REQUEST FOR PROPOSAL

RFP No. 16-01

Notice to Prospective Proposers for
California State Auditor’s Office Employee Compensation Study

May 4, 2017

You are invited to review and respond to this Request for Proposal (RFP) No. 16-01 entitled California State Auditor’s Office Employee Compensation Study. In submitting your proposal, you must comply with these instructions.

Prospective Contractors interested in responding to this RFP are encouraged to submit a postcard or brief letter indicating their interest and providing their firm’s name and address. This postcard/letter should be sent to the attention of Ana Clark at the California State Auditor’s Office by May 10, 2017. Submitting the postcard/letter will ensure that your firm receives supplemental or updated information that might be released subsequent to the State Auditor’s issuance of the RFP.

Note that all agreements entered into with the State of California will include all of the General Terms and Conditions included in this RFP as Attachment D, and depending on the Contractor, agreements will include most or all of the Special Terms and Conditions included in this RFP as Attachment E.

In the opinion of the California State Auditor, this RFP is complete and without need of explanation. However, if you have questions, or you need any clarifying information, the contact person for information about this RFP is:

Ana Clark, Manager of Fiscal and Business Services
California State Auditor’s Office
Telephone: (916) 445-0255
E-mail: Proposals@auditor.ca.gov

Please note that no information provided orally will be binding on the California State Auditor unless subsequently issued in writing as an official addendum to the RFP.
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* Required
Section I  **KEY DATES**

Listed below are the important dates and times by which actions must be taken or completed. If the California State Auditor finds it necessary to change any of these dates, this will be accomplished by addendum.

<table>
<thead>
<tr>
<th>Action</th>
<th>Time</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Release of RFP</td>
<td></td>
<td>May 4, 2017</td>
</tr>
<tr>
<td>2. Intent to Bid Postcard/Letter</td>
<td></td>
<td>May 10, 2017</td>
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<tr>
<td>3. Questions Due</td>
<td></td>
<td>May 12, 2017</td>
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<tr>
<td>4. Proposals Due</td>
<td>9:00 a.m.</td>
<td>May 24, 2017</td>
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<tr>
<td>5. Opening of Proposals</td>
<td>9:30 a.m.</td>
<td>May 24, 2017</td>
</tr>
<tr>
<td>6. Tentative Award of Contract</td>
<td></td>
<td>June 2, 2017 \ May 26, 2017</td>
</tr>
<tr>
<td>7. Contract Award and Execution</td>
<td></td>
<td>June 19, 2017 \ June 12, 2017</td>
</tr>
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</table>
Section II  PURPOSE AND SCOPE OF WORK

The California State Auditor’s Office as an entity of the State of California, requests proposals to be submitted for the following purpose and in accordance with each of the following terms and conditions:

1. PURPOSE

The State Auditor’s Office requires the services of an independent outside adviser to provide the State Auditor with a compensation study that will assist her in the decision making process of carrying out her duty of ensuring employees of the State Auditor’s Office are competitively compensated compared to other relevant employers in the labor market. The objective of this RFP is to select a Contractor or Contractors through a competitive bidding process with whom the State will enter into a contract for services closely resembling the Contract included with this RFP at Attachments A through K.

2. BACKGROUND

Background

The State Auditor’s Office performs a critical role in state government by providing essential information to the Legislature, Governor, and public about the fiscal health and performance of state and local government agencies and other public entities. To continue to retain highly qualified staff to provide these services effectively and efficiently it is necessary to ensure the compensation structure of the State Auditor’s Office is competitive in the labor market. California Government Code 8544 specifically authorizes the State Auditor the authority to set compensation for employees. Specifically, California Government Code 8544 states:

(a) Consistent with subdivision (i) of Section 8546, the California State Auditor may employ and fix the compensation, in accordance with Article VII of the California Constitution, of those professional assistants and technical, clerical, deputy state auditors, and other officers and employees as he or she deems necessary for the effective conduct of the work under his or her charge.

(b) In establishing and adjusting classes of positions, and establishing and adjusting salary ranges for each class of position, to provide for the continued ability to attract and maintain qualified individuals within the California State Auditor's Office, consideration shall be given to the fact that the level of education, experience, knowledge, and ability required of the employees of the State Auditor’s Office is generally higher than that of state service generally, due to the unique duties and responsibilities imposed on the State Auditor’s Office and the relatively small number of employees.

(c) When fixing compensation for employees, the California State Auditor shall consider prevailing rates for comparable service in other public employment and private business.

Scope of Work

The study shall include a total compensation market survey of civil service classifications used by the State Auditor’s Office measured against classifications used by an appropriate set of comparable agencies. The State Auditor’s Office employs approximately 170 full-time employees in approximately 38 classifications. The
State Auditor’s Office is located in Sacramento, California. Meetings will be conducted at the State Auditor’s Office and by teleconference when approved in advance. The components of the study shall include:

1. Meet and consult with the project team of the State Auditor’s Office to determine a list of comparable agencies to be used in survey; identify the classifications that will be surveyed in the market (i.e., benchmark classifications), and internally align the State Auditor’s Office’s classifications with those that were surveyed. Provide an explanation of the specific methodology used to identify the survey agencies and determine alignment of classifications.

2. Conduct a comprehensive total compensation survey that includes comparable survey agencies, and uses not only job titles, but duties and responsibilities identified in the duty statements, classification specifications, and other relevant data of the State Auditor’s Office.

3. Conduct a comprehensive total compensation analysis to provide the State Auditor’s Office with an accurate assessment of how its compensation plan compares with the selected labor market agencies. The total compensation analysis shall include monthly or annual salary; employee retirement benefits; retiree healthcare; health, dental, vision, life, disability, and other insurance coverage; and any other benefits that are available to all employees within a classification and not already detailed. This analysis shall also include incentive compensation for education; certification bonuses; performance incentive compensation; non-financial rewards; and leave benefits (including vacation/annual leave, sick leave, holidays, and miscellaneous personal and administrative leave categories).

4. Complete an internal base salary relationship analysis, including the development of appropriate internal relationship and equity guidelines.

5. Develop external competitive and internal equitable salary recommendations for each classification included within the study.

6. Assign a salary range to each classification which reflects the results of the market survey and the analysis of the internal relationships and include an explanation of the specific methodology used in determining the salary ranges.

7. Present the results of survey to the project manager for the State Auditor’s Office for review and comment.

8. Present the final compensation report to executives and the project manager for the State Auditor’s within 12 weeks after contract approval.

3. RESPONSIBILITIES AND DELIVERABLES

   State Auditor’s Office Responsibilities:

   The State Auditor’s Office shall:
   1. Designate a contact person (project manager) to whom all Contractor communications may be addressed and who has the authority to act on all aspects of the services provided under the contract.
This person will review the contract and associated documents with the Contractor to ensure understanding of the responsibilities of both parties.

2. Provide access to business and technical documents as necessary for the Contractor to complete the tasks identified in this RFP.

3. Ensure appropriate resources are available to perform assigned tasks, attend meetings, and answer questions.

4. Ensure that decisions are made in a timely manner.

5. Provide work areas and meeting rooms as needed.

6. Identify and provide access to Subject Matter Experts to assist with the elaboration of technical requirements.

**Contractor Responsibilities:**

The Contractor shall:

1. Designate a person to whom all project communications may be addressed and who has the authority to act on all aspects of services provided under the contract. This person will be responsible for the overall project and will be the contact for all invoice and Contractor staffing issues.

2. Provide written reports for review and approval by the project team for the State Auditor’s Office and formally respond to the office, as necessary, in its review of findings.

3. Confer weekly with the project manager for the State Auditor’s Office to discuss progress of the project.

4. Make its best efforts to maintain staff continuity throughout the life of the project. If, however, a substitution becomes necessary, the Contractor must submit a resume for review, in advance, of all proposed personnel substitutions. All Contractor personnel substitutions must be approved in writing by the office project manager for the State Auditor’s Office. Failure to receive the required approvals may result in termination of the contract.

**Monitoring and Deliverables:**

To assist the State in monitoring the contract, the Contractor shall provide the State Auditor’s Office with original monthly invoices and progress reports in the form and content specified by the State Auditor’s Office project manager.
Section III PROPOSAL REQUIREMENTS AND INFORMATION

1. TIME SCHEDULE

All prospective Contractors hereby are advised of the following schedule and will be expected to adhere to the required dates and times.

<table>
<thead>
<tr>
<th>Event</th>
<th>Date</th>
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<tbody>
<tr>
<td>RFP Release Date</td>
<td>May 4, 2017</td>
</tr>
<tr>
<td>Intent to Bid Postcard/Letter</td>
<td>May 10, 2017</td>
</tr>
<tr>
<td>Written Questions Submittal Deadline</td>
<td>May 12, 2017</td>
</tr>
<tr>
<td><strong>Final Date for Proposal Submission</strong></td>
<td><strong>May 24, 2017 by 9:00 A.M.</strong></td>
</tr>
<tr>
<td>Opening of Proposals</td>
<td>May 24, 2017</td>
</tr>
<tr>
<td>Evaluation Completed</td>
<td>June 2, 2017</td>
</tr>
<tr>
<td>Tentative Award of Contract. Notice Posted</td>
<td>June 2, 2017</td>
</tr>
<tr>
<td>on the Office’s Website and in the Lobby</td>
<td>May 26, 2017</td>
</tr>
<tr>
<td>Contract Award and Execution</td>
<td>June 19, 2017</td>
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<tr>
<td></td>
<td>June 12, 2017</td>
</tr>
<tr>
<td>Contract Work Starts</td>
<td>June 22, 2017</td>
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<td></td>
<td>June 15, 2017</td>
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</table>

2. DUE DATE

TIME IS OF THE ESSENCE. Proposals must be submitted and received not later than **9 A.M. on May 24, 2017**, and shall be delivered via Federal Express or other express delivery service, messenger, or courier service. Late proposals will not be accepted without exceptional cause and the express written permission of the State Auditor.

3. ADDRESS

Proposals shall be submitted in a sealed envelope, clearly marked **“DO NOT OPEN - Response to RFP No. 16-01”** and addressed to:

California State Auditor’s Office
Attention: Ana Clark
621 Capitol Mall, Suite 1200
Sacramento, California 95814
4. **QUESTIONS**

Prospective Contractors requiring clarification or further information on the intent or content of this RFP or on procedural matters regarding the competitive bidding process may submit questions with a cover page clearly marked “Questions Relating to RFP No. 16-01” by facsimile to (916) 327-0019, by e-mail to Proposals@auditor.ca.gov, or by mail to:

California State Auditor’s Office  
Attention: Ana Clark  
Questions Relating To RFP No. 16-01  
621 Capitol Mall, Suite 1200  
Sacramento, CA 95814

To ensure a response, questions must be received in writing by 5 p.m. on May 12, 2017. Without identifying the bidders, each set of questions and answers set will be provided to every other prospective bidder who has submitted a card or letter indicating an interest.

If disclosing a question or questions regarding a proposal to other prospective Contractors would compromise proprietary information, a prospective Contractor may seek clarification or further information on the content of the RFP by marking the question packet “CONFIDENTIAL” and submitting questions as described above. The prospective Contractor must explain why his/her question(s) are sensitive in nature. If the State Auditor’s Office agrees that disclosure of a question or answer would expose the proprietary nature of the proposal, the question will be answered and both the question and answer will be kept in confidence. If the State Auditor’s Office does not agree that disclosure of the question or answer would expose the proprietary nature of the proposal, the question will not be answered in this manner and the prospective Contractor will be so notified.

5. **COPIES**

Prospective Contractors must submit six (6) legible copies of their proposal. The original proposal must be marked “ORIGINAL COPY.” All documents contained in the original proposal package must have original signatures and must be signed by a person who is authorized to bind the proposing firm. All additional proposal sets may contain photocopies of the original package.

6. **FORMAT OF PROPOSALS**

To facilitate the two-stage review of proposals as described in paragraph 9 of section III of this RFP, each proposal must be submitted in two separate parts and in sealed envelopes. Part I must contain all responsive materials except those relating to cost. Part II must contain only information relating to costs that will be charged by the prospective Contractor.

7. **MINIMUM CONTENTS OF PROPOSAL**

At the sole discretion of the State Auditor, a proposal may be eliminated from consideration if it fails to contain each of the following provisions or to provide a justification satisfactory to the State Auditor for its exclusion:

a. Contractor.

Identification of the prospective Contractor, including the name of the firm submitting the proposal, its mailing address, its telephone number, and contact information for the State to request further information.
b. Management.

Identification by name of the lead personnel the prospective Contractor proposes to assign to the engagement. Contract terms will not permit substitution of lead personnel without the prior written approval of the State Auditor’s office.

c. Personnel.

For each individual that the prospective Contractor proposes to assign to the engagement (excluding administrative support personnel), the Contractor should provide a summary of similar work or studies performed by the individual, a résumé, and a statement indicating his/her planned responsibilities under the contract. Any anticipated limitations on the availability of these individuals should be identified.

Former employees of the State Auditor’s Office may not perform any work for the engagement within one year following the termination of their employment. The State Auditor reserves the right to reject any individual proposed to be assigned to the engagement.

d. Related experience.

Prospective Contractors shall provide the State Auditor’s Office with a list of projects performed by the Contractor that have been similar to the engagement described in this RFP. Specifically, the list must include three examples of projects in which the prospective Contractor conducted similar analyses. The listing should include:

- Title of the project;
- Name of the entity;
- Brief description of the project; and
- Name and telephone number of the entity’s contracting officer.

By furnishing this information, the prospective Contractor gives permission for the State Auditor’s Office to contact the parties to the prior projects to obtain information about the Contractor’s performance.

If the prospective Contractor’s firm is newly organized, a listing of projects completed by the firm’s lead personnel prior to the organization of the firm may be acceptable. If the prospective Contractor is a joint venture, the experience of the joint venturers may be combined.

e. Subcontracts.

Prospective Contractors should list any prospective subcontractors they plan to use in performing the engagement, including a listing of the individuals the subcontractor proposes to assign to the engagement and the location(s) where the work will be performed in accordance with subparagraphs b and c of this paragraph. The State Auditor reserves the right to reject any subcontractors proposed by a Contractor. Subcontractors, if used, shall be subject to all terms, conditions, and qualifications required by this RFP.

f. Methodology.

The proposal shall include a description of the prospective Contractor’s overall approach to providing the services described in Section I of this RFP. The proposal must include specific
techniques, administrative and operational management expertise, and typical staffing patterns (e.g., the ratio of management and key staff to general professional staff) used for the kinds of work described in this RFP.

g. Independence Questionnaire/Conflict of Interest Disclosure.

(i) The prospective Contractor shall disclose and shall have a continuing duty to disclose any financial, business, or other relationship of the Contractor, the subcontractors, or the individual employees of the Contractor or the subcontractors that may have an impact on the work to be performed as part of the engagement. (See Attachment F of this RFP for a form that must be submitted with a proposal for making such disclosures.)

(ii) For the disclosure described in subparagraph g(i) of this paragraph, the prospective Contractor shall include information regarding situations that might create an appearance of a lack of independence, regardless of whether the Contractor believes that the situation creates an actual conflict of interest, and how the Contractor intends to manage the situations. If the prospective Contractor believes that there may be an appearance of a conflict of interest or lack of independence based on any previous or ongoing work the Contractor has performed, the Contractor shall address specifically how it plans to manage this appearance, including how it will establish appropriate fire-walls to guard against the appearance.

(iii) If the prospective Contractor believes that no conflict of interest or appearance of lack of independence, as described in subparagraph g(ii) of this paragraph exists, then the Contractor shall include a statement to that effect in the proposal.

(iv) The State Auditor reserves the right to disqualify a prospective Contractor or any individual the Contractor proposes to assign to the engagement if the State Auditor believes that the best interests of the State require that the Contractor or individual be disqualified because of a conflict of interest or because of a situation that creates the appearance of a lack of independence.

(v) The Contractor awarded the contract shall be required to submit an updated Independence Questionnaire/Conflicts of Interest Disclosure (Attachment F) upon execution of the contract.

(vi) In accordance with the Conflict of Interest Code of the State Auditor’s Office, the Contractor awarded the contract also may be required to submit a Statement of Economic Interests (Form 700).

h. Cost.

The prospective Contractor shall include in the proposal a separate quotation of charges, including the classes of personnel to be used for the engagement, the total hourly rate to be charged for each class of personnel, the estimated number of hours that each class of personnel will work on the engagement, and any other costs for equipment, software, or supplies. That cost component must project the total number of hours required to produce the deliverables and contain a cost quotation of charges for each class of personnel that would be used to produce the deliverables.

The charges listed in the quotation should be provided as hourly rates and should be applicable throughout the contract term.
The proposal should detail any other charges (such as charges for clerical support, reproduction, and delivery) that would be charged to the State Auditor’s Office. If the State Auditor requires the selected Contractor’s personnel to travel, the rates charged by the Contractor for travel-related expenses shall not exceed the rates established for employees of the State.

The State only will pay for hours actually worked by the selected Contractor’s personnel at the rates submitted and only for actual expenses incurred.

The amount payable for the costs of travel, if any, shall be negotiated with the selected Contractor in conformity with Attachment C of this RFP.

i. Preference Programs.

   (i) Small Business Preference Program

   The prospective Contractor shall include in the proposal a statement indicating whether or not the Contractor claims a California Certified Small Business (CCSB) preference and, if so, must certify its small business status using Attachment H.

   This RFP does not include a minimum small business participation preference. Prospective Contractors claiming the five (5) percent CCSB preference must be certified by California as a small business or must commit to subcontract at least 25 percent of the net bid price with one or more CCSB entities. Certification must be obtained no later than 5:00 p.m. on the bid due date.

   To claim the CCSB preference, which may not exceed five (5) percent for any bid, the prospective Contractor must have its principal place of business located in California, have a complete application (including proof of annual receipts) on file with the State Office of Small Business and DVBE Services by 5:00 p.m. on the bid due date and be verified for eligibility by that office.

   If a prospective Contractor qualifies for the CCSB preference, the State Auditor will reduce the firm’s cost estimate by five (5) percent when comparing it to the cost estimates included in the other proposals received.

   (ii) Disabled Veteran Business Enterprise (DVBE) – Incentive Program

   The DVBE Incentive Program applies to this solicitation. It is separate from the DVBE Participation Program. The incentive is used only for evaluation purposes to arrive at the successful bidder and does not alter the amount of the actual bid. Any responsive and responsible bidder with confirmed DVBE eligibility per Table 1 is eligible to receive the incentive, which will be applied only to the cost proposal portion of the proposal. Prospective Contractors, who are not responsive or responsible, regardless of the amount of the DVBE participation, are not eligible to receive the incentive.

   The State Auditor’s Office will apply the incentive to bids proposing the utilization of DGS Certified DVBE firms identified in the Bidder Declaration (Attachment I). Information provided on the Bidder Declaration shall be verified by the State Auditor’s Office prior to the award of the contract. The incentive amount is applicable to the cost portion of the proposal and is equal to a percentage of the lowest responsive and responsible bids based on the amount of DVBE participation in the bid being evaluated per Table 1. When applying
the DVBE Incentive, a Non-Small Business shall not displace an award to a DGS Certified Small Business.

Table 1: DVBE Participation (Low Price Method)

<table>
<thead>
<tr>
<th>Verified DVBE Participation</th>
<th>DVBE Incentive Amount</th>
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<tbody>
<tr>
<td>5% or More</td>
<td>5%</td>
</tr>
<tr>
<td>4% - 4.99%</td>
<td>4%</td>
</tr>
<tr>
<td>3% - 3.99%</td>
<td>3%</td>
</tr>
<tr>
<td>2% - 2.99%</td>
<td>2%</td>
</tr>
<tr>
<td>1% - 1.99%</td>
<td>1%</td>
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(iii) Target Area Contract Preference.

A prospective Contractor requesting the Target Area Contract Preference shall submit a completed preference request form (Attachment J) and agree to comply with all of the following requirements.

A. The Contractor shall comply with the requirements of the Target Area Contract Preference Act (Gov. Code, § 4530 et seq.) and attendant rules and regulations (Cal. Code Regs., tit. 2, § 1896.30 et seq.).

B. The State or its designee will have the right to inspect the Contractor’s facilities and operations and to inspect, review, obtain, and copy all records pertaining to performance of the contract or compliance with the requirements of the Target Area Contract Preference Act and attendant rules and regulations. The Contractor shall maintain such records for a period of three (3) years after receiving final payment under the contract.

C. Regarding certification to hire persons at high risk for unemployment, the Contractor shall:

   (I) Act in good faith to maintain such persons as employees for the duration of the contract performance;

   (II) Make a reasonable effort to replace those persons at high risk for unemployment who, for any reason, permanently cease to be on the payroll, with other persons at high risk for unemployment; and

   (III) Promptly report to the State and thereafter confirm in writing within seven (7) days the names of such persons who have been terminated or absent from work for more than three (3) consecutive work days and communicate the reasons for the termination or absence. Under such circumstances, the Contractor shall consult with the State and the Employment Development Department with respect to the replacement of such persons.

j. Darfur Contracting Certification.
If the State Auditor may have reason to believe the prospective Contractor has had business activities or other operations outside the United States within the previous three years, the prospective Contractor shall include an executed Darfur Contracting Act Certification, attached hereto as Attachment G.

k. Trade Secrets or Other Confidential Proposal Information.

Any components of the proposal reflecting trade secrets or other confidential information prominently shall be marked “CONFIDENTIAL” and shall identify the reasonable legal basis for confidentiality. The State Auditor’s Office will deem any portion of the proposal not marked “CONFIDENTIAL” as subject to release under the California Public Records Act.

8. OTHER CONTENTS OF PROPOSAL

The prospective Contractor may include any relevant information and pertinent exhibits in the proposal. The proposal is to be prepared in such a way as to provide a straightforward, concise delineation of capabilities to satisfy the requirements of the solicitation. The prospective Contractor should place an emphasis on conformity with the instructions, responsiveness to the requirements described herein, and completeness and clarity of content.

In preparing a proposal, a prospective Contractor should take into account the requirements of each attachment described in paragraph 14 of this section III. Proposals must be complete in all respects and submitted by the dates and times shown in paragraph 1 of section III of this RFP. At the sole discretion of the State Auditor, a proposal may be rejected if it is conditional, incomplete, or contains alterations of form or other irregularities.

9. REVIEW PROCESS AND CRITERIA

Subject to paragraphs 7 and 9 of this section III, the State Auditor will select the successful Contractor(s) on the basis of both merit and cost, with a preference of five (5) percent on the cost of the proposal given to qualified small businesses, disabled veteran business enterprises, and target area Contractors. An evaluation committee only will be given Part I of each proposal and will score the merit of each proposal using the following criteria:

<table>
<thead>
<tr>
<th>Part I - Technical Merit</th>
<th>Maximum Points</th>
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<tbody>
<tr>
<td>Technical Aspects of Proposal:</td>
<td></td>
</tr>
<tr>
<td>Quality of approach and methodology</td>
<td>30</td>
</tr>
<tr>
<td>Clarity and succinctness of proposal</td>
<td>10</td>
</tr>
</tbody>
</table>
Organizational Capabilities:

- Demonstrated ability to successfully perform compensation studies including obtaining and analyzing data from both public and private employers (25)
- Qualifications and experience of management personnel and lead staff to be assigned to the engagement (20)
- Related organizational experience (15)

Total 100

Any proposal not receiving a score of 75 points or more on technical merit will be eliminated from further consideration. To determine the merit score, the State Auditor may apply a statistical averaging method to scores submitted by the evaluation committee.

Part II – Cost

The evaluation of cost will be in accordance with the following process:

During this phase, cost proposals will be opened. The cost proposal with the lowest cost will be assigned a score of 100 points (after adjustments are made for any applicable preference programs). Other cost proposals will be assigned points on a proportional basis relative to the cost of the lowest bid (with adjustments made for any applicable preference programs). For example, if the second lowest cost proposal is 20 percent higher than the lowest cost bid, it will be assigned a point score of 80, which is 20 percent lower than the point score of the lowest cost proposal.

Combined Score

The Part I - Technical Merit score will be given a weight of 65 percent of the total score and the Part II - Cost score will be given a weight of 35 percent. The prospective Contractor with the highest overall score will be awarded the contract.

If no proposal is received offering a price that in the opinion of the State Auditor is a reasonable price, the State Auditor is not required to award a contract.

During the evaluation and selection process, the State Auditor’s Office may request the presence of a prospective Contractor’s representative to answer specific questions presented orally and/or in writing. If a final proposal contains discrepancies between sections or other errors, the State Auditor may reject the proposal. Alternatively, the State Auditor may choose to retain the proposal and simply correct any arithmetic or transpositional errors that are evident.

In the event of a tied score, a coin toss will be initiated and will be observed by witnesses and the affected Bidders will be invited.

10. NOTICE OF INTENT TO AWARD AND PROTEST PROCEDURES

a. The State Auditor’s Office will notify all prospective Contractors of its tentative decision to award the contract. Within five (5) days after the notification is issued, any person or firm that has submitted a proposal can protest the tentative award of the contract to another party by
submitting the grounds for the protest to the State Auditor’s Office. The State Auditor will make a final award of the contract upon determining that the grounds for the protest are invalid.

b. If the State Auditor determines that the grounds for a protest, as described in subparagraph a of this paragraph, are valid, the State Auditor’s Office will notify all prospective Contractors that there has been a tentative change in the award of the contract. The procedure described in subparagraph a will then be followed again.

11. RIGHT TO REJECT ANY OR ALL PROPOSALS

The policy of the State Auditor’s Office is to solicit proposals with a bona fide intention to award a contract. The State Auditor, in her sole discretion, may reject any and all bids submitted in response to this RFP, without regard to the cost or quality of any proposal or other considerations upon determining that it is in the best interest of the State to do so.

12. MODIFICATION OR WITHDRAWAL OF PROPOSAL

Any proposal submitted to the State Auditor’s Office may be withdrawn or modified at the written request of the prospective Contractor. However, for a modified proposal to be considered, the modified proposal must be received by the State Auditor’s Office prior to the deadline for submitting a proposal.

13. MODIFICATION OR AMENDMENT OF RFP

This RFP may be modified at any time prior to the time set for receipt of proposals and thereafter so long as no proposal has been opened. Upon such modification, all prospective Contractors that have submitted a postcard or letter indicating an interest in submitting a proposal will be notified of the modification. At the discretion of the State Auditor, others may not be notified.

14. INCORPORATION OF ATTACHMENTS

This RFP consists of 35 pages and contains the following attachments which, by this reference, are incorporated into the RFP:

Attachment A: Standard Agreement Form (STD 213)
Attachment B: Exhibit A: Scope of Work and Description of Services
Attachment C: Exhibit B: Budget Detail and Payment Provisions
Attachment D: Exhibit C: General Terms and Conditions
Attachment E: Exhibit D: Special Terms and Conditions
Attachment F: Independence Questionnaire/Conflicts of Interest Disclosure
Attachment G: Darfur Contracting Act Certification
Attachment H: Proposal/Proposer Certification Sheet
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Attachment K: Required Attachment Checklist

15. ACCEPTANCE

By submitting a proposal in response to this RFP, a prospective Contractor expressly accepts all provisions of the RFP, including all attachments, exhibits, and schedules. If a prospective Contractor
indicates an unwillingness to accept any provision of the RFP, the Contractor’s proposal may be rejected by the State Auditor’s Office. However, the State Auditor’s Office retains the right to negotiate with the Contractor regarding the specific provisions of the final contract.

16. AGREEMENT EXECUTION AND PERFORMANCE

The performance of services under the contract shall commence no later than five (5) days after the contract has been given all necessary approvals executed fully, unless the State Auditor’s Office and the Contractor agree on a different date for services to begin. In the event that the Contractor fails to commence work at the specified time, the State Auditor’s Office, upon five (5) days written notice to the Contractor, may terminate the contract. In addition, the Contractor shall be liable to the State for the difference between the Contractor’s proposed price for performing the services and the actual cost incurred by the State to obtain the services from another Contractor.

17. PUBLIC DISCLOSURE OF PROPOSAL

All proposals submitted in response to this RFP shall become the property of the State and shall, along with the summaries of evaluations, be available to the public for review after the contract is awarded. Proprietary information, as reasonably identified in a proposal by the prospective Contractor, shall remain confidential as permitted by law. To prevent its release to the public, a prospective Contractor must indicate what information in the proposal is proprietary and include a clear citation to relevant provisions of law exempting or precluding that information from being disclosed.
California State Auditor's Office Employee Compensation Study

Section IV  ATTACHMENTS

Attachment A

**Standard Agreement Form (STD 213)**

STATE OF CALIFORNIA
STANDARD AGREEMENT
STD 213 (Rev 06/15)

<table>
<thead>
<tr>
<th>AGREEMENT NUMBER</th>
<th>CSA-C-XXX-XXXX</th>
</tr>
</thead>
<tbody>
<tr>
<td>REGISTRATION NUMBER</td>
<td></td>
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</tbody>
</table>

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

   **STATE AGENCY’S NAME**
   CALIFORNIA STATE AUDITOR’S OFFICE

   **CONTRACTOR’S NAME**
   [CONTRACTOR]

2. The term of this Agreement is:

   [START DATE] through [END DATE]

3. The maximum amount of this Agreement is:

   $ [AMOUNT]

4. The parties agree to comply with the terms and conditions of this Agreement, including the following exhibits and attachments marked with an [✓], which are, by this reference, fully incorporated and made a part of the Agreement.

   - Exhibit A – Scope of Work and Description of Services [✓] [page(s)]
   - Exhibit B – Budget Detail and Payment Provisions [✓] [page(s)]
   - Exhibit C – General Terms and Conditions [✓] [page(s)]
   - Exhibit D – Special Terms and Conditions [✓] [page(s)]
   - Attachment 1 – Independence Questionnaire / Conflicts of Interest Disclosure [✓] [page(s)]

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.)
[CONTRACTOR]

BY (Authorized signature)   DATE SIGNED (Do not type.)

PRINTED NAME AND TITLE OF PERSON SIGNING
[CONTRACTOR]

ADDRESS
[CONTRACTOR’S ADDRESS]

STATE OF CALIFORNIA

AGENCY NAME
CALIFORNIA STATE AUDITOR’S OFFICE

BY (Authorized signature)   DATE SIGNED (Do not type.)

PRINTED NAME AND TITLE OF PERSON SIGNING
ELAINE M. HOWLE, STATE AUDITOR

ADDRESS
621 Capitol Mall, Suite 1200, Sacramento, CA 95814
EXHIBIT A
SCOPE OF WORK AND DESCRIPTION OF SERVICES

1. SCOPE OF WORK

The State and the Contractor enter into this Agreement for the following purpose:

(SEE SECTION II OF THIS RFP.)

2. DESCRIPTION OF SERVICES

In exchange for the consideration described in Exhibit B, the Contractor promises to provide the following services and other deliverables in the manner specified:

(SEE SECTION II OF THIS RFP.)

3. PROJECT REPRESENTATIVES

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

<table>
<thead>
<tr>
<th>For the California State Auditor’s Office:</th>
<th>For the Contractor:</th>
</tr>
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<tbody>
<tr>
<td>Business Services Coordinator:</td>
<td>Company:</td>
</tr>
<tr>
<td>Fiscal &amp; Business Services Manager</td>
<td></td>
</tr>
<tr>
<td>Project Coordinator/Manager:</td>
<td>Name, Title:</td>
</tr>
<tr>
<td>Human Resources Director</td>
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<td>Address:</td>
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<td>Fax:</td>
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</tbody>
</table>

Either party may change a Project Representative upon providing written notice to the other party.
EXHIBIT B
BUDGET DETAIL AND PAYMENT PROVISIONS

1. AMOUNT PAYABLE

The total amount payable under this Agreement may not exceed ___________ and is payable as follows:

a. In exchange for providing the promised services and other deliverables specified in Exhibit A of this Agreement, the State shall pay the Contractor the following consideration:

b. The State shall pay the Contractor for certain travel and living expenses incurred by the Contractor when providing services that are the subject of this Agreement at locations required by the State Auditor that are other than the Contractor’s usual place or places of business. The travel and living expenses payable by the State are as follows:

   (i) Airfare: commercial carrier coach fare, supported by a receipt.

   (ii) Other transportation: actual and reasonable transportation expenses, supported by a receipt.

   (iii) Living expenses: actual expenses, not to exceed maximum state employee per diem rates, claimed and computed in accordance with the regulations of the Department of Human Resources in effect when the expenses are incurred.

c. The consideration to be paid to the Contractor, as provided herein, is in compensation for all of the Contractor’s expenses incurred in the performance of this Agreement, including taxes and travel and living expenses, unless otherwise expressly provided.

d. This Agreement is valid and enforceable only if sufficient funds, as determined by the State Auditor, are made available by the Budget Act of the appropriate fiscal year for these services. In addition, the Agreement is subject to any additional restriction, limitations, or conditions enacted by the Legislature, which may affect the provisions, terms, or funding of the Agreement.

e. No minimum amount of work is guaranteed under this Agreement.

2. PAYMENTS

a. Whenever payment is owed by the State, the Contractor shall submit invoices on a monthly basis by the tenth (10th) day of each month. The invoices shall include a separate itemized accounting of all charges, including appropriate original receipts for travel and other administrative expenses. Invoices shall be submitted in duplicate and sent to:

   California State Auditor’s Office
   Attention: Accounting
   621 Capitol Mall, Suite 1200
   Sacramento, CA 95814

b. As a necessary precursor to receiving payment from the State, the Contractor, unless a state agency or other governmental entity, shall maintain on file with the State a completed Payee Data Record Form (STD 204).
EXHIBIT C

GENERAL TERMS AND CONDITIONS

1. TERM
   a. The term of this Agreement is (See Section II of this RFP.), inclusive, except that paragraphs 7, 8, 9, 10, 20, 21, and 26 of this Exhibit C and paragraphs ______ of Exhibit D shall apply beyond this term and shall remain in effect notwithstanding any termination of the Agreement.
   b. The parties mutually may agree in writing to extend the term of this Agreement.
   c. All references to the term of this Agreement or the Agreement term shall include any extensions of the term.

2. APPROVAL OF AGREEMENT
   This Agreement is of no force or effect until signed by both parties.

3. TIME OF PERFORMANCE
   For this Agreement, time is of the essence, including any schedule established by the Agreement for the performance of services.

4. NOTICE
   a. All notices and demands of any kind which either party may require or desire to serve on the other in connection with this Agreement must be served in writing.
   b. Notice may be served by certified mail properly addressed. Postage must be prepaid fully to the address beneath the name for each respective party provided in subparagraphs c and d of this paragraph. That notice shall be effective when received as indicated by post office records or, if deemed undeliverable by the post office, nonetheless shall be effective fifteen (15) days after mailing. Alternatively, notice may be given by personal delivery by any means whatsoever to the party at the address designated. That notice shall be deemed effective when delivered unless a legal holiday for state offices commences during said twenty-four (24)-hour period, in which case, the effective time of the notice shall be postponed twenty-four (24) hours for each intervening day.
   c. For the above purposes, the State Auditor's address is:
      California State Auditor’s Office
      621 Capitol Mall, Suite 1200
      Sacramento, California 95814
   d. For the above purposes, the Contractor’s address is:
      [CONTRACTOR]  
      [ADDRESS]  
      [CITY, STATE, ZIP]

5. INDEPENDENT CONTRACTOR STATUS
   a. The Contractor, and the agents and employees of the Contractor, shall act, in the performance of this Agreement, in an independent capacity and not as officers, employees, or agents of the State. In accordance with that independent capacity, it is understood and agreed by the parties that the State has no right under the Agreement to control or direct the manner or means by which the Contractor undertakes to provide the services to be rendered to the State, and that the Contractor shall exercise independent judgment in all matters pertaining to the manner and means of performing under the Agreement.
   b. Subject to subparagraph a of this paragraph, the Contractor shall ensure that the Contractor’s employees and agents, whenever performing services on the State’s premises, observe all reasonable instructions and directions issued by the State.
6. STATE PERSONNEL

The Contractor shall not be permitted to use State personnel for performing services that are the responsibility of the Contractor unless that use has been approved previously in writing by the Project Coordinator and an appropriate adjustment in price has been made. No charge will be made to the Contractor for the services of state employees while performing a coordinating or monitoring function.

7. OWNERSHIP OF INFORMATION AND WORK PRODUCT

a. All professional and technical information developed under this Agreement, including all reports, information, related data, work sheets, findings, and conclusions produced under the Agreement (“work product”) is the property of the State.

b. The Contractor shall keep confidential the State’s work product and shall protect it from unauthorized disclosure.

c. The Contractor agrees to deliver reproducible copies of the State’s work product at the request of the Project Coordinator.

8. INDEMNIFICATION

a. Each of the parties to this Agreement shall be liable solely for the negligent or wrongful acts or omissions of its representatives, agents, or employees occurring in the performance of the Agreement.

b. If either party becomes liable for damages caused by the party’s representatives, agents, or employees, it shall pay such damages without contribution by the other party. The Contractor’s obligation under the provisions of this paragraph is not limited to, or restricted by, any requirement in this Agreement for the Contractor to maintain insurance.

c. To the extent permitted by law, the Contractor shall indemnify, defend, and hold harmless the State, its officers, agents, and employees from any and all claims, damages, losses, judgments, liabilities, expenses, and other costs, including litigation costs and attorney fees, arising from any and all claims and losses accruing or resulting to any and all Contractors, subcontractors, suppliers, laborers, and any other person, firm, or corporation furnishing or supplying work services, materials, or supplies in connection with the performance of this Agreement, and from any and all claims and losses accruing or resulting to any person, firm, or corporation who may be injured or damaged by the Contractor in the performance of the Agreement. Such defense and payment will be conditional upon the following: (1) the State will notify the Contractor of any such claim in writing and tender the defense thereof within a reasonable time; and (2) the Contractor will have sole control of the defense of any action on such claim and all negotiations for its settlement or compromise, provided that: (i) when substantial principles of government or public law are involved, when litigation might create precedent affecting future State operations or liability, or when involvement of the State otherwise is mandated by law, the State may participate in such action at its own expense with respect to attorneys fees and costs (but not liability); (ii) the State will have the right to approve or disapprove any settlement or compromise, which approval will not unreasonably be withheld or delayed; and (iii) the State will cooperate reasonably in the defense and in any related settlement negotiations.

9. CONTRACTOR’S LIABILITY FOR INJURY TO PERSONS OR DAMAGE TO PROPERTY

The Contractor shall be liable for damages arising out of injury to the person, and/or damage to the property of the State, employees of the State, persons designated by the State for training, or any other person(s) other than agents or employees of the, designated by the State for any purpose, prior to, during, or subsequent to the delivery, installation, acceptance, and use of any deliverables under this Agreement regardless of where the injury or damage occurs, provided that the injury or damage was caused by the fault or negligence of the Contractor.

10. LIMITATION OF STATE LIABILITY

The liability of the State under this Agreement shall not exceed the total amount payable under the Agreement, as set forth in paragraph 1 of Exhibit B of the Agreement. In no event shall the State be liable for consequential, incidental, indirect, special, or punitive damages, even if notification has been given as to the possibility of such damages.

11. AGREEMENT IS COMPLETE

This Agreement represents the complete and exclusive statement of the agreements between the State and the Contractor with respect to the subject matter of the Agreement and supersedes all prior agreements, proposals, representations, and other communications, oral or written, between the State and the Contractor regarding this subject matter. The State and the Contractor
agree that there are no oral or written covenants, conditions, or agreements with respect to the subject matter of the Agreement except as set forth in the Agreement.

12. PREVAILING CLAUSES

In the event of a conflict between the General Terms and Conditions set forth in this Exhibit C and Special Terms and Conditions set forth in Exhibit D of this Agreement and the provisions of any other exhibit or other attachment to the Agreement, the provisions of the General Terms and Conditions and Special Terms shall govern.

13. CAPTIONS

The paragraph headings appearing in this Agreement have been inserted for convenience only. They are not intended to define, explain, modify, amplify, limit, or extend the scope or intent of the paragraphs to which they pertain.

14. ASSIGNMENT

The Contractor may not transfer by assignment, subcontract, or novation the performance of this Agreement, or any part thereof, except with the prior written approval of the State as to each such assignment, subcontract, or novation. Any approved assignment, subcontract, or novation shall be subject to all of the terms and conditions of the Agreement, including every exhibit or attachment thereto.

15. AMENDMENT OF AGREEMENT

This Agreement may be amended by mutual consent of the State and the Contractor. Any alteration of or variation from the terms of the Agreement is not valid unless made in writing and signed by the parties, and approved as required. No oral understanding or agreement not incorporated into the Agreement is binding on the State or the Contractor.

16. SEVERABILITY

In the event that any term, condition, or provision of this Agreement is unenforceable or held to be invalid, void, or unenforceable by a court of competent jurisdiction, the remainder of the Agreement shall remain in full force and effect and shall not be affected, impaired, or invalidated thereby.

17. FORCE MAJEURE

Except for defaults of subcontractors, the Contractor and the State are not responsible for delays or failures to perform resulting from acts beyond the control of the nonperforming party. Those acts include acts of god, strikes, lockouts, riots, acts of war, epidemics, earthquakes, other disasters, governmental statutes or regulations imposed after the fact, and ancillary functions or utilities that are provided by a person or entity not a party to this Agreement. If a delay or failure in performance by the Contractor arises out of a default of its subcontractor, and the default arises out of causes beyond the control of either the Contractor or the subcontractor, without the fault or negligence of either of them, the Contractor is not liable for damages for that delay or failure, unless the supplies or services to be furnished by the subcontractor were available from other sources in sufficient time to permit the Contractor to meet the required performance schedule.

18. WAIVER

No waiver of any breach of this Agreement shall be held to be a waiver of any other or subsequent breach. All remedies afforded in the Agreement shall be construed as cumulative; that is, in addition to every other remedy provided by the Agreement or otherwise provided by law. The failure of the State at any time to enforce any of the provisions of the Agreement or at any time to require performance by the Contractor of any of the Agreement’s provisions, shall in no way be construed to be a waiver of such provisions nor in any way to affect the validity of the Agreement or any part thereof, or the right of the State thereafter to enforce each and every provision.

19. TERMINATION

a. The State reserves the right to terminate this Agreement, without cause, upon giving five (5) days advance written notice to the Contractor in the manner specified in the Agreement. In that event, the Contractor agrees to use all reasonable efforts to mitigate any expenses or obligations hereunder, and all unpaid fees and charges shall become due and payable.
b. Notwithstanding the notice provision of subparagraph a of this paragraph, the State may terminate this Agreement immediately for cause. The term “for cause” means the Contractor fails to meet the terms, conditions, and/or responsibilities of the Agreement. In this instance, termination of the Agreement shall be effective as of the date indicated in the State’s notice to the Contractor that the Agreement is being terminated. In that event, the Contractor agrees to use all reasonable efforts to mitigate any expenses or obligations hereunder, and all unpaid fees and charges immediately shall become due and payable.

c. In the event of termination, without prejudice to any of its other remedies, the State shall, subject to the appropriation and availability of funds for that purpose, pay the Contractor only for the satisfactory services rendered by the Contractor and for the expenses incurred by the Contractor that were not included in the charges for the services rendered prior to the termination, provided that said expenses could not have been avoided through reasonable efforts by the Contractor.

20. DISPUTES

a. The Contractor shall continue with the responsibilities under this Agreement during any dispute.

b. Any dispute arising under or relating to the performance of this Agreement, which is not disposed of by agreement, shall be decided by the State Auditor, and that decision shall be reduced to writing and mailed or otherwise furnished to the Contractor.

c. If the Contractor does not agree with the State Auditor’s decision, either party may assert its other rights and remedies within this Agreement or within a California court of competent jurisdiction. If any action is brought to enforce or interpret any provision of the Agreement, each party shall bear its own attorney fees and costs.

21. APPLICABLE LAW AND VENUE

This Agreement, and any amendment to the Agreement, shall be governed by the laws of the State of California, both as to interpretation and performance, regardless of the specific location of any performance. Unless otherwise expressly agreed in writing by the parties, any action in law or equity brought to enforce any provision of the Agreement shall be filed and remain in a court of competent jurisdiction in the County of Sacramento, State of California.

22. NONDISCRIMINATION AND FAIR EMPLOYMENT PRACTICES

a. In accordance with Government Code section 12990, during the performance of this Agreement, the Contractor and its subcontractors, if subcontracting is permitted under the Agreement, shall not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of sex, sexual orientation, race, color, religious creed, marital status, denial of family and medical care leave, ancestry, national origin, medical condition (cancer/genetic characteristics), age (40 and above), disability (mental and physical) including HIV and AIDS, denial of pregnancy disability leave, or denial of reasonable accommodation. The Contractor and its subcontractors, if subcontracting is permitted under the Agreement, shall insure that the evaluation and treatment of the Contractor’s and subcontractors’ employees and applicants for employment are free from such discrimination and harassment.

b. The Contractor and its subcontractors, if subcontracting is permitted under this Agreement, shall comply with the provisions of the Fair Employment and Housing Act (Gov. Code, § 12990 et seq.), and the applicable regulations promulgated thereunder (Cal. Code Regs., tit. 2, § 7285 et seq.).

c. The Contractor shall permit access by representatives of the Department of Fair Employment and Housing at any time during normal business hours, upon reasonable notice, but in no case less than twenty-four (24) hours notice, to such of its books, records, accounts, other sources of information, and facilities to ascertain compliance with this paragraph.

d. The Contractor and its subcontractors, if subcontracting is permitted under this Agreement, shall give written notice of their obligations under this paragraph to labor organizations with which they have a collective bargaining or other agreement.

e. The Contractor shall include the nondiscrimination and compliance provisions of this paragraph in all subcontracts to perform work under this Agreement if subcontracting is permitted under the Agreement.

f. The State may determine that a willful violation of the Fair Employment and Housing Act has occurred upon receiving from a court of competent jurisdiction a final judgment that a violation has occurred in an action to which the Contractor was a party, or upon receipt of a written notice from the Fair Employment and Housing Commission that it has investigated and
determined that the Contractor has violated the California Fair Employment and Housing Act and has issued an order, under Government Code section 12970, which has become final, or obtained an injunction under Government Code section 12973.

g. For willful violation of the Fair Employment and Housing Act by the Contractor or one of its subcontractors, the State shall have the right to terminate this Agreement, and any loss or damage sustained by the State shall be paid for by the Contractor. Additionally, the State may deduct from any money due or that thereafter may become due to the Contractor, the difference between the price named in the Agreement and the actual cost thereof to the State.

23. WORKERS’ COMPENSATION INSURANCE

The Contractor shall obtain, and keep in force during the term of this Agreement, workers’ compensation insurance in conformity with applicable state law.

24. AMERICANS WITH DISABILITIES ACT

In accordance with Government Code section 11135, during the performance of this Agreement, the Contractor shall comply with the Americans with Disabilities Act of 1990 (42 U.S.C. § 12101 et seq.), which prohibits discrimination and denial of access on the basis of disability, as well as all applicable regulations and guidelines issued pursuant to the Americans with Disabilities Act.

25. PROPER SOLICITATION OF AGREEMENT

The Contractor warrants, by executing this Agreement, that no person or selling agency has been employed or retained to solicit or secure the Agreement upon agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by the Contractor for the purpose of securing business. For breach or violation of this warranty, the State shall, in addition to other remedies provided by law, have the right to annul the Agreement without liability, paying only for the value of the work actually performed, and to recover the full amount of such commission, percentage, brokerage, or contingent fee.

26. COVENANT AGAINST GRATUITIES

By signing this Agreement, the Contractor warrants that no gratuities (in the form of entertainment, gifts, or otherwise) were offered or given by the Contractor, or by any agent or representative of the Contractor, to any officer or employee of the State with a view toward securing the Agreement or securing favorable treatment with respect to any determinations concerning the performance of the Agreement. For breach or violation of this warranty, the State may terminate the Agreement immediately, either in whole or in part, and any loss or damage sustained by the State in procuring on the open market any items that the Contractor agreed to supply shall be borne and paid for by the Contractor. The rights and remedies of the State provided in this paragraph are not exclusive and are in addition to any other rights and remedies provided by law or under the Agreement.

27. DRUG-FREE WORKPLACE CERTIFICATION

By signing this Agreement, the Contractor certifies, under penalty of perjury under the laws of the State of California, that the Contractor shall comply, during the term of the Agreement, with the requirements of the Drug-Free Workplace Act of 1990 (Gov. Code, § 8350 et seq.) and shall provide a drug-free workplace by taking all of the following actions:

a. Publishing a statement that notifies the Contractor’s employees that unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited and specifies the actions to be taken against employees for violations, as required by Government Code section 8355, subdivision (a)(1).

b. Establishing a drug-free awareness program, as required by Government Code section 8355, subdivision (a)(2), to inform the Contractor’s employees about all of the following:
   (i) The dangers of drug abuse in the workplace;
   (ii) The person’s or organization’s policy of maintaining a drug-free workplace;
   (iii) Any available counseling, rehabilitation, and employee assistance programs; and
   (iv) The penalties that may be imposed upon employees for drug abuse violations.

c. Providing, as required by Government Code section 8355, subdivision (a)(3), that each of the Contractor’s employees engaged in the performance of this Agreement:
(i) Receives a copy of the drug-free policy statement described in subparagraph a of this paragraph; and,

(ii) Agrees to abide by the terms of the statement as a condition of his or her employment by the Contractor in the performance of the Agreement.

Failure to comply with the requirements of this paragraph is grounds for the suspension of payment by the State under this Agreement or termination of the Agreement or both. The Contractor may be ineligible for award of any future State agreements if the State determines that the Contractor either has made false certification under this paragraph or violated the certification by failing to carry out these requirements.

28. NATIONAL LABOR RELATIONS BOARD CERTIFICATION

Pursuant to Public Contract Code sections 10232 and 10296, the Contractor, by signing this Agreement, certifies under penalty of perjury under the laws of the State of California that no more than one (1) final, unappealable finding of contempt of court by a federal court has been issued against the Contractor within the immediately preceding two-year period because of the Contractor’s failure to comply with an order of a federal court that orders the Contractor to comply with an order of the National Labor Relations Board.

29. EXPATRIATE CORPORATIONS

Pursuant to Public Contract Code section 10286.1, subdivision (d), the Contractor, by signing this Agreement, certifies under penalty of perjury under the laws of the State of California that it is not an expatriate corporation or subsidiary of an expatriate corporation within the meaning of Public Contract Code sections 10286 and 10286.1, and is eligible to contract with the State of California.
EXHIBIT D
SPECIAL TERMS AND CONDITIONS

1. INDEPENDENCE QUESTIONNAIRE/CONFLICTS OF INTEREST DISCLOSURE

The individual(s) named in Exhibit A of this Agreement as the person(s) authorized to perform services under the Agreement is/are essential to the Agreement. No other individual(s) employed by the Contractor may perform services under the Agreement without the prior written approval of the State. In the event that any individual named in Exhibit A as authorized to perform services under the Agreement ceases to be employed by the Contractor or no longer is assigned by the Contractor to perform services under the Agreement, the Contractor immediately shall provide written notice to the State and shall consult with the State regarding a replacement. Prior to seeking approval from the State for any individual not already named in Exhibit A to perform services under the Agreement, the Contractor shall provide the State with the name and résumé of that individual for review and approval. If the State declines to approve the replacement of any individual named in Exhibit A as authorized to perform services under the Agreement, the State may terminate the Agreement immediately “for cause” as provided in Exhibit C of the Agreement. This provision shall not apply to support personnel such as clerical or administrative staff assigned to assist the individual(s) authorized to perform services under the Agreement. The Contractor shall complete a separate Independence Questionnaire/Conflicts of Interest Disclosure, attached to this Agreement. The completed Questionnaire/Conflict of Interest Disclosure shall be submitted to the State Auditor’s Office prior to performing any services on the project.

2. SUBCONTRACTORS

Nothing in this Agreement or otherwise shall create any contractual relationship between the State and any subcontractors used by the Contractor to perform services under the Agreement, and no subcontractor shall relieve the Contractor’s responsibilities and obligations under the Agreement. The Contractor agrees to be responsible fully to the State for all acts and omissions of its subcontractors and of the persons the Contractor employs, either directly or indirectly, to perform services under the Agreement. The Contractor’s obligation to pay its subcontractors is an obligation that is entirely independent from the State’s obligation to pay the Contractor. As a result, the State shall have no obligation to pay or enforce the payment of any money to any subcontractor.

3. SMALL BUSINESS PARTICIPATION REPORTING REQUIREMENT

As required by Government Code section 14841, if for this Agreement the Contractor made a commitment to achieve small business participation, then the Contractor must within 60 days of receiving final payment under the Agreement report to the State the actual percentage of small business participation that was achieved.

4. DVBE PARTICIPATION REPORTING REQUIREMENT

As required by Government Code section 14841 and Military and Veterans Code section 999.5, subdivision (d), if for this Agreement the Contractor made a commitment to achieve disabled veteran business enterprise (DVBE) participation, then the Contractor must within 60 days of receiving final payment under the Agreement certify in a report to the State: (1) the total amount the Contractor received under the Agreement; (2) the name and address of the DVBE(s) that participated in the performance of the Agreement; (3) the amount each DVBE received from the Contractor; (4) that all payments under the Agreement have been made to the DVBE(s); and (5) the actual percentage of DVBE participation that was achieved. A person or entity that knowingly provides false information shall be subject to a civil penalty for each violation.

5. PRIORITY HIRING CONSIDERATIONS

As required by Public Contract Code section 10353, the Contractor shall give priority consideration in filling vacancies in positions funded by this Agreement to qualified recipients of aid under Welfare and Institutions Code section 11200 et seq.
6. DARFUR CONTRACTING ACT

As required by the Darfur Contracting Act of 2008 (Pub. Contract Code, § 10475 et seq.), the Contractor declares that the Contractor is not a scrutinized company as defined in Public Contract Code section 10476. In support of this declaration, the Contractor has executed the Darfur Contracting Act Certificate which is attached to this Agreement and incorporated into the Agreement.

7. ANTITRUST CLAIMS

The Contractor, by signing this Agreement, certifies that the Contractor will comply with the requirements of Government Code sections 4552 through 4544 set forth below.

   a. As provided in Government Code section 4552, the Contractor will assign to the State all rights, title, and interest in and to all causes of action it may have under section 4 of the Clayton Act (15 U.S.C. § 15 et seq.) or under the Cartwright Act (Bus. & Prof. Code, § 16700 et seq.) arising from the purchase of goods, materials, or services for sale to the State pursuant to this Agreement. Such assignment shall be made and become effective at the time the State tenders final payment to the Contractor.

   b. As provided in Government Code section 4553, if the State receives, either through judgment or settlement, a monetary recovery for a cause of action assigned under subparagraph a of this paragraph, the Contractor shall be entitled to receive reimbursement for actual legal costs incurred and may, upon demand, recover from the State any portion of the recovery, including treble damages, attributable to overcharges that were paid by the Contractor but were not paid by the State as part of this Agreement price, less the expenses incurred in obtaining that portion of the recovery.

   c. Upon demand in writing by the Contractor, the State shall, within one year from such demand, reassign the cause of action assigned under subparagraph a of this paragraph if the Contractor has been or may have been injured by the violation of law for which the cause of action arose and (1) the State has not been injured thereby, or (2) the State declines to file a court action for the cause of action.

8. DOMESTIC PARTNERS

By signing this Agreement, the Contractor certifies that the Contractor is in compliance with Public Contract Code section 10295.3, as the Contractor, in providing employee benefits, does not discriminate between employees with spouses and employees with domestic partners, or discriminate between employees with spouses or domestic partners of a different sex and employees with spouses or domestic partners of the same sex, or discriminate between same-sex and different-sex domestic partners of employees or between same-sex and different-sex spouses of employees.

9. CHILD SUPPORT COMPLIANCE

By signing this Agreement, the Contractor acknowledges, pursuant to Public Contact Code section 7110, each of the following:

   a. It is the policy of the State that anyone who enters into a contract with a state agency shall recognize the importance of child and family support obligations and complies fully with all applicable state and federal laws relating to child and family support enforcement, including the disclosure of information and compliance with earnings assignment orders, as required by Family Code section 5200 et seq.

   b. To the best of the Contractor’s knowledge, the Contractor is complying fully with the earnings assignment orders of all employees and is providing the names of all new employees to the New Hire Registry maintained by the California Employment Development Department.

NOTE: ADDITIONAL TERMS AND CONDITIONS MAY APPLY DEPENDING ON THE PROPOSAL AND/OR THE CONTRACTOR.
INDEPENDENCE QUESTIONNAIRE/CONFLICTS OF INTEREST DISCLOSURE

Independence Questionnaire for ________________________________

(Type or write Contractor’s name.)

Consultant must disclose any impairment to independence or conflict of interest to the California State Auditor’s Office which are listed below:

Do you have any of the following personal impairments?

- A family member who is employed by the California State Auditor’s Office?
- Seeking employment with the California State Auditor’s Office
- If you responded yes to any of the above, please describe the impairment below.

__________________________________________________________

Signature

Date
DARFUR CONTRACTING ACT CERTIFICATION

Pursuant to Public Contract Code section 10478, if a bidder or proposer currently or within the previous three years has had business activities or other operations outside of the United States, it must certify that it is not a “scrutinized” company as defined in Public Contract Code section 10476.

Therefore, to be eligible to submit a bid or proposal, please insert your company name and Federal ID Number and complete only one of the following three paragraphs (via initials for Paragraph 1 or Paragraph 2, or via initials and certification for Paragraph 3):

<table>
<thead>
<tr>
<th>Company/Vendor Name (Printed)</th>
<th>Federal ID Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Printed Name and Title of Person Initialing (for Options 1 or 2)</td>
<td></td>
</tr>
</tbody>
</table>

1. _____ Initials
   We do not currently have, and have not had within the previous three years, business activities or other operations outside of the United States.
   OR

2. _____ Initials
   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 (DGS) to submit a bid or proposal pursuant to Public Contract Code section 10477(b). A copy of the written permission from DGS is included with our bid or proposal.
   OR

3. _____ Initials + certification below
   We currently have, or we have had within the previous three years, business activities or other operations outside of the United States, but we certify below that we are not a scrutinized company as defined in Public Contract Code section 10476.

   CERTIFICATION For # 3.

   I, the official named below, CERTIFY UNDER PENALTY OF PERJURY under the laws of the State of California that I am duly authorized to bind the prospective proposer/bidder legally to the clause listed above in # 3.

   By (Authorized Signature)

   Printed Name and Title of Person Signing

   Date Executed

   Executed in the County and State of
**PROPOSAL/PROPOSER CERTIFICATION SHEET**

This Proposal/Proposer Certification Sheet must be signed and returned along with all the "required attachments" as an entire package with original signatures. The proposal must be transmitted in a sealed envelope in accordance with RFP instructions.

An Unsigned Proposal/Proposer Certification Sheet May Be Cause For Rejection.

<table>
<thead>
<tr>
<th>1. Company Name</th>
<th>2. Telephone Number ( )</th>
<th>2a. Fax Number ( )</th>
</tr>
</thead>
<tbody>
<tr>
<td>3. Address</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Indicate your organization type:
4. ☐ Sole Proprietorship  
5. ☐ Partnership  
6. ☐ Corporation

Indicate the applicable employee and/or corporation number:
7. Federal Employee ID No. (FEIN)  
8. California Corporation No.

9. Indicate applicable license and/or certification information:

10. Proposer’s Name (Print)  
11. Title

12. Signature  
13. Date

14. Are you certified with the Department of General Services, Office of Small Business Certification and Resources (OSBCR) as:
   a. California Small Business Enterprise  
      Yes ☐  No ☐  
      If yes, enter certification number:  
   b. Disabled Veteran Business Enterprise  
      Yes ☐  No ☐  
      If yes, enter your service code below:

**NOTE:** A copy of your Certification is required to be included if either of the above items is checked “Yes”.

Date application was submitted to OSBCR, if an application is pending:
BIDDER DECLARATION

1. Prime bidder information (Review attached Bidder Declaration Instructions prior to completion of this form):
   a. Identify current California certification(s) (MB, SB, SB.NVSA, DVBE): ______________ or None ____ (If “None” go to Item #2)
   b. Will subcontractors be used for this contract? Yes ___ No ___ (If yes, indicate the distinct element of work your firm will perform in this contract e.g., list the proposed products produced by your firm, state if your firm owns the transportation vehicles that will deliver the products to the State, identify which solicited services your firm will perform, etc.). Use additional sheets, as necessary.

   c. If you are a California certified DVBE: (1) Are you a broker or agent? Yes ___ No ___
      (2) If the contract includes equipment rental, does your company own at least 51% of the equipment provided in this contract (quantity and value)? Yes ___ No ___ N/A ___

2. If no subcontractors will be used, skip to certification below. Otherwise, list all subcontractors for this contract. (Attach additional pages if necessary):

<table>
<thead>
<tr>
<th>Subcontractor Name, Contact Person, Phone Number &amp; Fax Number</th>
<th>Subcontractor Address &amp; Email Address</th>
<th>CA Certification (MB, SB, DVBE or None)</th>
<th>Work performed or goods provided for this contract</th>
<th>Corresponding % of bid price</th>
<th>Good Standing?</th>
<th>51% Rental?</th>
</tr>
</thead>
<tbody>
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CERTIFICATION: By signing the bid response, I certify under penalty of perjury that the information provided is true and correct.
Target Area Contract Preference Act (TACPA) preferences are available only if the lowest responsible bid and resulting contract exceeds $100,000. Your firm must be California based. You must certify, under penalty of perjury, to perform either 50% of the labor hours required to complete a contract for GOODS, or 80% of the labor hours required to complete a contract for SERVICES in the Target Area Contract Preference Act zone(s) you identify in Section I. The TACPA provides bid selection preferences of 5% for eligible workforce (Section I), and a 1% to 4% for eligible workforce employees (Section II). To identify Census Tract and Block Group Numbers contact the city or county Planning Development Commission for the intended workforce or visit the U.S. Census bureau website (www.census.gov).

Section I. 5% WORKSITE(S) PREFERENCE ELIGIBILITY AND LABOR HOURS

To the bidder: Preference may be denied for failure to provide the following required information:

1. Identify each firm in the supply chain, including yours, that will perform any of the contract labor hours required to complete this contract. Identify your role in the distribution process. Transportation hours performed by each carrier must be reported separately.

2. List complete addresses for each firm named below.

3. Report projected number of labor hours required to perform the contract for each firm.

4. Enter the CENSUS TRACT number.

5. Enter the BLOCK GROUP number.

6. Identify the California designated TACPA workforce(s) by entering the proper Criteria letter A, B, C, D, E, F (See reverse for instructions) in the Criteria column.

<table>
<thead>
<tr>
<th>(1) FIRM NAME and CONTRACT FUNCTION: (Manufacturing, transportation, shipping, warehousing, admin., etc.)</th>
<th>(2) WORKSITE ADDRESS: Street Address, City, County, State, Zip Code, Phone Number</th>
<th>(3) PROJECTED LABOR HOURS</th>
<th>COMPLETE FOR ALL SITES LOCATED WITHIN A TACPA PREFERENCE AREA(S)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(4) TRACT NUMBER</td>
<td>(5) BLOCK NUMBER</td>
<td>(6) CRITERIA (A - F)</td>
<td></td>
</tr>
</tbody>
</table>

| TOTAL PROJECTED LABOR HOURS: |

Section II. 1% TO 4% WORKFORCE PREFERENCE

Bidders must qualify their firm’s workforce eligibility to request an additional 1% to 4% workforce preference in Section II.

- I request a 1% preference for hiring eligible persons to perform 5 to 9.99% of the total contract labor hours.
- I request a 2% preference for hiring eligible persons to perform 10 to 14.99% of the total contract labor hours.
- I request a 3% preference for hiring eligible persons to perform 15 to 19.99% of the total contract labor hours.
- I request a 4% preference for hiring eligible persons to perform 20% or more of the total contract labor hours.

Section III. CERTIFICATION FOR WORKSITE AND WORKFORCE PREFERENCES

To receive TACPA preferences, the following certification must be completed and signed by the Bidder.

I hereby certify under penalty of perjury that the bidder (1) is a California based company as defined in the TACPA regulations; (2) shall ensure that at least 50% of the labor hours required to complete a contract for Goods, or 80% of the labor hours required to complete a Services contract shall be performed at the designated TACPA workforce(s) claimed in Section I; (3) shall hire persons who are TACPA eligible employees to perform the specified percent of total contract labor hours as claimed in Section II; (4) has provided accurate information on this request. I understand that any person furnishing false certification, willfully providing false information or omitting information, or failing to comply with the TACPA requirements is subject to sanctions as set forth in the statutes.

<table>
<thead>
<tr>
<th>BIDDER'S NAME &amp; TITLE</th>
<th>BIDDER'S SIGNATURE</th>
<th>PHONE NUMBER ( )</th>
<th>DATE</th>
<th>FAX NUMBER ( )</th>
</tr>
</thead>
</table>
TARGET AREA CONTRACT PREFERENCE ACT
PREFERENCE REQUEST FOR GOODS AND SERVICES SOLICITATIONS

Target Area Contract Preference Act References and Instructions

The Target Area Contract Preference Act (TACPA), GC §4530 et seq., and 2 CCR §1698.10 et seq., promotes employment and economic development at designated distressed areas by offering 5% Worksite and 1% to 4% Workforce bidding preferences in specified state contracts. The TACPA preferences do not apply to contracts where the worksite is fixed by the contract terms. These preferences only apply to bidders who are California based firms, and only when the lowest responsible bid and resulting contract exceed $100,000. Bidders must certify, under penalty of perjury to perform either 50% (for GOODS contracts) or 90% (for SERVICES contracts) of the labor hours required to complete this contract in the eligible TACPA area worksite(s) identified in Section I on the reverse side of this page. TACPA preferences are limited to 9% or a maximum of $60,000 per bid. In combination with any other preferences, the maximum limit is 15% of the lowest responsible bid; and, in no case more than $100,000 per bid.

Section I
Worksite Preference Eligibility and Labor Hours

Bidders must identify at least one eligible TACPA worksite by entering the criteria letter A, B, C, D, E, F or G for the “Criteria” column and enter the “Census Tract” and “Block Group” Numbers to be Eligible for the preference. You must name each and every firm or site where contract labor hours will be worked. Preference requests may be denied if an eligible California TACPA worksite is not identified, or all firms performing contract labor hours are not identified. Enter one of the following “Criteria” letters to identify each TACPA worksite on the reverse page:

A. The firm is located in a California eligible area(s).
B. The firm will establish a worksite(s) in a California eligible area(s).
C. The firm is in a census tract with a contiguous boundary adjacent to a California eligible area(s).
D. The firm will establish a worksite(s) located directly adjoining a valid TACPA census tract block that, when attached to the California eligible area(s), forms a contiguous boundary.
E. The bidder will purchase the contract goods from a manufacturer(s) in a California eligible area(s).
F. The bidder will purchase contract goods from a manufacturer(s) in directly adjoining census tract blocks that, when attached to the California eligible area(s), forms a contiguous boundary.

Enter labor hours for each listed firm and site. The hours shall be reasonable, shall only include the labor hours necessary and required to complete the contract activities. Artificially increasing hours at a claimed TACPA worksite, or understating labor hours worked outside the eligible worksite may result in a denied preference request. Do not include machine time and non-labor time when projecting contract labor hours. Report all bidder work hours and those of any subcontractor performing this contract. All transportation hours must be reported for each carrier separately and must not be combined or included with hours for manufacturing, administration, or any eligible TACPA site. Failure to list all the labor hours to be performed at the reportable sites will result in a denial of this preference request.

The bidder must explain, by activity, their firm’s projected contract labor hours by completing and signing the Bidder’s Summary Form (included with this solicitation).

Section II
Workforce Preferences

Eligibility to request a workforce preference is based on the bidder first claiming and receiving approval of the 5% TACPA worksite preference. The workforce preferences are only awarded if the bidder hires and employs the TACPA qualified individuals. Workforce preferences will not be approved for another firm’s employees. By claiming a workforce preference percentage, the bidder must have its eligible employees perform the specified percentage of the total contract workforce labor hours. See Section I, “Total Projected Labor Hours,” STD. 830. To claim the workforce preferences select or check the appropriate box for percent of requested bid preferences in Section II.

Section III
Certification for Worksite and Workforce Preferences

Bidder must sign, under penalty of perjury, the certification contained in Section III to be eligible for any of the preferences requested pursuant to this form. The penalties associated with the TACPA statute are: GC §4535.1, a business which requests and is given the preference by reason of having furnished a false certification, and which by reason of that certification has been awarded a contract to which it would not otherwise have been entitled, shall be subject to all of the following:

(a) Pay to the State any difference between the contract amount and what the State’s cost would have been if the contract had been properly awarded.
(b) In addition to the amount specified in subdivision (a), be assessed a penalty in an amount of not more than 10 percent of the amount of the contract involved.
(c) Be ineligible to directly or indirectly transact any business with the State for a period of not less than six months and not more than 36 months.

Prior to the imposition of any sanction under this chapter, the contractor or vendor shall be entitled to a public hearing and to five days notice of the time and place thereof. The notice shall state the reasons for the hearing.

If you win an award based on these preferences you will be required to report monthly on your contract performance, labor hours, and TACPA compliance.

For questions concerning preferences and calculations, or if a bid solicitation does not include preference request forms, please call the awarding Department’s contract administrator. Only another California certified small business can use TACPA, EZA or LAMBERA preferences to displace a California certified small business bidder.

To identify TACPA distressed worksite contact the local city or county Planning/Economic Development offices of the proposed worksite, or go to http://arcfinder.census.gov and click on “Enter a street address” to find a Census Tract and Block Group. Verify the Census Tract and Block numbers for TACPA sites by calling the DGS, Procurement Division preference line at (916) 375-4609.
### REQUIRED ATTACHMENT CHECKLIST

A complete proposal package will consist of the items identified below. For your proposal to be responsive, all required items must be included.

Complete this checklist to confirm that all required items are included in your proposal. Place a check mark or “X” next to each item that you are submitting to the State. This checklist should be returned with your proposal package.

<table>
<thead>
<tr>
<th>Item</th>
<th>Item Name / Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>____</td>
<td>1 Required Attachment Checklist <em>(Attachment K)</em></td>
</tr>
<tr>
<td>____</td>
<td>2 Six Copies of the Proposal <em>(in a sealed envelope)</em></td>
</tr>
<tr>
<td>____</td>
<td>3 Six Copies of the Cost Proposal <em>(separate from the Proposal and in a sealed envelope)</em></td>
</tr>
<tr>
<td>____</td>
<td>4 Independence Questionnaire / Conflicts of Interest Disclosure <em>(Attachment F)</em></td>
</tr>
<tr>
<td>____</td>
<td>5 Darfur Contracting Act Certification <em>(Attachment G)</em></td>
</tr>
<tr>
<td>____</td>
<td>6 Proposal/Proposer Certification Sheet <em>(Attachment H)</em></td>
</tr>
<tr>
<td>____</td>
<td>7 Bidder Declaration <em>(Attachment I)</em></td>
</tr>
</tbody>
</table>