



California Health and Human Services Agency
1600 9th Street, Suite 460
Sacramento, CA 95814



GAVIN NEWSOM
GOVERNOR

REQUEST FOR PROPOSAL

California Health and Human Services Agency RFP # 33563

Master Plan for Early Learning and Care (MPELC) for California – Research, Development, and Project Management Services

The California Health and Human Services (CHHS) Agency (hereinafter referred to as CHHS or the State) is inviting you to review and respond to this Request for Proposal (RFP) for Research, Development, and Project Management Services for the Master Plan for Early Learning and Care (MPELC) for California initiative.

The CHHS Agency, in concurrence with the California State Board of Education (SBE) and in consultation with the California Department of Education (CDE), invites creative and cost-effective proposals to provide Research, Development, and Project Management Services for the completion of the MPELC for the State of California.

The CHHS Agency will utilize a Request for Proposal (RFP) to procure these services. This procurement is being conducted under the authority of Senate Bill 75, Chapter 51, Section 1, 8207 of the 2019 statutes. The resulting agreement will incorporate the General Terms and Conditions (GTC) 610, which can be viewed and downloaded at this Internet site: <https://www.dgs.ca.gov/OLS/Resources/Page-Content/Office-of-Legal-Services-Resources-List-Folder/Standard-Contract-Language> .

All Vendors must adhere to the Key Action Dates and Times provided in the RFP. The State may modify any part of the RFP by issuance of one (1) or more addenda. Proposals must comply with the instructions found herein. Failure to comply with any of the instructions may cause the Proposal to be rejected.

The agreement resulting from this RFP (Agreement) cannot exceed five million dollars (\$5,000,000.00). The State may issue more than one award as a result of this procurement. Contract award(s) will be based on the Best Value Determination outlined in this RFP 33568, Section 1, Subsection 4. In the opinion of the CHHS Agency, this RFP is complete and without need of explanation. However, if you have questions, or need any clarifying information, please submit your questions in writing to the Procurement Official listed below. No verbal information given will be binding upon the State unless such information is issued in writing as an official addendum.

CONTACT INFORMATION

Procurement Official: Miguel Jauregui

E-mail address: Miguel.Jauregui@chhs.ca.gov

Phone Number: 916.651.6907

KEY ACTION DATES AND TIMES

RFP Release Date:	August 8, 2019
Vendor Questions Due Date and Time:	August 14, 2019 by 5:00 PM
State Responses to Vendor Questions:	August 16, 2019
RFP Proposal Must be Received by Due Date and Time:	September 6, 2019 by 1:00 PM
Interview Dates (if held)*:	September 16, 2019 through September 20, 2019
Anticipated Term Dates*:	October 1, 2019 through December 31, 2020

*The Interview and Anticipated Term Dates are approximate and may be adjusted by the State as needed without an addendum to this RFP.

This RFP document comprises two (2) sections as follows:

1. Section I – Overview and Submittal Instructions
2. Section II – Statement of Work

SECTION I – OVERVIEW AND SUBMITTAL INSTRUCTIONS

1. PURPOSE

The purpose of this RFP is to procure professional services for research and project management to assist the CHHS in developing a MPELC. The MPELC should include a series of studies to help guide the implementation of a well-aligned, comprehensive State early learning and care system. The MPELC should also include actionable recommendations for advancing progress toward achieving the long-term goals of a universal preschool and an improved quality of and access to child care and systems of services that support children’s health development.

2. BACKGROUND

Governor Gavin Newsom’s early learning and care agenda is a central pillar of his broader “California for All” agenda. As laid out in his inaugural speech, the Governor believes that the California Dream should be accessible to everyone — not just a privileged few. The goal is to work with the Legislature and all levels of government to find bold and innovative solutions to confront the cost and affordability crisis that California families are facing.

The rising costs of early learning and care are chief among those concerns, as California families continue to struggle with expenses associated with middle-class opportunity. Providing children with a healthy start is one of the best investments a state can make and providing quality, affordable child care and early learning allows parents who want to work to stay in or join the labor force, encourages the healthy development and school readiness of young children, and supports families at a stage in their lives during which small investments return large economic and social dividends such as improved life outcomes, including higher education levels, better health, and stronger career opportunities.

Working families with children under age 5 who pay for child care, spend on average nearly 10 percent of their family income on child care, an 11 percent increase since 2013. According to Child Care Aware, a national training and research organization, California ranks as the sixth least affordable state for infant and toddler child care and 16th least affordable for preschool for 4-year olds. The average cost of infant child care at child care centers in California is \$12,068 annually, 4-year olds are less expensive at \$8,404 annually. By comparison, annual tuition and fees are about \$12,912 at University of California campuses this year for California residents.

Despite the high cost associated with caring for young children, California has made incremental progress in recent years in improving access to child care, preschool and pre-kindergarten, particularly for children from low-income families. Larger investments in the early learning and care system have resulted in more access to quality early learning programs such as preschool and transitional kindergarten, yet only 49% of all 3- and 4-year olds in California attend preschool. Of the 1.5 million infants and toddlers in California, 505,000 of are eligible for publicly funded early learning programs, yet only 14 percent are enrolled.

Given the documented benefits to children who attend high-quality early learning and care programs, California must develop a plan to systematically and with urgency identify a financing and administration strategy that will result in a dramatic increase in a high-quality early care and learning system robust enough to serve children from all income levels. The system must include an adequately compensated and supported workforce that is well-prepared to support children’s

development and learning, be connected to community resources and the public education system, and be easily navigated by parents, providers, public and private funders.

Given the larger context and the challenges enumerated above, applicants must deliver a sustainable financing and administration strategy for California's early learning and care system that includes projections of the state's general fund, parent contributions and local, state and federal resources. In addition, it must include approaches to public-private and public-public partnership incentives to ensure that employers, philanthropies and local government share in a financing solution that produces quality care and learning experiences. This well-designed financing and administration strategy is critical for long-term sustainability given California benefits from the return on these investments as children who receive a high-quality early learning experience are far more likely to be engaged community members, employees and taxpayers.

The financing and administration strategy must be capable of supporting the recommendations included in the four areas of study included in Senate Bill 75, Section 1 of Chapter 51 of the Statutes of 2019, namely facilities, demand, quality, and universal preschool, as well as the technical and administrative shifts necessary to connect the early learning and care system to local and state health programs that provide prenatal care, paid family leave, developmental and trauma screening, home visiting and supports to children with special needs, through the development of an integrated early childhood data system.

Providing children in California with a healthy start is one of the best investments the state can make. Research links early childhood interventions and improved life outcomes, including higher education levels, better health, and stronger career opportunities. All children, from birth through age twelve, should have access to nurturing, educational, culturally, linguistically, and developmentally appropriate high-quality early learning and care opportunities. All families should have access to a variety of early learning and care settings that meet their needs and are affordable. Parents are more likely to be successful in school and career if they know that their children are safe and productively engaged throughout the day. Children who are emotionally, developmentally, and academically supported in a care setting are more likely to start school ready to learn and continue to excel once they are enrolled in school. High-quality early learning and care programs require a competent, effective, well-compensated, and professionally supported workforce that reflects the racial, ethnic, and linguistic diversity and needs of the children and families serve, including children who are dual language learners and children with exceptional needs. Early learning and care programs must be integrated with other supports and services for children, families, and the workforce. Subsidized access to high-quality early learning and care programs requires funding sources that are adequate and sustainable to meet the costs of care, respond to the diverse needs of children and families, and adequately compensate and support the workforce.

3. GENERAL INFORMATION

- A. The specific tasks and deliverables associated with this RFP are included in Section II, the Statement of Work (SOW). The SOW and Vendor's response to this RFP (Proposal) will be made a part of the Agreement.

- B. The GTC 610 will be incorporated and made part of any resulting Agreement by reference. If any Vendor Terms are included in the Proposal, the parties expressly agree the Vendor Terms are rejected by the State, are deemed stricken in the resulting Agreement, and shall have no force or effect.
- C. Vendors must submit via e-mail any questions regarding this RFP by the date specified in the Key Action Dates and Times, to miguel.Jauregui@chhs.ca.gov. Include the RFP # in the subject line. Vendors shall provide specific information to enable the State to identify and respond to the questions. At its discretion, the State may contact a Vendor to seek clarification of any questions received. Vendors that fail to report a known or suspected problem with the RFP or fail to seek clarification and/or correction of the RFP submit a Proposal at their own risk.
- D. All costs for developing Proposals are entirely the responsibility of the Vendor and shall not be chargeable to the State.
- E. All documents submitted in response to this RFP will become the property of the State of California and are subject to the California Public Records Act, California Government Code section 6250 et seq., including any applicable exemptions, the California Evidence Code and other applicable state and federal laws, despite any markings indicating the documents are proprietary or confidential.
- F. Issuance of this RFP in no way constitutes a commitment by the State to award an Agreement. The State reserves the right to reject any or all Proposals received.
- G. Irrevocable Proposal: A Vendor's final Proposal in response to this RFP shall constitute a firm Proposal, which shall remain irrevocable for not less than one hundred fifty (150) days following the RFP Response Due Date specified in the Key Action Dates and Times. The expiration date of the Vendor's firm Proposal may be extended by the Vendor via written notice to the State. The State's execution of a contract under this RFP shall not be considered a rejection of any unsuccessful Vendor's firm Proposal, which shall remain irrevocable for the period described above. The State reserves the right, upon termination of any contract and without initiating a new RFP process, to accept any other Vendor's firm Proposal and form a contract with that other Vendor.

4. RFP BEST VALUE DETERMINATION

Award of an Agreement will be based on best value. The State will consider the following in determining best value for award:

- Firm Experience – 200 points total points possible.
- Staff Experience - 200 points total points possible.
- Understanding and Approach – 400 total points possible.
- Interviews, if held by the State – 400 total points possible.
- Cost Worksheet (Exhibit B) – 100 total points possible.

5. RFP SUBMITTAL INSTRUCTIONS

Vendors must submit their Proposal electronically via e-mail. The electronic Proposal must be sent to Miguel.jauregui@chhs.ca.gov prior to the date and time identified in the Key Action Dates and Times section of this RFP. The subject line of the Proposal submittal should include the RFP number and title. It is recommended that Vendors contact the Procurement Official to verify that the Proposal was received.

The Proposal documents shall be submitted as set forth in the Vendor Outline and Checklist.

VENDOR OUTLINE AND CHECKLIST

Complete this checklist to help confirm the items in your Proposal.

- PDF version of the entire Vendor Proposal including signed documents
- Word version of the Vendor Proposal excluding signed documents
- Information and Proposal Certification Sheet Information and Proposal Certification Sheet
- Firm Experience Table
- Staff Experience Table
- Cost Worksheet (Exhibit B)
- Understanding and Approach

Please reference the following documents at the Office of Systems Integration (OSI) website at: http://www.osi.ca.gov/Doing_Business_with_OSI.html .

- Payee Data Record (Std. 204)
- Bidder Declaration Form (GSPD-05-105)
- Commercial Useful Function (Required if using a SB/DVBE subcontractor)
- DVBE Declaration Form (Required if the Vendor or a subcontractor is a DVBE)
- Federal Debarment, Suspension, Ineligibility and Voluntary Exclusion Certification
- Iran Contracting Act Certification (Required if Proposal amount exceeds \$1,000,000)

INFORMATION AND PROPOSAL CERTIFICATION SHEET

This form must be signed and returned with the Vendor's Proposal submission.

Firm Name

Address

City

State

Zip

Person Authorized to Bind Firm

E-mail Address

Phone Number

The signature affixed and dated hereon certifies compliance with all the requirements of this RFP. By signing this form, I (we) certify the following:

1. The information contained in this Proposal is accurate and all required Exhibits and information submitted as a part of this Proposal are certified to be true and binding upon the Vendor.
2. This is a firm and irrevocable Proposal for one hundred fifty (150) days following the RFP Response Due Date, as specified in the Key Action Dates and Times, and agree to execute an agreement, if awarded.
3. Our ability and willingness to perform the services as described in the RFP.
4. The availability of staff and other required resources for performing all services and providing all materials as described in this RFP.

Signature

Date

FIRM EXPERIENCE TABLE

INSTRUCTIONS:

Complete the Firm Experience Table. All fields in **yellow highlight** must be completed, providing sufficient information to allow the State to validate the proposed firm’s experience and qualifications. The State reserves the right to contact the references listed to validate the firm’s experience.

Firms must list any experience performing services on engagements involving Education initiatives in the last twenty years. The listed engagements must have had a contract value of Three Hundred Thousand (\$300,000) or greater. The State will award 40 points for each valid experience listed.

Item #	Engagement Title	Description of Experience	Reference Contact Name, Email Address, Phone Number	Maximum Points Available
1				40
2				40
3				40
4				40
5				40

STAFF EXPERIENCE TABLE

INSTRUCTIONS:

Complete the Staff Experience Table. All fields in **yellow highlight** must be completed, providing sufficient information to allow the State to validate the proposed staff’s experience and qualifications. The State reserves the right to contact the references listed to validate the staff’s experience. The State will award 40 points for each valid desirable experience listed.

#	Desirable Work Experience	Staff Resource Name	Subcontractor Y/N	Description of Experience	Reference Contact Name, Email Address, Phone Number	Maximum Points Available
1	One year of experience in the last ten years, as a Project Manager or Team Lead on an Education-related engagement/ contract with a contract value of at least one million dollars.					40
2	One year of experience in the last ten years, as a Project Manager or Team Lead on an engagement/ contract with a Federal, State, or Local Education organization or district.					40
3	One year of experience in the last ten years, as a Researcher or Team Lead on an engagement / Education-related contract					40
4	One year of experience in the last ten years, on an engagement/ contract with a Federal, State, or Local Education organization or district.					40
5	One year of experience in the last ten years, on an engagement/ contract which involved researching and reporting on education reform.					40

EXHIBIT B - COST WORKSHEET

INSTRUCTIONS:

Complete the Cost Worksheet by filling in the yellow highlighted fields. Vendors must propose the staff resources needed to complete the services in Exhibit A, SOW, Section 5 Scope of Services. The hourly rates will not be adjusted and are required to remain the same rate throughout the Agreement. The State will not be reimbursing for any travel as part of this Agreement. The Contractor shall adjust their hourly rates to accommodate for any travel that is required to complete the services in this SOW.

Bidders must include the Average Rate of all Proposed Staff Resources the Row 10. This Rate will be used to calculate the Cost score. A Maximum of 100 points will be awarded for Cost.

A	B	C	D
Row #	Proposed Staff Resources	Subcontracted Staff? Yes or No	Hourly Rate(s)
1	Project Manager		
2	Senior Researcher		
3	Senior Researcher		
4	(insert additional proposed staff as needed)		
5	(insert additional proposed staff as needed)		
6	(insert additional proposed staff as needed)		
7	(insert additional proposed staff as needed)		
8	(insert additional proposed staff as needed)		
9	(insert additional proposed staff as needed)		
10	Average Rate of all Proposed Staff Resources		

UNDERSTANDING AND APPROACH

The Vendor must provide a brief narrative, not to exceed ten (10) pages in length, 1 sided, using 11-point font on 8 ½” X 11” paper, describing their understanding of, and approach to, the topics below.

Topic	Maximum Points	Understanding and Approach Question/Topic(s)
1	200	Describe your firm’s approach or methodology to completing the tasks in Exhibit A, Statement of Work, Section 5, Scope of Services. Vendors must clearly describe how each responsibility, service and deliverable will be accomplished, including details regarding timetable for activities. Vendors must clearly describe how they will deliver the MPELC in a phased approach.
2	100	Tell us how your firm’s proposed resources are qualified to complete the tasks in Exhibit A, Statement of Work, Section 5, Scope of Services.
3	100	Describe your firm’s relevant experience with Education reform.

EXHIBIT A - STATEMENT OF WORK

Master Plan for Early Learning and Care (MPELC) for California – Research, Development, and Project Management Services

1. PURPOSE – GENERAL

This Statement of Work (SOW) reflects the services to be provided by , hereinafter referred to as the “Contractor,” for the California Health and Human Services Agency, hereinafter referred to as the “CHHS” or the “State.” This SOW is governed by and incorporates by reference the General Terms and Conditions (GTC) 610.

This purpose of this SOW is for Research, Development, and Project Management Services to support the goals of the CHHS Master Plan for Early Learning and Care (MPELC) for California initiative. The services include supporting, assisting and facilitating in developing an MPELC as described in this SOW, Section 5. Scope of Services.

2. TERM

- A. The term of this Agreement shall commence on October 1, 2019, or the date the Agreement is executed by the State, whichever is later (referred to herein as the “Effective Date”), and continue through December 31, 2020
- B. The State reserves the option at its sole discretion to add funds to this Agreement at the previously agreed-upon contract rates.
- C. If the Contractor has not completed performance of the services set forth in this Agreement within the term and unspent funds remain in the Agreement, the State reserves the option to extend the term of this Agreement, as necessary to receive complete performance by the Contractor for up to one (1) year at the originally agreed-upon costs specified in the Exhibit B, Cost Worksheet and at no addition to the total Agreement cost.
- D. The Contractor shall not be authorized to deliver goods or commence performance of services described in this Agreement prior to the Effective Date. Any delivery of goods or performance of services by the Contractor that is commenced prior to the Effective Date shall be considered gratuitous on the part of the Contractor.

3. WORK LOCATION

The Contractor shall be required to perform some services under this Agreement onsite at the California Health and Human Services Agency, 1600 9th Street, Sacramento, CA.

4. COST

The total cost of this Agreement is [Enter Agreement Cost \$Dollar Value]. The State may exercise the options set forth in Section 2. Cost details are located in the Exhibit B, Cost Worksheet.

5. SCOPE OF SERVICES

Using industry best practices and standards, the Contractor shall perform the services as described below.

1 – MPELC Project Management activities	
1.1	The Contractor shall meet with the State Contract Manager as needed to discuss the scope of services in this SOW.
1.2	The Contractor shall develop and submit a Task Accomplish Plan (TAP) which includes the activities in this SOW, target dates, planned hours, and budget. The Contractor shall modify the TAP as needed.
1.3	The Contractor shall submit a Weekly Status Report including at a minimum: <ul style="list-style-type: none"> ▪ Services completed. ▪ Services in progress. ▪ Services planned in the coming weeks.
1.4	The Contractor shall work with the CHHS leadership to develop and convey key strategic outcomes in collaboration with the State and external organizations.
1.5	The Contractor shall develop and submit a Project Charter document for the MPELC which describes at a minimum: <ul style="list-style-type: none"> ▪ MPELC objectives. ▪ MPELC leadership. ▪ MPELC stakeholders. ▪ MPELC schedule. ▪ MPELC risks and issues.
1.6	The Contractor shall review and analyze current and potential legislation and policy relevant to this SOW.
2 – Preliminary Research and Analysis	
2.1	The Contractor shall research, analyze and review all applicable data including but not limited to the California Assembly Blue Ribbon Commission on Early Childhood Education Final Report (BRC) and the California Preschool Development Grant (PDG) to ensure they are considered in the development of the MPELC.
2.2	The Contractor shall develop and submit a summary of key related findings and recommendations from the BRC and the PDG to ensure they are considered in the development of the MPELC. The summary should include a gap analysis comparing the BRC and PDG to the requirements of the MPELC.

3 – MPELC Research, Analysis, and Development	
3.1	The Contractor shall research, analyze and review all applicable data for the purpose of developing and submitting the MPELC report.
3.2	<p>The Contractor shall develop and submit a Deliverable Expectation Document for the MPELC that includes the following factors as outlined in Senate Bill 75, Chapter 51, Section 1:</p> <ul style="list-style-type: none"> ▪ Options to ensure comprehensive, quality, and affordable childcare. ▪ Options for a universal preschool for children from birth to school age.
3.3	<p>The Contractor shall develop and submit the MPELC in three phases as agreed upon between the State Contract Manager. The MPELC must address at minimum the following priority areas:</p> <ul style="list-style-type: none"> a) Options for a fiscal framework for ongoing funding to significantly expand early learning and care in the State of California, including options to generate needed revenues and examine alternate funding streams. This framework shall incorporate the principles of shared responsibility, fiscal sustainability, and regional variability, including by examining the appropriate role for government, businesses, and parents in meeting high-quality, affordable child care and prekindergarten education needs. Options for additional steps that California can take to prepare for transition to a financing and administration system, including, but not limited to, cost containment, quality improvement, administrative changes, and reorganization of state programs. Options for financing, including identification of new funding sources and ways to blend and braid local, state and federal funds such as General Fund, Proposition 98, ESSA Title I, Special Education, Head Start, TANF, CCDF, Medicaid, MIECHV, IDEA Part B and C, and Proposition 10 aka First 5 Commissions. b) Options for early learning and care facilities statewide, including conducting surveys of subsidized early learning and care providers to collect information regarding ownership or rental of the facilities, monthly facility payments, ancillary costs, interest in expanding existing facilities, and any associated challenges, including ongoing facility maintenance. This study shall identify areas of the state most in need of child care and early learning facility expansion and shall make recommendations about the most appropriate setting types given the unique geographic and capacity characteristics of the region. Additionally, this study shall also seek input from relevant regional entities to identify existing publicly owned facilities that could house early learning and care programs with modifications to meet health and safety requirements, including those facilities owned by school districts, county offices of education, cities, and counties. c) Options for early learning and care services for families eligible for subsidies, including those not currently receiving services. The study

	<p>shall include, but not be limited to, human centered design surveys of parents to collect information on current early learning and care arrangements, hours of care needs, key considerations regarding choice of provider and setting, and data about the racial, ethnic and linguistic diversity of eligible families. This study shall include the need for early learning and care with a priority focus on those children from birth through five years, but shall be inclusive of children from birth through age twelve and shall highlight regions of the state with the lowest relative access to care. The study will also make recommendations on how to support and promote types of care that meet families' cultural and linguistic needs.</p> <p>d) Options for an actionable quality improvement plan that includes, but is not limited to: cohesive set of minimum quality and program guidelines for all subsidized childcare providers by and across settings, that balance the improved social, emotional, cognitive and academic development of children with the resources available to providers, and that takes into account gender, class, race, language access, implicit bias and lived experience in the construction of quality, an accessible and cohesive career pathway for all types of childcare professionals, including those whose primary language is not English, and that considers a ladder of mobility, aligned with the state's system of provider reimbursement, based on competencies that are evidenced based and driven by characteristics of quality, and that may consider educational attainment to produce a trained and stable workforce.</p> <p>e) Options for an actionable plan to provide universal prekindergarten education for all three- and four-year-old children in California, including by considering all of the following: recommendations to address the overlap between the transitional kindergarten, state preschool, and Head Start programs, and ensure that all children, regardless of family income, have access to the same level of prekindergarten program quality, recommendations to align prekindergarten education with the subsidized childcare system and the elementary and secondary education system, to ensure that children have access to a full day of care, as needed, and ensure seamless matriculation to elementary and secondary education.</p> <p>f) A summary of California's existing early care and learning system, including cost, quality, workforce, facilities, and how they impact the state's ability to provide all Californians with access to high quality, affordable early care and education. The Contractor should incorporate findings and recommendations from the BRC and the PDG.</p> <p>g) Design Considerations, including: eligibility and enrollment; provider participation; child and family take-up or participation, purchasing arrangements; provider payments, including consideration of global budgets; cost containment; participant cost sharing; quality monitoring</p>
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	<p>and disparities reduction; facilities types; facilities development and expansion; workforce qualifications; program standards, monitoring, and support; information technology systems and financial management systems; data sharing and transparency; and governance and administration, including integration of federal funding sources.</p> <p>h) Connect recommendations for the MPELC to the early childhood data systems inventory of existing state-specific data, information and analyses to meet data needs, and conduct a gap analysis.</p>
<p>4 - MPELC Lead Activities</p>	
<p>4.1</p>	<p>The Contractor shall facilitate MPELC meetings, activities, and events.</p>
<p>4.2</p>	<p>The Contractor shall prepare and distribute, by mail and electronically, agendas and associated information packets, including minutes of previous meetings and all supporting documents for deliberations for Early Childhood Policy Council or related meetings.</p>
<p>4.3</p>	<p>The Contractor shall provide content regarding the MPELC for California initiative on the CHHS website as needed.</p>
<p>5 – Stakeholder and Community Outreach</p>	
<p>5.1</p>	<p>The Contractor shall develop and submit a Stakeholder and Community Outreach Plan which includes:</p> <ul style="list-style-type: none"> ▪ An approach to organize and provide outreach services to key stakeholders and constituent communities, including culturally-diverse populations, to inform them of activities of the MPELC as needed. ▪ A brand for the MPELC. ▪ A public engagement and communications strategy that will engage various sectors and constituencies to support the MPELC, including options for social media, digital, earned and paid media efforts.
<p>5.2</p>	<p>The Contractor shall plan, organize and provide outreach services to key stakeholders and constituent communities, including culturally-diverse populations, to inform and involve them in activities of the MPELC as needed.</p>
<p>6 - No-Cost Changes</p>	
<p>6.1</p>	<p>For no-cost changes in the work requirements specified herein, a change order shall be prepared in accordance with a sample change order to be provided by the State. The change order shall be in writing, include a description of the change in work requirements, and be executed by both parties.</p>
<p>7 – Unanticipated Tasks</p>	

7.0	Ten (10) percent of the total Agreement amount is reserved for unanticipated tasks. These funds are optional and may be used at the State’s sole discretion. Work for unanticipated tasks shall be assigned and agreed to in writing by the Contractor and the State using the State’s work authorization form before the work can commence. The rates for unanticipated tasks shall not exceed the Contractor’s original hourly rates as specified in Exhibit B, Cost Worksheet.
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A. Deliverables and Due Dates

The Contractor shall produce the following deliverables, which are described in greater detail in Exhibit A, Statement of Work, Section 5 above, by the dates specified below:

Task No.	Deliverable	Due Date
1.2	Task Accomplishment Plan	10 days after the contract start date.
1.3	Weekly Status Reports	Weekly basis.
1.5	MPELC Project Charter	20 days after the contract start date.
2.2	Summary of key related findings and recommendations from the BRC and PDG	60 days after the contract start date.
3.3	Phase 1 – MPELC, Deliverable Expectation Document	60 days after the contract start date.
3.3	Phase 1 – MPELC, Draft Report	March 1, 2020
3.3	Phase 1 – MPELC, Final Report	April 1, 2020
3.3	Phase 2 – MPELC, Deliverable Expectation Document	60 days after the contract start date.
3.3	Phase 2 – MPELC, Draft Report	May 1, 2020
3.3	Phase 2 – MPELC, Final Report	June 1, 2020
3.3	Phase 3 – MPELC, Deliverable Expectation Document	60 days after the contract start date.
3.3	Phase 3 – MPELC, Draft Report	July 1, 2020
3.3	Phase 3 – MPELC, Final Report	September 1, 2020
4.1	MPELC meeting agendas, handouts, presentations, and notes.	As needed.
5.1	Stakeholder and Community Outreach Plan	60 days after the contract start date.

B. Deliverable Format and Submittal

- 1) All deliverables shall be provided in a format compatible with the OSI Project Office standard applications (currently, Microsoft Office 2016). In all cases, the Contractor shall verify application compatibility with the State Contract Manager prior to creation or delivery of any electronic documentation. Any deviations to these standards shall be approved by the State Contract Manager.
- 2) Hardcopy deliverable shall be on standard 8 ½" x 11" paper. Electronic versions shall be stored in a State designated central repository and remain the sole property of the State. The delivery media shall be compatible with State storage devices.
- 3) An electronic copy of the deliverables are to be submitted to (TBD).

C. Deliverables Definitions

In addition to the definitions listed in Master Plan for Early Learning and Care GSPD-401IT General Provisions – Information Technology, the following definitions shall apply to this Agreement.

- 1) “**Acceptance**” or “**Accepted**” means notice, in the form of a formal written Deliverable Acceptance Document (DAD), from the State to the Contractor that a Deliverable has satisfied the Acceptance Criteria for that Deliverable.
- 2) “**Acceptance Criteria**” means the criteria for determining Acceptance, as set forth in a DED approved by the State.
- 3) “**Deliverable Expectation Document**” or “**DED**” means the document specifying the content description, Acceptance Criteria, proposed format, proposed media(s), and number of copies for each Deliverable.
- 4) “**Party**” refers to the State or Contractor and “**Parties**” means both the State and Contractor.

D. General Deliverable Management

- 1) Contractor shall produce all Deliverables identified in Exhibit A, Statement of Work, Section 5(B), with required content identified for each Deliverable, in accordance with the specified due dates.
- 2) Contractor shall provide the State with the Deliverables and tasks specified in the Statement of Work, and, if applicable, as further described in the DED for each Deliverable, in accordance with the specified due dates.
- 3) For each Deliverable, Contractor shall complete and submit a DED, using the State provided DED template, to document agreed-upon Deliverable expectations with the State.
- 4) For each Deliverable, Contractor shall receive the State’s formal Acceptance of

the Deliverable's DED before commencing work on the Deliverable.

- 5) Contractor shall complete each DED with complexity and detail proportional to the complexity of the Deliverable itself.
- 6) Contractor shall ensure each Deliverable submitted to the State for review contains all of the content specified in the Accepted DED for the Deliverable.
- 7) Contractor shall use the Contractor's expert knowledge and this Agreement as the basis for the development of the Deliverables.
- 8) Contractor shall secure State approval for any alterations to required content for a Deliverable, and shall record any State-approved alterations in the DED for the Deliverable.
- 9) Contractor shall retain backup copies in writing and on electronic media of all Deliverables in accordance with Section 46 of GSPD-401IT General Provisions – Information Technology.
- 10) Contractor shall use consistent format, style, and terminology in its Deliverables.

E. Deliverable Review Process

- 1) It shall be the State's sole determination as to whether a Deliverable has been successfully completed and is acceptable to the State.
- 2) The State's review time of a Deliverable shall not be more than five (5) State business days unless otherwise determined by the State in its sole discretion. The State will notify the Contractor if additional time is needed for State review.
- 3) Should the State require revisions to a Deliverable, the Contractor will receive written notice from the State within the State's review period.
- 4) The Contractor shall make all appropriate revisions to a Deliverable and resubmit to the State Contract Manager for Acceptance within five (5) State business days of receiving notification from the State, unless additional time is approved by the State in writing.
- 5) The State will review the Contractor's revised Deliverable within five (5) State business days of the receipt of the revised Deliverable.
- 6) If the revised Deliverable does not obtain Acceptance by the State, the State may exercise its rights to terminate the Agreement as specified in GSPD-401IT General Provisions – Information Technology.

F. Deliverable Acceptance

- 1) The State shall provide Acceptance of a Deliverable in accordance with the Acceptance Criteria set forth in the State approved DED.

- 2) State Acceptance shall be effective upon State's issuance of a DAD.
- 3) The Contractor shall not change a Deliverable that has been accepted by the State without the State's prior written approval.

6. CONTRACTOR STAFF

A. Staff and Rates

- 1) With pre-approval by the State, the Contractor staff shall perform the tasks described in this SOW, at the rates indicated in the Agreement.
- 2) Contractor shall be responsible for monitoring the monthly hours worked to ensure the staff is properly allocated to effectively meet the needs of the State for the required tasks of this Agreement.

B. Reassignment of Staff

- 1) The Contractor shall not add, delete, and/or substitute staff without the prior written consent of the State, which consent shall not be unreasonably withheld. The Contractor shall make every reasonable effort to provide suitable substitute staff. The additional and/or substitute staff shall meet all requirements and shall be approved in writing by the State prior to substitute staff beginning work.
- 2) The State Project Director or its designee may request that Contractor replace a staff member and shall advise Contractor in writing of the basis for the request. In such event, Contractor shall provide a proposed replacement candidate's resume within fifteen (15) calendar days of the date the requested replacement is made by the State.
- 3) If deleting staff is acceptable to the State, the Contractor shall submit an Add, Delete or Substitute Staff Request Form, which shall be supplied by the State.
- 4) If adding or substituting staff is acceptable to the State, the Contractor shall submit the following forms, which shall be supplied by the State:
 - a) Add, Delete or Substitute Staff Request Form;
 - b) Completed Staff Resume Table;
 - c) Updated Bidder Declaration Form (only for subcontracted staff).
- 5) The State reserves the right to interview any additional or substitute staff.
- 6) If the addition, substitution and/or deletion of staff does not increase the total cost of the Agreement, an amendment is not required to make these changes to the Agreement.
- 7) The Contractor and the State may mutually agree to add additional employee(s)

of Contractor to perform services at no cost to the State and without the requirement of an Agreement amendment. Contractor shall submit an Add, Delete or Substitute Contractor Request Form to the State Contract Manager for review and approval at least ten (10) business days prior to adding any employee(s) pursuant to this subsection.

7. PAYMENTS AND INVOICING

A. Invoicing and Payment

- 1) For services satisfactorily rendered, and upon receipt and approval of the invoice(s), the CHHS agrees to compensate Contractor for actual expenditures incurred in accordance with Exhibit B, Cost Worksheet. Payment to the Contractor will be made on a time and materials basis per the hourly labor classifications set forth in the Agreement for all labor-related costs.
- 2) Payment shall be made in accordance with the State of California's Prompt Payment Act (Government Code § 927 et seq.).
- 3) Invoices shall be submitted monthly, in arrears, not later than thirty (30) days after the end of the billing period. Invoices must detail the labor category hours (incremental hours shall be billed to the nearest 15 minutes) with hourly rate(s), and must include the following:
 - a) Invoice with the Agreement number;
 - b) Detail the labor category hours with the hourly
 - c) A certification statement that is signed by a company official, attesting to the accuracy of the invoice data and includes that company official's phone number and e-mail address;
 - d) Copies of signed timesheet(s) or other documentation supporting that the State has provided approval for the items invoiced; and
 - e) Receipts for travel expenses (if travel is authorized under this Agreement).
- 4) Invoices may be submitted electronically via e-mail or by mail.
 - a) Invoices submitted electronically shall be e-mailed to: AccountsPayable@osi.ca.gov. Electronic submissions must:
 - (i) Be submitted individually. CHHS will not accept multiple invoices submitted in a single e-mail.
 - (ii) Contain the following in the Subject line:
 - Company Name
 - Agreement number
 - Invoice number
 - (iii) Be in PDF format and include all of the supporting documentation as

required in this Agreement.

- b) Invoices submitted by mail shall be sent directly to the following address. Hard copies must be submitted in triplicate and include all of the supporting documentation as required in this Agreement.

**Office of Systems Integration
 Attn: Accounting Office
 2495 Natomas Park Drive, Suite 640
 Sacramento, CA 95833**

- 5) The State shall notify the Contractor, in writing, within ten (10) business days after completion of each phase of service of any acceptance problems by identifying the specific inadequacies and/or failures in the services performed and/or the work products produced by the Contractor. If the State receives an invoice for work products or services that have not been accepted by the State, payment for the work product and/or services shall be withheld by the State. The Contractor shall take timely and appropriate measures to correct or remediate the reason(s) for non-acceptance and demonstrate to the State that the Contractor has successfully completed the scheduled work for each work product/service before payment is made. The costs related to rework of unacceptable work products shall not be billed to the State.

The State will not be reimbursing for any travel as part of this Agreement. The Contractor shall adjust the contracted hourly rates to accommodate any travel required to complete services in this SOW.

B. Contractor Overpayments

- 1) If the State determines that an overpayment has been made to the Contractor, the State will seek recovery immediately upon discovery of the overpayment by contacting the Contractor to request a refund or credit of the overpayment amount. If the Contractor refund or credit is not received within thirty (30) days from the date of the State’s notice, the State shall offset subsequent Contractor payments by the amount of the overpayment.
- 2) If Contractor discovers it has received an overpayment Contractor shall notify the State and refund the overpayment immediately.

8. POINTS OF CONTACT

Contractor – Contract Manager:	
Name, Title:	TBD
Address:	TBD
Phone Number:	TBD
E-mail Address:	TBD

State – Contract Manager:	
Name, Title:	TBD
Address:	TBD
Phone Number:	TBD
E-mail Address:	TBD

9. CONTRACTOR RESPONSIBILITIES

- A. Prior to expiration of the Agreement, the Contractor shall return all State property, including security badges to the State Contract Manager.
- B. Contractor staff resources shall review CHHS policies concerning the CHHS workplace and provide to the State Contract Manager a signed acknowledgment form agreeing to abide by the policies prior to performing any work under this Agreement. The policies and forms will be provided by the State.
- C. The Contractor shall notify the State Contract Manager, in writing, no later than one (1) calendar day after any of the following events:
 - 1) The filing of a petition for relief under the United States Bankruptcy Code or the institution of any other insolvency proceedings by, against, or on behalf of Contractor;
 - 2) The appointment of a receiver or trustee for Contractor;
 - 3) Make a general assignment for the benefit of creditors;
 - 4) The dissolution or liquidation of Contractor;
 - 5) The transfer to any person or entity of more than twenty-five percent (25%) of the assets or ownership interest of Contractor; and/or
 - 6) The Contractor becoming insolvent. Contractor shall be deemed to be insolvent if it has ceased to pay or has admitted in writing its inability to pay its debts for at least sixty (60) days in the ordinary course of business or cannot pay its debts as they become due, whether or not a petition has been filed under the United States Bankruptcy Code; and/or
 - 7) The execution by Contractor of a general assignment for the benefit of creditors.
- D. Notwithstanding any other provision of this Agreement, the State, by written notice to the Contractor, may immediately terminate this Agreement in the event upon the occurrence of any of the events set forth in Exhibit A, Statement of Work, Section 9(C).
- E. All Contractor staff who will provide services pursuant to this Agreement shall complete an Assuming Office Statement of Economic Interests, Form 700 within thirty (30) days of commencing any work for the CHHS. Contractor staff shall thereafter file a Form 700 on an annual basis and shall also file a Leaving Office Form 700 within thirty (30) days of ceasing to perform any work for the CHHS. In addition, upon

beginning work for the OSI and every two (2) years thereafter, each Contractor staff shall complete the State's online Ethics Training Course, as maintained by the California Office of the Attorney General, and submit the certificate of completion to the CHHS Filing Officer. The Contractor shall not bill the State for time spent completing the Ethics Training Course.

10. ITEMS TO BE FURNISHED

A. Items to be Furnished by the State

The following items will be provided by the State:

- 1) Office space for the duration of the Agreement, including a desk, chair, desk phone, computer, and Internet connection.
- 2) Access to the office building and office suite.

11. PROBLEM ESCALATION

The parties acknowledge and agree that certain technical and/or project-related problems or issues may arise, and that such matters shall be brought to the State's attention. Problems or issues shall normally be reported in regular status reports or in-person meetings. However, there may be instances where the severity of the problem justifies escalated reporting. To this extent, the State Contract Manager shall determine the level of severity, and notify the appropriate State staff, as set forth below. The State staff notified, and the time period taken to report the problem or issue shall be at a level commensurate with the severity of the problem or issue. The State personnel include, but are not limited to, the following:

- A. First level, the CHHS Deputy Secretary.
- B. Second level, the CHHS Undersecretary.

12. SUBCONTRACTORS

The Contractor may, with the prior written approval of the CHHS, enter into subcontracts with third parties for the performance of any part of the Contractor's duties and obligations. Any such approval may be rescinded at the OSI's discretion. The Contractor is responsible and liable for the proper performance and quality of any work performed by any, and all, subcontractors. The CHHS reserves the right to reject any subcontractor staff whose performance, in the reasonable judgment of the CHHS, is deemed to be substandard. In no event shall the existence of a subcontract operate to release or reduce the liability of the Contractor to the CHHS for any breach in performance of the Contractor's duties.

The Contractor warrants and agrees that any subcontract involving its performance under the terms and conditions of the Agreement shall include a provision that the subcontractor shall abide by the terms and conditions of the Agreement, as well as all other applicable federal and state laws, rules, and regulations pertinent hereto that have been or may hereafter be established. Also, the Contractor warrants and agrees that all subcontracts

shall include a provision that the subcontractor shall indemnify and hold harmless the CHHS to the same extent as provided in the Agreement. Any agreement between the Contractor and its subcontractors shall require the subcontractors to adhere to the same performance standards and other standards required of the Contractor.

13. INSURANCE REQUIREMENTS

- A. Prior to commencing performance of any work under this Agreement, Contractor shall furnish to the State Contract Manager a certificate of insurance that complies with all the requirements set forth herein. If Contractor is self-insured, Contractor shall provide written proof of adequate self-insurance.
- B. General Insurance Requirements
 - 1) All insurance coverage required herein shall remain in force for the complete term of this Agreement.
 - 2) The Certificate Holder on the Contractor's certificate of insurance shall include the CHHS's address as: California Health and Human Services Agency, Attention: Miguel Jauregui, 1600 9th Street, Sacramento, CA 95814 and the Agreement Number 70033568.
 - 3) Contractor's insurance company shall carry a rating that is acceptable to the Department of General Services (DGS). If Contractor is self-insured for a portion or all of its insurance, review of Contractor's financial information, including a letter of credit, may be required.
 - 4) If the Contractor's insurance required by this Agreement expires during the term of the Agreement, a new certificate must be received by the State Contract Manager at least ten (10) business days prior to the expiration of the insurance. The new insurance shall meet all the requirements of this Agreement.
 - 5) The Contractor shall notify the State Contract Manager in writing within five (5) business days prior to the effective date of any cancellation, non-renewal, or material change that affects any insurance coverage required by this Agreement.
 - 6) In the event that the Contractor fails to maintain in effect at all times the insurance coverage required in this Agreement, the State may, in addition to any other remedies it may have, terminate this Agreement upon the occurrence of such event.
 - 7) Any insurance required to be carried under this Agreement shall be primary, and not excess or contributory, to any other insurance carried by the State.
 - 8) The State shall not be responsible for any premiums, deductibles, self-insured retention, or assessments on the Contractor's insurance policy.
 - 9) Any required endorsement(s) must be physically attached to all requested

certificates of insurance and not substituted by referring to such coverage on the certificate of insurance.

- 10) The policy retroactive date must be displayed on the certificate of insurance and must be before the date this Agreement is executed or before the commencement of work.
- 11) Inadequate or lack of insurance does not negate the Contractor's obligations under the Agreement.
- 12) In the case of the Contractor's utilization of subcontractors to complete the contracted scope of work, the Contractor shall include all subcontractors as insureds under the Contractor's insurance policy or supply evidence of insurance to the State equal to policies, coverage, and limits required of the Contractor, as specified herein.
- 13) All insurance required by this Agreement shall allow to the State to pay and/or act as the Contractor's agent in satisfying any self-insured retention. The choice to pay and/or act as the Contractor's agent in satisfying any self-insured retention shall be at the sole discretion of the State.
- 14) All insurance coverage and limits available to the Contractor shall also be available and applicable to the State.

C. Types of Insurance and Coverage Limits

- 1) **Commercial General Liability:** The Contractor shall maintain commercial general liability insurance with limits of not less than \$1,000,000 per occurrence for bodily injury and property damage liability combined with a \$2,000,000 annual policy aggregate. The policy shall include coverage for liabilities arising out of premises, operations, independent contractors, products, completed operations, personal and advertising injury, and liability assumed under an insured agreement. The commercial general liability insurance shall apply separately to each insured against whom claim is made or suit is brought subject to the Contractor's limit of liability. The policy must name the CHHS, the State of California, its officers, agents, and employees as additional insured, but only with respect to work performed under this Agreement.
- 2) **Automobile Liability:** The Contractor shall maintain motor vehicle liability insurance with limits of not less than \$1,000,000 combined single limit per accident. Such insurance shall cover liability arising out of a motor vehicle including owned, hired, and non-owned motor vehicles. If Contractor does not own any commercial automobiles, then 1) its insurance shall cover liability arising out of a motor vehicle including hired and non-owned motor vehicles, and 2) the Contractor shall provide a signed statement on business letterhead stating, "[Contractor's name] does not own any automobiles. Should [Contractor's name] purchase an automobile(s) during the term of Agreement [Agreement number]

with the Office of Systems Integration, it shall obtain owned auto coverage consistent with the requirements of the Agreement and shall provide evidence of coverage to the State Contract Manager prior to using the automobile(s) in the performance of the Agreement.” The policy must name the CHHS, the State of California, its officers, agents, and employees as additional insured, but only with respect to work performed under this Agreement.

- 3) Professional Liability: The Contractor shall maintain professional liability/errors and omissions insurance with limits of not less than \$1,000,000 per occurrence and \$2,000,000 aggregate covering any damages caused by an error, omission, or any negligent acts. Coverage shall be sufficient to cover all duties and obligations undertaken by the Contractor pursuant to this Agreement and shall include, but not be limited to, claims involving infringement or violation of any U.S. Intellectual Property Right, as defined in the General Provisions attached to this Agreement. The Contractor shall maintain continuous coverage for up to three years after this Agreement terminates.
- 4) Provisions of section 3700 of the California Labor Code require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with such provisions before commencing performance of work under the Agreement.
 - a) The Contractor shall maintain statutory workers' compensation and employer's liability coverage for all its employees who will be engaged in the performance of the Agreement, including special coverage extensions where applicable. Employer's liability limits of \$1,000,000 are required. A waiver of subrogation or waiver of right to recover endorsement in favor of the State of California must be attached to the certificate of insurance.
 - b) If the Contractor does not employ any person in any manner as to become subject to the workers' compensation laws of California, the Contractor may provide a signed statement on business letterhead stating, "I certify under penalty of perjury under the laws of the State of California that I do not employ any person in any manner as to become subject to the workers' compensation laws of California. I further certify that the OSI will be notified within thirty (30) calendar days of any changes which results in the business becoming subject to the workers' compensation laws of the State of California." Contractor shall provide this letter to the State Contract Manager prior to the commencement of any work under this Agreement.

14. FEDERAL PROCUREMENT CLAUSES

To the extent applicable under federal law, this Agreement incorporates the contractual provisions required under Title 2 Code of Federal Regulations part 200, subpart F, appendix II, and the Contractor shall comply with these provisions.

EXHIBIT C
CHHS Special Provisions (Privacy and Security Controls)
(REVISED AND EFFECTIVE 07/01/2019)

Special Provisions shall include any special directions or project specific requirements that are not otherwise stated explicitly in the Agreement. Privacy and Security Control provisions address the Contractor requirements based upon access and usage of the CHHS information and equipment.

1. **Definitions.** For purposes of this Exhibit, the following definitions shall apply:
 - A. **Public Information:** Any information prepared, owned, used or retained by the state that is not exempt from disclosure under the provisions of the California Public Records Act (Government Code sections 6250 et seq.) or other applicable state or federal laws.
 - B. **Confidential Information:** Any information maintained by the state that is exempt from disclosure under the provisions of the California Public Records Act (Government Code sections 6250 et seq.) or other applicable state or federal laws.
 - C. **Sensitive Information:** Any information maintained by the state that requires special precautions to protect from unauthorized use, access, disclosure, modification, loss, or deletion. Sensitive Information may be either Public Information or Confidential Information.
 - D. **Personal Information:** Any information that identifies or describes an individual, including, but not limited to, their name, social security number, physical description, home address, home telephone number, education, financial matters, and medical or employment history.
 - E. **Notice-triggering Personal Information:** Personal information (name plus social security number, driver license/identification card number, financial account number, medical/health information, or username/password) that may trigger a requirement to notify individuals if it is acquired by an unauthorized person. See Civil Code sections 1798.29 and 1798.82.
2. **Contractor Responsibilities.**
 - A. The Contractor, its employees, agents, and subcontractors (hereinafter collectively referred to as the “Contractor”) shall protect from unauthorized disclosure any Personal Information, Sensitive Information, or Confidential Information (PSCI).
 - B. The Contractor shall not use any PSCI for any purpose other than carrying out the Contractor's obligations under this Agreement.
 - C. The Contractor shall promptly transmit to the State Contract Manager all requests for disclosure of any PSCI.
 - D. The Contractor shall not disclose, except as otherwise specifically permitted by this Agreement, any PSCI to anyone, other than the CHHS, without prior written authorization from the State Contract Manager.

- E. The Contractor shall classify data pursuant to the California State Administrative Manual (SAM) 5305.5.
- F. The Contractor shall comply with the following:
 - 1) The California Information Practices Act (Civil Code sections 1798 et seq.);
 - 2) Security provisions of the SAM (Chapters 5100 and 5300) and the California Statewide Information Management Manual (SIMM) (Sections 58-C, 58-D, 66-B, 5305-A, 5310-A and B, 5325-A and B, 5330-A, B and C, 5340-A, B and C, 5360B);
 - 3) The Federal Privacy Act of 1974;
 - 4) California Penal Code, section 11142; and
 - 5) California Welfare and Institutions Code, section 10850(b).
- G. The Contractor shall comply with the information security and privacy controls set forth in the National Institute of Standards and Technology (NIST) Special Publication, including but not limited to NIST 800-53R4 (tailored to the CHHS Requirements for a Moderate Level of Concern) & State Administrative Manual (SAM) 5300.
- H. If the Contractor is permitted access PCSI, then the Contractor must comply with the below System Security Review requirements:
 - 1) The Contractor shall obtain independent security risk assessment consultants to meet the SAM 5305.7 and NIST standards (800-30, 800-37, 800-39, and 800-53) as well as Open Web Application Security Project standards, including, but not limited to, the Development and Testing Guidelines for web services. Assessors shall not:
 - a) Create a mutual or conflicting interest with the organizations where the assessments are being conducted.
 - b) Self-assess their work.
 - c) Act as management or employees of the organizations they are serving.
 - d) Place themselves in advocacy positions for the organizations.
 - e) Have an affiliation, either personal or business, with the Contractor or subcontractors working under agreement with the OSI.
 - 2) The OSI shall approve of the independent risk assessment consultants that will perform the security risk assessments prior to the Contractor hiring the firm.
 - 3) If applicable, the Contractor shall have independent security risk assessment consultants conduct security risk assessments every two years of the OSI Project Systems (e.g. CWS/CMS, CWS-NS, and CMIPS II) and Project Support Systems (e.g. shared drives, web sites, web applications, Clarity, SharePoint, County Access Data, and SARS).

- 4) The Contractor shall have the security risk assessment provide a gap analysis using the latest version of the Moderate Tailored Baseline NIST 800-53 security controls.
 - 5) The State Project Manager or its designee and the OSI ISO shall have full access to the results of the independent risk assessment.
 - 6) The Contractor shall provide to the OSI a Security Assessment Report created by the independent security assessors as defined in NIST 800-53. This report shall contain, as a minimum, identification and score of risks and provide recommended mitigation solutions.
- I. The Contractor shall implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of PSCI that it creates, receives, maintains, uses, or transmits on behalf of the OSI or other state agencies. The Contractor shall develop and maintain a written information privacy and security program. The written privacy and security program shall be provided to the OSI Information Security Office (ISO) and maintained on an annual basis. The written program shall include administrative, technical, and physical safeguards appropriate to the size and complexity of the Contractor's operations and the appropriate levels of security (confidentiality, integrity, and availability) for the data based on data categorization and classification and Federal Information Processing Standards (FIPS) Publication 199 protection levels, including at a minimum the following safeguards:
- 1) All Contractor staff shall complete information privacy and security training, at least annually, at the Contractor's expense. Each Contractor staff who receives information privacy and security training shall sign a certification, indicating the staff's name and the date on which the training was completed. These certifications shall be retained for a period of three (3) years following Agreement termination.
 - 2) Appropriate sanctions shall be applied against Contractor staff who fail to comply with privacy policies and procedures or any provisions of these requirements, including termination of employment when appropriate.
 - 3) All Contractor staff that are or will be working with PSCI shall sign a confidentiality statement prior to having access to PSCI. The statement shall include, at a minimum, General Use, Security and Privacy safeguards, Unacceptable Use, and Enforcement Policies. The statement shall be renewed annually. The Contractor shall retain each staff's written confidentiality statement for the OSI inspection for a period of three (3) years following Agreement termination.
 - 4) Prior to the commencement of work by Contractor's staff, the Contractor shall:
 - (1) conduct a thorough background check of each proposed staff,
 - (2) evaluate the results, and
 - (3) certify in writing to the State Contract Manager, within 15 business days of Agreement execution (or immediately following the addition of new staff), that there is no indication that the proposed staff may present a risk to the security or integrity of the State's information technology systems or the

data residing therein. The Contractor shall retain each staff's background check documentation for a period of three (3) years following Agreement termination. If, during the term of the Agreement, the Contractor becomes aware of new or previously unknown information which may impact the staff's suitability for the position, the Contractor shall immediately notify the State Contract Manager.

- 5) All Contractor-owned or managed electronic computing devices, smart phones, removable media storage devices, and/or similar devices, if allowed by the State Contract Manager, shall comply with the following requirements, as applicable:
 - a) Encrypted using commercial third-party encryption software that meets the level standards of NIST and FIPS Publication 140-2, Security Requirements for Cryptographic Modules. The encryption solution shall be full disk. All data transmissions shall be encrypted end-to-end using the OSI approved solution, when transmitting PSCI. State data shall not be copied to any unencrypted device or storage media. Contact the State Contract Manager to obtain a copy of the CHHS Security Policy – Data Encryption.
 - b) Only the minimum necessary amount of PSCI may be downloaded to a device, and only when absolutely necessary for current business purposes.
 - c) Have commercial third-party anti-virus and anti-malware software solutions with a minimum daily automatic update, and which meets the Endpoint Protection Standard, SAM 5355-A.
 - d) Have security patches applied and up to date.
 - e) Provide an automatic timeout after no more than 10 minutes of inactivity.
 - f) Any device that creates, receives, maintains, uses, or transmits PSCI shall display a warning banner stating that data is confidential, systems are logged, and system use is for business purposes only. Users shall be directed to log off the system if they do not agree with these requirements.
 - g) Log successes and failures of user authentication at all layers. Maintain logs for a minimum period of 90 days.
 - h) Log all system administrator/developer access and changes if processing and/or storing PSCI. Maintain logs for a minimum period of 90 days.
 - i) Log all user transactions at the database layer if processing and/or storing PSCI.
 - j) Use role-based access controls for all user authentications, enforcing the principle of least privilege.
 - k) All systems that are accessible via the Internet or store PSCI shall actively use a comprehensive third-party real-time host-based intrusion detection and prevention solution.
 - l) All systems processing and/or storing PSCI shall have a routine procedure in place to review system logs for unauthorized access.
 - m) All systems processing and/or storing PSCI shall have a documented change control procedure that ensures separation of duties and protects the confidentiality, integrity, and availability of data.

- 6) All emails that include PSCI shall be sent in an encrypted method using an OSI approved solution. All PSCI data in documents shall also be encrypted.
- 7) All users shall be issued a unique user name for accessing PSCI. Passwords shall not be shared. Passwords shall adhere to the following standards:
 - a) Be a non-dictionary word.
 - b) Not be stored in a readable format on the computer.
 - c) Be changed every 90 days.
 - d) Be changed if revealed or compromised.
 - e) Be at least eight characters.
 - f) Password shall be at least 8 characters composed of characters from at least three of the following four groups from the standard keyboard:
 - (i) Upper case letters;
 - (ii) Lower case letters;
 - (iii) Arabic numerals; or
 - (iv) Non-alphanumeric characters.
- 8) The Contractor shall meet the standards as set forth in NIST 800-88 for destruction of data. All PSCI shall be wiped from systems when the data is no longer necessary. The wipe method shall conform to Department of Defense standards for data destruction. If data was Personally Identifiable Information (PII) as defined by California Civil Code section 1798.3(a), or Protected Health Information (PHI) as defined by the HIPAA Privacy Rule – 45 CFR Part 160, 162, 164, then the Gutmann 35 pass wipe is required. All PSCI on removable media shall be destroyed pursuant to this section when the data is no longer necessary. Once data has been destroyed and logged, the State Contract Manager shall be notified and shall be provided destruction logs.
- 9) Any remote access to PSCI shall be executed over an encrypted method approved by the OSI. All remote access shall be limited to minimum necessary and least privilege principles. Remote access shall meet security standards as defined in SAM 5360.1 and SIMM 5360-A.
- 10) The Contractor shall establish a documented plan to enable continuation of critical business processes and protection of the security of PSCI in the event of an emergency. An emergency is an interruption of business operations for more than 24 hours. The documented plan shall be provided to the OSI ISO.
- 11) The Contractor shall have established documented procedures to backup PSCI to maintain retrievable exact copies of PSCI. The plan shall include a regular schedule for making backups, storing backups offsite, an inventory of backup media, and the amount of time to restore PSCI should it be lost. At a minimum, the schedule shall be a weekly full backup and monthly offsite storage of data. All backups shall be maintained for a period of 90 days.

- 12) PSCI in paper form shall not be left unattended at any time, unless it is locked in a file cabinet, file room, or desk. Unattended means that information is not being observed by an employee authorized to access the information.
 - 13) Visitors to areas where PSCI is contained shall be escorted and PSCI shall be kept out of sight while visitors are in the area.
 - 14) PSCI shall not be removed from the premises of the Contractor except with express written permission of the OSI.
 - 15) Fax numbers shall be verified with the intended recipient before sending faxes containing PSCI. Contractor fax machines shall be located in secure areas, per SAM 5365.1.
 - 16) PSCI shall only be mailed using secure methods. Large volume mailings of PSCI shall be by a secure, bonded courier with signature required on receipt. Disks and other transportable media sent through the mail shall be encrypted with the OSI approved solution.
- J. The Contractor shall work cooperatively with the State to respond timely and accurately to public records requests.
- K. The Contractor shall designate a security officer to oversee its data security program who will be responsible for carrying out its privacy and security programs and for communicating on security matters with the OSI. All exception and exemption requests shall be reviewed by the Contractor's security officer prior to submission to the OSI.
- L. The Contractor shall be responsible for facilitating the security incident process as described in California Civil Code section 1798.29(e), California Civil Code section 1798.82(f), and SAM 5340, Incident Management. The Contractor shall notify the OSI immediately by telephone call plus email upon the discovery of breach of PSCI or discovery of any suspected security incident, intrusion or unauthorized use or disclosure of PSCI. Notification shall be provided to the State Contract Manager, the OSI Privacy Officer and the OSI Information Security Officer. If the incident occurs after business hours or on a weekend or holiday and involves PSCI, notification shall be provided by emailing the CHHS Information Security Officer. In addition, the Contractor shall:
- 1) Take prompt corrective action to mitigate any risks or damages involved with the incident and to protect the operating environment.
 - 2) Take any action pertaining to such unauthorized disclosure required by applicable federal and state laws and regulations.
 - 3) Immediately investigate the incident within twenty-four (24) hours of the discovery and provide the following information to the State Contract Manager, the CHHS Privacy Officer, and the CHHS Information Security Officer:
 - a) What data elements were involved, and the extent of the data involved in the breach;

- b) A description of the unauthorized persons known or reasonably believed to have improperly used or disclosed PSCI;
 - c) A description of where the PSCI is believed to have been improperly transmitted, sent, or utilized;
 - d) A description of the probable causes of the improper use or disclosure; and
 - e) Whether Civil Code sections 1798.29 or 1798.82 or any other federal or state laws requiring individual notifications of breaches are triggered.
- 4) Provide regular (every 24 hours) updates on the progress of the investigation to the State Contract Manager, the CHHS Privacy Officer, and the CHHS Information Security Officer.
 - 5) Provide a written report of the investigation to the State Contract Manager, the CHHS Privacy Officer, and the CHHS Information Security Officer within seven (7) business days of the discovery of the incident. The report shall follow the format of SIMM 5340-B and include the information specified in section 2(l)(iii), as well as a detailed corrective action plan, including information on measures that were taken to mitigate the improper use or disclosure.
 - 6) Be responsible for all costs incurred by the state due to any security incident resulting from the negligent acts of Contractor staff. If the state determines that notice to the individual(s) whose data has been lost or breached is appropriate, the Contractor will bear any, and all costs associated with the notice or any mitigation selected by the state. These costs include, but are not limited to, consultant time, material costs, postage, media announcements, anti-fraud protection (e.g., credit monitoring for impacted individuals), and other identifiable costs associated with the breach or loss of data.
- M. The OSI may inspect the facilities, systems, books and records of the Contractor to monitor compliance with the safeguards required herein. The Contractor shall promptly remedy any violation of any provision of this Exhibit.
- N. The contact information for the state contacts referenced herein are set forth below. The CHHS 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 Exhibit or the Agreement to which it is incorporated.

State Contract Manager	CHHS Privacy Officer	Information Security Officer
To be completed prior to contract award.	To be completed prior to contract award.	To be completed prior to contract award.