)

Items shown with an Asterisk (*), are hereby incorporated by reference and made part of this Agreement as if attached hereto.
These documents can be viewed at <http://www.dgs.ca.gov/ols/Resources/StandardContractLanguage.aspx>

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

CONTRACTOR

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

BY (Authorized Signature)

DATE SIGNED (Do not type)



PRINTED NAME AND TITLE OF PERSON SIGNING

ADDRESS

STATE OF CALIFORNIA

AGENCY NAME

Department of State Hospitals - Metropolitan

BY (Authorized Signature)

DATE SIGNED (Do not type)



PRINTED NAME AND TITLE OF PERSON SIGNING

Edward Park, Hospital Administrator

ADDRESS

11401 S. Bloomfield Ave., Norwalk, CA 90650

**California Department of General
Services Use Only**

☐ Exempt per:

EXHIBIT A

SCOPE OF WORK

1. CONTRACTED PARTIES

- A. -----, hereafter referred to as Contractor, agrees to provide the Department of State Hospitals (DSH) – Metropolitan State Hospital (MSH) with Grease Trap Cleaning Services pursuant to the terms and conditions of the Agreement.

2. SERVICE LOCATIONS:

- A. The services shall be performed for the Department of State Hospitals at the following location(s):

<input type="checkbox"/> DSH-Atascadero 10333 El Camino Real, P.O. Box 7001 Atascadero, CA 93423-7001	<input type="checkbox"/> DSH-Coalinga 24511 West Jayne Avenue P.O. 5000 Coalinga, CA 93210
<input checked="" type="checkbox"/> DSH-Metropolitan 11401 South Bloomfield Avenue Norwalk, CA 90650	<input type="checkbox"/> DSH-Patton 3102 East Highland Avenue Patton, CA 92369
<input type="checkbox"/> DSH-Sacramento 1600 9 th Street, Room 101 Sacramento, CA 95814	<input type="checkbox"/> DSH-Napa 2100 Napa-Vallejo Highway Napa, CA 94588-6293
<input type="checkbox"/> DSH-Salinas Valley 31625 Highway 101 P.O. Box 1080 Soledad, CA 93690	<input type="checkbox"/> DSH-Vacaville 1600 California Drive P.O. Box 2297 Vacaville, CA 95696-2297
<input type="checkbox"/> DSH-Stockton 7707 S. Austin Rd Stockton 95215	

Contractor shall provide services pursuant to this Agreement at the locations indicated above. Contractor agrees to provide services described in this Agreement at any of the other locations above, pursuant to an amended Agreement.

For such amendments, and where a single location was designated as the primary location for services, the Contractor shall bill the additional locations at the same rates as in this Agreement unless otherwise specified. Where multiple locations were designated as primary locations, the Contractor shall bill the additional locations at the average of the rates billed in this Agreement for the primary locations.

Funding shall be encumbered for the additional locations at the time of amendment and in accordance with the same encumbrance methodology as was used in the original Agreement. If the DSH and the Contractor agree to have the Contractor provide services to other DSH locations, the contractor shall invoice the additional location(s) as outlined in Exhibit B of the amended Agreement. These invoices shall be addressed as indicated by the DSH at the time of the Agreement to service additional locations.

3. SERVICE HOURS:

- A. The services shall be provided during the hours of 8:00 a.m. to 4:30 p.m., Monday through Friday, excluding state observed holidays at Metropolitan State Hospital, 11401 S. Bloomfield Avenue Norwalk, CA 90650.

4. PROJECT REPRESENTATIVES:

- A. The project representatives during the term of this Agreement will be:

Contract Manager:

Department of State Hospitals: Metropolitan		Contractor:	
Section/Unit: Plant Operations		Section/Unit:	
Attention: Darryl Wise		Attention:	
Address: 11401 S. Bloomfield Ave Norwalk, CA 90650		Address:	
Phone: (562)651-4396	Fax: (562)929-1054	Phone:	Fax:
Email: Darryl.Wise@dsh.ca.gov		Email:	

Administrative Contacts (all administrative inquiries should be directed to):

Department of State Hospitals: Metropolitan		Contractor:	
Section/Unit: General Services		Section/Unit:	
Attention: Natalie Garcia		Attention:	
Address: 11401 S. Bloomfield Ave Norwalk, CA 910650		Address:	
Phone: (562)651-4401	Fax: (562)863-7332	Phone:	Fax:
Email: Natalie.Garcia@dsh.ca.gov		Email:	

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

5. SUMMARY OF WORK TO BE PERFORMED:

- A. Contractor shall supply all personnel, labor, tools, supplies, materials, equipment, travel, insurance, incidentals, and a properly equipped service vehicle necessary for cleaning debris including large chunks of grease from one distribution box and one grease interceptor located below grade in a concrete vault on the South Side of the Main Kitchen building.

6. CONTRACTOR RESPONSIBILITIES:

- A. Contractor shall utilize special equipment enabling them to remove grease and liquid waste, at a capacity of approximately ten thousand (10,000) gallons inside the grease trap/interceptor.
- B. Contractor must possess a valid Inedible Kitchen Grease Transporter Commercial Registration issued by the California Department of Food and Agriculture – Meat, Poultry and Egg Safety Branch.
- C. Contractor shall complete a full rinse and scraping of the interior walls of the grease trap/interceptor. The grease interceptor shall be left completely empty upon completion of maintenance. All floating grease, liquids, sludge, and scrapings from the interceptor must be removed.
- D. Contractor shall provide all tools and labor necessary for skimming grease from the sides of the concrete walls.
- E. Contractor shall be responsible for the handling transportation and disposal of grease and waste water removed each time the grease trap has been cleaned.
- F. Under no circumstances may the waste hauler reintroduce the removed water or materials into the City's sewer system, other than at approved disposal stations. Flushing an interceptor with hot water or the use of chemicals or other agents to dissolve or emulsify grease and allow it to flow into the wastewater treatment system is prohibited.
- G. Contractor shall maintain all equipment used in this service in good working order.
- H. Contractor to provide waste disposal manifest for each pumping and disposal.
- I. Services shall be provided on a quarterly basis. If additional services are needed, scheduling shall be agreeable by both parties.
- J. Contractor shall conduct its operations in such a manner as to avoid damage to MSH's property. If any such property is damaged by reason of the Contractor's operations, it shall be replaced or restored at the Contractor's expense and to the satisfaction of the Contract Manager.
- K. Contractor shall maintain in effect at all times, during the term of this Agreement, a valid Certificate of Liability Insurance in accordance with State of California requirements as referenced in Exhibit F, Insurance Requirements.
- L. Contractor shall notify Plant Operations upon arrival and have a designee escort to location.
- M. All work shall be coordinated and approved by the Contract Manager. In the event additional work is required, Contractor shall provide the Project Coordinator with a written estimate for review and approval prior to commencing the work.
- N. Work completed under this contract shall be to the satisfaction of the Chief of Plant Operations or Contract Manager.

7. MSH ADDITIONAL REQUIREMENTS:

- A. If services shall be provided on DSH grounds, Contractor, their personnel, subcontractors, and anyone else affiliated with this Agreement must present a valid picture identification (e.g., driver license or identification card issued by a state Department of Motor Vehicle, military card, etc.; company badges are not valid) in order to be admitted into secured areas. Contractor must be in possession of a valid picture identification card at all times while in any DSH secured area.
- B. If services shall be provided on DSH grounds, Contractor, their personnel, subcontractors, and anyone else affiliated with this Agreement shall not take pictures or video with a camera or phone anywhere on DSH grounds without the written consent of the Executive Director or designee. If any Contractor is caught taking photos or video without prior authorization, their phone or camera will be subject to search and further action will be taken by DSH Hospital police.
- C. If services shall be provided on DSH grounds, Contractor, their personnel, subcontractors, and anyone else affiliated with this Agreement shall not engage in conversation with DSH patients unless providing direct services to DSH patients conforming to the terms and conditions of their contract.
- D. If services shall be provided on DSH grounds, then Contractor, their personnel, subcontractors, and anyone else affiliated with this Agreement shall adhere to the dress code of the location where work is being performed. These dress codes may include limitations on the length, color, and material of clothing, or anything else required by that location. **Contractor is advised that tan and khaki clothing may prevent entry to Patient/Individual areas of the Hospital.** Contractor and subcontractors may be refused entry into the DSH grounds if their clothing is found to violate the established dress codes. The DSH retains the right to change its dress codes at any time.
- E. If services shall be provided on DSH grounds, Contractor understands and agrees that the DSH reserves the right to limit or restrict the equipment, including but not limited to, tools and communication devices that the Contractor, their personnel, subcontractors, and anyone else affiliated with this Agreement may bring on grounds.
- F. If services shall be provided on DSH grounds, Contractor, their personnel, subcontractors, and anyone else affiliated with this Agreement shall not use any tobacco products, (including smokeless tobacco) on the DSH grounds (Welfare and Institutions Code section 4138).
- G. If services shall be provided on DSH grounds, then Contractor shall participate in any of the DSH safety measures or programs as may be required by the DSH. This responsibility includes attending any and all related training or orientation to such measures or programs as may be required and scheduled by the DSH.
- H. Contractor and its subcontractors shall procure and keep in full force and effect during the term of this Agreement all permits, registrations and licenses necessary to accomplish the work specified in this Agreement, and shall give all notices necessary and incident to the lawful prosecution of the work. Contractor shall provide proof of any such license(s) permits(s), and certificate(s) upon request by the DSH. Contractor agrees that failure by itself or its subcontractors to provide evidence of licensing, permits, or certifications shall constitute a material breach for which the DSH may terminate this Agreement with cause.

- I. Contractor shall provide services as outlined in this Agreement. Contractor shall be responsible to fulfill the requirements of the Agreement and shall incur expenses at its own risk and invest sufficient amount of time and capital to fulfill the obligations as contained herein.
- J. Contractor and its subcontractors shall keep informed of, observe, comply with, and cause all of its agents and employees to observe and to comply with all prevailing Federal, State, and local laws, and rules and regulations made pursuant to said Federal, State, and local laws, which in any way affect the conduct of the work of this Agreement. If any conflict arises between provisions of the plans and specifications and any such law above referred to, then the Contractor shall immediately notify the state in writing.
- K. The DSH may terminate the Agreement pursuant to section 7 of Exhibit C if the Contractor or its subcontractors fails to comply with a federal, state or local law and the noncompliance, based on the facts and circumstances, would constitute a material breach of this Agreement under California law.

8. THE DSH RESPONSIBILITIES:

A. Rights of the DSH to Perform Quality Assurance and Financial Audits/Reviews

- i. The DSH may routinely evaluate the work performance of the Contractor, Contractor's personnel, subcontractors, or other parties associated with the Contractor to determine if the DSH standards and departmental policies and procedures are being maintained. If it is found that any party fails to perform or is physically or mentally incapable of providing services as required by the Agreement, then that party shall not perform services for the DSH.
- ii. The DSH may monitor and evaluate services provided in fulfillment of the requirements of this Agreement, as detailed in Exhibit A. Such monitoring and evaluation may occur on a regular cycle or as deemed necessary by the Contracts Manager. The DSH retains sole and absolute discretion in determining any such evaluation schedule.
- iii. Inspections may be conducted by the DSH staff at various times during the Agreement term to check on the quality of work. Payment shall not be provided for services deemed unacceptable by the Contract Manager and/or their designee.
- iv. The DSH may audit and examine Contractor's records and accounts which pertain, directly or indirectly, to services performed under this Agreement. The DSH may hire third parties to perform the audit and examination, including but not limited to, accountants, consultants, or service providers in the applicable field. Contractor shall cooperate fully with the audits and examinations.
- v. If as a result of an audit and examination, the DSH is informed of underpayments or overpayments, the DSH shall notify Contractor of the need for payment or reimbursement. Upon receipt of a final audit report, Contractor has 30 days to reimburse any overpayment or to dispute or challenge the report. Contractor and the DSH shall confer and negotiate in good faith with respect to any disputed portion of the final audit report to reach agreement with respect to adjustments, payments, and reimbursements.
- vi. The DSH shall submit its findings to Contractor and establish a deadline for correcting any deficiencies in fulfilling the obligations set forth in this section. Failure by the Contractor to

timely correct deficiencies shall be reason for termination of services under this Agreement.

9. PERFORMANCE MEASURES:

A. *Complete and Timely Provision of Services*

- i. Expectations: Contractor is expected to provide all services, including any and all required reports, in a timely manner – in accordance with timelines established in this Scope of Work.
- ii. Penalties: Should contractor not provide all services, including any and all required reports in a timely manner, DSH may choose to terminate this Agreement. Additionally, the DSH may find the contractor to be not responsible in provision of services and evaluate this in future contracting opportunities.

EXHIBIT B
BUDGET DETAIL AND PAYMENT PROVISIONS

1. INVOICING AND PAYMENT:

- A. Contractor shall submit all invoices not more frequently than monthly in arrears.
- B. For services satisfactorily rendered, and upon receipt and approval of invoices submitted as described herein, the DSH agrees to compensate the Contractor in accordance with the rates specified in section 5, Budget Detail.
- C. The DSH is not responsible for services performed by the Contractor outside of this agreement, nor for services performed other than as outlined in Exhibit A, Scope of Work.
- D. The DSH makes no guarantee, either written or implied, as to the actual amount of funds that will be expended under this Agreement.

2. INSTRUCTIONS TO THE CONTRACTOR:

- A. To expedite the processing of invoices submitted to the DSH for payment, all invoice(s) shall be submitted to the DSH for review and approval at the following address:

Department of State Hospitals – Metropolitan
Attention: Accounting Office
11401 S. Bloomfield Ave.
Norwalk, CA 90650

- B. Contractor shall submit one original and three copies of each invoice.
- C. Contractor shall type, not handwrite, each invoice on company letterhead. The DSH may provide an invoice template, if requested, which may be used in lieu of company letterhead.
- D. Contractor shall clearly note Contractor's name and address on each invoice. The name on the invoice must match the Payee Data Record (Std. 204) and the name listed on this Agreement.
- E. Contractor shall list and itemize in accordance with the Budget Detail, all services or deliverables provided on each invoice.
- F. Contractor shall include the following on each submitted invoice:
 - i. Date(s) during which the services or deliverables were provided and the date in which the invoice was generated.
 - ii. Agreement number, which can be found on the Standard Agreement Form (Std. 213).
 - iii. Small Business certification number, if applicable
 - iv. Professional license number, if applicable
 - v. Invoice total

3. BUDGET CONTINGENCY CLAUSE:

- A. It is mutually agreed that if the Budget Act of the current year and/or any subsequent years covered under this Agreement does not appropriate sufficient funds for the program, this Agreement shall no longer be in full force and effect. In this event, the State shall have no liability to pay any funds whatsoever to Contractor or to furnish any other considerations under this Agreement and Contractor shall not be obligated to perform any provisions of this Agreement.
- B. If funding for any Fiscal Year is reduced or deleted by the Budget Act for purposes of this program, the State shall have the option to either cancel this Agreement with no liability occurring to the State, or offer an Agreement amendment to Contractor to reflect the reduced amount.
- C. If this Agreement overlaps Federal and State fiscal years, should funds not be appropriated by Congress or approved by the Legislature for the Fiscal Year(s) following that during which this Agreement was executed, the State may exercise its option to cancel this Agreement.
- D. In addition, this Agreement is subject to any additional restrictions, limitations, or conditions enacted by Congress or the Legislature which may affect the provisions or terms of funding of this Agreement in any manner.

4. PROMPT PAYMENT CLAUSE:

- A. Payment will be made in accordance with, and within the time specified in, Government Code section 927, et seq.

5. BUDGET DETAIL:

Grease Trap Cleaning

A. November 13, 2015 – June 30, 2016

Description	Rate	X	# of Gallons	X	Quarterly Service	=	Total
Grease Trap Cleaning as described in Exhibit A – Scope of Work	\$ /per gallon	X	10,000 gallons	X	2	=	\$
C. Fiscal Year 2015/2016 Total =							

B. July 1, 2016 – June 30, 2017

Description	Rate	X	# of Gallons	X	Quarterly Service	=	Total
Grease Trap Cleaning as described in Exhibit A – Scope of Work	\$ /per gallon	X	10,000 gallons	X	4	=	\$
D. Fiscal Year 2016/2017 Total =							

C. July 1, 2017 – October 31, 2017

Description	Rate	X	# of Gallons	X	Quarterly Service	=	Total
Grease Trap Cleaning as described in Exhibit A – Scope of Work	\$ /per gallon	X	10,000 gallons	X	2	=	\$
B. Fiscal Year 2017/2018 Total =							

C. Summary Cost Sheet for Grease Trap Cleaning Services	
A. Total Bid Amount for Fiscal Year 2015/2016 (November 13, 2015 – June 30, 2016)	\$
B. Total Bid Amount for Fiscal Year 2016/2017 (July 1, 2016 – June 30, 2017)	\$
C. Total Bid Amount for Fiscal Year 2016/2017 (July 1, 2017 – October 31, 2017)	\$
GRAND TOTAL (A + B +C)=	\$

- A. The DSH does not expressly or by implication agree that the actual amount of work will correspond therewith and reserves the right to omit portions of the work as may be deemed necessary or advisable by the DSH. The estimates listed above are a good faith estimate and are not a guarantee of business and is subject to change depending on fluctuation in patient population. The amounts indicated above will be used solely for the purposes of encumbering funds. The DSH makes no guarantee, expressed or implied for actual amount of work to be performed. However, the rates contained in Exhibit B shall be binding for the term of this Agreement.

Should the DSH determine, in its sole discretion, that the estimated amount of work is insufficient to meets the demands of patient care or otherwise meet the needs of the DSH, the parties may amend this Agreement by adding additional funds at the same rates. This right to amend is in addition to the right to amend for other reasons contained in this Agreement or noted in the solicitation that resulted in this agreement, if applicable. Any amendment shall be in writing and signed by both parties, and be approved by the Department of General Services if such approval is required.

- B. At the sole discretion of the DSH and for the purposes of accounting, the DSH may adjust the total proposed expenditure for each fiscal year as needed. In no event will this change the contract price for the services actually rendered.
- C. Contractor must submit all invoices within a reasonable time but, no later than twelve (12) months from the date that services were provided. If Contractor fails to provide invoices within twelve (12) months of the date services are rendered, the DSH may elect to reject the invoices for payment as untimely and Contractor will be deemed to have waived any right to payment of the late invoices.
- D. The Contractor shall not be reimbursed for any travel-related expenses. All travel shall be at the expense of the contractor.

EXHIBIT D
SPECIAL TERMS AND CONDITIONS

1. SUBCONTRACTS:

- A. Except for subcontracts identified in accordance with the solicitation, Contractor shall submit any subcontracts in connection with this Agreement to the DSH for its prior written approval. No work shall be subcontracted without the prior written approval of the DSH. Upon the termination of any subcontract, the DSH shall be notified immediately. Any subcontract shall include all the terms and conditions of this Agreement and its attachments.
- B. Nothing contained in this Agreement shall create any contractual relationship between the DSH and any subcontractors, and Contractor is solely responsible for payment of any and all fees, expenses, salaries and benefits of subcontractor. No subcontract shall relieve the Contractor of its responsibilities and obligations hereunder. The Contractor is fully responsible to the DSH for the acts and omissions of its subcontractors and of persons either directly or indirectly employed or acting as an agent by any of them. Contractor agrees to indemnify and hold the DSH harmless for any costs, losses or claims, including reasonable attorney fees, resulting from its subcontractors.

2. PUBLICATIONS AND REPORTS:

- A. The DSH reserves the right to use and reproduce all publications, reports, and data produced or delivered pursuant to this Agreement. The DSH further reserves the right to authorize others to use or reproduce such materials, provided the author of the report is acknowledged in any such use or reproduction.
- B. If the publication and/or report are prepared by non-employees of the DSH, and the total cost for such preparation exceeds \$5,000, the publication and/or report shall contain the numbers and dollar amounts of all agreements and subcontracts relating to the preparation of the publication and report in a separate section of the report (Government Code section 7550).

3. PROGRESS REPORTS:

- A. If progress reports are required by the Agreement, Contractor shall provide a progress report in writing, or orally if approved by the DSH Contract Manager, at least once a month to the DSH Contract Manager. This progress report shall include, but not limited to, a statement that the Contractor is or is not on schedule, or any pertinent reports, or interim findings. Contractor shall cooperate with and shall be available to meet with the DSH to discuss any difficulties, or special problems, so that solutions or remedies can be developed as soon as possible.

4. PRESENTATION:

- A. Upon request, Contractor shall meet with the DSH to present any findings, conclusions, and recommendations required by the Agreement for approval. If set forth in the Agreement, Contractor shall submit a comprehensive final report for approval. Both the final meeting and the final report shall be completed on or before the date indicated in this Agreement.

5. DEPARTMENT OF STATE HOSPITALS STAFF:

- A. The DSH's staff shall be permitted to work side-by-side with Contractor's staff to the extent and under conditions as directed by the DSH Contract Manager. In this connection, the DSH's staff shall be given access to all data, working papers, etc., which Contractor seeks to utilize.

6. CONFIDENTIALITY OF DATA AND DOCUMENTS:

- A. Contractor shall not disclose data or documents or disseminate the contents of the final or any preliminary report without written permission of the DSH Contract Manager. However, all public entities shall comply with California Public Records Act (Government Code sections 6250 et seq.).
- B. Permission to disclose information or documents on one occasion shall not authorize Contractor to further disclose such information or documents on any other occasion except as otherwise provided in the Agreement or required by law.
- C. Contractor shall not comment publicly to the press, or any other media, regarding the data or documents generated, collected, or produced in connection with this Agreement, or the DSH's actions on the same, except to the DSH's staff, Contractor's own personnel involved in the performance of this Agreement, or as required by law.
- D. If requested by the DSH, Contractor shall require each of its employees or officers who will be involved in the performance of this Agreement to agree to the above terms in a form to be approved by the DSH and shall supply the DSH with evidence thereof.
- E. Each subcontract shall contain the foregoing provisions related to the confidentiality of data and nondisclosure.
- F. After any data or documents submitted has become a part of the public records of the DSH, Contractor may at its own expense and upon written approval by the DSH Contract Manager, publish or utilize the same data or documents but shall include the following Notice:

LEGAL NOTICE

This report was prepared as an account of work sponsored by the Department of State Hospitals (Department), but does not necessarily represent the views of the Department or any of its employees except to the extent, if any, that it has formally been approved by the Department. For information regarding any such action, communicate directly with the Department at P.O. Box 952050, Sacramento, California, 94252-2050. Neither said Department nor the State of California, nor any officer or employee thereof, or any of its contractors or subcontractors makes any warranty, express or implied, or assumes any legal liability whatsoever for the contents of this document. Nor does any party represent that use of the data contained herein, would not infringe upon privately owned rights without obtaining permission or authorization from any party who has any rights in connection with the data.

7. PROVISIONS RELATING TO DATA:

- A. "Data" as used in this Agreement means recorded information, regardless of form or characteristics, of a scientific or technical nature. It may, for example, document research, experimental, developmental or engineering work; or be usable or be used to define a design or process; or support a premise or conclusion asserted in any deliverable document called for by

this Agreement. The data may be graphic or pictorial delineations in media, such as drawings or photographs, charts, tables, mathematical models, collections or extrapolations of data or information, etc. It may be in machine form, as punched cards, magnetic tape, computer printouts, or may be retained in computer memory.

- B. "Generated data" is that data, which a Contractor has collected, collated, recorded, deduced, read out or postulated for utilization in the performance of this Agreement. Any electronic data processing program, model or software system developed or substantially modified by the Contractor in the performance of this Agreement at the expense of the DSH, together with complete documentation thereof, shall be treated in the same manner as generated data.
- C. "Deliverable data" is that data which under terms of this Agreement is required to be delivered to the DSH. Such data shall be property of the State of California and the DSH.
- D. Prior to the expiration of any legally required retention period and before destroying any data, Contractor shall notify the DSH of any such contemplated action; and the DSH may within 30 days of said notification determine whether or not this data shall be further preserved. The DSH shall pay the expense of further preserving this data. The DSH shall have unrestricted reasonable access to the data that is preserved in accordance with this Agreement.
- E. Contractor shall use best efforts to furnish competent witnesses to identify such competent witnesses to testify in any court of law regarding data used in or generated under the performance of this Agreement.
- F. All financial, statistical, personal, technical and other data and information relating to the DSH's operation, which are designated confidential by the State or the DSH and made available to carry out the Agreement, or which become available to Contractor in order to carry out this Agreement, shall be protected by Contractor from unauthorized use and disclosure.
- G. If the DSH determines that the data and information are inadequately protected by Contractor or its subcontractors, the DSH shall provide notice of its determination and Contractor and/or its subcontractors shall improve the protections to the DSH's satisfaction which shall be evidenced by written approval of the protections implemented.

8. APPROVAL OF PRODUCT:

- A. Each product to be approved under this Agreement shall be approved by the Contract Manager. The DSH's determination as to satisfactory work shall be final, absent fraud or mistake.

9. SUBSTITUTIONS:

- A. Contractor's key personnel as indicated in its proposal may not be substituted without the Contract Manager's prior written approval.

10. NOTICE:

- A. Notice to either party shall be given by first class mail, by Federal Express, United Parcel Service or similar carrier, properly addressed, postage fully prepaid, to the address beneath the name of each respective party. Alternatively, notice may be given by personal delivery by any means whatsoever to the party and such notice shall be deemed effective when delivered.

11. WAIVER:

- A. All remedies afforded in this Agreement are cumulative; that is, in addition to every other remedy provided therein or by law. The failure of the DSH to enforce any provision of this Agreement, shall not waive its right to enforce the provision or any other provision of the Agreement.

12. GRATUITIES AND CONTINGENCY FEES:

- A. Contractor shall not provide gratuities to any officer or employee of the DSH or the State to secure an agreement or favorable treatment with respect to an agreement, the occurrence of which shall constitute a material breach of this Agreement. The DSH, by written notice to the Contractor, may terminate this Agreement with cause if it is found that gratuities were offered or given by the Contractor or any agent or representative of the Contractor to any officer or employee of the State or the DSH with a view toward securing an agreement or securing favorable treatment with respect to the awarding, amending, or performance of such agreement.
- B. In the event this Agreement is terminated as provided in the paragraph above, the DSH shall be entitled (a) to pursue the same remedies against Contractor as it could pursue in the event of the breach of the Agreement by the Contractor, and (b) as a predetermined amount of liquidated damages, Contractor shall pay an amount which shall not be less than three times the cost incurred by the Contractor in providing any such gratuities to any such officer or employee.
- C. The rights and remedies of the DSH provided in this clause shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Agreement.
- D. The Contractor warrants by execution of this Agreement that no person or selling agency has been employed or retained to solicit or secure this Agreement for a commission, percentage, brokerage or contingent fee, excepting bona fide employees of Contractor, for the purpose of securing business. For breach or violation of this warranty, the DSH shall, among other rights, have the right to rescind this Agreement without liability, paying only for the values of the work actually returned, or in its discretion to deduct from the Agreement price or consideration, or otherwise recover, the full amount of such commission, percentage, brokerage, or contingent fee.

13. INTEGRATION CLAUSE:

- A. The parties agree that this Agreement, including only the State standard form 213 and all exhibits, constitute the entire agreement of the parties and no other understanding or communication, whether written or oral, shall be construed to be a part of this Agreement.

14. CAPTIONS:

- A. The clause headings appearing in this Agreement have been inserted for the purpose of convenience and ready reference. They do not purport to and shall not be deemed to define, limit or extend the scope or intent of the clauses to which they pertain.

15. PUBLIC HEARINGS:

- A. If public hearings on the subject matter dealt with in this Agreement are held within one year from the Agreement expiration date, Contractor shall make available to testify the personnel assigned to this Agreement at the hourly rates specified in the Contractor's proposed budget. The DSH shall reimburse Contractor for travel of said personnel at the Agreement, or if none, at State rates for such testimony as may be requested by the DSH.

16. FORCE MAJEURE:

- A. Neither the DSH nor the Contractor shall be deemed to be in default in the performance of the terms of this Agreement if either party is prevented from performing the terms of this Agreement by causes beyond its control, which shall include without being limited to: acts of God; interference, rulings or decision by municipal, Federal, State or other governmental agencies, boards or commissions; any laws and/or regulations of such municipal, State, Federal, or other governmental bodies; or any catastrophe resulting from flood, fire, explosion, earthquakes or other similar environmental causes beyond the control of the defaulting party. If any of the stated contingencies occur, the party delayed by force majeure shall immediately give the other party written notice of the cause of delay. The party delayed by force majeure shall use reasonable diligence to correct the cause of the delay, if correctable.

17. LITIGATION:

- A. The DSH, promptly after receiving notice thereof, shall notify the Contractor in writing of the commencement of any claim, suit, or action against the DSH or its officers or employees for which the Contractor must provide indemnification under this Agreement. The failure of the DSH to give such notice, information, authorization or assistance shall not relieve the Contractor of its indemnification obligations. The Contractor shall immediately notify the DSH of any claim or action against it which affects, or may affect, this Agreement, the terms or conditions hereunder, DSH, and shall take such action with respect to said claim or action which is consistent with the terms of this Agreement and the interest of the DSH.
- B. Contractor shall be in default of this Agreement (i) upon the institution by or against Contractor of insolvency, receivership or bankruptcy proceedings or any other proceedings for the settlement of Contractor's debts, (ii) upon Contractor making an assignment for the benefit of creditors, (iii) upon either party's dissolution or ceasing to do business or (iv) when the facts and circumstances indicate that Contractor is insolvent. For purposes of this Agreement, Contractor shall be deemed insolvent if: (i) Contractor has failed to pay salaries, overtime or benefits required by law of agreement, (ii) Contractor has failed to pay a subcontractor amounts owed pursuant to its agreements with a subcontractor, or (iii) Contractor has failed to pay a vendor amounts Contractor owes the vendor for more than 90 days the past due date for payment.

18. DISPUTES:

- A. Contractor shall first discuss and attempt to resolve any dispute arising under or relating to the performance of this Agreement.

19. EVALUATION OF CONTRACTOR'S PERFORMANCE:

- A. The DSH shall evaluate Contractor's performance under this Agreement using standardized evaluation forms which shall be made available to every state agency pursuant to Public Contracts Code section 1067.

20. AUDITS, INSPECTION AND ENFORCEMENT:

- A. Contractor agrees to allow the DSH to inspect its facilities and systems, and make available for review its books and records to enable the DSH to monitor compliance with the terms of this Agreement and audit invoices submitted to the DSH.
- B. Contractor shall promptly remedy any violation of any provision of this Agreement to the satisfaction of the DSH.
- C. The fact that the DSH inspects, or fails to inspect, or has the right to inspect Contractor's facilities, systems, books and records does not relieve Contractor of its responsibility to independently monitor its compliance with this Agreement.
- D. The DSH's failure to detect or the DSH's detection of any unsatisfactory practices, but failure to notify Contractor or require Contractor's remediation of the unsatisfactory practices does not constitute acceptance of such practice or a waiver of the DSH's enforcement rights under the Agreement.

21. USE OF STATE FUNDS:

- A. Contractor, including its officers and members, shall not use funds received from the DSH pursuant to this Agreement to support or pay for costs or expenses related to the following:
 - i. Campaigning or other partisan activities to advocate for either the election or defeat of any candidate for elective office, or for or against the passage of any proposition or ballot measure; or,
 - ii. Lobbying for either the passage or defeat of any legislation.
- B. This provision is not intended and shall not be construed to limit any expression of a view, opinion, or position of any member of Contractor as an individual or private citizens, as long as state funds are not used; nor does this provision limit Contractor from merely reporting the results of a poll or survey of its membership.

22. CANCELLATION PROVISIONS:

- A. Unless otherwise specified, this Agreement may be canceled at any time by the DSH, in writing, with thirty (30) days advance notice. If canceled, payment shall be made only for the provision of services expressly authorized by this Agreement until the date of cancellation and only at the rates set forth in Exhibit B, Budget Detail. In the case of early termination, a final payment will be made to Contractor upon receipt of an invoice covering all authorized costs, at the rates set forth in Exhibit B, incurred prior to the date of cancellation or termination. The DSH shall not be responsible for unamortized costs, overhead or capital costs or any other related costs, including but, not limited to costs incurred in connection with the cancellation of leases or contracts

pertaining to facilities, equipment or supplies, labor and employee benefits costs, and expenditures incurred after the date of notice of cancellation.

- B. If the DSH determines that the Contractor has breached a material term of the Agreement and has not cured the breach or ended the violation within the time specified by the DSH, the DSH may terminate the contract by providing notice to the Contractor. The DSH Information Security Officer shall report as required HIPAA violations to the Secretary of the U.S. Department of Health and Human Services.
- C. Failure to comply with section 1 or 6 or a violation of section 12 shall be deemed a material breach of this Agreement.

23. EMPLOYMENT PROVISIONS:

- A. Contractor acknowledges and agrees that neither Contractor, their personnel, subcontractors, nor other service providers through this Agreement are employees of the DSH. Contractor and its independent contractors shall be solely responsible for:
 - i. Paying any and all payroll taxes, including, but not limited to Social Security and Medicare taxes,
 - ii. Federal or state income tax withholding,
 - iii. Providing unemployment insurance and workers compensation insurance, and
 - iv. Paying compensation to its employees in accordance with federal and state labor laws, including overtime pay unless otherwise specified in this Agreement, as well as penalties that may be imposed for failure to comply with these laws. Contractor agrees to indemnify and hold harmless the DSH for any damages, losses, expenses, including reasonable attorney fees, in connection with its failure to pay salary or overtime, or provide benefits, including, but not limited to health care benefits or retirement benefits, to its employees, or its failure to provide to comply with federal or state labor laws.

24. LIABILITY FOR LOSS AND DAMAGES:

- A. Any damages by Contractor, their personnel, subcontractors, and other service providers through this Agreement to DSH's facility, including equipment, furniture, materials, or other State or DSH property, shall be repaired or replaced by Contractor to the satisfaction of the DSH at Contractor's expense. The DSH, at its option, may repair any such damage and deduct the cost thereof from any sum due Contractor under this Agreement.

25. SECURITY CLEARANCE/FINGERPRINTING/TUBERCULIN SKIN TESTING:

- A. The DSH reserves the right to conduct fingerprinting, drug testing, and/or security clearance through the Department of Justice, Bureau of Criminal Identification and Information (BCII), prior to award and at any time during the term of the Agreement, in order to permit Contractor, their personnel, subcontractors, and other service providers through this Agreement access to State premises. The DSH further reserves the right to terminate this Agreement should a threat to security be determined.

- B. At the sole discretion of the DSH, and in accordance with each facility's Infection Control Policy, the Contractor, their personnel, subcontractors, and anyone else affiliated with this Agreement providing services may be required to provide the DSH with TB test results. These test results shall indicate completion of the two-step TB testing process using the Mantoux method. The first step is a tuberculin skin test (TST) completed within the last 12 months prior to the date the tested person is to provide services to a DSH facility. The second step is a TST which must be completed within the 30 days prior to the date the tested person is to provide services to a DSH facility, unless otherwise specified.
- C. If both of the documented results of the TST provided $\leq 0-9$ /mm of induration, then the tested person may be cleared to provide services. However, if the documented result of the TST is ≥ 10 /mm of induration, then they shall be subject to additional testing and/or clearances before he or she is allowed to work at a DSH facility.

26. PHYSICIAN OWNERSHIP AND REFERRAL ACT OF 1993:

- A. For applicable medical services contracts, and in accordance with the Physician Ownership and Referral Act of 1993, Contractor shall not refer any patient to any health care provider or health-related facility if the Contractor has a financial interest with that health care provider or health-related facility.
- B. Contractor may make a referral to or request consultation from a sole source health care provider or health-related facility in which financial interest is held if Contractor is located where there is no alternative provider of service within either twenty-five (25) miles or forty (40) minutes travel time, subject to the prior approval of the DSH. Contractor shall disclose, in writing, as well as on a continuous basis, to the DSH, its financial interest at the time of referral or request for consultation. In no event, will this prohibit patients from receiving emergency health care services.

27. AMENDMENTS:

- A. The parties may amend this Agreement for time or money at the same rates. This right to amend is in addition to the right to amend for other reasons contained in this Agreement or noted in the solicitation that resulted in this Agreement, if applicable. Any amendment shall be in writing and signed by both parties, and be approved by the Department of General Services if such approval is required.

28. AGREEMENTS FOR SERVICES ON PRISON GROUNDS:

- A. The Contractor hereby acknowledges that the California Department of Corrections and Rehabilitation (CDCR) does not recognize hostages for bargaining purposes. The CDCR has a "NO HOSTAGE" policy and agrees that its employees may be apprised of this when performing work in or at a CDCR institution. The three DSH psychiatric programs are located within CDCR prison grounds. Contractor shall provide notice to and inform each of its officers, employees, agents, independent contractors, vendors and subcontractors of the CDCR's NO HOSTAGE policy and that Contractor, its officers, employees, independent contractors, vendors and subcontractors assume the risk that a hostage situation may arise while at a CDCR institution and the implications of the CDCR's NO HOSTAGE policy should that situation arise.

EXHIBIT E
CONFIDENTIALITY AND INFORMATION SECURITY PROVISIONS

1. CONFIDENTIALITY AND INFORMATION SECURITY PROVISIONS

- A. The Contractor shall comply with applicable laws and regulations, including but not limited to Welfare and Institutions Code sections 14100.2 and 5328 et seq., Civil Code section 56 et seq. of the, the Confidentiality of Medical Information Act, Civil Code section 1798 et seq., the Information Practices Act of 1977, Health and Safety Code section 123100 et seq., Patient Access to Health Records Act, Title 42, Code of Federal Regulations (C.F.R.) part 431.300 et seq., and the Health Insurance Portability and Accountability Act (HIPAA), including but not limited to part 1320 d et seq., of Title 42, United States Code and its implementing regulations (including but not limited to Title 45, Code of Federal Regulations, parts 160, 162 and 164 (2013)) ("HIPAA regulations") regarding the confidentiality and security of protected health information (PHI). The following provisions of this Exhibit E, set forth some of the requirements of these statutes and regulations. Exhibit E should not be considered an exclusive list of the requirements. Contractor is required to fulfill the requirements of these statutes and regulations by independently researching and obtaining legal advice on these requirements as they may be amended from time to time.

2. DEFINITIONS

- A. The following terms used in this Agreement shall have the same meaning as those terms in the HIPAA Rules: Breach, Covered Entity, Data Aggregation, Designated Record Set, Disclosure, Health Care Operations, Individual, Minimum Necessary, PHI, Secretary, Security Incident, Subcontractor, Unsecured Protected Health Information, and Use.
- B. Specific Definitions
- i. Contractor. Contractor shall generally have the same meaning as the term "business associate" at 45 Code of Federal Regulation, part 160.103 (2013).
 - ii. HIPAA Rules. HIPAA Rules shall mean the Privacy, Security, Breach Notification, and Enforcement Rules at 45 Code of Federal Regulation, part 160 and Part 164 (2013).
 - iii. Agreement. Agreement shall be the agreement referenced by the Agreement number set forth on this page's heading.
 - iv. Personal Information. Personal Information shall have the same meaning as defined in Civil Code section 1798.3, subdivision (c).

3. OBLIGATIONS AND ACTIVITIES OF BUSINESS ASSOCIATE

- A. Contractor agrees to:
- i. not use or disclose PHI other than as permitted or required by the Agreement or as required by law,
 - ii. use appropriate safeguards, and comply with Subpart C of 45 Code of Federal Regulation, part 164 (2013) with respect to electronic PHI, to prevent use or disclosure of PHI other than as provided for by the Agreement,

- iii. report to the DSH any use or disclosure of PHI not provided for by the Agreement of which it becomes aware, including breaches of unsecured protected health information as required at 45 Code of Federal Regulations, part 164.410 (2013), and any security incident of which it becomes aware,
- iv. in accordance with 45 Code of Federal Regulations, part 164.502(e)(1)(ii) and part 164.308(b)(2) (2013), if applicable ensure that any agents and subcontractors that create, receive, maintain, or transmit PHI on behalf of the Contractor enter into a written agreement with the Contractor agreeing to be bound to the same restrictions, conditions, and requirements that apply to the business associate with respect to such information,
- v. make available PHI in a designated record set to the DSH as necessary to satisfy covered entity's obligations under 45 Code of Federal Regulations, part 164.524 (2013) and California Health & Safety Code section 123100,
- vi. make any amendment(s) to PHI in a designated record set as directed or agreed to by the covered entity pursuant to 45 Code of Federal Regulations, part 164.526 (2013), or take other measures as necessary to satisfy the covered entity's obligations under 45 Code of Federal Regulations, part 164.526 (2013),
- vii. maintain and make available the information required to provide an accounting of disclosures to the DSH as necessary to satisfy covered entity's obligations under 45 Code of Federal Regulations, part 164.528 (2013),
- viii. to the extent the Contractor is to carry out one or more of the DSH's obligation(s) under Subpart E of 45 Code of Federal Regulations, part 164 (2013), comply with the requirements of Subpart E that apply to the covered entity in the performance of such obligation(s) and
- ix. make its internal practices, books, and records available to the Secretary for purposes of determining compliance with the HIPAA regulations.

4. PERMITTED USES AND DISCLOSURES OF PHI BY THE CONTRACTOR

- A. Except as otherwise provided in this Agreement, the Contractor, may use or disclose PHI to perform functions, activities or services identified in this Agreement provided that such use or disclosure would not violate federal or state laws or regulations.
- B. The Contractor may not use or disclose the PHI except as provided and permitted or required by the Agreement or required by law.
- C. Contractor agrees to make uses and disclosures and requests for PHI consistent with the DSH's minimum necessary policies and procedures.
- D. Contractor may use and disclose PHI for the proper management and administration of the Contractor or to carry out the legal responsibilities of the Contractor, provided that such uses and disclosures are required by law.
- E. Contractor may use PHI to provide data aggregation services related to the health care operations of the DSH. Data aggregation means the combining of PHI created or received by the Contractor

for the purposes of this Agreement with PHI received by the Contractor in its capacity as the Contractor of another HIPAA covered entity, to permit data analyses that relate to the health care operations of the DSH.

5. SAFEGUARDS

- A. The Contractor shall develop and maintain an information privacy and security program that includes the implementation of administrative, technical, and physical safeguards appropriate to the size and complexity of the Contractor's operations and the nature and scope of its activities. The information privacy and security program shall reasonably and appropriately protect the confidentiality, integrity, and availability of the PHI that it creates, receives, maintains, or transmits; and prevent the use or disclosure of PHI other than as provided for by this Agreement. The Contractor shall provide the DSH with information concerning such safeguards as the DSH may reasonably request from time to time.
- B. The Contractor shall implement administrative, technical, and physical safeguards to ensure the security of the DSH information on portable electronic media (e.g., floppy disks and CD-ROM) and in paper files. Administrative safeguards to be implemented shall include, but are not limited to training, instructions to employees, and policies and procedures regarding the HIPAA Privacy Rule. Technical safeguards to be implemented must comply with the HIPAA Security Rule and Subpart C of part 164 of the HIPAA regulations with respect to electronic PHI, and shall include, but are not limited to, role-based access, computer passwords, timing out of screens, storing laptop computers in a secure location (never leaving the equipment unattended at workplace, home or in a vehicle) and encryption. Physical safeguards to be implemented shall include, but are not limited to, locks on file cabinets, door locks, partitions, shredders, and confidential destruct.

6. AUTHENTICATION

- A. The Contractor shall implement appropriate authentication methods to ensure information system access to confidential, personal (e.g., PHI) or sensitive data is only granted to properly authenticated and authorized persons. If passwords are used in user authentication (e.g., username/password combination), the Contractor shall implement strong password controls on all compatible computing systems that are consistent with the National Institute of Standards and Technology (NIST) Special Publication 800-68 and the SANS Institute Password Protection Policy.
 - i. The Contractor shall implement the following security controls on each server, workstation, or portable (e.g., laptop computer) computing device that processes or stores confidential, personal, or sensitive data:
 - a. network-based firewall and/or personal firewall,
 - b. continuously updated anti-virus software and
 - c. patch-management process including installation of all operating system/software vendor security patches.
 - ii. Encrypt all confidential, personal, or sensitive data stored on portable electronic media (including, but not limited to, CDs and thumb drives) and on portable computing devices

(including, but not limited to, laptop computers, smart phones and PDAs) with a solution that uses proven industry standard algorithms.

- iii. Prior to disposal, sanitize all DSH confidential data contained in hard drives, memory devices, portable electronic storage devices, mobile computing devices, and networking equipment in a manner consistent with the National Institute of Standards and Technology (NIST) Special Publication 800-88.
- iv. The Contractor shall not transmit confidential, personal, or sensitive data via e-mail or other Internet transport protocol over a public network unless, at minimum, a 128-bit encryption method (for example AES, 3DES, or RC4) is used to secure the data.

7. MITIGATION OF HARMFUL EFFECTS

- A. Contractor shall mitigate, to the extent practicable, any harmful effect that is known to the Contractor of a use or disclosure of PHI by the Contractor or its subcontractors in violation of the requirements of this Agreement.

8. NOTIFICATION OF BREACH

- A. During the term of this Agreement, Contractor shall report to the DSH any use or disclosure of information not provided for by its contract of which it became aware including breaches of unsecured PHI as required by Section 164.410 of the HIPAA regulations.

9. DISCOVERY OF BREACH

- A. Contractor shall immediately notify the DSH Information Security Officer by telephone call and e-mail upon the discovery of breach of security of PHI in all forms (paper, electronic, or oral) if the PHI was, or is reasonably believed to have been, acquired by an unauthorized person, or within 24 hours by email or fax of the discovery of any suspected security incident, intrusion or unauthorized use or disclosure of PHI in violation of this Agreement, or potential loss of confidential data affecting this Agreement. If the incident occurs after business hours or on a weekend or holiday and involves PHI, notification shall be provided by calling the DSH Information Security Officer. Contractor shall take:
 - i. prompt corrective action to mitigate any risks or damages involved with the breach and to protect the operating environment and
 - ii. any action pertaining to such unauthorized disclosure required by applicable Federal and State laws and regulations.

10. INVESTIGATION OF BREACH

- A. The Contractor shall immediately investigate such security incident, breach, or unauthorized use or disclosure of PHI or confidential data. Within 72 hours of discovery (of the breach), the Contractor shall notify the DSH Information Security Officer of at least the following:
 - i. what data elements were involved and the extent of the data involved in the breach,

- ii. a description of the unauthorized person(s) known or reasonably believed to have improperly acquired, accessed, used, transmitted, sent or disclosed PHI or confidential data,
- iii. a description of where and when the PHI or confidential data is believed to have been improperly acquired, accessed, used, transmitted, sent or disclosed,
- iv. a description of the probable causes of the improper acquisition, access, use, transmission, sending or disclosure and
- v. whether Civil Code sections 1798.29 (Agency) or 1798.82 (Business) or any other federal or state laws requiring individual notifications of breaches are required.

11. WRITTEN REPORT

- A. The Contractor shall provide a written report of the investigation to the DSH Information Security Officer within ten (10) working days of the discovery of the breach or unauthorized use or disclosure. The report shall include, but not be limited to, the information specified above, an estimation of cost for remediation, as well as a full, detailed corrective action plan, including information on measures that were taken to halt and/or contain the improper use or disclosure.

12. NOTIFICATION OF INDIVIDUALS

- A. The Contractor shall notify individuals of the breach or unauthorized use or disclosure when notification is required under state or federal law and to pay any costs of such notifications, as well as any costs associated with the breach. Notification shall be made in the most expedient time possible without reasonable delay. The DSH Information Security Officer shall approve the time, manner and content of any such notifications.

13. DSH CONTACT INFORMATION

- A. The Contractor shall direct communications to the DSH Information Security Officer and the Contractor shall initiate contact as indicated herein. The DSH reserves the right to make changes to the contact information below by giving written notice to the Contractor. Said changes shall not require an amendment to this Agreement to which it is incorporated.

**Information Security Officer
Department of State Hospitals – Sacramento
1600 9th Street, Room 260
Sacramento, CA 95814
Phone: (916) 654-5432
E-mail: ISO@dsh.ca.gov**

14. INTERNAL PRACTICES

- A. The Contractor shall make the Contractor's internal practices, books and records relating to the use and disclosure of PHI received from DSH, or created, maintained or received by the Contractor under this Agreement, available to the DSH or to the Secretary of the U.S. Department of Health and Human Services in a time and manner designated by the DSH or by the Secretary, for purposes of determining DSH's compliance with the HIPAA regulations.

15. EMPLOYEE TRAINING AND DISCIPLINE

- A. The Contractor shall train and use reasonable measures to ensure compliance with the requirements of this Agreement by employees who assist in the performance of functions or activities under this Agreement and use or disclose PHI; and discipline such employees who intentionally violate any provisions of this Agreement, including by termination of employment.

16. EFFECT OF TERMINATION

- A. Upon termination or expiration of this Agreement for any reason, the Contractor shall return, at its sole expense, to DSH all health records within five (5) business days or as otherwise specified in the request or notice to return records or, if agreed to by the DSH, destroy all PHI received from DSH or created or received by the Contractor on behalf of the DSH, that the Contractor still maintains in any form. Contractor shall retain no copies of such PHI. However, if return or destruction is not feasible, Contractor shall continue to extend the protections and provisions of this Agreement to such information, and limit further use or disclosure of such PHI to those purposes that make the return or destruction of such PHI infeasible. This provision shall apply to PHI that is in the possession of the Contractor, its subcontractor(s), or its agent(s).

17. MISCELLANEOUS PROVISIONS

- A. The DSH makes no warranty or representation that compliance by the Contractor with this Agreement that the HIPAA regulations shall be adequate or satisfactory for the Contractor's own purposes or that any information in the Contractor's possession or control, or transmitted or received by the Contractor, is or shall be secure from unauthorized use or disclosure. The Contractor is solely responsible for all decisions made by the Contractor regarding the safeguarding of PHI.
- B. Assistance in Litigation or Administrative Proceedings. The Contractor shall make itself, and use its best efforts to make any subcontractors, employees or agents assisting the Contractor in the performance of its obligations under this Agreement, available to the DSH at no cost to the DSH to testify as witnesses, or otherwise, in the event of litigation or administrative proceedings being commenced against the DSH, its directors, officers or employees for claimed violations of HIPAA, regulations or other laws relating to security and privacy based upon actions or inactions of the Contractor and/or its subcontractor, employee, or agent, except where the Contractor or its subcontractor, employee, or agent is a named adverse party.
- C. Nothing expressed or implied in the terms and conditions of this Agreement is intended to confer, nor shall anything herein confer, upon any person other than the DSH or the Contractor and their respective successors or assignees, any rights, remedies, obligations or liabilities whatsoever.
- D. The terms and conditions in this Agreement shall be interpreted as broadly as necessary to implement and comply with the HIPAA regulations and applicable Federal and State laws. The parties agree that any ambiguity in the terms and conditions of this Agreement shall be resolved in favor of a meaning that complies and is consistent with state and federal law, including HIPAA and the HIPAA regulations.
- E. A reference in the terms and conditions of this Agreement to any HIPAA regulation relates to that section in effect or as amended.

- F. The obligations of Contractor under this Exhibit E shall survive the termination or expiration of this Agreement.

18. JUDICIAL OR ADMINISTRATIVE PROCEEDINGS

- A. DSH may immediately terminate this Agreement if (a) Contractor is found liable in a civil or criminal proceeding for a violation of the HIPAA Privacy or Security Rule or (b) a finding or stipulation that the Contractor has violated a privacy or security standard or requirement of HIPAA, or other security or privacy laws made in an administrative or civil proceeding in which the Contractor is a party.

EXHIBIT F
INSURANCE REQUIREMENTS

1. APPLICABLE LIABILITY INSURANCE

- A. The insurance and/or bonds identified below with a marked box are a required part of this Agreement, and only the marked boxes have any force or effect under this Agreement. Except as set forth below, evidence of liability insurance coverage, in the form of a certificate acceptable to the State of California and the DSH, shall be provided prior to the execution of this Agreement and the commencement of services.
- B. The DSH reserves the right, at its sole discretion, to cancel a proposed award to the Contractor which does not submit all required insurance documents in a timely manner. Should the DSH cancel a proposed award for this reason, the DSH reserves the right, at its sole discretion, to award the contract to the next lowest, responsive and responsible provider.

☒ **Commercial General Liability**

Contractor shall maintain general liability insurance with limits of not less than \$1,000,000 per occurrence and \$2,000,000 aggregate for bodily injury and property damage liability combined. 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 contract. This insurance shall apply separately to each insured against whom claim is made or suit is brought.

Should the Contractor use a subcontractor to complete a portion of this Agreement, the Contractor shall include the subcontractor as an additional named insured under the Contractor's policy, or represents and warrants that each subcontractor is insured under their own Commercial General Liability policy at the amounts specified herein. The Contractor shall supply evidence of the subcontractor's insurance to the DSH upon request.

Requirement to Insure the State: Contractor is required to name the "State of California, its officers, employees, and agents" as additional insured parties, insofar as operations under the Agreement are concerned. To satisfy this requirement, the Contractor shall ensure that the following requirement(s) are met:

- **Policy Endorsement:** Contractor, when providing a signed contract to the DSH and unless otherwise directed by the DSH, shall provide proof that the Contractor has insured the State of California, its officers, employees, and agents. This proof shall come in the form of an endorsement to the Contractor's insurance policy (Form CG 20 37 10 01 or similar), or in the form of a copy of the Contractor's current insurance policy that shows that the policy insures all parties required to be insured by this Agreement.

☐ **Pollution/Environmental Impairment Liability**

Contractor shall maintain Pollution Liability covering the Contractor's liability for bodily injury, property damage and environmental damage resulting from pollution or hazardous materials and related cleanup costs incurred, arising out of the work or services to be performed under this Agreement. Coverage shall be provided for both work performed on-site, as well as during the transportation or disposal of hazardous materials. Contractor shall maintain limits of not less than \$1,000,000 per claim and \$2,000,000 aggregate.

Requirement to Insure the State: Contractor is required to name the "State of California, its officers, employees, and agents" as additional insured parties, insofar as operations under the Agreement are concerned. To satisfy this requirement, the Contractor shall ensure that the following requirement(s) are met:

- **Policy Endorsement:** Contractor, when providing a signed contract to the DSH and unless otherwise specified, shall provide proof that the Contractor has insured the State of California, its officers, employees, and agents. This proof shall come in the form of an endorsement to the Contractor's insurance policy, or in the form of a copy of the Contractor's current insurance policy that shows that the policy insures all parties required to be insured by this Agreement.

☐ **Motor Vehicle Liability**

Contractor shall maintain motor vehicle liability insurance with limits of not less than \$1,000,000 per accident. Such insurance shall cover liability arising out of an accident involving a motor vehicle in use by the Contractor during the provision of services under this Agreement, including, but not limited to, Contractor owned, hired, and non-owned motor vehicles.

Requirement to Insure the State: Contractor is required to name the "State of California, its officers, employees, and agents" as additional insured parties, insofar as operations under the Agreement are concerned. To satisfy this requirement, the Contractor shall ensure that the following requirement(s) are met:

- **Policy Endorsement:** Contractor, when providing a signed contract to the DSH and unless otherwise specified, shall provide proof that the Contractor has insured the State of California, its officers, employees, and agents. This proof shall come in the form of an endorsement to the Contractor's insurance policy, or in the form of a copy of the Contractor's current insurance policy that shows that the policy insures all parties required to be insured by this Agreement.

☐ **Professional Liability**

Contractor shall maintain Professional Liability insurance covering any damages caused by an error, omission or any negligent acts. Contractor shall maintain limits of not less than \$1,000,000 per claim and \$2,000,000 aggregate.

In the event a medical professional performing services under this Agreement is a subcontractor or is performing services through a registry, the medical professional actually performing the services shall be the insured and shall comply with the Professional Liability/Medical Malpractice insurance requirements of this Agreement. The prime contractor shall be responsible to enforce this provision and employ only those medical professionals meeting this requirement. Evidence of compliant insurance shall be provided to the DSH prior to the commencement of services.

☐ **Performance Bond**

Contractor shall obtain and maintain a performance bond of not less than the contract price of this Agreement, which shall be executed by a California-admitted surety insurer. Bonds not so-executed shall be rejected. Contractor shall submit two (2) executed copies on standard bonding company forms.

☐ **Payment Bond**

Contractor shall provide the DSH with a payment bond of not less than the contract price of this Agreement. The bond shall cover the costs of labor and materials provided by the Contractor's employees, subcontractors, and suppliers in the event that the contractor fails to pay the costs of labor and materials to those individuals or entities. In order to meet this requirement, Contractor shall submit two (2) executed copies of the Payment Bond Form (STD 807). A copy of the STD 807 can be found at:
<http://www.documents.dgs.ca.gov/osp/pdf/std807.pdf>.

☒ **Workers' Compensation**

If the Contractor is required by statute, regulation, or Court order, to provide Workers' Compensation and Employer's Liability Insurance for performance of services under this Agreement, Contractor shall carry and shall maintain sufficient and adequate insurance for all of its employees who shall be engaged in the performance of this Agreement. Contractor shall maintain Employer's Liability limits of not less than \$1,000,000 per claim. Failure to maintain the insurance pursuant to this clause shall be deemed a material breach of the Agreement and DSH may terminate this Agreement for cause.

If required by the DSH, in writing, Contractor shall furnish, within three (3) state business days following the DSH's request, either 1) a copy of the certificate of insurance, a "true and certified" copy of the policy, or any other proof of coverage issued by Contractor's insurance carrier reflecting workers' compensation coverage; or 2) written confirmation, in a manner defined by the DSH, that workers' compensation coverage is not required.

Contractor also agrees to indemnify, defend and hold harmless the state of California, the DSH, its officers, agents and employees from any and all claims by the Contractor's employees, agents and/or anyone representing the Contractor, related to any non-performance of this section.

2. TERM OF INSURANCE

- A. Insurance shall be in effect for the entire term of this Agreement. If the insurance expires prior to the end of the term of the Agreement, a new certificate must be received by the DSH at least ten (10) days prior to the expiration of the insurance.

3. TERMINATION FOR NON-COMPLIANCE

- A. In the event Contractor fails to keep in effect at all times the specified insurance coverage, this failure shall be deemed a material breach of the Agreement and the DSH may, in addition to any other remedies it may have, terminate this Agreement with cause upon the occurrence of such event.

4. CERTIFICATE HOLDER AND SUBMISSION

- A. Certificates of liability insurance must name the DSH as a certificate holder and must be submitted to the following address:

Department of State Hospitals – Metropolitan State Hospital
Attention: General Services Department – Natalie Garcia
11401 S. Bloomfield Ave.
Norwalk, CA 90650
Phone: (562)651-4401
Fax: (562)863-7332
Natalie.Garcia@dsh.ca.gov

5. SELF-INSURANCE REQUIREMENTS

- A. If the Contractor is a California governmental entity, Contractor is not required to provide proof of insurance.
- B. For all other Contractors, for Workers' Compensation insurance, the Contractor must be listed on the Department of Industrial Relations website as having a Certificate of Consent to Self-Insure.
- C. For all other Contractors, for all other insurance categories, the Contractor must provide:
- i. A cover letter from the Contractor's risk manager (or similar position) providing a description of the self-insurance plan for the types of coverage required in this Agreement. The description must detail what is covered by the plan and identify the source of funds for financing the plan.
 - ii. An audited financial report from the most recent quarter, along with any applicable accounting letters relative to the report.
 - iii. Evidence of firm having current equity of at least \$5,000,000 and current net profit of at least \$500,000.
 - iv. A signed written statement from the Contractor's Certified Public Accountant (CPA) indicating the firm's annual net profit for the prior four (4) years has been a minimum of \$500,000.
- D. Contractor agrees to submit to the DSH evidence of, upon request by the DSH, and the DSH reserves the right to verify, or cause to be verified, the source of funds for financing the self-insurance plan. The DSH also reserves the right to require subsequent assistance from the Contractor's risk manager to provide explanations of aspects of the self-insurance plan which need clarification. Upon request by the DSH, Contractor shall provide additional reasonable assurances and documentation to the DSH of its ability to meet the requirements to self-insure.
- E. Contractors which are self-insured for a specific type of insurance do not need to add the State as an additional insured.