CDSS

CALIFORNIA HEALTH & HUMAN SERVICES AGENCY
DEPARTMENT OF SOCIAL SERVICES
744 P Street • Sacramento, CA 95814 • *www.cdss.ca.gov*

JENNIFER TROIA
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GOVERNOR

September 18, 2026

WORKERS' COMPENSATION THIRD PARTY ADMINISTRATOR
REQUEST FOR PROPOSAL 27-3001
NOTICE TO PROSPECTIVE PROPOSERS

You are invited to review and respond to this Request for Proposal (RFP), entitled RFP 27-3001, Workers' Compensation Third Party Administrator. In submitting your proposal, you must comply with these instructions.

RFP 27-3001 is a Non-Information Technology (IT) Services Request for Proposal. IT solutions as defined by State Administrative Manual (SAM) 4819.2 https://www.dgs.ca.gov/PD/Resources/SCM/TOC/10/10 cannot be included in submitted proposals.

Note that all agreements entered into with the State of California shall include by reference General Terms and Conditions and Contractor Certification Clauses that may be viewed and downloaded at Internet site https://www.dgs.ca.gov/OLS/Resources/Page-Content/Office-of-Legal-Services-Resources-List-Folder/Standard-Contract-Language. If you do not have Internet access, a copy can be provided by contacting the person listed below.

Public Contract code Section 10115 et seq. establishes a contract participation goal of at least three percent (3%) for Disabled Veteran Business Enterprise (DVBE). This goal applies to a state agency's overall contracting program.

A minimum of 3% DVBE participation is required for this solicitation. (See Section E, paragraph 2 of this RFP for the DVBE information).

If you have questions or should you need any clarifying information, the contact person for this RFP is:

Salman Amin, Contract Analyst
California Department of Social Services
Non-IT Contracts Bureau
E-mail: Salman.Amin@dss.ca.gov

The RFP due date is **November 30, 2026, 2:00 p.m. Pacific Time (PT).** Questions concerning the RFP must be received no later than **October 9, 2026, 2:00 p.m. PT.** See RFP Section D.1 for additional details. Please note that no *verbal* information given shall be binding upon the State unless such information is issued in writing as an official addendum.

Sincerely,

Christine Wright, Chief
Non-IT Contracts Bureau

Request for Proposal (RFP) 27-3001

Alternative Methodology

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REFERENCE DOCUMENTS

Exhibit 1	Written Proposal Evaluation Scoring Sheet
Exhibit 2	California DVBE Bid Incentive Instructions
Exhibit 3	IHSS Program Description
Exhibit 4	WPCS Program Description
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A. INTRODUCTION

1. Purpose

Through this Request for Proposal (RFP), the California Department of Social Services (CDSS), hereinafter referred to as the State, acting in conjunction with the Department of General Services (DGS), Office of Risk and Insurance Management (ORIM), hereinafter referred to as ORIM, is seeking competitive proposals from qualified third party administrators (TPA) to provide comprehensive statewide workers' compensation claims administration, managed care, and cost containment services (Workers' Compensation Program) for the State for the following programs:

a. In-Home Supportive Services (IHSS), including Waiver Personal Care Services (WPCS)
b. California Work Opportunity and Responsibilities for Kids (CalWORKs)
c. CalFresh Employment and Training (E&T)

The State intends to contract with an experienced firm to provide comprehensive statewide claims administration services for all new and existing workers' compensation claims that can provide such services in compliance with the applicable federal and state laws and regulations. Qualified organizations that have significant experience with California public entities and have demonstrated competence in the administration of workers' compensation claims programs are invited to submit proposals.

A separate Agreement will be required for each program except for the WPCS program, which will be included in the IHSS Agreement. The Proposer will also be required to submit a separate Cost Proposal for the annual claims administration fees for each program. The Scope of Work provisions included in this RFP shall apply to each of the Agreements.

It is anticipated that the Agreements for services provided per this RFP will be for a three (3) year period with one (1) additional three (3) year optional extension at the discretion of the State.

The transition from the current TPA to the successful Proposer is expected to begin approximately six (6) months prior to the expiration of the current TPA Agreements. The parties acknowledge that the original term of this Agreement includes a built-in period intended for the transition, handover, and turnover of operations to a successor entity or internal personnel. In the event that the Client

determines, in its sole discretion, that the Contractor's takeover or turnover duties are not required, the Client shall provide written notice to the Incumbent. Upon receipt of such notice, the remaining transition period shall be waived, and the term of this Agreement shall be modified to automatically expire on the final date that core services are actively performed, without further liability or obligation by either party for the remainer of the originally scheduled term.

2. Background

The State provides oversight for the administration of programs serving California's most vulnerable residents. The State oversees the administration of these programs through California's 58 counties. In most cases, the County Contact Representatives (CCR) are the employer representatives for a work-related injury or occupational illness. The CCRs are responsible for reporting claims. The State, as a self-insured entity, is responsible for the provision of workers' compensation claims administration services for the injured claimants of the following programs:

a. IHSS/Personal Care Services Program/IHSS Plus Option (IHSS/PCSP/IPO)

   The IHSS program is a county-administered program designed to provide assistance to low income, aged, blind, and disabled individuals. The IHSS is considered an alternative to out-of-home care, such as nursing homes or residential care facilities. The services provided are usually part-time in nature but can range from simple periodic house cleaning, or shopping, to full-time nursing care. The State is required to provide workers' compensation claims administration services to the individual providers and contract mode providers who provide services or care and incur injuries or occupational illnesses. As of November 30, 2025 there are 793,943 active or on leave (including 721,916 paid) individual providers and 483 contract mode providers. The annual payroll for providers in fiscal year 2024/25 totaled $21,994,377,275. Detailed IHSS program information is provided in Exhibit 3.

b. Waiver Personal Care Services (WPCS)

   The WPCS program provides additional care to certain IHSS participants to enable them to remain in their residences. A WPCS provider is an independent, unlicensed provider who assists the participant in gaining independence in their activities of daily living and preventing social isolation. The WPCS provider must be authorized to provide services for the WPCS

program, as well as the IHSS program. The services include assisting the participant in reaching a self-care goal by promoting and reinforcing the participant's ability in obtaining their highest level of independence in activities of daily living.

The services also include providing adult companionship to participants who are isolated or homebound due to a medical condition, including: non-medical care; supervision; assisting participants in accessing self-interest activities; accessing activities in the local community for socialization and recreational purposes; and providing or supporting an environment conducive to interpersonal interactions.

The Department of Health Care Services (DHCS) is required by law in the State of California to provide workers' compensation claims administration services to the individual providers, who provide services or care and incur injuries or occupational illness. The DHCS is a self-insured entity. By agreement between DHCS and the State, the State is responsible for the provision of workers' compensation claims administration services for the WPCS providers. As of October 1, 2025 the number of WPCS providers subject to the provisions of workers' compensation services is 11,506. Currently, WPCS claim statistics are included in the IHSS claims statistics, see Section A, Item 5, IHSS Loss Information. The IHSS/WPCS Agreement resulting from this RFP shall require separate tracking and reporting of the IHSS and WPCS claims for each of the programs. Detailed WPCS program information is provided in Exhibit 4.

c. California Work Opportunity and Responsibilities for Kids (CalWORKs)

The CalWORKs program is California's version of the federal welfare program, Temporary Assistance for Needy Families (TANF). The CalWORKs program provides cash aid and services to eligible needy California families, administered through 58 local County Welfare Departments (CWD). Participants of CalWORKs, unless exempt, are required to participate in the CalWORKs Welfare-to-Work (WTW) program as a condition of receiving aid. Supportive services, including childcare, transportation, ancillary expenses and mental health or substance abuse services, are available to families participating in WTW activities. The State provides workers' compensation coverage to participants of WTW participating in unpaid work experience, unpaid community service and subsidized employment activities where the CWD is the employer of record.

For fiscal year 2018/2019, the average number of CalWORKs clients participating in activities eligible for workers' compensation coverage totals approximately 32,873 per month. Detailed program information is provided in Exhibit 5.

d. CalFresh Employment and Training

Supplemental Nutrition Assistance Program (SNAP), known as CalFresh in California, is an entitlement program that provides monthly benefits to assist low-income households in purchasing food needed to maintain adequate nutritional levels. The State is the designated agency responsible for program oversight and compliance. The counties are responsible for administering the CalFresh food benefit to eligible individuals and families.

CalFresh Employment and Training (E&T) is an optional county program designed to improve the employability and increase the economic self-sufficiency of CalFresh applicants and recipients. CalFresh E&T participants are assigned to components that include supervised job search, workfare, work experience, education, self-employment training, and job retention. The State provides workers' compensation coverage to participants of CalFresh E&T participating in unpaid work experience, unpaid workfare, and subsidized and unsubsidized employment activities where the county is the employer of record. All private or non-profit employers are required to cover Workers' Compensation as cited in the Fair Labor Standards Act.

From October 1, 2024, through September 30, 2025, 35 counties operated a CalFresh E&T program. The number of unduplicated CalFresh participants during that time, who participated in activities covered by workers' compensation insurance, was approximately 5,000. Detailed program information is provided in Exhibit 6.

3. Workers' Compensation Program

The State is legally uninsured for these statewide programs. The current TPA provides comprehensive claims administration services, including managed care and cost containment services through InterMed. The current Agreements between the State and the TPA expire November 30, 2027. The successful Proposer must have an operating system with the capability to enable a

successful data transfer and uninterrupted transition of the State's claims data in the current TPA's system to the Claims/Risk Management Information system for all open and closed claims for each of the four (4) programs prior to December 1, 2027.

The ORIM, on behalf of the State, provides oversight of the statewide comprehensive Workers' Compensation Program. The ORIM staff consists of a Supervisor I and an Analyst II, who are the primary contacts for each of the four (4) programs and policy information.

The California State Controller's Office (SCO) issues all payments for benefits and allocated expenses related to the provision of workers' compensation services by the TPA for the four (4) programs. The TPA requests payments daily through a scheduled electronic claims payment process. The TPA transmits an Electronic Claim File to the SCO through a secure file transfer protocol. The SCO reviews the file. If approved by the SCO, payments are issued within five (5) business days from the file submission date. The successful Proposer must have the ability to export data to the SCO's system and import data from the SCO's system into its Claims/Risk Management Information System to make the appropriate payments for benefits and allocated expenses daily. The successful Proposer will be responsible for requesting payments within a timeframe to ensure the timely payments of benefits and allocated expenses. The ability to submit electronic data for the issuance of claims related payments by the SCO must be in place by November 1, 2027. Detailed requirements are outlined in Sample Agreements, Scope of Work, Payments.

4. Transition and Implementation Plan

The intent of this solicitation is for a TPA to administer Workers' Compensation claims and provide managed care and cost containment services commencing on December 1, 2027. Approximately 180 days before the commencement of the actual administration of the existing and new claims, the successful Proposer shall begin the transition of the workers' compensation claims administration services for the four (4) programs from the existing TPA to the new TPA.

The Proposer's proposal shall include a Transition and Implementation Plan with specific milestones, tasks, and deliverables to be accomplished by the Proposer during the transition period. The Proposer's Transition and Implementation Plan shall provide a milestone for testing and acceptance of data conversion and shall

propose the criteria by which to measure the performance and readiness of Proposer's claims system, managed care system, and proposed staffing model.

Upon completion of the transition and implementation phase, the successful Proposer will be prepared and ready to commence the annual management and administration of workers' compensation claims no later than December 1, 2027. Detailed requirements and expectations for this effort are outlined in the Sample Agreements, Scope of Work, Transition and Implementation Services.

5. Loss History

IHSS Loss Information from FY 2020/21 through FY 2024/25*

Fiscal Year	Indemnity	Medical Only	Total	Claims Opened
2020/21	$6,384,098.00	$114,606.00	$6,498,704.00	990
2021/22	$28,615,431.00	$160,508.00	$28,775,939.00	1071
2022/23	$25,504,843,.00	$141,098,.00	$25,645,941.00	1152
2023/24	$34,961,017.00	$252,813.00	$35,213,830.00	1265
2024/25	$49,637,942.00	$81,809.00	$49,719,751.00	1371

*WPCS loss information is included in the IHSS loss information. See Section A, Item 2.b, for additional information on WPCS claims.

IHSS Open Claims Inventory as of December 11, 2025:

Type	Number of Claims
Indemnity	2821
Medical Only	31
Future Medical	798
Total Open	3650

**WPCS open claim inventory is included in the IHSS open claim inventory.

CalWORKs Loss Information from FY 2020/21 through FY 2024/25*

Fiscal Year	Indemnity	Medical Only	Total	Claims Opened
2020/21	$2,585.85	$0.00	$2,585.85	2
2021/22	$281.00	$0.00	$281.00	4
2022/23	$95.00	$0.00	$95.00	5

2023/24	$27,507.83	$0.00	$27,507.83	6
2024/25	$30,434.25	$179.30	$30,613.558	9

CalWORKs Open Claims Inventory as of December 11, 2025:

Type	Number of Claims
Indemnity	13
Medical Only	0
Future Medical	6
Total Open	19

CalFresh E&T Loss Information from FY 2020/21 through FY 2024/25*

Fiscal Year	Indemnity	Medical Only	Total	Claims Opened
2020/21	$12,278.31	$0.00	$12,278.31	1
2021/22	$29,150.02	$0.00	$29,150.02	1
2022/23	$31,265.32	$0	$31,265.32	1
2023/24	$0.00	$0.00	$0.00	1
2024/25	$0.00	$0.00	$0.00	0

CalFresh E&T Open Claims Inventory as of December 11, 2025:

Type	Number of Claims
Indemnity	1
Medical Only	0
Future Medical	0
Total Open	1

B. SCOPE OF WORK

See Exhibit A, entitled “Scope of Work” that is included in the Sample Standard Agreements, Exhibits 7, 8, and 9.

C. MINIMUM QUALIFICATIONS FOR PROPOSERS

Each proposal to this RFP must satisfy all minimum qualifications. Failure to satisfy the minimum qualifications at the time of the submission of the proposal will result in the immediate rejection of the submission. The successful proposer is required to meet the minimum qualifications throughout the term, and all extensions, of any resulting Agreements.

1. The Proposer, as a TPA for California public entities, must have a minimum of five (5) years of experience, during the last eight (8) years, in administering workers' compensation claims in accordance with the workers' compensation laws, regulations and final non-appealable judicial decisions of the State of California. The Proposer must provide three (3) references for workers' compensation claims administration services from three (3) large public entities located in California, as described in Section D, Item 4,b,2,c., Record of Performance. Large accounts are those with the number of claimants substantially similar to or larger than those identified on pages six (6), seven (7), and eight (8) of this RFP.

2. The Proposer must have the appropriate business licenses to conduct business within the State of California.

3. The Proposer must have an office located within the state of California with assigned staff dedicated to the administration of States workers' compensation claims during the term of any agreement awarded pursuant to this RFP to meet the business need for in-person meetings. Costs related to items such as travel and per diem are costs of the Proposer and will not be paid as part of the resulting Agreements.

4. The Proposer's Claims/Risk Management System must be a paperless claim file system with online access provided to the State and ORIM.

5. The Proposer must have the ability to fully comply with the State's and the SCO's Payment process as required in the Payments Provision of the Scope of Work.

6. The Proposer must have a California Workers' Compensation Self-Insurance Administrator Certificate to provide workers' compensation claims administration services as a TPA in the State of California.

7. The Proposer shall have an operating system with the capability to enable a successful data transfer and uninterrupted transition of the State's claims data in the current TPA's system, currently Claims Enterprise, to the Proposer's Claims/Risk Management Information System for all open and closed claims for each of the four (4) programs prior to December 1, 2027.

8. Proposer's corporation must be in good standing and qualified to conduct business in California as verified by the Secretary of State's website: http://www.sos.ca.gov/.

D. PROPOSAL REQUIREMENTS AND INFORMATION

1. Key Action Dates

It is recognized that time is of the essence. All dates after the due date for proposals are approximate and may be changed if needed to allow CDSS additional time for selection and award.

Event	Date	Time
RFP Available to Prospective Proposers	September 18, 2026	2:00 p.m. PT
Question Submittal Deadline (Must submit questions in an email to Salman.Amin@dss.ca.gov)	October 9, 2026	2:00 p.m. PT
Final Date for Proposal Submission	November 30, 2026	2:00 p.m. PT
Notice of Intent to Award Posted	January 13, 2027	2:00 p.m. PT
Last Day to Protest Award	January 21, 2027	2:00 p.m. PT
Anticipated Agreements Start Date	December 1, 2027 or upon approval of the DGS, whichever is later. If a transition period is required, the start date of the Agreements will be June 1, 2027 or upon approval, whichever is later.	

2. Agreement Term

The anticipated term of the resulting three Agreements to be awarded to the successful Proposer is for three (3) years, beginning on December 1, 2027 or upon date of approval by DGS, Office of Legal Services (OLS), whichever is later, through November 30, 2030 with one (1) optional three-year (3) term extension at the discretion of the State. If a transition period is required, the start date of the Agreements will be June 1, 2027 or upon DGS approval, whichever is later. The State may exercise the option to add funds to complete the identified tasks. Upon written agreement by both parties, the Agreements may be amended to add funds to complete unidentified tasks. If the State exercises the option to extend the term, the costs shall not exceed the rates included in response to this RFP, Attachment 6, Cost Proposal.

The Agreements will be of no force or effect until they are signed by the State, ORIM, the awardee, and approved by DGS OLS. If successful, the Proposer is hereby advised not to commence performance until all approvals have been obtained. Any delivery or performance of the services commenced prior to the

Contractor obtaining all written approvals shall be considered voluntary on the part of the Contractor.

The cost of the transition services provided by the awarded Contractor shall not be paid by the State as a separate fee and such costs should be included in the administration fees in Proposer's Attachment 6, Cost Proposal.

3. Subcontractors

a. Any subcontractor that the Proposer chooses to use in fulfilling the requirements of this RFP must also meet all the requisites of this RFP including the minimum qualifications and insurance requirements. Subcontractor may not perform more than 49% of the required services.

b. If Proposer proposes the use of a subcontractor, the Proposer must also submit a list of references, Attachment 5.1, Subcontractor References, on behalf of each subcontractor.

c. Proposer must also submit a completed Attachment 9, DVBE Subcontractor Agreement, for each DVBE subcontractor identified in their Proposal. Only the Proposer shall fill out the DVBE Subcontractor Agreement and either mail, fax, or email the Agreement to the selected DVBE(s) for signature.

d. Proposer may not substitute any proposed subcontractor without advance written consent of the CDSS.

e. Nothing contained in the awarded Agreement or otherwise shall create any contractual relationship between CDSS and any subcontractors, and no subcontractor shall relieve the Contractor of its responsibilities and obligations hereunder. The Contactor agrees to be fully responsible to CDSS for the acts and omissions of its subcontractors and of persons either directly or indirectly employed by any of them as it is for the acts and omissions of persons directly employed by the Contractor. The Contractor's obligation to pay its subcontractors is an independent obligation from the obligation of CDSS to make payments to the Contractor. As a result, CDSS shall have no obligation to pay or to enforce the payment of any moneys to any subcontractor.

4. Proposer Questions

Questions related to this RFP shall be submitted by email to Salman.Amin@dss.ca.gov by October 9, 2026, 2:00 p.m. PT.

Include the following information in your inquiry:

a. *Your name*
b. *Legal entity name of the Proposer*
c. *Phone number and email address.*
d. *A description of the subject or issue in question or discrepancy found.*
e. *RFP section, page number, or other information useful in identifying the specific problem or issue in question.*
f. *Remedy sought, if any.*

All questions received by CDSS will be summarized and responded to. The summary and response document of all proposer questions submitted by the deadline will be posted to the Cal eProcure, California State Contracts Register as a document titled “Questions and Answers to RFP 27-3001” upon completion of responses by CDSS.

Proposers shall only contact the individual identified above and shall not contact other CDSS personnel for meetings, conferences, or technical discussion related to this RFP. No questions may be answered by other CDSS staff. If proposers are discovered to have contacted other CDSS personnel, CDSS may reject their proposal. Oral communications concerning this RFP shall not be binding on the State and shall in no way excuse the Proposer of any obligations set forth in the RFP.

5. Proposal Format

a. Proposal Format Requirements

(1) The proposal should provide straightforward and concise descriptions of the Proposer’s ability to satisfy the requirements of the RFP. The proposal must be complete and accurate. Omissions, inaccuracies or misstatements may be cause for rejection of a proposal. Emphasis in the proposal should be on completeness and clarity of content. The evaluation process will not provide credit for capabilities or advantages that are not clearly shown in the written proposal. The written submissions should not include publications of the Proposer, such as published articles, directories or client lists. A Proposer shall only submit information pertinent to the RFP.

(2) The narrative portions of the proposal shall be formatted using one-inch margins at the top, bottom and both sides, a font size of Arial 12-point, double-spaced, with each page clearly and consecutively numbered.

(3) The original proposal package submitted to the State must have original signatures for all of the documents requiring signatures and must be signed by a person with the authority to bind the proposing entity. The additional proposal sets submitted with the original proposal package may contain photocopies. Signatures facsimile stamps will not be accepted for the signature on the proposal marked "ORIGINAL." All RFP attachments that require a signature must be signed in blue ink.

(4) The technical proposal must contain a Table of Contents clearly identifying the location where the Proposer addressed or fulfilled each requirement listed below.

(5) All pages of the technical proposal (including cover pages, table of contents, references, resumes and attachments) shall have the following header:

RFP 27-3001	Technical Proposal
Proposer's Firm Name	Page # of #

(6) Preface the technical proposal with an executive summary of two (2) pages or less, which provides a concise summation of the technical proposal.

(7) Brochures, tapes, drawings, etc. being submitted with technical proposals shall be clearly identified as to the name of the Proposer and the RFP number. The proposal and any materials submitted with the proposal will become the property of the State upon their receipt by the State. Information considered by the Proposer to be a trade secret should not be included in the RFP.

(8) Except for any required audits or financial statements or returns, do not mark any portion of your proposal as "Confidential" or "Proprietary." The State will disregard any such markings.

(9) The proposal must be submitted in the legal entity name of the Proposer.

(10) Any costs, identified or stated in any manner in the Technical Proposal, may result in rejection of the proposal.

b. Technical Proposal Requirements

Each technical proposal shall be presented in the following order and reference the following specific categories for proposal submission:

(1) Proposal Content

(a) Table of Contents

The Table of Contents must be provided. It must identify all major sections of the proposal by page number. All exhibits and attachments must also be identified and referenced by page number.

(b) Attachment 1, Required Attachment Checklist

(c) Attachment 2, Proposal Cover Letter and Statement of Intent to Meet RFP Requirements

(d) Attachment 3, Minimum Qualifications Certification

(e) Attachment 4, Proposal/Proposer Certification Sheet

Proposer must complete and return Attachment 4, Proposal/Proposer Certification Sheet, certifying that the Proposer satisfies the Minimum Qualifications and requirements. Please include an explanation of how each applicable Minimum Qualification is met. This form must be signed by an individual who is authorized to bind the Proposer contractually. Failure to submit this form may cause the bid to be rejected.

(f) Attachment 5, Proposer References

Proposer shall submit with the Proposal Attachment 5, Proposer References, which shall include a list of at least three business references that shall include current and/or former paying clients for whom Proposer has provided services similar to those described in this RFP within the last five years. References may be contacted by CDSS to validate the information provided by the Proposer to determine the client's overall satisfaction with the services provided. Proposer is responsible for notifying their references that CDSS may contact them for reference and performance information. CDSS shall contact references during normal business hours, Monday through Friday, between the hours of 8:00 a.m. and 5:00 p.m. PT. If references cannot be reached, the Proposal may be deemed non-responsive and rejected. If references obtained are not favorable,

the CDSS may reject the proposal.

(g) Attachment 5.1, Proposer References, if applicable

(h) Attachment 6, Cost Proposal

The provided form must be completed and included as an attachment to the submitted Proposal. The format shall not be altered. All costs associated with the performance of the Scope of Work required in this RFP must be included in the format provided. Costs related to items such as travel and per diem are costs of the Proposer and will not be paid as part of the resulting Agreements.

(i) Declaration Forms

At the State's option prior to award, Proposers may be required to submit additional written clarifying information. Failure to submit the requested written information as specified may be grounds for bid rejection.

1) Attachment 7, Bidder Declaration GSPD-05-105

All Proposers must complete Attachment 7, Bidder Declaration GSPD-05-105, and include it with their proposal. If Proposer proposes the use of a subcontractor, Proposer must submit for each proposed subcontractor the required documentation, name(s) of people or firm(s), and specify the type of work the proposed subcontractor shall be performing. Proposers awarded a contract are contractually obligated to use the subcontractors for the corresponding work identified unless the State agrees to a substitution and it is incorporated by amendment to the resulting Agreement.

2) Attachment 8, Disabled Veteran Business Enterprise Declarations, STD 843, if applicable

Proposers who have been certified by California as a DVBE (or who have obtained the participation of subcontractors certified by California as a DVBE) must also submit a completed Attachment 8, STD 843 (Disabled Veteran Business Enterprise Declaration). All disabled veteran owners and disabled veteran

managers of the DVBE(s) must sign the form(s). Should the form not be included with this solicitation, contact the State contracting official or obtain a copy online from the Department of General Services, Procurement Division (DGS PD) website at: https://www.dgs.ca.gov/PD/Forms. The completed form should be included with the Proposal response.

(j) Attachment 9, DVBE Subcontractor Agreement, if applicable

Proposer shall submit a completed Attachment 9, DVBE Subcontractor Agreement for each DVBE subcontractor identified in their proposal. Only the Proposer shall fill out this Agreement and either mail, fax or email the Agreement to the selected DVBE(s) for signature. Failure to submit the DVBE Subcontractor Agreement included in this solicitation for each DVBE subcontractor identified may render a proposal non-responsive. Each DVBE Subcontractor Agreement shall include: the term of intended subcontract with the DVBE, anticipated dates the DVBE will perform required work, rate and conditions of payment, the percentage of the entire Agreement that will be awarded to the DVBE, and the description of services and/or goods to be performed/supplied by the DVBE subcontractor. If further verifications are necessary, the State will obtain additional information to verify the above requirements. Should the form not be included with the solicitation, contact the State contracting official or obtain a copy online from the DGS PD website at: https://www.dgs.ca.gov/PD/Forms. The completed form shall be included with the Proposal.

In accordance to SB 999.7, effective January 1, 2021, the Department shall withhold $10,000, or the full payment if it is less than $10,000 from the final payment on a contract until that certification is received by the awarding department within 60 calendar days after the expiration date of the agreement. If the Contractor fails to meet those certification requirements, the Contractor may be granted 15 to 30 calendar days to cure the defect. If the Contractor does not comply with the requirement, the awarding department shall permanently deduct $10,000 from the final payment, or the full payment if it is less than $10,000 from a contract with the Contractor who does comply with those requirements within the specified period.

(k) Attachment 10, Darfur Contracting Act Certification

All proposers must address the requirements of the Darfur Contracting Act of 2008, for the reason described in Public Contract Code section 10475-10481. Any scrutinized companies are ineligible to, and cannot, bid on or submit a proposal for an agreement with a State agency for goods or services. A scrutinized company is defined in Public Contract Code section 10476. However, a bid/proposal may be submitted by scrutinized companies if permission is obtained first from the Department of General Services according to the criteria set forth in Public Contract Code section 10477(b).

(l) Attachment 11, Commercially Useful Function (CUF) Evaluation Form

The Department of General Services (DGS), Procurement Division (PD), is the entity responsible for statewide implementation of Small Business/DVBE program regulations resulting from legislative mandates passed into law. Under Government Code and Military and Veterans Code any California certified Small (SB), Micro (MB) or Disabled Veteran Business Enterprise (DVBE) Suppliers doing business with the State must perform a Commercially Useful Function (CUF). Subsequently, each Department's buyer is held responsible for its CUF compliance procedures and evaluation of a proposer's activities in response to Department solicitations. This applies to Suppliers responding to the Department's solicitations whether prime or subcontractor. CUF must be established prior to making final Agreement or purchase order award.

All SB and/or DVBE proposers, or those with SB and/or DVBE subcontractors, must include the completed Attachment 11, Commercially Useful Function Evaluation Form, with their submittal.

(m) Attachment 12, California Civil Rights Laws Attachment

Prior to bidding on, submitting a proposal or executing an agreement or renewal for a State of California agreement over $100,000 on or after January 1, 2017, the bidder or proposer must certify compliance with the Unruh Civil Rights Act (Section 51 of the Civil Code) and the Fair Employment and Housing Act (Section

12960 of the Government Code); and if a Contractor has an internal policy against a sovereign nation or peoples recognized by the United States government, the Contractor certifies that such policies are not used in violation of the Unruh Civil Rights Act (Section 51 of the Civil Code) or the Fair Employment and Housing Act (Section 12960 of the Government Code).

(n) Tax Delinquencies Contract Ban

Public Contract Code section 10295.4 provides that a State agency shall not enter into any contract for goods or services with a Contractor whose name appears on either list of the 500 largest tax delinquencies pursuant to Section 7063 or 19195 of the Revenue and Taxation Code. This section applies to contracts executed on or after July 1, 2012. The Franchise Tax Board (FTB) and California Department of Tax and Fee Administration (CDTFA) will post and periodically update lists of the 500 largest tax delinquencies on their websites as required by law. Starting July 1, 2012, prior to executing contracts, State agencies must check the FTB and CDTFA lists to ensure the proposed awardee/vendor is not on either list.

(o) Attachment 13, Iran Contracting Act Certification Form

All proposers must address and certify compliance with the requirements of Attachment 13, Iran Contract Act Verification Form prior to bidding on, submitting a proposal or executing an Agreement or renewal for a State of California agreement for goods or services of $1,000,000 or more, a vendor must either: a) certify it is not on the current list of persons engaged in investment activities in Iran created by the California Department of General Services (DGS) pursuant to Public Contract Code section 2203(b) and is not a financial institution extending twenty million dollars ($20,000,000) or more in credit to another person, for 45 days or more, if that other person will use the credit to provide goods or services in the energy sector in Iran and is identified on the current list of persons engaged in investment activities in Iran created by DGS; or b) demonstrate it has been exempted from the certification requirement for that solicitation or contract pursuant to Public Contract Code section 2203(c) or (d).

(p) Attachment 14, Contractor Certification Clause (CCC 04/2017)

Bidder must submit with the proposal, a completed Attachment 14, Contractor Certification Clauses, CCC 04/2017, signed by an authorized individual to legally bind the Proposer to the clauses listed within the certification.

(q) Attachment 15, STD 204, Payee Data Record

Proposers must complete and return Attachment 15, STD 204, Payee Data Record to indicate the full business name as it should be reflected on the proposed contract (if awarded). If the Proposers is using a Doing Business As (DBA) name, this name should also be reflected on the Attachment 15, STD 204 form. This form must be signed by an individual who is authorized to sign the Attachment 15, STD 204 on behalf of the Proposer.

(r) Target Area Contract Preference Act (TACPA)

1) This RFP provides for the optional TACPA preference. Proposers are not required to apply for this preference. Denial of the TACPA preference request is not a basis for rejection of the proposal/offer.

2) The TACPA workplace and workforce preferences will be evaluated for this RFP. California based companies seeking TACPA preferences must complete and submit Attachment 16, STD 830, Target Area Contract Preference Act and Attachment 17, DGS PD 526, Bidder's Summary of Contract Activities and Labor Hours preference request forms with the bid/offer. The following webpage contains required preference request forms and an interactive map to determine if a business is located within a TACPA qualified zone: https://www.dgs.ca.gov/PD/Services/Page-Content/Procurement-Division-Services-List-Folder/Request-Target-Area-Contract-Preference.

3) By submitting TACPA forms, a proposer given a TACPA preference agrees to the TACPA contract provisions required by Government Code section 4535 and provided in section 1896.40 of Title 2 of the California Code of Regulations (CCR) in addition to requirements specified on the TACPA form, Attachment 16, STD 830.

4) If a proposer has submitted the completed TACPA request forms, Attachment 16, STD 830 and Attachment 17, DGS PD 526 with its proposal, and all RFP requirements are met, a preference of up to five percent (5%) may be added to the responsive responsible proposer's score for this RFP.

(s) Proof of Corporate Status

If Proposer is a corporation, submit a copy of firm's most current Certificate of Status issued by the State of California, Office of Secretary of State. Submit an explanation if this documentation cannot be submitted. Do not submit copies of Bylaws or Articles of Incorporation.

(t) Proof of Nonprofit Status

If Proposer is a nonprofit organization, submit a copy of an IRS determination letter indicating nonprofit 501(c)(3) tax exempt status. Submit an explanation if this documentation cannot be submitted.

(2) Body of Proposal

(a) Management Personnel Staffing and Experience

Identify all management personnel who will be assigned to provide services for the four (4) Worker's Compensation Programs. Include an organization chart that provides the name, title and role of all management personnel. Provide a resume and/or summary of qualifications, which includes all licenses held by each key personnel, the position each individual currently occupies and is being proposed to occupy, level of education, relevant experience and the length of time each individual has been with the firm. The Proposer must minimally identify the following:

1) The name of the Account Manager who shall have the day-to-day program management responsibilities for the four (4) Workers' Compensation Program and be the point of contact for the ORIM and the State. The Account Manager must have a minimum of five (5) years' experience managing a large workers' compensation claims program in the State of California. Large accounts are

those with the number of claimants substantially similar to or larger than those identified on pages five (5) and six (6) of this RFP.

2) The name of the Claims Manager responsible for managing the four (4) Workers' Compensation Program. The Claims Manager must have a minimum of five (5) years' experience managing a large workers' compensation claims program in the State of California. Large accounts are those with the number of claimants substantially similar to or larger than those identified on pages five (5) and six (6) of this RFP.

(b) Claims Administration Staff

1) Describe the effective plan to provide qualified claims administration staff if the Proposer were awarded the three (3) Agreements. This should be answered from the perspective that the State is seeking qualified, dedicated and experienced examiners assigned to manage claims of the Workers' Compensation Program.

2) Outline in detail the staffing levels to be used to administer the claims for the four (4) programs, including how staff members will be assigned files and the ratio of adjusters to supervisor. Staffing levels must comply, at a minimum, with the Sample Agreements, Scope of Work.

3) A minimum of one (1) California office shall be required. Provide details regarding Proposer's ability to adequately provide services statewide.

(c) Record of Performance

Provide client references with contact information for three (3) large California public entities, of which the Proposer, as a TPA, is currently providing workers' compensation claims administration services or has provided workers' compensation claims administration services in the State of California in the last five (5) years. Large accounts are those with the number of claimants substantially similar to or larger than those identified on pages 6 (six), 7 (seven), and eight (8) of this RFP. Each reference must include:

1) The company name and business address.

2) The name, title, and telephone number of the company contact knowledgeable about your services.

3) A brief description of the services provided and the period of service. Include the month, year, and number of years of service.

4) Describe challenges and solutions that occurred in the administration of claims for identified clients.

(d) Implementation and Transition Plan

Provide a comprehensive Implementation and Transition Plan (Plan) that will facilitate the assumption of control and data conversion of existing data files from the existing TPA and the integration of the SCO payment process identified in Sample Agreements, Scope of Work, Payments. The Plan and schedule should begin from the effective dates of the three (3) Agreements. The State anticipates but does not guarantee the availability of 180 days to implement the Plan and requires the Plan activities to be completed no less than thirty (30) days prior to the Contractor assuming full responsibility for new or existing workers' compensation claims per the Sample Agreements, Scope of Work. The Plan should include requirements provided in the Scope of Work and the following:

1) A detailed timeline along with tasks, major milestones, and deliverables.

2) Details regarding Proposer's approach to manage, control and/or supervise the Plan to ensure the satisfactory implementation and timely completion to provide for a seamless transition of the claims administration services for existing claims, readiness to provide services for new claims, and the integration of the SCO payment process for the provision of payments to claimants and the providers of services, as described in the Sample Agreements, Scope of Work.

3) Provide a description of any challenges and proposed solutions Proposer foresees within the required timeframe.

(e) Compliance with the State's requirements for Claims Administration Services

The Proposer shall provide a detailed description of the following:

1) Methodology to meet the requirements of the State identified in this RFP, including the Sample Agreements, Exhibit A, Scope of Work, for the provision of claims administration services.

2) Events or details occurring during the lifecycle of a claim, which are processed by the Proposer's claims/risk management system. It is important to demonstrate a proactive case closure philosophy for existing and future claims.

3) Distinguishing elements of Proposer's services.

(f) Workers' Compensation Program Claims Management

The Proposer will provide a description of the following:

1) Detailed steps to assist in reducing claims and mitigating costs. This includes costs of all services related to the provision of the Workers' Compensation Program.

2) Process to assist the State to meet its legal requirements to educate stakeholders, employees and CCRs about the workers' compensation process.

3) Process to keep the State updated and informed on the financial trends of the claims for each of the four (4) programs.

4) Proposer's process to monitor pending regulatory and legislative developments or enacted laws at the State and Federal levels, as well as significant judicial decisions or executive orders affecting the delivery of the Workers' Compensation Program.

5) Proposer's process to timely implement new requirements in law applicable to the provision of workers' compensation claims

services, so that all services are lawfully provided over the course of a claim.

6) Proposer's processes to communicate the information in items iv-v, (above) to ORIM and the State regularly throughout the term of any resulting Agreements.

7) Proposer's process to maintain compliance with the requirements of the Medicare Section 111 Mandatory Reporting, per the Medicare Secondary Payer Act, as amended by the Medicare, the Medicaid and SCHIP Extension Act of 2007 (MMSEA), and related statutes.

8) Proposer's quality assurance processes to ensure that the claims administration services are undertaken in accordance with the policies of the Proposer, the requirements of this RFP, including those stated in the Sample Agreements, and the Proposer's submitted proposal response to this RFP.

(g) Claims/Risk Management Information System

Describe the capabilities of Proposer's Claims/risk management information system. The Proposer will provide a description of the following:

1) Detail the types of data which can be captured through Proposer's system.

2) Efforts to maintain data integrity.

3) County access for online reporting and monitoring.

4) Process for generation of standard and custom reports by the State, DHCS, and ORIM.

5) Examples of standard and custom reports that will assist the State in monitoring and managing costs.

(h) Disaster Recovery

Proposer will provide a description of the following:

1) Proposer's processes and procedures with timeframes to restore services in the event of a catastrophic loss of equipment or location.

2) Proposer's processes and procedures with timeframes to recover claims' data in the event of an information system failure or data corruption.

(i) Data Security and Confidentiality

Proposer will provide a description of the following:

1) The processes to be undertaken to ensure data security and confidentiality of the data provided for the Workers' Compensation Program by the claimants and/or the State, which may include personal, confidential or protected health information.

2) The processes to be undertaken to identify security incidents or data breaches involving personal, confidential or protected health information. Applicable state and federal standards or legal requirements should be referenced.

3) Proposer's ability to conduct data security reviews and update data security processes.

(j) Litigation Management and Cost Containment

Include a description of services to promote appropriate outcomes in the use of referrals to workers' compensation defense counsel:

1) Approach and guidelines for determining when defense counsel is necessary and the continued oversight of the services. This should include how the examiner will coordinate activities once a claim is assigned to the defense counsel.

2) The processes and procedures to manage the quality of work and cost of defense counsel.

3) Provide samples of billing, audit, and activity reports used.

4) Subrogation activities are utilized to reduce the costs of claims to the State and DHCS. To reduce the States' and DHCS's cost of the Workers' Compensation Program, describe how the four (4) Proposer's claims management process would interact with the State and defense counsel to identify and pursue subrogation for certain claims, when appropriate.

(k) Managed Care Services

Proposer will provide a description of the following and include documentation of the Proposer's philosophy, protocol, and readiness to provide the following services:

1) Utilization Review
   a) Current guidelines for referral to utilization review.
   b) Description of how the Proposer ensures utilization review is used in the most efficient manner.

2) Bill Review
   Provide details on the success of Proposer's bill review process and what factors differentiate Proposer's firm from others.

3) Preferred Provider Organization Network(s)
   Provide details on how Proposer will incorporate PPO Network(s) and measure performance, coverage, services, and cost savings.

(l) Program Challenges

Provide a description of any challenges Proposer anticipates during the term of the Program and Proposer's proposed solution.

c. Cost Proposal Requirements

The Proposer must include the cost to the State for the Scope of Work claims administrative services. The cost must be submitted on Attachment 6, Cost Proposal, and remitted in a separate sealed envelope.

6. Submission of Proposal

a. All proposals shall be electronically submitted and received by CDSS by the date and time shown in Section D, Proposal Requirements and Information, Item 1, Key Action Dates. Proposals received after this date and time will not be considered.

b. The cover of the proposal must be plainly marked with the RFP number and title, Proposer firm's name and address, and must be marked with "DO NOT OPEN, RFP 27-3001, Due November 30, 2026 2:00 PM. PST.", as shown in the following example.

(1) Technical Proposal
(Firm's Legal Name)
(Firm's Address)

California Department of Social Services
Contracts and Purchasing Bureau
Attn: Salman Amin
744 P Street, MS 9-6-747
Sacramento, CA 95814

TECHNICAL PROPOSAL
DO NOT OPEN
RFP 27-3001
WORKERS' COMPENSATION
THIRD PARTY ADMINISTRATOR
Due Month November 30, 2026, 2:00 P.M. PST

(2) Cost Proposal
(Firm's Legal Name)
(Firm's Address)

California Department of Social Services
Contracts and Purchasing Bureau
Attn: Salman Amin
744 P Street, MS 9-6-747
Sacramento, CA 95814

COST PROPOSAL
DO NOT OPEN
RFP 27-3001
WORKERS' COMPENSATION
THIRD PARTY ADMINISTRATOR
Due November 30, 2026, 2:00 P.M. PST

c. An electronic copy that contains a complete Portable Documents Format (PDF) of the proposal must be submitted to Salman Amin at Salman.Amin@dss.ca.gov, prior to the proposal submission deadline. The subject line shall contain the following naming convention: **RFP 27-3001, Workers' Compensation Third Party Administrator**. If the size of the submitted files are too large to be sent in one email, multiple emails may be sent from the same Proposer's email. CDSS cannot be held liable for emails not received due to file size exceeding email capabilities.

(1) **LATE SUBMISSIONS, IN WHOLE OR IN PART, WILL NOT BE ACCEPTED FOR ANY REASON.**

(2) **Proposals submitted to any other email address will not be accepted.**

(3) If the proposal is made under a fictitious name or business title, the actual legal name of the Proposer must be provided.

(4) Proposals not submitted in accordance with the instructions and marked as indicated may be rejected.

c. All proposals shall include the documents identified in **Attachment 1, Required Attachment Checklist**. Proposals not including the proper "required attachments" shall be deemed non-responsive. A non-responsive proposal is one that does not meet the basic proposal requirements.

d. Proposals must be submitted for the performance of all the services described herein. Any deviation from the work specifications will not be considered and will cause a proposal to be rejected.

e. A proposal may be rejected if it is conditional or incomplete, or if it contains any alterations of form or other irregularities of any kind. CDSS may reject any or all proposals and may waive an immaterial deviation in a proposal. CDSS' waiver of an immaterial deviation shall in no way modify the RFP document or excuse the proposer from full compliance with all requirements if awarded the Agreement.

f. Costs incurred for developing proposals and in anticipation of award of the Agreement are entirely the responsibility of the Proposer and shall not be charged to the State of California.

g. An individual who is authorized to bind the proposing firm contractually shall sign **Attachment 4, Proposal/Proposer Certification Sheet**. The signature must

indicate the title or position that the individual holds in the firm. An unsigned proposal may be rejected.

h. A Proposer may modify a proposal after its submission by withdrawing its original proposal and resubmitting a new proposal prior to the proposal submission deadline as set forth in the Key Action Dates. Proposal modifications offered in any other manner, oral or written, will not be considered.

i. A Proposer may withdraw its proposal by submitting a written withdrawal request to CDSS, signed by the Proposer or an authorized agent. A Proposer may thereafter submit a new proposal prior to the proposal submission deadline. Proposals may not be withdrawn without cause subsequent to proposal submission deadline.

j. CDSS may modify the RFP prior to the date fixed for submission of proposals by the issuance of an addendum posted on the Cal eProcure event.

k. CDSS reserves the right to reject all proposals. CDSS is not required to award an agreement.

l. Before submitting a response to this solicitation, Proposers should review, correct all errors and confirm compliance with the RFP requirements.

m. Where applicable, Proposer should carefully examine work sites and specifications. No additions or increases to the Agreement amount will be made due to lack of careful examination or work sites and specifications.

n. More than one proposal from an individual, firm, partnership, corporation or association under the same or different names will not be considered.

o. The State does not accept alternate agreement language from a prospective Contractor. A proposal with such language will be considered a counter proposal and will be rejected. The State's General Terms and Conditions (GTC) are not negotiable.

p. No oral understanding or agreement shall be binding on either party.

q. CDSS reserves the right to use any and all ideas or concepts in any proposal submitted and/or selected for the award of the Agreement.

r. News releases pertaining to this RFP and its award shall not be made without prior approval of CDSS.

7. Evaluation Process

a. A multiple stage evaluation process will be used to review and/or score proposals.

b. At the time of proposal opening, each proposal will be checked for the presence or absence of required information in conformance with the submission requirements of this RFP.

c. A Proposer must meet the Minimum Qualifications for its written submission to be evaluated.

d. A responsive proposal is one which meets or exceeds the requirements stated in this RFP. The State may reject any proposal that is found to be non-responsive at any stage of evaluation.

e. Proposals that contain false or misleading statements, or which provide references, that do not support an attribute or condition claimed by the Proposer, may be rejected.

f. The State reserves the right, at its sole discretion, to determine a deficiency is not substantive and waive the deficiency as immaterial. Waiver of an immaterial defect by the State shall in no way modify the RFP documents or relieve the Proposer from full compliance if the Proposer is awarded the Agreements.

g. The State reserves the right to reject any and all submissions, or any part thereof. The State reserves the right to re-issue or alter this RFP. The State also reserves the right to cancel this RFP and to procure the required services by other means.

h. Award, if made, will be to the highest scored responsive and responsible proposal.

i. In the event of a tie the winning proposal will be decided in a coin toss. The event will be observed by witnesses and the affected proposers will be invited.

j. In the event of a precise tie between the low responsible bid of a certified small business and the low responsible bid of a certified disabled veteran owned business that is also a small business, the Agreements must be awarded to the Disabled Veteran Owned Small Business (GC §14838(f); 2 CCR §196.8(f)).

k. <u>Proposal Evaluation</u>

Each proposal will be evaluated by committee. All scoring will be done on a consensus basis. After it is determined by the committee the proposal meets

the minimum qualifications, the written submission will then be evaluated and scored. Thereafter, the cost proposal of the submitted proposal will then be opened. The appropriate score will be given to the cost proposal (see example below). The Proposer of the proposal with the highest total of combined points will be awarded the Agreements.

(1) Phase 1: Required Attachments – Pass/Fail

The Proposer must submit all attachments listed in Attachment 1, Required Attachment Checklist. Missing or incomplete attachments may be cause for rejection of the proposal. If the Proposer is deemed responsive in Phase I, the Proposer will move into Phase II for evaluation of the Technical Proposal.

(2) Phase II: Evaluation of the Written Submission – Technical Proposal (420 points)

The Technical Proposal will be evaluated in accordance with Exhibit 1 – Written Proposal Evaluation Scoring Sheet. If the Proposer is deemed responsive in Phase II, the Proposer will move onto Phase III for evaluation of the Cost Proposal.

Total points available for Phase II are 420 points or 70% of the total score.

(3) Phase III: Proposed Cost – Cost Proposal (180 Points)

The Proposer shall complete Attachment 6, Cost Proposal when submitting their cost proposal. The cost proposals will not be opened until all technical proposals are evaluated and scored.

Total points awarded for Phase III are 180 points or 30% of the total score.

The lowest cost proposal submitted will be awarded the full 180 points. The remaining cost proposals will be awarded points based on the cost formula below:

Cost Proposal Formula:
(Lowest Cost Proposal/Other Cost Proposal = (Factor) X maximum cost points = cost points for other Proposal)

EXAMPLE:

Lowest cost proposal = $75,000.00

Other proposal = $100,000.00

Total Points Available = 180 Points

$75,000.00/$100,000.00 = ¾ X 180 = 135 cost points awarded

Each subsequent cost proposal will be factored by the above formula.

The sum of the scores for both sections of each proposal package will be used as the total cost score for that proposal package.

The scores from Phase II and Phase III will be added to arrive at the final combined score for each proposal. The proposal with the highest final combined score will be selected. The Agreements will be awarded to the Proposer of the proposal with the highest combined score meeting the requirements outlined in this RFP, pending approval of any applicable State Preference and Incentive Programs set forth in this RFP.

8. Award and Protest

a. Notice of the proposed awards shall be posted in the lobby of the CDSS, 744 P Street, Sacramento, CA 95814, for five (5) working days prior to awarding the Agreements. A copy of the Notice of Intent to Award will be emailed to all entities that submitted a proposal. Notice of Intent shall also be posted on Attachments page of Event # xxxxx via https://caleprocure.ca.gov/pages/index.aspx.

b. Upon written request by any Proposer, the Notice of the proposed award shall be posted at least five (5) working days prior to awarding the Agreement.

c. If any Proposer, prior to the award of Agreement, files a written protest with the California Department of General Services, Office of Legal Service and the CDSS on the grounds that the (protesting) Proposer would have been awarded the Agreement had the CDSS correctly applied the evaluation standard in the RFP, or if the CDSS followed the evaluation and scoring methods in the RFP, the Agreement shall not be awarded until either the protest has been withdrawn or the Department of General Services has decided the matter. Within five (5)

calendar days after filing the initial protest, the protesting bidder shall file with the Department of General Services and the CDSS a detailed, written statement of protest, including the RFP number, the name of the State agency involved, the agency contract person, and must be submitted to both of the following:

Department of General Services
Office of Legal Services
Attention: Protest Coordinator
707 Third Street, 7th Floor, Suite 7-330
West Sacramento, CA 95605
Email: olsprotests@dgs.ca.gov

AND

California Department of Social Services
Non-IT Contracts Bureau
Attention: Chief, Non-IT Contracts Bureau
744 P Street, M.S. 8-4-665
Sacramento, CA 95814
Email: Christine.Wright@dss.ca.gov

d. Protests may be sent by email, regular mail, courier, or personal delivery. Protestants should include their email address, if they have one.

9. Disposition of Proposals

a. Upon proposal opening, all documents submitted in response to this RFP shall become the property of the State of California and will be regarded as public records under the California Public Records Act (Government Code Section 6250 et seq.), and subject to review by the public.

b. Proposal packages may be returned only at the proposer's expense, unless such expense is waived by the State.

10. Agreement Execution and Performance

a. Services shall start not later than five (5) days, or on the express date set by the State and the Contractor, after all approvals have been obtained and the Agreements are fully executed. Should the Contractor, after all approvals have been obtained and the Agreements are fully executed. Should the

Contractor fail to commence work at the agreed upon time, the State, upon five (5) days written notice to the Contractor, reserves the right to terminate the Agreements. In addition, the Contractor shall be liable to the State for the difference between Contractor's proposal price and the actual cost of performing work by the second lowest proposer or by another contractor.

b. All performance under the Agreements shall be completed on or before the termination date of the Agreements.

E. PREFERENCE AND INCENTIVE PROGRAMS

1. Small Business Enterprise (SBE)

a. Small Business Regulations: The Small Business regulations, located in the California Code of Regulations (Title 2, Division 2, Chapter 3, Subchapter 8, Section 1896 et seq.), concerning the application and calculation of the small business preference, small business certification, responsibilities of small business, department certification, and appeals are revised, effective 9/09/04. The new regulations can be viewed at https://www.dgs.ca.gov/PD/Resources/Page-Content/Procurement-Division-Resources-List-Folder/Notice-of-Rulemaking-Regulations-for-SB-DVBE. For those without Internet access, a copy of the regulations can be obtained by calling the Office of Small Business and DVBE Services at (916) 375-4940 or emailing SBDVBERegulations@dgs.ca.gov.

b. Non-Small Business Subcontractor Preference: A five percent (5%) bid preference is now available to a non-small business claiming twenty-five percent (25%) California certified small business subcontractor participation.

c. Small Business/ Nonprofit Veteran Service Agencies (SB/NVSA): SB/NVSA prime proposers meeting requirements specified in the Military and Veterans Code Section 999.50 et seq. and obtaining a California certification as a small business are eligible for the five percent (5%) small business preference.

d. Attachment with Bid Required if Claiming the Small Business Preference: All proposers must complete and include **Attachment 7, GSPD-05-105, Bidder Declaration**. If claiming the non-small business subcontractor preference, the form must list all of the California certified small businesses with which you commit to subcontract in an amount of at least twenty-five percent (25%) of the net bid price. All certified small businesses must perform a "commercially

useful function" in the performance of the Agreements as defined in Government Code Section 14837(d)(4).

e. Small Business Certification: Proposers claiming the small business preference must be certified by California as a small business or must commit to subcontract at least 25% of the net bid price with one or more California certified small businesses. Completed certification applications and required support documents must be submitted to the Office of Small Business and DVBE Services (OSDS) no later than 5:00 p.m. on the proposed due date, and the OSDS must be able to approve the application as submitted. Small business nonprofit veteran service agencies (SB/NBSA) claiming the small business preference must possess certification by California prior to the day and time proposals are due. Questions regarding certification should be directed to the OSDS at OSDSHelp@dgs.ca.gov or (916) 375-4940.

2. Disabled Veteran Business Enterprise (DVBE) Participation Program Requirements

The State has established goals for DVBE participating in state agreements. To be considered responsive, proposers must complete and return **Attachment 7, GSPD-05-105, Bidder Declaration** and **Attachment 8, STD 843, DVBE Declarations**, as applicable. Failure to complete and submit all required forms with the bid, that fully document and meet the DVBE program requirement, may cause the bid to be rejected.

a. Authority
The DVBE Participation Goal Program for state agreements is established in the Public Contract Code Section 10115 et seq., Military and Veterans Code Section 999 et seq., and California Code of Regulations, Title 2, Division 2, Chapter 3, Subchapter 10.5, Section 1896.60 et seq.

b. Instructions
These instructions contain information about the DVBE program requirements, proposer's responsibilities, and requirements for performing and documenting the goals. Proposers are responsible for thorough review and compliance with these instructions.

c. Participation Percentage
The minimum DVBE participation percentage for this solicitation is 3%.

d. Introduction

(1) Proposers must document the goals in this bid to comply with this solicitation's DVBE program requirements. Bids or proposals (hereafter called "bids") that fail to fully document the DVBE program requirements shall be considered non-responsive and ineligible for award.

(2) All information submitted by the intended awardee to comply with this solicitation's DVBE requirements will be verified by the State. If evidence of an alleged violation is found during the verification process, the State shall initiate an investigation with this information in accordance with the requirements of the Public Contract Code Section 10115 et seq., Military and Veterans Code Section 999 et seq., and follow the investigatory procedures required by the California Code of Regulations, Title 2, Division 2, Chapter 3, Subchapter 10.5, Section 1896.80.

(3) Only DVBEs certified by DGS/ OSDS who perform a commercially useful function relevant to this solicitation may be used to satisfy the DVBE program requirements. The criteria for performing a commercially useful function are indicated under the Commercially Useful Function Definition section within this Attachment, Military and Veterans Code, Section 999(b)(5)(B), and California Code of Regulations, Title 2, Division 2, Chapter 3, Subchapter 10.5 Section 1896.61(l). Proposers must verify each DVBE subcontractor's supplier's certification with the DGS/OSDS to ensure DVBE eligibility.

e. Resources and Information

For assistance in preparing a responsive DVBE participation document, please contact the States' DVBE Advocate at (916) 657-3784 regarding this solicitation. To locate certified DVBEs and obtain additional information regarding the DVBE program, please refer to the DGS/OSDS website at http://www.dgs.ca.gov or contact the DGS/OSDS by telephone at (916) 375-4940.

f. Commercially Useful Function Definition

(1) The term "DVBE contractor, subcontractor, or supplier" means any person or entity that satisfies the ownership (or management) and control requirements (California Code of Regulations, Title 2, Division 2, Chapter 3, Subchapter 10.5, Section 1896.61(f)), is certified in accordance with California Code of Regulations, Title 2, Division 2, Chapter 3, Subchapter

10.5, Section 1896.70, and provides services or goods that contribute to the fulfillment of the contract requirements by performing a CUF (Military and Veterans Code, Section 999(b)(5)(B) and California Code of Regulations, Title 2, Division 2, Chapter 3, Subchapter 10.5, Section 1896.61(l)). A DVBE contractor, subcontractor, or supplier is considered performing a CUF when it meets the following criteria:

(a) The business is responsible for the execution of a distinct element of the work of the contract; carrying out its obligation by actually performing, managing, or supervising the work involved; performs work that is normal for its business services and functions; and is responsible, with respect to products, inventories, materials, and supplies required for the contract, for negotiating price, determining quality and quantity, ordering, installing, if applicable, and making payment.

AND

(b) The business is not further subcontracting a greater portion of the work than would be expected by normal industry practices.

g. Commitment

(1) Non-DVBE Proposer
Commit to using certified DVBE(s) for at least 3% of the Agreements bid amount.

(a) Non-DVBE Proposer must document the DVBE participation commitment by completing and submitting all of the following documents with their bid:

1) **Attachment 7, GSPD-05-105, Bidder Declaration**, included in this solicitation. Failure to complete and submit the Bidder Declaration included in this solicitation may render your bid non-responsive.

2) **Attachment 8, STD 843, DVBE Declarations**, included in this solicitation. Failure to complete and submit the STD 843 included in this solicitation may render the proposal non-responsive.

3) **Attachment 9, DVBE Subcontractor Agreement**, included in this solicitation. Proposer shall submit a completed DVBE

Subcontractor Agreement for each DVBE subcontractor identified in its bid. Only the proposer shall fill out this Agreement and either mail, fax, or email the Agreement to the selected DVBE(s) for signature. Failure to submit the DVBE Subcontractor Agreement included in this solicitation for each DVBE subcontractor identified may render your bid non-responsive. Each DVBE Subcontractor Agreement will include: the term of intended subcontract with the DVBE, anticipated dates the DVBE will perform required work, rate and conditions of payment, the percentage of the entire Agreement that will be awarded to the DVBE (minimum 3% unless otherwise specified within this solicitation), and the description of services and/or goods to be performed/supplied by the DVBE subcontractor. If further verification is necessary, the State will obtain additional information to verify the above requirements.

4) Proof of DVBE Certification for each DVBE subcontractor identified on the Proposer Declaration the Proposer shall provide a printout from the DGS Cal eProcure website.

(2) Certified DVBE Proposer

Must commit to performing at least 3% of the Agreement bid amount with the prime proposer's firm or in combination with another DVBE(s).

(a) **Attachment 7, GSPD-05-105, Bidder Declaration**, included in this solicitation. Failure to complete and submit the Bidder Declaration included in this solicitation may render your bid non-responsive.

(b) **Attachment 8, STD 843, DVBE Declarations**, included in this solicitation. Failure to complete and submit the STD 843 included in this solicitation may render the proposal non-responsive.

(c) **Attachment 9, DVBE Subcontractor Agreement**, included in this solicitation (only applicable If you intend to utilize a DVBE Subcontractor Agreement for each DVBE subcontractor identified in its proposal.) Only the Proposer shall fill out this Agreement and either mail, fax, or email the Agreement to the selected DVBE(s) for signature. Failure to submit the DVBE Subcontractor Agreement included in this solicitation for each DVBE subcontractor identified

may render your proposal non-responsive. Each DVBE Subcontractor Agreement will include: the term of intended subcontract with the DVBE, anticipated dates the DVBE will perform required work, rate and conditions of payment, the percentage of the entire Agreement amount that will be awarded to the DVBE (minimum 3% unless otherwise specified within this solicitation), and the description of services and/or goods to be performed/supplied by the DVBE subcontractor. If further verification is necessary, the State will obtain additional information to verify the above requirements.

(d) Provide proof of the DVBE Certification via a printout from the DGS Cal eProcure website.

h. Replacement of DVBE Subcontractor(s)

(1) Proposer understands and agrees that should an award of the Agreements be based in part on its commitment to use the DVBE subcontractor(s) identified in its proposal, per Military and Veterans Code Section 999.5(e), a DVBE subcontractor may only be replaced by another DVBE subcontractor and must be approved by DGS. Changes to the Scope of Work that impact the DVBE subcontractor(s) identified in the Contractor's proposal and approved DVBE substitutions will be documented via an agreement amendment with the State.

(2) Failure of Awarded Proposer to seek a substitution and adhere to the DVBE participation level identified in its proposal may be cause for agreement termination, recovery of damages under rights and remedies due to the State, and penalties outlined in Military and Veterans Code Section 999.9, and Public Contract Code Section 10115.10, or Public Contract Code Section 4110 (applies to public works only).

i. DVBE Participation Reporting Requirements

If for the Agreements, the Awarded Proposer makes a commitment to achieve DVBE participation, then the Awarded Proposer must, within 60 days of receiving final payment under the Agreements (or within such other time period as may be specified elsewhere in the Agreements), certify the following in a report to the State: (1) the total dollar amount the Awarded Proposer received under the Agreements; (2) the name and address of the DVBE(s) that participated in the performance of the Agreements; (3) the total

dollar amount each DVBE received from the Awarded Proposer; (4) that all payments under the Agreements 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 (Military and Veterans Code Section 999.5(d)).

3. **DVBE Incentive for Awards Based on High Score**

In accordance with section 999.5(a) of the Military and Veterans Code, an incentive will be given to Proposers who provide DVBE participation. For evaluation purposes only, the State shall apply an incentive to proposals that propose California certified DVBE participation as identified on **Attachment 7, GSPD-05-105, Bidder Declaration**, and confirmed by the State.

Incentive points will only be awarded to those proposals that have been determined responsible and are responsive to all solicitation requirements and propose DVBE participation. Incentive points will be calculated by multiplying the solicitation's Total Possible Points (100) by the level of DVBE participation identified by the proposing firm. This amount is then added to the proposer's total non-cost points score. Computation is for evaluation purposes only and cannot be used to achieve any applicable minimum point requirements. If the #1 ranked responsive, responsible Proposer is a California certified small business, the only Proposers eligible for the incentive will be California certified small businesses. The incentive shall not exceed 5% or be less than 1% of total possible available points, not including points for socioeconomic incentives or preferences.

The following table identifies the incentive points based on DVBE participation:

DVBE INCENTIVE POINTS

Confirmed DVBE Participation of:	DVBE Incentive:
5% or Over	5% x 100 = 5
4% to 4.99% Inclusive	4% x 100 = 4
3% to 3.99% Inclusive	3% x 100 = 3
2% to 2.99% Inclusive	2% x 100 = 2
1% to 1.99% Inclusive	1% x 100 = 1

For additional information, please read **Exhibit 2, California DVBE Bid Incentive Instructions**.

F. INSURANCE REQUIREMENTS

1. Within 5 days of award of the Contracts or before work under the Contracts begins Awarded Proposer shall, at their own expense, provide evidence of insurance as follows:

   a. Commercial General Liability – The successful Proposer/Contractor shall maintain general liability on an occurrence form with limits 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 & advertising injury, and liability assumed under an insured contract. This insurance shall apply separately to each insured against whom claim is made or suit is brought subject to the Contractor's limit of liability.

      The policy must include the State of California, its officers, agents, employees, and guests, as additional insured, but only with respect to work performed under the Contracts.

      This endorsement must be supplied under form acceptable to ORIM. In the case of Contractor's utilization of subcontractors to complete the contracted Scope of Work, Contractor shall include all subcontractors as insureds under Contractor's insurance or supply evidence of insurance to the State equal to policies, coverages and limits required of Contractor.

   b. Automobile Liability – The successful Proposer/Contractor shall maintain motor vehicle liability with limits 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.

      The policy must be endorsed to include the State of California, its officers, agents, employees, and guests as additional insured, but only with respect to work performed under the Contracts. The additional insured endorsements is to be provided with the certificate of insurance.

   c. Workers' Compensation and Employers Liability – The successful Proposer/Contractor shall maintain statutory workers' compensation and employer's liability coverage for all its employees who will be engaged in the performance of the Contracts. Employer's liability limits of $1,000,000 are required.

The Workers' Compensation policy shall be endorsed with a waiver of subrogation in favor of the State. The waiver of subrogation endorsement is to be provided with the certificate of insurance.

d. Professional Liability, Errors and Omissions – The successful Proposer/Contractor shall maintain professional liability covering any damages caused by a negligent error, act or omission with limits of not less than $3,000,000 per occurrence and $3,000,000 policy aggregate. The policy's retroactive date must be shown on the certificate of insurance and must be before the date this contract was executed or before the beginning of contract work.

e. Cyber Liability - Contractor shall maintain Cyber Liability Insurance, with limits not less than $2,000,000 per occurrence or claim, $2,000,000 aggregate. Coverage shall be sufficiently broad to respond to the duties and obligations as is undertaken by Vendor/Contractor/Operator in this agreement and shall include, but not be limited to, claims involving infringement of intellectual property, including but not limited to infringement of copyright, trademark, trade dress, invasion of privacy violations, information theft, damage to or destruction of electronic information, release of private information, alteration of electronic information, extortion and network security. The policy shall provide coverage for breach response costs as well as regulatory fines and penalties as well as credit monitoring expenses with limits sufficient to respond to these obligations.

f. Employee Dishonesty – The successful Proposer/Contractor shall maintain employee dishonesty coverage with limits not less than $1,000,000. Such insurance shall include but is not limit coverage to forgery, alteration or theft arising out of an employee's dishonesty acts. A Clients' Property endorsement as broad as CR 04 01 08 13 must be endorsed to this policy and notated on the certificate of insurance.

2. Certificates evidencing Contractor's insurance coverage shall be filed with the State prior to the execution of the Agreements.

3. General Provisions Applying to All Insurance Policies:

   a. Coverage Term – Coverage needs to be in force for the complete term of the contract. If insurance expires during the term of the contract, a new certificate must be received by the State at least ten (10) days prior to the expiration of this insurance. Any new insurance must still comply with the original terms of the contract.

b. Policy Cancellation / Termination & Notice of Non-Renewal – Contractor shall provide to the State within five (5) business days a copy of any notice of Cancellation/Termination or Non-renewal received by contractor for any of the required insurance policies. In the event Contractor fails to keep in effect at all times the specified insurance coverage, the state may, in addition to any other remedies it may have, terminate this Contract upon the occurrence of such event, subject to the provisions of this Contract.

c. Deductible – Contractor is responsible for any deductible or self-insured retention contained within their insurance program.

d. Primary Clause – Any required insurance contained in this contract shall be primary and not excess or contributory, to any other insurance carried by the State.

e. Insurance Carrier Required Rating – All insurance companies must carry a rating acceptable to the Office of Risk and Insurance Management. If the Contractor is self-insured for a portion or all of its insurance, review of financial information including a letter of credit may be required.

f. Endorsements – Any required endorsements requested by the State must be physically attached to all requested certificates of insurance and not substituted by referring to such coverage on the certificate of insurance.

g. Inadequate Insurance – Inadequate or lack of insurance does not negate the contractor's obligations under the contract.

G. Generative Artificial Intelligence (GenAI) Disclosure

The State of California seeks to realize the potential benefits of GenAI, through the development and deployment of GenAI tools, while balancing the risks of these new technologies.

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

Failure to report GenAI to the State may result in disqualification. The State reserves the right to seek any and all relief to which it may be entitled to as a result of such non-disclosure.

Upon notification by a Bidder / Offeror of GenAI as required, the State reserves the right to incorporate GenAI Special Provisions into the final contract or reject bids/offers that present an un7acceptable level of risk to the State.

Government Code 11549.64 defines “Generative Artificial Intelligence (GenAI)” as an artificial intelligence system that can generate derived synthetic content, including text, images, video, and audio that emulates the structure and characteristics of the system’s training data.

REQUIRED ATTACHMENT CHECKLIST

Proposer's Name: _____

A complete proposal or proposal package will consist of the items identified below.

Complete this checklist to confirm the items in your proposal. Place a check mark of "X" next to each item that you are submitting. For your proposal to be responsive, all required attachments must be submitted. This checklist must be returned with your bid package.

Attachment	Attachment Name/Description
_____ Attachment 1	Required Attachment Checklist
_____ Attachment 2	Proposal Cover Letter and Statement of Intent to Meet RFP Requirements
_____ Attachment 3	Minimum Qualifications Certification
_____ Attachment 4	Proposal/Proposer Certification Sheet
_____ Attachment 5	Proposer References
_____ Attachment 5.1	Subcontractor References (if applicable)
_____ Attachment 6	Cost Proposal
_____ Attachment 7	GSPD-05-105, Bidder Declaration
_____ Attachment 8	STD 843, Disabled Veteran Business Enterprise (DVBE) Declarations (if applicable)
_____ Attachment 9	DVBE Subcontractor Agreement (if applicable)
_____ Attachment 10	Darfur Contracting Act Certification
_____ Attachment 11	Commercially Useful Function (CUF) Evaluation Form
_____ Attachment 12	California Civil Rights Laws Certification
_____ Attachment 13	Iran Contracting Act Certification Form
_____ Attachment 14	Contractor Certification Clause (CCC 04/2017)
_____ Attachment 15	STD 204, Payee Data Record
_____ Attachment 16	STD 830, Target Area Contract Preference Act (if applicable)
_____ Attachment 17	DGS PD 526, Bidder's Summary of Contract Activities and Labor (if applicable)

Additional documentation to be submitted:

_____ Copy of City/County Business License(s) identifying the locations described in

RFP Section C, Item 3

_____ Copy of Workers' Compensation Self-Insurance Administrator Certificate to provide workers' compensation claims administration services as a TPA in the State of California

PROPOSAL COVER LETTER AND STATEMENT OF INTENT TO MEET RFP REQUIREMENTS

TO: California Department of Social Services
Attn: Salman Amin
Contracts and Purchasing Bureau
744 P Street, M.S. 9-6-747
Sacramento, CA 95814

SUBJECT: REQUEST FOR PROPOSAL (RFP) 27-3001
WORKERS' COMPENSATION THIRD PARTY ADMINISTRATOR

The subject proposal is submitted for consideration of award of contracts for the anticipated start date of December 1, 2027 or upon approval of the Department of General Services, through November 30, 2030 with one (1) optional three (3) year optional extension at the discretion of the State.

NAME OF PROPOSER (LEGAL ENTITY)

NAME OF PARENT CORPORATION (IF APPLICABLE)

STREET ADDRESS

CITY, STATE, ZIP CODE

CONTACT PERSON	(AREA CODE) PHONE NUMBER

The Proposer's signature affixed hereon shall constitute the Proposer's intent to comply with all requirements specified in the RFP.

SIGNATURE OF PERSON AUTHORIZED TO SIGN PROPSAL	DATE SIGNED

NAME AND TITLE

Proposals are due to the California Department of Social Services, Contracts and Purchasing Bureau, no later than 2:00 PM PT on November 30, 2026. Proposals not received by the specified date and time may be rejected. Postmarks or fax transmissions will not be accepted.

Minimum Qualifications Certification

As required in the Request for Proposal (RFP) 27-3001, section D, Proposal Requirements and Information, Proposer must complete and return this Certification, along with written evidence of how each qualification is met. All required fields must be completed to satisfy this requirement. Additional rows may be added, if necessary.

Evidence of Minimum Qualifications:

A. Provide evidence of satisfaction of Minimum Qualification C.1 by completing the table below OR selecting the appropriate check box as applicable. All requested fields must be completed in order to satisfy this Minimum Qualification.

1. The Proposer, as a TPA for California public entities, must have a minimum of five (5) years of experience, during the last eight (8) years, in administering workers' compensation claims in accordance with the workers' compensation laws, regulations and final non-appealable judicial decisions of the State of California. The Proposer must provide three (3) references for workers' compensation claims administration services from three (3) large public entities located in California, as described in Section D, Item 5,b,2,c., Record of Performance. Large accounts are those with the number of claimants substantially similar to or larger than those identified on pages 6, 7, and 8 of this RFP.

Name(s) of Entity to Whom Services Were Provided	Brief Description of Service	Years of Experience (MM/YY – MM/YY)
		MM/YY - MM/YY
		MM/YY - MM/YY
		MM/YY - MM/YY

☐ Not applicable; Proposer is a governmental entity.

B. Provide evidence of satisfaction of Minimum Qualification C.2 by completing the appropriate check box below and completing the table below as applicable. All applicable fields must be completed in order to satisfy this Minimum Qualification.

1. The Proposer must have the appropriate business licenses to conduct business within the State of California.

☐ Proposer certifies that it is a legal business entity authorized to do business in the State of California and has submitted the business license from the city/county in which the Proposer's California based office(s) are located.

State of California Business License Number	Issue Date	Date of Expiration
		MM/YY

☐ Proposer certifies that it is a legal business entity authorized to do business in the State of California, is based in an unincorporated area, and has submitted signed proof of "exempted" business license status from the city or county, if applicable.

C. Provide evidence of satisfaction of Minimum Qualification C.3 by completing the appropriate check box below. All requested fields must be completed in order to satisfy this Minimum Qualification.

1. The Proposer must have an office located within the state of California with assigned staff dedicated to the administration of States workers' compensation claims during the term of any agreement awarded pursuant to this RFP to meet the business need for in-person meetings. Costs related to items such as travel and per diem are costs of the Proposer and will not be paid as part of the resulting agreements.

☐ Proposer certifies that it has at least one (1) California office, and will provide services through this location.

California Office Address

☐ Or, prior to execution of the awarded agreement, Proposer certifies that it will establish and maintain at least one (1) California office, and will provide services through this location.

D. Provide evidence of satisfaction of Minimum Qualification C.4 by completing the appropriate check box below and completing the table below as applicable. All applicable fields must be completed in order to satisfy this Minimum Qualification.

1. The Proposer's Claims/Risk Management System must be a paperless claim file system with online access provided to the State and ORIM.

☐ Proposer certifies that the Claims/Risk Management System shall be a paperless claim file system with online access provided to the State and ORIM.

E. Provide evidence of satisfaction of Minimum Qualification C.5 by completing the table below. All requested fields must be completed in order to satisfy this Minimum Qualification.

1. The Proposer must have the ability to fully comply with the State's and the SCO's Payment process as required in the Payments Provision of the Scope of Work.

☐ Proposer certifies that they shall comply with the State's and the SCO's Payment process as required in the Payments Provision of the Scope of Work.

F. Provide evidence of satisfaction of Minimum Qualification C.6 by completing the appropriate check box below. All requested fields must be completed in order to satisfy this Minimum Qualification.

1. The Proposer must have a California Workers' Compensation Self-Insurance Administrator Certificate to provide workers' compensation claims administration services as a TPA in the State of California.

☐ Proposer certifies that they have a California Workers' Compensation Self-Insurance Administrator Certificate to provide workers' compensation claims administration services as a TPA in the State of California.

G. Provide evidence of satisfaction of Minimum Qualification C.7 by completing the appropriate check box below. All applicable fields must be completed in order to satisfy this Minimum Qualification.

1. The Proposer shall have an operating system with the capability to enable a successful data transfer and uninterrupted transition of the State's claims data in the current TPA's system, currently Claims Connect and Focus, to the Proposer's system for all open and closed claims for each of the four (4) programs prior to December 1, 2027.

☐ Proposer certifies that they have an operating system with the capability to enable a successful data transfer and uninterrupted transition of the State's claims data in the current TPA's system, currently Claims Connect

and Focus, to the Proposer's system for all open and closed claims for each of the four (4) programs prior to December 1, 2027.

H. Provide evidence of satisfaction of Minimum Qualification C.8 by completing the appropriate check box below. All applicable fields must be completed in order to satisfy this Minimum Qualification.

1. Proposer's corporation must be in good standing and qualified to conduct business in California as verified by the Secretary of State's website: http://www.sos.ca.gov/.

SOS Entity File Number	SOS Status

☐ Not applicable; Proposer is a governmental entity.

Proposer certifies this response fulfills the Minimum Qualifications outlined by signing below.

_____ _____
Authorized Signature Name and Title (Please Print)

_____ _____
Name of Firm Date

PROPOSAL / PROPOSER CERTIFICATION SHEET

This Proposer / 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.

A. Place all required attachments behind this certification sheet.

B. I have read and understand the DVBE Participation requirements and have included documentation demonstrating that I have met the participation goals.

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

NOTE: An unsigned Proposal / Proposer Certification Sheet may be cause for rejection

1. Company Name: _____
2. Telephone Number: _____
3. Fax Number: _____
4. Email Address: _____
5. Address: _____
6. Indicate your organization type: ☐ Sole Proprietorship ☐ Partnership ☐ Corporation
7. Indicate the applicable employee and/or corporation number:
    a. Federal Employee ID No. (FEIN): _____
    b. California Corporation No.: _____
8. Indicate applicable license and/or certification information: _____

    _____
9. Bidder's Name (Print):_____
10. Title: _____
11. Signature: _____ 12. Date: _____
13. Are you certified with the Department of General Services, Office of Small Business and Disabled Veteran Business Enterprise Services (OSDS) as:
    a. California Small Business ☐ Yes ☐ No

        If yes, enter certification number: _____

b. Disabled Veteran Business Enterprise ☐ Yes ☐ No

If yes, enter your service code: _____

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

If an application is pending, include date application was submitted to OSDS: _____

Completion Instructions for Proposal / Proposer Certification Sheet

Complete the numbered items on the Proposal / Proposer Sheet by following the instructions:

Item Numbers	Instructions
1, 2, 3, 4, 5	Must be completed. These items are self-explanatory.
6	Check if your firm is a sole proprietorship, a partnership, or a corporation. A sole proprietorship is a form of business in which one person owns all the assets of the business in contracts to a partnership and corporation. The sole proprietorship is solely liable for all the debts of the business. A partnership is a voluntary agreement between two (2) or more competent persons to place their money, effects, labor, and skill or some or all of them in lawful commerce or business, with the understanding that there shall be a proportional sharing of the profits and losses between them. An association of two or more persons to carry on, as co-owners, a business for profit. A corporation is an artificial person or legal entity created by or under the authority of the laws of a state or nation, composed, in some rare instances, of a single person and his successors, being the incumbents of a particular office, but ordinarily consisting of an association of numerous individuals.
7a	Enter your federal employee tax identification number.
7b	Enter your corporation number assigned by the California Secretary of State's Office. This information is used for checking if a corporation is in good standing and qualified to conduct business in California.
8	Complete, if applicable, by indicating the type of license and/or certification that your firm possesses and that is required for the type of services being procured.

9, 10, 11, 12	Must be completed. These items are self-explanatory.
13	If certified as a California Small Business, place a check in the "Yes" box, and enter your certification number on the line. If certified as a Disabled Veterans Business Enterprise, place a check in the "Yes" box and enter your service code on the line. If you are not certified to one or both place a check in the "No" box. If your certification is pending, enter the date your application was submitted to OSDS.

Proposer References

Proposer Name: _____

Submission of this Attachment is mandatory. Failure to complete and return this Attachment with your Proposal may cause your Proposal to be rejected and deemed nonresponsive.

List below three (3) references for services performed within the last eight (8) years which are similar to the scope of work to be performed by the Proposer in this Agreement. All fields must be completed and verifiable.

Note: if Proposer has been awarded a contract greater than $10,000 with CDSS within the last five (5) years, a reference from that CDSS contract must be utilized as one (1) of the three (3) requested business references.

Reference 1

Name of Firm:

Street Address:

City: State: Zip:

Contact Person: Title:

Contact Email:

Telephone Number: (XXX) XXX-XXXX

Dates of Service: MM/YYYY to MM/YYYY

Value or Cost of Service:

Brief Description of Service Provided:

Reference 2

Name of Firm:

Street Address:

City: State: Zip:

Contact Person: Title:

Contact Email:

Telephone Number: (XXX) XXX-XXXX

Dates of Service: MM/YYYY to MM/YYYY

Value or Cost of Service:

Brief Description of Service Provided:

Reference 3

Name of Firm:

Street Address:

City: State: Zip:

Contact Person: Title:

Contact Email:

Telephone Number: (XXX) XXX-XXXX

Dates of Service: MM/YYYY to MM/YYYY

Value or Cost of Service:

Brief Description of Service Provided:

Subcontractor References

Subcontractor Name: _____

If applicable, submission of this Attachment is mandatory when subcontractor(s) are utilized. For each subcontractor proposed, complete and submit a separate reference sheet per subcontractor. **Failure to complete and return this Attachment with your Proposal may cause your Proposal to be rejected and deemed nonresponsive.**

List below three (3) references for services performed within the last years which are similar to the scope of work to be performed by the Subcontractor in this Agreement. All fields must be completed and verifiable.

Note: If proposed Subcontractor has been awarded a contract greater than $10,000 with CDSS within the last five (5) years, a reference from that CDSS contract must be utilized as one (1) of the three (3) requested business references.

Subcontractor Reference 1

Name of Firm:

Street Address:

City: State: Zip:

Contact Person:

Contact Email:

Telephone Number: (XXX) XXX-XXXX

Dates of Service: MM/YYYY to MM/YYYY

Value or Cost of Service:

Brief Description of Service Provided:

Subcontractor Reference 2

Name of Firm:

Street Address:

City: State: Zip:

Contact Person:

Contact Email:

Telephone Number: (XXX) XXX-XXXX

Dates of Service: MM/YYYY to MM/YYYY

Value or Cost of Service:

Brief Description of Service Provided:

Subcontractor Reference 3

Name of Firm:

Street Address:

City: State: Zip:

Contact Person:

Contact Email:

Telephone Number: (XXX) XXX-XXXX

Dates of Service: MM/YYYY to MM/YYYY

Value or Cost of Service:

Brief Description of Service Provided:

COST PROPOSAL

Section A and Section B are in accordance with the requirements of the RFP Section C, 4., c. Cost Proposal Requirements, and shall be submitted in accordance with Section C, 5., Submission of Proposal.

Proposer shall provide the total proposed annualized flat rate cost to provide third party claims administration services as outlined in the RFP, including Sample Agreements.

The GRAND TOTAL [Box (C)] listed on page 34 is the cost to be evaluated as stated in the RFP, Section C(7)(k)(3), Phase III: Proposed Cost – Cost Proposal (180 Points). On this page below, (A) NOT-TO-EXCEED, PROPOSED CONTRACT TOTAL (12/01/27 – 06/30/30) will be the flat rate fee amounts of the awarded agreements for administration services guaranteed by the Contractor throughout the term of the awarded agreements. Implementation and Transition Services estimated to be from 06/01/27 through 11/30/27 shall be provided by the Contractor at no cost to the State.

Firm name: _____ proposes the following:

Cost Proposal – Section A

ANNUAL FLAT RATE COST

Item	Contract Year	Program	Administration Services	Storage Fees*	Flat Rate
1	36 Month Base Term (12/01/27 – 11/30/30)	IHSS/WPCS	$	+ $	= $
2	36 Month Option Term (12/01/30 – 11/30/33)	IHSS/WPCS	$	+ $	= $
4	36 Month Base Term (12/01/27 – 11/30/30)	CalWORKs	$	+ $	= $
5	36 Month Option Term (12/01/30 – 11/30/33)	CalWORKs	$	+ $	= $
7	36 Month Base Term (12/01/27 – 11/30/30)	CalFresh E&T	$	+ $	= $
8	36 Month Option Term (12/01/30 – 11/30/33)	CalFresh E&T	$	+ $	= $

*Storage Fees: IHSS/WPCS: 1,749 boxes; CalWORKs: 572 boxes; CalFresh: 29 boxes

(A) NOT-TO-EXCEED, PROPOSED CONTRACT TOTAL (12/01/2027 – 11/30/2030) Add Items 1 through 12, enter total here and transfer to the corresponding row on the Cost Proposal Grand Total (Attachment 6, page 5)	= $

Cost Proposal – Section B

MANAGED CARE RATE SCHEDULE

The Managed Care fees and costs for Bill Review, Nurse Case Management Services, Field Case Management Services and Utilization Review Services shall be paid as Allocated Loss Expenses through individual claims and not included in the annual administration and storage fees paid to the awarded Contractor. However, the rates identified shall be applicable throughout the agreement term and will be incorporated into the awarded agreements. The most recent statistics are provided for calculation purposes only and are subject to variation throughout the term of the awarded agreements. Enter the total amount in each table and transfer to the corresponding row on the Cost Proposal Grand Total (Attachment 6, Page 5).

Bill Review Services

FY 2024/2025 Bill Reviews = 63,991 Bill Reviews (All Programs)

Contract Term	Number of Bill Reviews FY 24/25	Flat Rate Fee Per Bill	Total Cost
36 Month Base Term (12/01/27 – 11/30/30)	63,991 x 1 year and 7 months	x $	= $
36 Month Option Term (12/01/27 – 11/30/33)	63,991	x $	= $

(B.1) Total	**= $**

Nurse Case Management Services

FY 2024/2025 Telephonic Case Management Hours = 8,029 Hours (All Programs)

Contract Term	Telephonic Case Mgmt Hrs FY 24/25	Hourly Rate	Total Cost
36 Month Base Term (12/01/27 – 11/30/30)	8,029 x 1 year and 7 months	x $	= $
36 Month Option Term (12/01/30 – 11/30/33)	8,029	x $	= $

(B.2) Total	**= $**

Field Case Management Services

FY 2024/2025 Field Case Management Hours = 1,491 Hours (All Programs)

Contract Term	Field Case Mgmt Hrs FY 24/25	Hourly Rate	Total Cost
36 Month Base Term (12/01/27 – 11/30/30)	1,491 x 1 year and 7 months	x $	= $
36 Month Option Term (12/01/30 – 11/30/33)	1,491	x $	= $

(B.3) Total	**= $**

Utilization Review Fees

Non-Physician Review Services

FY 2024/2025 Non-Physician Review Hours = 27,404 Hours (All Programs)

Contract Term	Non-Physician Review Hrs FY 24/25	Hourly Rate	Total Cost
36 Month Base Term (12/01/27 – 11/30/30)	27,404 x 1 year and 7 months	x $	= $
36 Month Option Term (12/01/30 – 11/30/33)	27,404	x $	= $

(B.4) Total	**= $**

Physician Review Services

FY 2024/2025 Physician Review Hours = 3,406 Hours (All Programs)

Contract Term	Physician Review Hrs as of Date	Hourly Rate	Total Cost
36 Month Base Term (12/01/27 – 11/30/30)	3,406 x 1 year and 7 months	x $	= $
36 Month Option Term (12/01/30 – 11/30/33)	3,406	x $	= $

(B.5) Total	**= $**

Medical Director Review Services

FY 2024/2025 Physician Review Hours = 5,740 Hours (All Programs)

Contract Term	Physician Review Hrs as of Date	Hourly Rate	Total Cost
36 Month Base Term (12/01/27 – 11/30/30)	5,740 x 1 year and 7 months	x $	= $
36 Month Option Term (12/01/30 – 11/30/33)	5,740	x $	= $

(B.5) Total	**= $**

Cost Proposal Grand Total

The amount proposed below [Box (C)] is the cost to be evaluated as stated in the RFP, Section C(7)(k)(3).

Description	Total Cost
(A) Annual Flat Rate Total (Administration and Storage Fees)	$
(B.1) Bill Review Services	$
(B.2) Nurse Case Management Services	$
(B.3) Field Case Management Services	$
(B.4) Non-Physician Review Services	$
(B.5) Physician Review Services Total	$
(B.6) Medical Director Review Services Total	$
(C) Cost Proposal Grand Total	**$**

The Cost Proposal shall not detail any text that could be construed as a qualification or contingency of the costs proposed.

Solicitation Number RFP 27-3001

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, 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):

Subcontractor Name, Contact Person, Phone Number & Fax Number	Subcontractor Address & Email Address	CA Certification (MB, SB, NVSA, DVBE or None)	Work performed or goods provided for this contract	Corresponding % of bid price	Good Standing?	51% Rental?
					☐	☐
					☐	☐
					☐	☐

CERTIFICATION: By signing the bid response, I certify under penalty of perjury that the information provided is true and correct.

BIDDER DECLARATION Instructions

All prime bidders (the firm submitting the bid) must complete the Bidder Declaration.

1.a. Identify all current certifications issued by the State of California. If the prime bidder has no California certification(s), check the line labeled "None" and proceed to Item #2. If the prime bidder possesses one or more of the following certifications, enter the applicable certification(s) on the line:

- Microbusiness (MB)
- Small Business (SB)
- Nonprofit Veteran Service Agency (NVSA)
- Disabled Veteran Business Enterprise (DVBE)

1.b. Mark either "Yes" or "No" to identify whether subcontractors will be used for the contract. If the response is "No", proceed to Item #1.c. If "Yes", enter on the line the distinct element of work contained in the contract to be performed or the goods to be provided by the prime bidder. Do not include goods or services to be provided by subcontractors.

Bidders certified as MB, SB, NVSA, and/or DVBE must provide a commercially useful function as defined in Military and Veterans Code Section 999 for DVBEs and Government Code Section 14837(d)(4)(A) for small/microbusinesses.

Bids must propose that certified bidders provide a commercially useful function for the resulting contract or the bid will be deemed non-responsive and rejected by the State. For questions regarding the solicitation, contact the procurement official identified in the solicitation.

Note: A subcontractor is any person, firm, corporation, or organization contracting to perform part of the prime's contract.

1.c. This item is only to be completed by businesses certified by California as a DVBE.

(1) Declare whether the prime bidder is a broker or agent by marking either "Yes" or "No". The Military and Veterans Code Section 999.2 (b) defines "broker" or "agent" as a certified DVBE contractor or subcontractor that does not have title, possession, control, and risk of loss of materials, supplies, services, or equipment provided to an awarding department, unless one or more of the disabled veteran owners has at least 51-percent ownership of the quantity and value of the materials, supplies, services, and of each piece of equipment provided under the contract.

(2) If bidding rental equipment, mark either "Yes" or "No" to identify if the prime bidder owns at least 51% of the equipment provided (quantity and value). If **not** bidding rental equipment, mark "N/A" for "not applicable."

---

2. If no subcontractors are proposed, do not complete the table. Read the certification at the bottom of the form and complete "Page ____ of ____" on the form.

If subcontractors will be used, complete the table listing all subcontractors. If necessary, attach additional pages and complete the "Page ____ of ____" accordingly.

2. *(continued)* **Column Labels**

Subcontractor Name, Contact Person, Phone Number & Fax Number—List each element for all subcontractors.

Subcontractor Address & Email Address—Enter the address and if available, an Email address.

CA Certification (MB, SB, NVSA, DVBE or None)—If the subcontractor possesses a current State of California certification(s), verify on this website (www.eprocure.pd.dgs.ca.gov).

Work performed or goods provided for this contract—Identify the distinct element of work contained in the contract to be performed or the goods to be provided by each subcontractor. Certified subcontractors must provide a commercially useful function for the contract. (See paragraph 1.b above for code citations regarding the definition of commercially useful function.) If a certified subcontractor is further subcontracting a greater portion of the work or goods provided for the resulting contract than would be expected by normal industry practices, attach a separate sheet of paper explaining the situation.

Corresponding % of bid price—Enter the corresponding percentage of the total bid price for the goods and/or services to be provided by each subcontractor. Do not enter a dollar amount.

Good Standing?—Provide a response for each subcontractor listed. Enter either "Yes" or "No" to indicate that the prime bidder has verified that the subcontractor(s) is in good standing for all of the following:

- Possesses valid license(s) for any license(s) or permits required by the solicitation or by law
- If a corporation, the company is qualified to do business in California and designated by the State of California Secretary of State to be in good standing
- Possesses valid State of California certification(s) if claiming MB, SB, NVSA, and/or DVBE status

51% Rental?—This pertains to the applicability of rental equipment. Based on the following parameters, enter either "N/A" (not applicable), "Yes" or "No" for each subcontractor listed.

Enter "**N/A**" if the:

- Subcontractor is NOT a DVBE (regardless of whether or not rental equipment is provided by the subcontractor) or
- Subcontractor is NOT providing rental equipment (regardless of whether or not subcontractor is a DVBE)

Enter "**Yes**" if the subcontractor is a California certified DVBE providing rental equipment and the subcontractor owns at least 51% of the rental equipment (quantity and value) it will be providing for the contract.

Enter "**No**" if the subcontractor is a California certified DVBE providing rental equipment but the subcontractor does NOT own at least 51% of the rental equipment (quantity and value) it will be providing.

Read the certification at the bottom of the page and complete the "Page ____ of ____" accordingly.

STATE OF CALIFORNIA – DEPARTMENT OF GENERAL SERVICES PROCUREMENT DIVISION

DISABLED VETERAN BUSINESS ENTERPRISE DECLARATIONS

DGS PD 843 (Rev. 9/2019)
Formerly STD. 843

Instructions: The disabled veteran (DV) owner(s) and DV manager(s) of the Disabled Veteran Business Enterprise (DVBE) must complete this declaration when a DVBE contractor or subcontractor will provide materials, supplies, services or equipment [Military and Veterans Code Section 999.2]. Violations are misdemeanors and punishable by imprisonment or fine and violators are liable for civil penalties. All signatures are made under penalty of perjury.

SECTION 1

Name of certified DVBE: _____ DVBE Ref. Number: _____

Description (materials/supplies/services/equipment proposed): _____

Solicitation/Contract Number: CDSS RFP 27-3001, Att. 8 SCPRS Ref. Number: _____
(FOR STATE USE ONLY)

SECTION 2

APPLIES TO ALL DVBEs. Check only one box in Section 2 and provide original signatures.

☐ I (we) declare that the DVBE is not a broker or agent, as defined in Military and Veterans Code Section 999.2 (b), of materials, supplies, services or equipment listed above. Also, complete Section 3 below if renting equipment.

☐ Pursuant to Military and Veterans Code Section 999.2 (f), I (we) declare that the DVBE is a broker or agent for the principal(s) listed below or on an attached sheet(s). *(Pursuant to Military and Veterans Code 999.2 (e), State funds expended for equipment rented from equipment brokers pursuant to contracts awarded under this section shall not be credited toward the 3-percent DVBE participation goal.)*

All DV owners and managers of the DVBE **(attach additional pages with sufficient signature blocks for each person to sign)**:

(Printed Name of DV Owner/Manager)	(Signature of DV Owner/ Manager)	(Date Signed)
(Printed Name of DV Owner/Manager)	(Signature of DV Owner/Manager)	(Date Signed)

Firm/Principal for whom the DVBE is acting as a broker or agent: _____
(If more than one firm, list on extra sheets.) (Print or Type Name)

Firm/Principal Phone: _____ Address: _____

SECTION 3

APPLIES TO ALL DVBEs THAT RENT EQUIPMENT AND DECLARE THE DVBE IS NOT A BROKER.

☐ Pursuant to Military and Veterans Code Section 999.2 (c), (d) and (g), I am (we are) the DV(s) with at least 51% ownership of the DVBE, or a DV manager(s) of the DVBE. The DVBE maintains certification requirements in accordance with Military and Veterans Code Section 999 et. seq.

☐ The undersigned owner(s) own(s) at least 51% of the quantity and value of each piece of equipment that will be rented for use in the contract identified above. I (we), the DV owners of the equipment, have submitted to the administering agency my (our) personal federal tax return(s) at time of certification and annually thereafter as defined in *Military and Veterans Code 999.2,* subsections (c) and (g). *Failure by the disabled veteran equipment owner(s) to submit their personal federal tax return(s) to the administering agency as defined in Military and Veterans Code 999.2, subsections (c) and (g), will result in the DVBE being deemed an equipment broker.*

Disabled Veteran Owner(s) of the DVBE **(attach additional pages with signature blocks for each person to sign)**:

(Printed Name)	(Signature)	(Date Signed)

(Address of Owner)	(Telephone)	(Tax Identification Number of Owner)

Disabled Veteran Manager(s) of the DVBE **(attach additional pages with sufficient signature blocks for each person to sign)**:

(Printed Name of DV Manager)	(Signature of DV Manager)	(Date Signed)

PRINT CLEAR

DVBE Subcontractor Agreement

Part A: Named Parties

This Agreement is entered into between Contractor, (Contractor Name), hereinafter referred to as *Proposer*, and Disabled Veteran Business Enterprise (DVBE) subcontractor, (DVBE Subcontractor Name), hereinafter referred to as *Subcontractor*, on (Date), consisting of the following conditions:

1. Proposer has submitted a proposal or intends to submit a proposal on a solicitation issued by the State of California, Department of Social Services, hereinafter referred to as *CDSS*. The CDSS will enter into a contract (the primary agreement) with the Proposer if the Proposer is awarded the contract.

2. Proposer has proposed the Subcontractor as a DVBE subcontractor in the proposal; and Proposer intends to employ the subcontractor to perform certain work or services under the primary agreement if the Proposer is awarded the CDSS contract.

3. Subcontractor intends to provide certain work or services or products/goods under the primary agreement if the contract is awarded to the Proposer.

Part B:

CDSS requires the Proposer to provide, prior to the contract award, a written agreement signed by the Proposer and each DVBE subcontractor proposed by the Proposer in the proposal submitted to CDSS, to include certain terms and conditions specified below. These written agreements shall become null and void if the Proposer is not awarded a contract as a result of this proposal request.

Proposer and the Subcontractor agree that, in the event CDSS awards the primary agreement to the Proposer, the Proposer will employ the Subcontractor to provide goods and/or services in accordance with the following terms and conditions:

1. The term of this Agreement is: MM/DD/YYYY to MM/DD/YYYY. The parties estimate that the goods and/or services will be provided/performed by the Subcontractor within the contract term.

2. The parties estimate that the goods and/or services will be provided/performed by the Subcontractor commencing on: MM/DD/YYYY and completed by MM/DD/YYYY.

3. The rate and conditions of payment by the Proposer to the Subcontractor are: _____.

4. The percentage of the entire primary contract to be awarded to the Subcontractor is _____%. (Must commit to at least 3% of the entire bid amount unless otherwise specified within the solicitation.)

5. Description of services and/or goods to be performed/supplied by the Subcontractor:
.

This Agreement has been executed by the parties identified below:

Proposer's Company Name:	Subcontractor's Company Name:
_____	_____
By (Authorized Signature):	By (Authorized Signature):
_____	_____
Printed Name and Title of Person Signing:	Printed Name and Title of Person Signing:
_____	_____

DVBE Program Requirements Supplier Checklist

Please do not submit this checklist with your proposal. It is provided for your use only. Checking every box of your elected compliance option does not guarantee that your proposal will be evaluated compliant.

Item

☐ Bidder Declaration, GSPD-05-105 and Subcontractor/Supplier List included with proposal.

☐ DVBE Declarations, DGS PD 843 included with proposal (Note: This is only applicable if you are Certified DVBE Proposer).

☐ Attached completed DVBE Subcontractor Agreement(s) (Note: If you are a certified DVBE proposer this is only applicable if you intend to utilize a DVBE subcontractor).

☐ Listed at least one California certified DVBE subcontractor.

☐ Checked the box(es) for “Yes.”

☐ Listed specific goods and/or services DVBE(s) agrees to provide.

☐ Proposed DVBE contract performance is a “commercially useful function” relevant to the contract.

☐ Listed the percentage of contract for the DVBE’s participation.

☐ Proposed DVBE participation meets the 3% requirement (unless a different percentage is specified).

☐ Provided proof of DVBE certification for each DVBE identified via a printout from the DGS/OSDS website.

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

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

OPTION #1 - CERTIFICATION

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

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

Company/Vendor Name (Printed)	*Federal ID Number*
By (Authorized Signature)	Date
Printed Name and Title of Person Signing	

OPTION #2 – WRITTEN PERMISSION FROM DGS

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

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

Company/Vendor Name (Printed)	*Federal ID Number*
By (Authorized Signature)	Date
Printed Name and Title of Person Signing	

COMMERCIALLY USEFUL FUNCTION EVALUATION FORM
(rev. 10/14)

Supplier Name: _____

On January 1, 2004, Chapter 623, Statutes of 2003, became effective and requires all Small Businesses, Micro-Businesses and Disabled Veteran Business Enterprises to perform a "commercially useful function" in any contract they perform for the State.

Per GC 14837, Section 1: A business that is performing a commercially useful function is one that does **ALL** of the following:

1) Is responsible for execution of a distinct element of the work of the contract.
2) Carries out its obligation by actually performing, managing, or supervising the work involved.
3) Performs work that is normal for its business, services and function
4) Is responsible, with respect to products, inventories, materials, and supplies required for the contract, for negotiating price, determining quality and quantity, ordering, installing, if applicable, and making payment.
5) Is not further subcontracting a portion of the work that is greater than that expected to be subcontracted by normal industry practices.

Note: A contractor, subcontractor, or supplier **will not** be considered to perform a commercially useful function if the contractor's, subcontractor's, or supplier's role is limited to that of an extra participant in a transaction, contract, or project through which funds are passed in order to obtain the appearance of small business or microbusiness participation.

Supplier's Certification:
I certify that my company meets all five of the criteria listed above.

_____ _____
Authorized Representative Date

Buyers Certification:
Buyer has determined that a CUF will be performed by this supplier.

_____ _____
Buyer/Cardholder's printed name Date

Attachment 12

STATE OF CALIFORNIA

DEPARTMENT OF GENERAL SERVICES
OFFICE OF LEGAL SERVICES

CALIFORNIA CIVIL RIGHTS LAWS ATTACHMENT

DGS OLS 04 (Rev. 01/17)

Pursuant to Public Contract Code section 2010, a person that submits a bid or proposal to, or otherwise proposes to enter into or renew a contract with, a state agency with respect to any contract in the amount of $100,000 or above shall certify, under penalty of perjury, at the time the bid or proposal is submitted or the contract is renewed, all of the following:

1. CALIFORNIA CIVIL RIGHTS LAWS: For contracts executed or renewed after January 1, 2017, the contractor certifies compliance with the Unruh Civil Rights Act (Section 51 of the Civil Code) and the Fair Employment and Housing Act (Section 12960 of the Government Code); and

2. EMPLOYER DISCRIMINATORY POLICIES: For contracts executed or renewed after January 1, 2017, if a Contractor has an internal policy against a sovereign nation or peoples recognized by the United States government, the Contractor certifies that such policies are not used in violation of the Unruh Civil Rights Act (Section 51 of the Civil Code) or the Fair Employment and Housing Act (Section 12960 of the Government Code).

CERTIFICATION

I, the official named below, certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Proposer/Bidder Firm Name (Printed)	Federal ID Number

By (Authorized Signature)

Printed Name and Title of Person Signing

Executed in the County of	Executed in the State of

Date Executed

(Public Contract Code sections 2202-2208)

Prior to bidding on, submitting a proposal or executing a contract or renewal for a State of California contract for goods or services of $1,000,000 or more, a vendor must either: a) certify it is **not** on the current list of persons engaged in investment activities in Iran created by the California Department of General Services ("DGS") pursuant to Public Contract Code section 2203(b) and is not a financial institution extending twenty million dollars ($20,000,000) or more in credit to another person, for 45 days or more, if that other person will use the credit to provide goods or services in the energy sector in Iran and is identified on the current list of persons engaged in investment activities in Iran created by DGS; or b) demonstrate it has been exempted from the certification requirement for that solicitation or contract pursuant to Public Contract Code section 2203(c) or (d). The DGS list of entities prohibited from contracting with public entities in California per the Iranian Contracting Act, 2010, can be found at:
Department of General Services Procurement Division Iran Contracting Act List
(http://www.documents.dgs.ca.gov/PD/poliproc/Iran%20Contracting%20Act%20List.pdf)

To comply with this requirement, please insert your vendor or financial institution name and Federal ID Number (if available) and complete **one** of the options below. Please note: California law establishes penalties for providing false certifications, including civil penalties equal to the greater of $250,000 or twice the amount of the contract for which the false certification was made; contract termination; and three-year ineligibility to bid on contracts. (Public Contract Code section 2205.)

OPTION #1 - CERTIFICATION

I, the official named below, certify I am duly authorized to execute this certification on behalf of the vendor/financial institution identified below, and the vendor/financial institution identified below is **not** on the current list of persons engaged in investment activities in Iran created by DGS and is not a financial institution extending twenty million dollars ($20,000,000) or more in credit to another person/vendor, for 45 days or more, if that other person/vendor will use the credit to provide goods or services in the energy sector in Iran and is identified on the current list of persons engaged in investment activities in Iran created by DGS.

Vendor Name/Financial Institution (Printed)	*Federal ID Number (or n/a)*
By (Authorized Signature)	Date
Printed Name and Title of Person Signing	

OPTION #2 – EXEMPTION

Pursuant to Public Contract Code sections 2203(c) and (d), a public entity may permit a vendor/financial institution engaged in investment activities in Iran, on a case-by-case basis, to be eligible for, or to bid on, submit a proposal for, or enters into or renews, a contract for goods and services.

If you have obtained an exemption from the certification requirement under the Iran Contracting Act, please fill out the information below, and attach documentation demonstrating the exemption approval.

Vendor Name/Financial Institution (Printed)	*Federal ID Number (or n/a)*
By (Authorized Signature)	Date
Printed Name and Title of Person Signing	

Contractor Certification Clause

CCC 04/2017

CERTIFICATION

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

Contractor/Bidder Firm Name (Printed)	Federal ID Number

By (Authorized Signature)

Printed Name and Title of Person Signing

Date Executed	Executed in the County of

CONTRACTOR CERTIFICATION CLAUSES

1. STATEMENT OF COMPLIANCE: Contractor has, unless exempted, complied with the nondiscrimination program requirements. (Gov. Code §12990 (a-f) and CCR, Title 2, Section 11102) (Not applicable to public entities.)

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

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

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

1) the dangers of drug abuse in the workplace;

2) the person's or organization's policy of maintaining a drug-free workplace;

3) any available counseling, rehabilitation and employee assistance programs; and,

4) penalties that may be imposed upon employees for drug abuse violations.

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

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

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

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

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

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

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

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

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

6. SWEATFREE CODE OF CONDUCT:

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

b. The contractor agrees to cooperate fully in providing reasonable access to the contractor's records, documents, agents or employees, or premises if reasonably

required by authorized officials of the contracting agency, the Department of Industrial Relations, or the Department of Justice to determine the contractor's compliance with the requirements under paragraph (a).

7. DOMESTIC PARTNERS: For contracts of $100,000 or more, Contractor certifies that Contractor is in compliance with Public Contract Code section 10295.3.

8. GENDER IDENTITY: For contracts of $100,000 or more, Contractor certifies that Contractor is in compliance with Public Contract Code section 10295.35.

DOING BUSINESS WITH THE STATE OF CALIFORNIA

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

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

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

1). No officer or employee shall engage in any employment, activity or enterprise from which the officer or employee receives compensation or has a financial interest and which is sponsored or funded by any state agency, unless the employment, activity or enterprise is required as a condition of regular state employment.

2). No officer or employee shall contract on his or her own behalf as an independent contractor with any state agency to provide goods or services.

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

1). For the two-year period from the date he or she left state employment, no former state officer or employee may enter into a contract in which he or she engaged in any of the negotiations, transactions, planning, arrangements or any part of the decision-making process relevant to the contract while employed in any capacity by any state agency.

2). For the twelve-month period from the date he or she left state employment, no former state officer or employee may enter into a contract with any state agency if he or she was employed by that state agency in a policy-making position in the same general subject area as the proposed contract within the 12-month period prior to his or her leaving state service.

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

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

2. LABOR CODE/WORKERS' COMPENSATION: Contractor needs to be aware of the provisions which require every employer to be insured against liability for Worker's Compensation or to undertake self-insurance in accordance with the provisions, and

Contractor affirms to comply with such provisions before commencing the performance of the work of this Agreement. (Labor Code Section 3700)

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

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

5. CORPORATE QUALIFICATIONS TO DO BUSINESS IN CALIFORNIA:

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

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

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

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

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

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

Print Form Reset Form

STATE OF CALIFORNIA – DEPARTMENT OF FINANCE

PAYEE DATA RECORD

(Required when receiving payment from the State of California in lieu of IRS W-9 or W-7)

STD 204 (Rev. 03/2021)

Section 1 – Payee Information

NAME (This is required. Do not leave this line blank. Must match the payee's federal tax return)

BUSINESS NAME, DBA NAME or DISREGARDED SINGLE MEMBER LLC NAME (If different from above)

MAILING ADDRESS (number, street, apt. or suite no.) (See instructions on Page 2)

CITY, STATE, ZIP CODE	E-MAIL ADDRESS

Section 2 – Entity Type

Check one (1) box only that matches the entity type of the Payee listed in Section 1 above. (See instructions on page 2)

- ☐ **SOLE PROPRIETOR / INDIVIDUAL**
- ☐ **SINGLE MEMBER LLC** *Disregarded Entity owned by an individual*
- ☐ **PARTNERSHIP**
- ☐ **ESTATE OR TRUST**

CORPORATION (see instructions on page 2)

- ☐ **MEDICAL** *(e.g., dentistry, chiropractic, etc.)*
- ☐ **LEGAL** *(e.g., attorney services)*
- ☐ **EXEMPT** *(e.g., nonprofit)*
- ☐ **ALL OTHERS**

Section 3 – Tax Identification Number

Enter your Tax Identification Number (TIN) in the appropriate box. The TIN must **match** the name given in Section 1 of this form. Do not provide more than one (1) TIN. The TIN is a 9-digit number. **Note:** Payment will not be processed without a TIN.

- For **Individuals**, enter SSN.
- If you are a **Resident Alien**, and you do not have and are not eligible to get an SSN, enter your ITIN.
- Grantor Trusts (such as a Revocable Living Trust while the grantors are alive) may not have a separate FEIN. Those trusts must enter the individual grantor's SSN.
- For **Sole Proprietor or Single Member LLC (disregarded entity), in which the sole member is an individual**, enter SSN (ITIN if applicable) or FEIN (FTB prefers SSN).
- For **Single Member LLC (disregarded entity), in which the sole member is a business entity**, enter the owner entity's FEIN. Do not use the disregarded entity's FEIN.
- For all other entities including LLC that is taxed as a corporation or partnership, estates/trusts (with FEINs), enter the entity's FEIN.

Social Security Number (SSN) or Individual Tax Identification Number (ITIN)

___ ___ ___ -___ ___ - ___ ___ ___ ___

OR

Federal Employer Identification Number (FEIN)

___ ___ -___ ___ ___ ___ ___ ___ ___

Section 4 – Payee Residency Status (See instructions)

☐ **CALIFORNIA RESIDENT –** Qualified to do business in California or maintains a permanent place of business in California.

☐ **CALIFORNIA NONRESIDENT –** Payments to nonresidents for services may be subject to state income tax withholding.

- ☐ No services performed in California
- ☐ Copy of Franchise Tax Board waiver of state withholding is attached.

Section 5 – Certification

I hereby certify under penalty of perjury that the information provided on this document is true and correct. Should my residency status change, I will promptly notify the state agency below.

NAME OF AUTHORIZED PAYEE REPRESENTATIVE	TITLE	E-MAIL ADDRESS

SIGNATURE	DATE	TELEPHONE *(include area code)*

Section 6 – Paying State Agency

Please return completed form to:

STATE AGENCY/DEPARTMENT OFFICE	UNIT/SECTION

MAILING ADDRESS	FAX	TELEPHONE *(include area code)*

CITY	STATE	ZIP CODE	E-MAIL ADDRESS

STATE OF CALIFORNIA – DEPARTMENT OF FINANCE

PAYEE DATA RECORD

(Required when receiving payment from the State of California in lieu of IRS W-9 or W-7)

STD 204 (Rev. 03/2021)

GENERAL INSTRUCTIONS

Type or print the information on the Payee Data Record, STD 204 form. Sign, date, and return to the state agency/department office address shown in Section 6. Prompt return of this fully completed form will prevent delays when processing payments.

Information provided in this form will be used by California state agencies/departments to prepare Information Returns (Form1099).
NOTE: Completion of this form is optional for Government entities, i.e. federal, state, local, and special districts.

A completed Payee Data Record, STD 204 form, is required for all payees (non-governmental entities or individuals) entering into a transaction that may lead to a payment from the state. Each state agency requires a completed, signed, and dated STD 204 on file; therefore, it is possible for you to receive this form from multiple state agencies with which you do business.

Payees who do not wish to complete the STD 204 may elect not to do business with the state. If the payee does not complete the STD 204 and the required payee data is not otherwise provided, payment may be reduced for federal and state backup withholding. Amounts reported on Information Returns (Form 1099) are in accordance with the Internal Revenue Code (IRC) and the California Revenue and Taxation Code (R&TC).

Section 1 – Payee Information

Name – Enter the name that appears on the payee's federal tax return. The name provided shall be the tax liable party and is subject to IRS TIN matching (when applicable).

- Sole Proprietor/Individual/Revocable Trusts – enter the name shown on your federal tax return.
- Single Member Limited Liability Companies (LLCs) that is disregarded as an entity separate from its owner for federal tax purposes - enter the name of the individual or business entity that is tax liable for the business in section 1. Enter the DBA, LLC name, trade, or fictitious name under Business Name.
- Note: for the State of California tax purposes, a Single Member LLC is not disregarded from its owner, even if they may be disregarded at the Federal level.
- Partnerships, Estates/Trusts, or Corporations – enter the entity name as shown on the entity's federal tax return. The name provided in Section 1 must match to the TIN provided in section 3. Enter any DBA, trade, or fictitious business names under Business Name.

Business Name – Enter the business name, DBA name, trade or fictitious name, or disregarded LLC name.
Mailing Address – The mailing address is the address where the payee will receive information returns. Use form STD 205, Payee Data Record Supplement to provide a remittance address if different from the mailing address for information returns, or make subsequent changes to the remittance address.

Section 2 – Entity Type

If the Payee in Section 1 is a(n)…	THEN Select the Box for…
Individual ● Sole Proprietorship ● Grantor (Revocable Living) Trust disregarded for federal tax purposes	Sole Proprietor/Individual
Limited Liability Company (LLC) owned by an individual and is disregarded for federal tax purposes	Single Member LLC-owned by an individual
Partnerships ● Limited Liability Partnerships (LLP) ● and, LLC treated as a Partnership	Partnerships
Estate ● Trust (other than disregarded Grantor Trust)	Estate or Trust
Corporation that is medical in nature (e.g., medical and healthcare services, physician care, nursery care, dentistry, etc. ● LLC that is to be taxed like a Corporation and is medical in nature	Corporation-Medical
Corporation that is legal in nature (e.g., services of attorneys, arbitrators, notary publics involving legal or law related matters, etc.) ● LLC that is to be taxed like a Corporation and is legal in nature	Corporation-Legal
Corporation that qualifies for an Exempt status, including 501(c) 3 and domestic non-profit corporations.	Corporation-Exempt
Corporation that does not meet the qualifications of any of the other corporation types listed above ● LLC that is to be taxed as a Corporation and does not meet any of the other corporation types listed above	Corporation-All Other

Section 3 – Tax Identification Number

The State of California requires that all parties entering into business transactions that may lead to payment(s) from the state provide their Taxpayer Identification Number (TIN). The TIN is required by R&TC sections 18646 and 18661 to facilitate tax compliance enforcement activities and preparation of Form 1099 and other information returns as required by the IRC section 6109(a) and R&TC section 18662 and its regulations.

Section 4 – Payee Residency Status

Are you a California resident or nonresident?

- A corporation will be defined as a "resident" if it has a permanent place of business in California or is qualified through the Secretary of State to do business in California.
- A partnership is considered a resident partnership if it has a permanent place of business in California.
- An estate is a resident if the decedent was a California resident at time of death.
- A trust is a resident if at least one trustee is a California resident.
  - For individuals and sole proprietors, the term "resident" includes every individual who is in California for other than a temporary or transitory purpose and any individual domiciled in California who is absent for a temporary or transitory purpose. Generally, an individual who comes to California for a purpose that will extend over a long or indefinite period will be considered a resident. However, an individual who comes to perform a particular contract of short duration will be considered a nonresident.

For information on Nonresident Withholding, contact the Franchise Tax Board at the numbers listed below:

Withholding Services and Compliance Section: 1-888-792-4900 E-mail address: wscs.gen@ftb.ca.gov
For hearing impaired with TDD, call: 1-800-822-6268 Website: www.ftb.ca.gov

Section 5 – Certification

Provide the name, title, email address, signature, and telephone number of individual completing this form and date completed. In the event that a SSN or ITIN is provided, the individual identified as the tax liable party must certify the form. Note: the signee may differ from the tax liable party in this situation if the signee can provide a power of attorney documented for the individual.

Section 6 – Paying State Agency

This section must be completed by the state agency/department requesting the STD 204.

Privacy Statement

Section 7(b) of the Privacy Act of 1974 (Public Law 93-579) requires that any federal, state, or local governmental agency, which requests an individual to disclose their social security account number, shall inform that individual whether that disclosure is mandatory or voluntary, by which statutory or other authority such number is solicited, and what uses will be made of it. It is mandatory to furnish the information requested. Federal law requires that payment for which the requested information is not provided is subject to federal backup withholding and state law imposes noncompliance penalties of up to $20,000. You have the right to access records containing your personal information, such as your SSN. To exercise that right, please contact the business services unit or the accounts payable unit of the state agency(ies) with which you transact that business.

All questions should be referred to the requesting state agency listed on the bottom front of this form.

STD. 830 (REV. 05/2022) (FRONT)

STATE OF CALIFORNIA – DEPARTMENT OF GENERAL SERVICES

TARGET AREA CONTRACT PREFERENCE ACT
PREFERENCE REQUEST FOR GOODS AND SERVICES SOLICITATIONS

DISPUTE RESOLUTION UNIT AND PREFERENCE PROGRAMS

Complete this form to request TACPA preferences for this bid.

SOLICITATION NUMBER	AGENCY/DEPT
RFP 27-3001	

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 **90%** 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 worksites (Section I), and 1% to 4% for hiring eligible workforce employees (Section II). To identify Census Tract and Block Group numbers contact the city or county Planning and Development Commission for the intended worksite 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 worksite(s) by entering the proper **Criteria** letter A, B, C, D, E, F (see reverse for instructions) in the Criteria column.

(1) FIRM NAME and CONTRACT FUNCTION: (Manufacturing, transportation, shipping, warehousing, admin., etc.) Use additional pages, as needed, to fully report worksite information.	(2) WORKSITE ADDRESS Street Address, City, County, State, Zip Code, Phone Number	(3) PROJECTED LABOR HOURS	COMPLETE FOR ALL SITES LOCATED WITHIN A TACPA PREFERENCE AREA(S)		
			(4) TRACT NUMBER	(5) BLOCK NUMBER	(6) CRITERIA (A – F)
	TOTAL PROJECTED LABOR HOURS:	0.00			

Section II. 1% TO 4% WORKFORCE PREFERENCE

Bidders must qualify their firm's work site 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% of the total contract labor hours.
☐ I request a 2% preference for hiring eligible persons to perform 10 to 14% of the total contract labor hours.
☐ I request a 3% preference for hiring eligible persons to perform 15 to 19% 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 90% of the labor hours to complete a Services contract shall be performed at the designated TACPA worksite(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.

BIDDER'S NAME & TITLE	BIDDER'S SIGNATURE	PHONE NUMBER	EMAIL ADDRESS
		FAX NUMBER	DATE

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 §1896.30 et seq., promotes employment and economic development at designated distressed areas by offering 5% worksite and/or 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 for a single worksite preference cannot exceed $50,000.00. Additionally, TACPA preferences for a single workforce preference cannot exceed $50,000.00. In combination with any other preferences, the maximum limit is 15% of the lowest responsible bid; and, in no case shall not exceed $100,000 in total.

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 or F in 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 distressed area(s).

B. The firm will establish a worksite(s) in a California eligible distressed area(s).

C. The firm is in a census tract with a contiguous boundary adjacent to a California eligible distressed area.

D. The firm will establish a worksite(s) located directly adjoining a valid TACPA census tract/block group that when attached to the California eligible distressed area(s) forms a contiguous boundary.

E. The bidder will purchase the contract goods from a manufacturer(s) in a California eligible distressed area(s). **This option applies to solicitations for GOODS only.**

F. The bidder will purchase contract goods from a manufacturer(s) in directly adjoining census tract blocks that when attached to the California eligible distressed area(s) forms a contiguous boundary. **This option applies to solicitations for GOODS only.**

Enter labor hours for each listed firm and site. The hours shall be reasonable and 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, processing, or administration, or at 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 - TACPA* form (DGS/PD 526) (included with this solicitation).

If supplying goods, the bidder must also provide a completed and signed *Manufacturer's Summary - TACPA* form (DGS/PD 525) (included with this solicitation) that specifies the number of projected labor hours necessary to make the product(s).

Section II
Workforce Preference

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 that requests and is given the preference provided for in Section 4533, 4533.1, 4534, or 4534.1 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 receive 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 preferences to displace a California certified small business bidder.

To identify TACPA distressed worksites contact the local city or county Planning/Economic Development offices of the proposed worksite, or go to http://tacpa.dgs.ca.gov/. Verify the Census Tract and Block numbers for TACPA sites by contacting the DGS, Procurement Division Dispute Resolution Unit at TACPA@dgs.ca.gov.

STATE OF CALIFORNIA DGS/PD 526 Rev. 05/2022	**BIDDER'S SUMMARY** **Of Contract Activities and Labor Hours**	**Section I**	
		SOLICITATION NUMBER RFP 27-3001	AGENCY/DEPT

To be eligible for the bidding preferences, the following data/information must be provided AND signed by the BIDDER. Any person furnishing false certifications, willfully providing false information, omitting information, or failing to comply with the preference requirements is subject to sanctions as set forth in statutes

Section II

The "Bidder's Summary" of the contract activity and employee labor hours must be completed and signed by the Bidder. This form must accompany any bid preference request form STD 830 submittal to the designated contracting official at the awarding department.

Report the projected contract labor hours for each contract activity for administration, receiving, order processing, order shipping preparation. and transportation to state delivery point (see reverse for additional information). Report all employee labor hours necessary to perform this contract. Do not include labor-free hours (automated processing/storage time, etc.).

Product Type Or Line Item	Contract Quantity (Total Product Units)	Number Of Bidder Contract Labor Hours To Be Used For This Contract						Total Number Of Contract Labor Hours Per PS Type Or Line Item
		Administration	Receiving	Order Processing (pick/pull)	Order Shipping Preparation	Transportation	Other*	
1.								
2.								
3.								
4.								
5.								
6.								
7.								
8.								
9.								
							Grand Total (Employee Labor Hours)	

* EXPLAIN "OTHER" ACTIVITIES OF CONTRACT USED MUST BE DEFINED HERE: (Use additional sheets, if necessary)

Section III ***To be eligible the following certification statement must be read and signed by the Bidder.***

I hereby certify under penalty of perjury that the information and labor hours reported on this form are accurate and complete. I understand that any person falsely certifying, willfully providing false information, omitting information, or failing to comply with the preference statutes may be subject to sanctions as set forth in the statutes.

BIDDER'S NAME AND TITLE	BIDDER'S SIGNATURE	PHONE NUMBER	EMAIL ADDRESS
		FAX NUMBER	DATE

BIDDER'S SUMMARY

References and Instruction

The California Legislature has declared that it serves a public purpose and is a benefit to the state, to encourage business investment, promote job development, and to facilitate job maintenance in economically distressed areas of the state. It is the intent of the Legislature to further these goals by providing appropriate preferences to California based companies submitting bids or proposals for state contracts to be performed at worksites in economically distressed areas by persons with a high risk of unemployment, when the contract is for goods or services in excess of $100,000. To qualify for TACPA preference, the bidder must show that a minimum 50% (for Goods) or 90% (for Services) contracts of the projected employee/s labor hours necessary for the contract will be performed within the economically distressed area.

If the bidder requests TACPA contract preference, GC § 4530 et seq., the Bidder's Summary form must be completed and signed by the bidder for requested preference. The purpose of this form is to give the state contracting official, a tool to evaluate the total bidder employee labor hours required to complete this contract both inside and outside the preference areas.

Section I

Solicitation Number: Enter the solicitation number identified on the front page of the Invitation For Bid for which this form is being submitted.

Agency/Department: Enter the name of the buying Agency and/or Department (e.g., State and Consumer Services Agency, Department of General Services)

Target Area Contract Preferences Act, GC § 4530 et seq.

Section II

The purpose of this section is to capture the bidder's projected employee/s labor hours to perform this contract. Hours projected should only be those that the bidder itself will use and does not include manufacturing, or any other subcontracted hours.

Product/Service Type or Line Item: List the product/service type line item/s as specified on the solicitation. Separate each product/service type to match the line items on the solicitation.

Contract Quantity: List the product/service unit (i.e. # cases, lbs., hours, etc.). Use the same quantity and unit measure as specified in the solicitation.

Hours For This Contract: Provide the projected number of employee labor hours to be used by the bidder in the performance of this contract. Hours may include, for example, Administrative, Logistics, Receiving, Warehousing, Shipping, Handling, and/or Other. **Do not include labor hours for time the product is stationary.**

Grand Total: List the cumulative employee labor hours for the entire contract period.

Section III

Section III must be completed and signed by the bidder.

WRITTEN PROPOSAL EVALUATION SCORING SHEET

Technical Proposals of Proposer's who pass Phase I of the evaluation will be rated by the evaluation committee utilizing a consensus process for determining final scores in accordance with RFP Section C, Item 6 (page 21). The consensus scoring shall be based on the scoring method below:

Evaluation Factor/Sub Factor Weight X Consensus Rating = Weighted Score

Consensus Rating (Range: 0 – 4)	Rating Definitions
4	Exceeded All Requirements
3	Partially Exceeded Requirements
2	Met All Requirements
1	Partially Met Requirements
0	Requirements Not Met

Example Only	Weight	Consensus Rating	Weighted Score
Proposer's Approach to Technical Proposal	2	x 3	= 6

Written Proposal Evaluation

A. Management Personal Staffing and Expenses (See RFP Section C., 4., b., 2., a) 40 Possible Points	Weight	Consensus Rating	Weighted Score
1. Organization chart of the Proposer, including all management personnel for the Program	2		
2. Resume and/or summary of qualifications for management personnel	3		
3. Experience of management team	5		

Notes:

B. Claims Administration (See RFP Section C., 4., b., 2., b) 24 Possible Points	Weight	Consensus Rating	Weighted Score
1. Effective plan to provide qualified claims administration staff	2		
2. Resources committed – adequately staffed team	2		
3. Resources committed – Proposer's plan to provide adequate service offices	2		

Notes:

C. A Record of Performance (See RFP Section D., 5., b., 2., c) 28 Possible Points	Weight	Consensus Rating	Weighted Score
1. Three (3) references of large California public entities provided	3		
2. Challenges which occurred for identified clients	2		
3. Resolutions which occurred for identified clients	2		

Notes:

D. Implementation and Transition Plan (See RFP Section D., 5., b., 2., d) 40 Possible Points	Weight	Consensus Rating	Weighted Score
1. Timeline, tasks, major milestones and deliverables	4		
2. Approach of control/management	3		
3. Description of challenges and solutions	3		

Notes:

E. Compliance with the State's Requirements for Claims Administration Services (See RFP Section D., 5., b., 2., e) 24 Possible Points	**Weight**	**Consensus Rating**	**Weighted Score**
1. Methodology for the provisions of claim administration services	2		
2. Description of the life cycle of a claim and philosophy of claim closure	2		
3. Distinguishing elements of Proposer's services	2		

Notes:

F. Workers' Compensation Program Claims Management (See RFP Section D., 5., b., 2., f) 52 Possible Points	**Weight**	**Consensus Rating**	**Weighted Score**
1. Steps identified for reducing claims and mitigating costs	3		
2. Ability to assist the State in meeting legal requirements and to provide education	2		
3. Ability to update and inform on financial trends	2		
4. Process to monitor, implement and communicate regulatory and legislative developments, including enacted laws	2		

5. Services to comply with the Medicare Section 111 Mandatory Reporting, per the Medicare Secondary Player Act, as amended by MMSEA and related statues	2		
6. Quality assurance processes	2		

Notes:

G. Claims Management Information System (See RFP Section D., 5., b., 2., g) 36 Possible Points	**Weight**	**Consensus Rating**	**Weighted Score**
1. Data captured through the Proposer's system	2		
2. Data integrity	2		
3. Online reporting capabilities for counties	2		
4. Process for generating standard and custom reports	2		
5. Examples of standard and custom reports	1		

Notes:

H. Disaster Recovery (See RFP Section D., 5., b., 2., h) 24 Possible Points	**Weight**	**Consensus Rating**	**Weighted Score**
1. Restoration of services	3		
2. Recovery of data	3		

Notes:

I. Data Security and Confidentiality (See RFP Section D., 5., b., 2., i) 20 Possible Points	**Weight**	**Consensus Rating**	**Weighted Score**
1. Processes to ensure data security and confidentiality	2		
2. Processes to identify security incidents and data breaches	2		
3. Processes to review and update data Security	1		

Notes:

J. Litigation Management and Cost Containment (See RFP Section D., 5., b., 2., j) 36 Possible Points	**Weight**	**Consensus Rating**	**Weighted Score**
1. Approach and guidelines to establish when the use of defense counsel is necessary and continued ongoing oversight, including coordination of activities	3		
2. Processes and procedures to manage the quality of work and cost	3		
3. Samples of billing, audit and activity reports	1		
4. Subrogation activities	2		

Notes:

K. Managed Care Services (See RFP Section D., 5., b., 2., k) 72 Possible Points	**Weight**	**Consensus Rating**	**Weighted Score**
1. Philosophy, protocols and readiness to provide utilization review	6		
2. Philosophy, protocols and readiness to provide bill review	6		
3. Philosophy, protocols and readiness to provide Preferred Provider Organization Network(s)	6		

Notes:

L. Program Challenges (See RFP Section D., 5., b., 2., l) 24 Possible Points	**Weight**	**Consensus Rating**	**Weighted Score**
1. Relevancy of challenges	3		
2. Proposed solutions	3		

Notes:

TOTAL POINTS FOR WRITTEN EVALUATION (Out of 420 Possible Points)	

CALIFORNIA DISABLED VETERAN BUSINESS ENTERPRISE (DVBE) BID INCENTIVE INSTRUCTIONS
(08/19/13)

Please read the instructions carefully before you begin.

AUTHORITY. The Disabled Veteran Business Enterprise (DVBE) Participation Goal Program for State contracts is established in Public Contract Code (PCC), §10115 et seq., Military and Veterans Code (MVC), §999 et seq., and California Code of Regulations (CCR), Title 2, §1896.60 et seq. **Recent legislation has modified the program significantly in that a bidder may no longer demonstrate compliance with program requirements by performing a "good faith effort" (GFE).**

DVBE BID INCENTIVE. A DVBE incentive will be given to bidders who provide DVBE participation. For evaluation purposes only, the State shall apply a DVBE Bid incentive to bids that propose California certified DVBE participation as identified on the Bidder Declaration, GSPD-05-105, (located elsewhere within the solicitation document) and confirmed by the State. The DVBE incentive amount for awards based on low price will vary in conjunction with the percentage of DVBE participation. Unless a table that replaces the one below has been expressly established elsewhere within the solicitation, the following percentages will apply for awards based on low price.

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

As applicable: (1) Awards based on low price - the net bid price of responsive bids will be reduced (for evaluation purposes only) by the amount of DVBE incentive as applied to the lowest responsive net bid price. If the #1 ranked responsive, responsible bid is a California certified small business, the only bidders eligible for the incentive will be California certified small businesses. The incentive adjustment for awards based on low price cannot exceed 5% or $100,000, whichever is less, of the #1 ranked net bid price. When used in combination with a preference adjustment, the cumulative adjustment amount cannot exceed $100,000.

(2) Awards based on highest score - the solicitation shall include an individual requirement that identifies incentive points for DVBE participation.

INTRODUCTION. Bidders must document DVBE participation commitment by completing and submitting a Bidder Declaration, GSPD-05-105, (located elsewhere within the solicitation document). Bids or proposals (hereafter called "bids") that **fail to submit the required form to confirm the level of DVBE participation will not be eligible to receive the DVBE incentive.**

Information submitted by the intended awardee to claim the DVBE incentive(s) will be verified by the State. If evidence of an alleged violation is found during the verification process, the State shall initiate an investigation, in accordance with the requirements of the PCC §10115, et seq., and MVC §999 et seq., and follow the investigatory procedures required by the 2 CCR §1896.80. Contractors found to be in violation of certain provisions may be subject to loss of certification, penalties and/or contract termination.

Only State of California, Office of Small Business and DVBE Services (OSDS), certified DVBEs (hereafter called "DVBE") who perform a commercially useful function relevant to this solicitation, may be used to qualify for a DVBE incentive(s). The criteria and definition for performing a commercially useful function are contained herein on the page entitled **Resources & Information**. Bidders are to verify each DVBE subcontractor's certification with OSDS to ensure DVBE eligibility.

At the State's option prior to award of the contract, a written confirmation from each DVBE subcontractor identified on the Bidder Declaration must be provided. As directed by the State, the written confirmation must be signed by the bidder and/or the DVBE subcontractor(s). The written confirmation may request information that includes but is not limited to the DVBE scope of work, work to be performed by the DVBE, term of intended subcontract with the DVBE, anticipated dates the DVBE will perform required work, rate and conditions of payment, and total amount to be paid to the DVBE. If further verification is necessary, the State will obtain additional information to verify compliance with the above requirements.

THE DVBE BUSINESS UTILIZATION PLAN (BUP): DVBE BUPs are a company's commitment to expend a minimum of 3% of its total statewide contract dollars with DVBEs -- this percentage is based on all of its contracts held in California, not just those with the State. A DVBE BUP does not qualify a firm for a DVBE incentive. Bidders with a BUP, must submit a Bidders Declaration (GSPD-05-105) to confirm the DVBE participation for an element of work on this solicitation in order to claim a DVBE incentive(s).

THE FOLLOWING MAY BE USED TO LOCATE DVBE SUPPLIERS:

Awarding Department: Contact the department's contracting official named in this solicitation for any DVBE suppliers who may have identified themselves as potential subcontractors, and to obtain suggestions for search criteria to possibly identify DVBE suppliers for the solicitation. You may also contact the department's SB/DVBE Advocate for assistance.

Other State and Federal Agencies, and Local Organizations:

STATE: Access the list of all certified DVBEs by using the Department of General Services, Procurement Division (DGS-PD), online certified firm database at www.caleprocure.ca.gov
To begin your search, click on "SB/DVBE Search." Search by "Keywords" or "United Nations Standard Products and Services Codes (UNSPSC) that apply to the elements of work you want to subcontract to a DVBE. Check for subcontractor ads that may be placed on the California State Contracts Register (CSCR) for this solicitation prior to the closing date. You may access the CSCR at: www.caleprocure.ca.gov. For questions regarding the online certified firm database and the CSCR, please call the OSDS at (916) 375-4940 or send an email to: OSDCHelp@dgs.ca.gov.

FEDERAL: Search the U.S. Small Business Administration's (SBA) Central Contractor Registration (CCR) on-line database at www.sba.gov/ to identify potential DVBEs and click on the "Dynamic Small Business Search" button. Search options and information are provided on the CCR Dynamic Small Business Search site. First time users should click on the "help" button for detailed instructions. Remember to verify each firm's status as a California certified DVBE.

LOCAL: Contact local DVBE organization to identify DVBEs. For a list of local organizations, go to www.pd.dgs.ca.gov/smbus and select**:** DVBE Local Contacts (New 02/09) (pdf).

RESOURCES AND INFORMATION

For questions regarding bid documentation requirements, **contact the contracting official at the awarding department for this solicitation.** For a directory of SB/DVBE Advocates for each department go to: http://www.pd.dgs.ca.gov/smbus/advocate.htm.

The Department of General Services, Procurement Division (DGS-PD) publishes a list of trade and focus publications to assist bidders in locating DVBEs for a fee. To obtain this list, please go to www.pd.dgs.ca.gov/smbus and select:

- DVBE Trade Paper Listing (New 02/09) (pdf)
- DVBE Focus Paper Listing (New 02/09) (pdf)

U.S. Small Business Administration (SBA): Use the Central Contractor Registration (CCR) on-line database. *Internet contact only* –Database: www.ccr.gov/.	**FOR:** Service-Disabled Veteran-owned businesses in California (Remember to verify each DVBE's California certification.)
Local Organizations: Go to www.pd.dgs.ca.gov/smbus and select: DVBE Local Contacts (New 02/09) (pdf)	**FOR:** List of potential DVBE subcontractors
DGS-PD **EProcurement** Website: www.eprocure.dgs.ca.gov Phone: (916)375-2000 Email: eprocure@dgs.ca.gov	**FOR:** • SB/DVBE Search • CSCR Ads • Click on Training tab to Access eProcurement Training Modules including: Small Business (SB)/DVBE Search
DGS-PD **Office of Small Business and DVBE Services (OSDS)** 707 Third Street, Room 1-400, West Sacramento, CA 95605 Website: www.pd.dgs.ca.gov/smbus OSDS Receptionist, 8 am-5 pm: (916) 375-4940 PD Receptionist, 8 am-5 pm: (800) 559-5529 Fax: (916) 375-4950 Email: osdchelp@dgs.ca.gov	**FOR:** • Directory of California-Certified DVBEs • Certification Applications • Certification Information • Certification Status, Concerns • General DVBE Program Info. • DVBE Business Utilization Plan • Small Business/DVBE Advocates

Commercially Useful Function Definition

California Code of Regulations, Title 2, § 1896.61(l):

The term "DVBE contractor, subcontractor or supplier" means any person or entity that satisfies the ownership (or management) and control requirements of §1896.61(f); is certified in accordance with §1896.70; and provides services or goods that contribute to the fulfillment of the contract requirements by performing a commercially useful function.

As defined in MVC §999, a person or an entity is deemed to perform a "commercially useful function" if a person or entity does **all** of the following:

- Is responsible for the execution of a distinct element of the work of the contract.
- Carries out the obligation by actually performing, managing, or supervising the work involved.
- Performs work that is normal for its business services and functions.
- Is not further subcontracting a portion of the work that is greater than that expected to be subcontracted by normal industry practices.

A contractor, subcontractor, or supplier will not be considered to perform a commercially useful function if the contractor's, subcontractor's, or supplier's role is limited to that of an extra participant in a transaction, contract, or project through which funds are passed in order to obtain the appearance of disabled veteran business enterprise participation.

IN-HOME SUPPORTIVE SERVICES

Personal Care Services Program / IHSS Plus Option / IHSS Residual / Community First Choice Option

A. IHSS Workers' Compensation Statute

The State is mandated to provide workers' compensation coverage to Personal Care Services Program (PCSP), IHSS Plus Option (IPO), IHSS Residual (IHSS-R), and Community First Choice Option (CFCO) providers (Individual Provider Mode and Contract Mode Providers) by Welfare and Institutions Code (W&IC) sections http://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?sectionNum=10850.&lawCode=WIC (§10850) and http://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?sectionNum=12302.2.&lawCode=WIC [§12302.2(a)]. W&IC section §12302.2(a) states, "If the state or county makes or provides for direct payment to a provider chosen by a recipient or to the recipient for the purchase of IHSS, the department shall perform or assure the performance of all rights, duties and obligations of the recipient relating to such services as required for the purposes of unemployment compensation, unemployment compensation disability benefits, workers' compensation…"

B. Program Description

The IHSS program enables eligible individuals to receive in-home services that allow them to remain safely in their own homes as an alternative to out-of-home care. Eligible recipients are aged, blind, or disabled individuals who receive public assistance or meet certain income standards. Services include domestic and related services (e.g., housework, meal preparation, laundry, shopping); personal services; accompaniment to medical appointments; protective supervision for mentally impaired recipients who may place themselves at risk for injury, hazard, or accident; and paramedical services when directed by a physician.

The IHSS funding is 50% federal (Title XIX (Medi-Cal)) and 50% nonfederal. Currently, the nonfederal share is split 65% State and 35% County. On January 1, 2022 the nonfederal sharing ratio will switch to 35% State and 65% County. Funding exceptions are noted below.

IHSS Program Components:

- Personal Care Services Program
    - Eligibility: Recipients who are eligible for Medi-Cal, have a chronic disabling condition, and have an assessed need for services to remain safely in their own home.

- IHSS Plus Option
  - Eligibility: Recipients who are eligible for Medi-Cal, have a chronic disabling condition, and have an assessed need for services to remain safely in their own home. Recipients do not qualify for PCSP because services are provided by a spouse or parent of a minor child.

- IHSS Residual
  - Eligibility: Recipients are not eligible for Medi-Cal but meet the SSI/SSP income standards, are 65 years or older, blind, or disabled, and have an assessed need for services to remain safely in their own home.
  - Funding Note: Non-federally funded, supported by State and County funding only

- Community First Choice Option
  - Eligibility: Recipients have a chronic disabling condition, have an assessed need for services to remain safely in their own home, and are eligible for a nursing facility level of care.
  - Funding Note: Additional 6% federal financial participation

IHSS Recipients Served (As of April 30,2020):

The program serves 625,180 medically needy and categorically eligible aged, blind and disabled children and adults.

C. Employer of Record

Assembly Bill (AB) 1682 (Chapter 90, Statutes of 1999) required each county to act as an employer of record or establish an employer of record for IHSS Program providers. It also required each county to create an Advisory Committee whose initial responsibilities included recommending to the county's Board of Supervisors which mode(s) of IHSS delivery that the Board should adopt to comply with AB 1682.

Employer of Record Modes:

- Public Authority (PA) – County can establish a PA. PAs are separate entities from the county in which they operate.
- Contract Mode – County can issue an invitation to bid and request for proposal for contract services.
- Nonprofit Consortium (NPC) – County can issue an invitation to bid and request for proposal for the operation of an NPC.
- Homemaker Mode – County can choose to act as the employer by utilizing county employees to provide in-home supportive services.

- County as Employer of Record – County can choose to act as the employer through county administration of individual providers.

While the modes listed above are considered the employer of IHSS providers for the purposes of collective bargaining for wages, health benefits and other terms of employment, IHSS recipients retain the right to hire, fire and supervise any IHSS worker providing services to them.

Population Served by RFP (As of November 30, 2025):

Mode	Individual or Contract Provider	Number of Counties	Population Served by RFP
Public Authority	IP Mode	53	792,883 Providers
Nonprofit Consortium	IP Mode	3 (Inyo, Modoc, Mono)	409 Providers
Homemaker Mode	HM Mode	1 (San Fran)	33 Providers
County as Employer*	IP Mode	2 (Alpine, Tuolumne)	651 Providers
Contract Mode	CC Mode	2 (Contra Costa, San Fran)	450 Providers
		Total	794,426 Providers

*For collective bargaining purposes only

D. AB 632

AB 632 (Chapter 209, Statutes of 2003) was enacted as an “urgency statute” and only applies to contract mode providers. Workers’ compensation coverage of other employees of an IHSS contractor remains the responsibility of the contractor.

AB 632 adds Section 12302.21 to the W&IC requiring the State to provide workers’ compensation coverage for IHSS providers that are employed under IHSS contracts entered into by a county with a nonprofit or propriety agency under the contract mode. This section also requires that counties that have existing contracts with nonprofit agencies or propriety agencies to provide IHSS services reduce the hourly rate by fifty cents ($0.50) per hour effective on the date that the department implements AB 632.

IHSS contractors remain responsible for workers’ compensation premiums and the costs arising from workers’ compensation claims filed prior to September 1, 2003.

Counties are to provide their IHSS contractors with a copy of the In-Home Supportive Services Workers' Compensation Claims Manual. County contracts with agencies must also establish a requirement that the contractor provide the county with a quarterly report (Contractor Employed IHSS Provider Report) listing all the providers employed by the contractor who delivered services under IHSS during each calendar quarter.

WAIVER PERSONAL CARE SERVICES

A. Program Description:

Welfare and Institutions Code
http://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?sectionNum=14132.97&lawCode=WIC (14132.97)

A Waiver Personal Care Services (WPCS) provider is an independent unlicensed provider who assists the waiver participant in gaining independence in his/her activities of daily living and preventing social isolation. These services assist the waiver participant in remaining in his/her residence and continuing to be part of the community.

A WPCS provider provides Waiver Personal Care Services. WPCS are services authorized by the department of Health Care Services (DHCS), Integrated Systems of Care Division, for individuals enrolled in either the Home-and-Community Based Services (HCBS), Home and Community Based Alternatives (HCBA) Waiver. These services are both supportive and health related. They substitute for the absence, loss or impairment of a physical or cognitive function.

Personal Care Services under the HCBA Waiver adds to care provided by the In-Home Supportive Services Program, administered through the California Department of Social Services (CDSS). A person must be enrolled as an IHSS and a WPCS provider in order to provide WPCS to an HCBA Waiver participant.

Services provided by a WPCS Provider pursuant to the Standards of Participation Section of the HCBA Waivers are:

1. Assistance to Independence in Activities of Daily Living (ADL):

   Assisting the participant in reaching a self-care goal, the WPCS provider promotes the participant's ability in obtaining and reinforcing his/her highest level of independence in ADLs. The WPCS provider provides assistance and feedback to the participant in an effort to help him/her reach specific self-care goals in performing or directing his/her caregivers in an activity without assistance from others. Services provided by the WPCS provider are verbal cueing, monitoring for safety, reinforcement of the participant's attempt to complete self-directed activities, advising the primary caregiver of any problems that have occurred; providing information for updating the participant's Plan of Treatment (POT) and addressing any self-care activities with an anticipated goal completion date.

2. Adult Companionship:

   Adult companionship is for waiver participants who are isolated and/or may be homebound due to his/her medical condition. Adult companions must be at least 18 years of age and able to provide assistance to participants enrolled in the waiver. Waiver participants utilizing Adult Companionship services include on-medical care, supervision, and socialization provided to a waiver participant. To help maintain a waiver participant's psychological well-being, adult companions may assist waiver participants in accessing self-interest activities or accessing activities in the local community for socialization and recreational purposes, and/or providing or supporting an environment conducive to interpersonal interactions. Documentation of the need for adult companionship, the goal, process for obtaining the goal, and progress in meeting the goal must be identified on the POT and submitted to the DHCS Nurse Evaluation (NE), for the initial and reauthorization of services.

   The number of WPCS providers subject to the provision of workers' compensation services as of October 1, 2025 is 11,506.

CALIFORNIA WORK OPPORTUNITY AND RESPONSIBILITY TO KIDS (CALWORKS)

Program Description:

The California Work Opportunity and Responsibility to Kids (CalWORKs) program is California's version of the federal Temporary Assistance for Needy Families (TANF) program. The CalWORKs program provides cash aid and services to eligible needy California families. Although the CalWORKs program is authorized in state law and funded through the California Department of Social Services (CDSS), the program is primarily administered by County Welfare Departments (CWD).

Recipients of CalWORKs, unless exempt from work requirements, are required to participate in Welfare-to-Work (WTW) activities as a condition of receiving aid. Supportive services, including childcare, transportation, ancillary expense and mental health or substance abuse services are available to families participating in WTW activities. Participants of WTW participating in WTW activities such as, unpaid work experience, unpaid community service and subsidized employment activities are currently covered by the CDSS agreement for workers' compensation services.

Work experience and community service are both closely supervised, unpaid WTW training activities that provide or enhance job skills. Community service is distinct from work experience because it is specifically targeted toward positions that address community needs. Subsidized employment is for participants who have the basic skills and experience needed to be employed. This can be called Work Study, On the Job Training, Job Skills Training, Expanded Subsidized Employment or similar. Subsidized employers are partially or wholly reimbursed for wages. Work experience, community service, subsidized employment activities and other WTW activities may be in the public or private sectors and are designed to help clients in the transition to unsubsidized employment and self-sufficiency.

The average number of CalWORKs clients participating in activities eligible for workers' compensation coverage is approximately 20% of the CalWORKs caseload or 70,832 per month.

CALFRESH

A. Program Description:

The Supplemental Nutrition Assistance Program (SNAP), known as CalFresh in California, is an entitlement program that provides monthly benefits to assist low-income households in purchasing food needed to maintain adequate nutritional levels. In general, these benefits are for any food or food product intended for human consumption.

National eligibility standards and benefit levels are established by Congress and administered by the U.S. Department of Agriculture, Food and Nutrition Service. The program is called the Supplemental Nutritional Assistance Program (SNAP) at the federal level.

The California Department of Social Services (CDSS) is the designated state agency responsible for program oversight and compliance. The counties are responsible for administering the CalFresh food benefit to eligible individuals and families. In addition, other factors of eligibility include residency, citizenship, registration for employment, etc.

B. CalFresh Employment and Training (E&T)

CalFresh Employment and Training (E&T) is an optional county program designed to improve employability and increase the economic self-sufficiency of CalFresh applicants and recipients. CalFresh E&T participants are assigned to components that include supervised job search, workfare, work experience, education, self-employment training, and job retention. Participants are reimbursed for transportation and other ancillary costs needed to take part in CalFresh E&T.

The State provides workers' compensation coverage to participants of CalFresh E&T participating in unpaid work experience, unpaid workfare, and subsidized and unsubsidized employment activities where the county is the employer of record. All private or non-profit employers are required to cover Workers' Compensation as cited in the Fair Labor Standards Act.

From October 1, 2024 through September 30, 2025, thirty-five (35) counties operated a CalFresh E&T program. The number of unduplicated CalFresh participants during that time, who participated in activities covered by workers' compensation insurance, was 3,927. CDSS anticipates an increase in participation due to changes in work requirements for CalFresh recipients due to HR1.

STATE OF CALIFORNIA - DEPARTMENT OF GENERAL SERVICES

STANDARD AGREEMENT

STD 213 (Rev. 04/2020)

AGREEMENT NUMBER	PURCHASING AUTHORITY NUMBER (If Applicable)
TBD	

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

CONTRACTING AGENCY NAME

California Department of Social Services

CONTRACTOR NAME

To be determined (TBD)

2. The term of this Agreement is:

START DATE

TBD

THROUGH END DATE

TBD

3. The maximum amount of this Agreement is:

$TBD

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

	Exhibits	Title	Pages
	Exhibit A	Scope of Work	TBD
	Exhibit A - Attachment 1	Definitions for the IHSS/WCPS Programs	TBD
	Exhibit A - Attachment 2	Implementation and Transition Plan	TBD
+ -	Exhibit A - Attachment 3	Managed Care Rate Fee Schedule	TBD
+ -	Exhibit B	Budget Detail and Payment Provisions	TBD
+ -	Exhibit C	General Terms and Conditions	TBD
+ -	Exhibit D	Special Terms and Conditions	TBD
+ -	Exhibit E	Additional Provisions	TBD
+ -	Exhibit E - Attachment 1	CDSS Confidentiality and Information Security Requirements	TBD

Items shown with an asterisk (*), are hereby incorporated by reference and made part of this agreement as if attached hereto.
These documents can be viewed at https://www.dgs.ca.gov/OLS/Resources

IN WITNESS WHEREOF, THIS AGREEMENT HAS BEEN EXECUTED BY THE PARTIES HERETO.

CONTRACTOR

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

TBD

CONTRACTOR BUSINESS ADDRESS	CITY	STATE	ZIP

PRINTED NAME OF PERSON SIGNING	TITLE

CONTRACTOR AUTHORIZED SIGNATURE	DATE SIGNED

STATE OF CALIFORNIA - DEPARTMENT OF GENERAL SERVICES
STANDARD AGREEMENT
STD 213 (Rev. 04/2020)

AGREEMENT NUMBER	PURCHASING AUTHORITY NUMBER (If Applicable)
TBD	

STATE OF CALIFORNIA

CONTRACTING AGENCY NAME			
California Department of Social Services			
CONTRACTING AGENCY ADDRESS	CITY	STATE	ZIP
744 P Street, M.S. 9-6-747	Sacramento	CA	95814
PRINTED NAME OF PERSON SIGNING	TITLE		
TBD	TBD		
CONTRACTING AGENCY AUTHORIZED SIGNATURE	DATE SIGNED		
CALIFORNIA DEPARTMENT OF GENERAL SERVICES APPROVAL	EXEMPTION (If Applicable)		
	TBD		

EXHIBIT A
(Standard Agreement)

SCOPE OF WORK

A. Introduction and Background

1. OBJECTIVES

The Agreement is entered into by and between the California Department of Social Services (CDSS or the State), acting in conjunction with the Department of General Services (DGS), Office of Risk and Insurance Management (hereafter the ORIM) and the Contractor. The Contractor shall provide the State with the workers' compensation administration services of a Third-Party Administrator (TPA), as more fully described herein. The State is required to provide workers' compensation coverage for certain providers of social services for the In-Home Supportive Services (IHSS) Program and the California Department of Health Care Services (DHCS) Waiver Personal Care Services (WPCS) Program, pursuant to state law, including Welfare & Institutions Code, section 12302.2(a) and 12302.21.

During the term of this Agreement the Contractor shall meet the following general objectives for the administration of the workers' compensation claims services as a TPA:

a. Ensure a thorough and efficient transition of the administration of the workers' compensation claims from the existing TPA to the Contractor within the requirements detailed in this Agreement.

b. Ensure all workers' compensation and related services are managed effectively and efficiently and in accordance with the requirements detailed in this Agreement.

c. Ensure that claimants sustaining work related injuries or occupation illness are provided with quality medical care and treatment promptly.

d. Ensure that claimants sustaining work related injuries or occupational illness receive appropriate medical and rehabilitative services to promote maximum medical recovery and a safe and expedient return to work, as appropriate.

e. Maintain a professional working relationship with ORIM, the State and the County Contact Representatives (CCR).

EXHIBIT A
(Standard Agreement)

f. Timely provide appropriate services to claimants to decrease the need for decisions by the Workers' Compensation Appeals Board or representation of counsel.

g. Develop and implement strategies to improve the effectiveness and delivery of the services to the claimants and to reduce costs to the State.

h. Ensure compliance with statutory, regulatory or judicial decisions, which affect the delivery of services described in this Agreement, for the term of this Agreement including any extensions.

2. APPLICABLE LAW RELATED TO THE PROVISION OF SERVICES

The Contractor shall comply with the applicable state and federal laws and regulations, including but not limited to the following:

a. California Labor Code sections 129, 129.5, 131, 132, 132a, 138.4, 138.6, 138.7, 139.3, 139.32, 139.43, 3702.1, 3751, 3752, 3820, 3822, 3850-3865 (Subrogation), 4050-4068 (Medical Examinations), 4060-4068 (Determination of Medical Issues), 4155, and 5402.

b. California Insurance Code §§ 1871-1879 (The False and Fraudulent Claims Act), 1877-1877.5 (The Workers' Compensation Insurance and Fraud Reporting Act), 11761 and 14020.

c. Public Contract Code § 12140 (Prohibition of the Offshoring of State Public Benefit Contracts).

B. Contractor Responsibilities

The Contractor shall provide Claims Management Services, which include the following:

1. <u>Caseload</u>

a. Contractor shall manage caseloads to ensure that on average its claims examiners have a targeted caseload of 150, but not to exceed 165 indemnity claims. In situations where caseloads include future medical and medical only claims, every two (2) future medical or medical only claims shall be counted as one (1) indemnity claim in the caseload limit. Each examiner who

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handles solely medical-only or future claims shall have a caseload not to exceed 300 open claims.

b. If during the term of this Agreement, the total number of Contractor's staff falls below the minimum number of staff necessary to maintain compliance with caseload maximums, qualified temporary help must be hired at the Contractor's expense.

c. Contractor shall ensure that each claims examiner supervisor does not have a caseload of claims for which they are responsible as an examiner unless prior written authorization is provided by ORIM.

d. Contractor shall ensure assignments, to the extent reasonably possible, are distributed to its adjusters/examiners and supervisors by county to facilitate the growth of relationships with the county Departmental staff or the CCRs.

e. Contractor shall maintain a list of adjuster/examiner and supervisor assignments by county to be provided to ORIM as the assignments change. The list shall be updated no less than monthly and provided to ORIM.

2. Claim File Set-Up

a. Upon receipt of the Employer's Report of Occupational injury or illness or Application for the Adjudication of the Claim, the Contractor shall prepare an individual claim file within one (1) business day of receipt for each claim. Preparation of the claim file shall include entering the claim into the TPA's claims reporting and risk management system. The claim file shall be immediately accessible to ORIM, the State, DHCS, the counties and their representatives, claims auditors and review agents, and shall contain all medical and factual information on each reported claim. Claims shall be reviewed and set up within one (1) business day of receipt.

b. The Contractor shall determine the compensability of claimed injuries and illnesses in accordance with the Labor Code by making a three-point contact with the non--represented claimant, the CCR and the physician within the timeframes required in this Scope of Work.

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c. In the file set up, the TPA shall use a code to identify the applicable program for the claim. As necessary, the TPA may request assistance from ORIM, the State, DHCS or the applicable county personnel to identify the appropriate Program.

d. Preparation of the claim file shall include entering all claim information and establishing reserves.

3. Claim File Documentation

a. All claim activity, contact, notification, reconciliation in the regular course of business, referrals, reviews, verification, etc., shall be clearly documented by assigned claim examiner/adjuster in the computer notepad within one (1) business day of receipt in the applicable claim file. A copy of all written documentation, notices, letters, reports, etc. shall be maintained in the applicable claim file. This requirement shall apply to all standards contained in the Scope of Work.

b. The use of the electronic claim files is appropriate only with assurances that the claim file can be recreated in hard copy as requested, and access to the electronic claim file is provided to ORIM, the State and DHCS if applicable, or their agents upon request.

c. File contents shall comply with Title 8 of the California Code of Regulations at Sections 10101, 10101.1 and 15400 and be kept in a neat and orderly fashion.

d. Claim file documentation shall include the title of the applicable Program.

4. Coverage

a. Contractor shall establish and verify that the claimant was eligible for coverage on the date of injury or occupation illness.

(1) Verification steps shall include the following:

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(a) Establishing whether, at the time of the injury or the occupational illness, the claimant was performing services as a WPCS provider or IHSS provider. Verification of coverage is through contact with the CCR.

(b) Establishing whether, at the time of the injury or the occupation illness, the claimant was performing services as an Individual Provider or a Contract Mode Provider. Verification of coverage is through contact with the CCR.

(c) Establishing whether the facts of the claim indicate the liability of a third party responsible for, or contributing to, the injury or occupational illness of the claimant.

b. Contractor shall exercise due diligence in identifying third parties responsible, in part or entirely, for the injuries or occupational illness of the claimant.

c. If applicable, the Contractor shall exercise due diligence in joining applicable third parties as co-defendants.

d. All activities to verify coverage, identify responsible third parties, and join co-defendants shall be clearly documented in the claim file within one (1) business day.

5. ISO Claim Search

Contractor shall report all claims to the ISO Claim Search, a reporting service that maintains a database of claimants who have filed previous workers' compensation claims, at the time of initial setup. All claims shall be re-indexed every six (6) months thereafter.

6. County Contact Representative (CCR)

a. The Contractor shall, within one (1) business day of notification, request the Employer's Report of Occupational Injury or Illness form from the CCR when or if notification of any injury or illness by any source is received first.

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b. The CCR may report claims to the Contractor through mail, fax, or online through the Contractor's secure web-based reporting module.

c. Within two (2) business days of notification of injury by any source, the Contractor shall contact the CCR to conduct an initial and meaningful investigation. The Contractor shall substantiate the claim and verify that the claimant was eligible for coverage on the date of injury or occupational illness.

d. If the DWC Form 1 has not been received by the Contractor within two (2) business days after receiving the Employer's Report of Occupational Injury or Illness, the Contractor shall contact the CCR to ensure the DWC Form 1 was given to the claimant within one (1) business day of knowledge of the injury or illness. If a DWC Form 1 was not provided to the claimant, the Contractor shall immediately send the DWC Form 1 directly to the claimant.

e. Upon receipt of a phone call or e-mail communication from the CCR, the Contractor shall return the phone call or e-mail to the CCR, and if necessary, the State, within one (1) business day and be clearly documented in the claim file within one (1) business day.

f. Contractor shall respond to all correspondence from the CCR within three (3) business days of receipt. The correspondence and response shall be clearly documented in the claim file within one (1) business day of the response by the Contractor.

7. Medicare Reporting

a. Contractor shall provide accurate and timely reporting and tracking services for all claimants meeting the requirements of Medicare Section 111 Mandatory Reporting, per the Medicare Secondary Payer Act, as amended by the Medicare, Medicaid and SCHIP Extension Act of 2007 (MMSEA), and related statutes. The reporting requirements include proper reporting to Medicare and providing associated data to the State.

b. All fines and penalties imposed as a result of non-compliance shall be the responsibility of the Contractor.

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c. Contractor shall act in compliance with the requirements of the Medicare Section 111 Mandatory Reporting, per the Medicare Secondary Payer Act, as amended by the MMSEA, and related statutes, and shall timely communicate changes in the federal laws to ORIM.

d. Upon the request of CDSS, Contractor shall assist CDSS with registering and designating Contractor as CDSS' reporting agent.

e. Contractor shall request program information from CDSS as necessary to meet any new MMSEA reporting requirement including, but not limited to, Medicare eligibility queries and Mandatory Insurance Reporting.

8. Claimant Contact

a. Within one (1) day of notification of injury or illness, Contractor shall establish telephone or personal contact with the unrepresented claimant to:

(1) Obtain information regarding the specific facts of the accident, nature of injury or illness, other employment and claims, witness names, etc.

(2) Inform the claimant of all rights and benefits and clearly explain the claims process.

(3) Answer questions professionally and develop a positive rapport with the claimant to eliminate doubts or uncertainty and avoid litigation.

(4) Assist the claimants in resolving problems pertaining to their claims.

b. Contractor shall continue contact with the claimant as often as necessary, but at least monthly.

All correspondence from a claimant shall be responded to within three (3) business days of receipt and clearly documented in the claim file within one (1) business day.

c. The Contractor shall make the Contractor's secure mobile phone application, ICARE App, known to claimants and available at their request.

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The provision of the mobile ICARE App for the benefit of claimants shall not supplant Contractor's communications or contacts with claimants which are required pursuant to this Agreement.

9. Communications with the ORIM or the State

   a. Contractor shall return phone calls and respond to emails from ORIM or the State within one (1) business day of receipt.

   b. Contractor shall respond to all correspondence from the ORIM or the State within three (3) business days of receipt.

10. Medical Administration

   a. Contractor, absent a Medical Provider Network (MPN), shall select a panel of general practitioners, specialists, hospitals and emergency treatment facilities to which claimants should be referred throughout the State. The panel shall be regularly reviewed and updated to ensure that timely services are readily available.

   b. Contractor shall assist the CCR and the State in identifying an industrial clinic and/or medical providers, if requested.

   c. Contractor shall contact the physician's office within three (3) business days of notice of each new claim to conduct an initial investigation as to the medical aspects of the claim. Such contact shall continue as needed during the continuation of temporary disability to ensure that treatment is related to a compensable claim.

   d. Contractor shall maintain contact with treating physicians to ensure claimants receive proper medical treatment and are returned to full or modified employment at the earliest possible date.

   e. Contractor shall maintain direct contact with medical providers to ensure their reports are received in a timely and confidential manner.

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f. Contractor shall arrange medical evaluations when needed, reasonable, and/or requested in compliance with the California Labor Code and/or related regulations.

g. Contractor shall make every attempt to utilize medical providers with contracts for negotiated rates to be paid less than the Official Medical Fee Schedule (OMFS) and/or recommended rates established by the Administrative Director for the Division of Workers' Compensation (Administrative Director).

h. Contractor shall make available to the workers' compensation claimants participation in an established and extensive Preferred Provider Organization (PPO) Network, which refers to organizations that have negotiated volume-based discounts with unaffiliated physicians and medical facilities and the payment discounts offered by these organizations to capture savings below the medical services fees contained within the OMFS.

i. Contractor shall ensure that medical bills are reduced to at least the OMFS and/or recommended rates by the Administrative Director.

j. Contractor shall provide Bill Review Services for all invoices to:

   (1) Accurately evaluate and reduce provider charges in compliance with the OMFS.

   (2) Integrate PPO networks agreements for additional savings.

   (3) Apply other review methods, such as direct negotiations when the OMFS or PPO is not applicable.

   (4) Integrate Utilization Review determination into Bill Review, so payments are recommended for authorized medical savings only.

   (5) Identify any duplicate bills at no additional charge to CDSS.

k. The use of a service contractor is acceptable for Bill Review Services. Fees associated with the Bill Review Services shall be on a per-bill basis. The Contractor shall attribute to PPO services, the incremental savings below the

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California Official Medical Fee Schedule rates for savings and fee calculation purposes.

l. Contractor shall have a Utilization Review (UR) process in place.

m. Contractor shall be responsible for evaluating situations that may require and/or benefit from referral to either an internal or affiliated UR activity. It is expected that experienced examiners shall make most first line UR decisions and defer to formal UR assessment when an appropriate medical expertise is needed or when required by statute or regulation. UR decisions made at the adjuster/examiner level must be appropriately documented per the Labor Code and associated regulations.

n. Contractor shall provide UR and/or professional managed care services, on an as-needed basis, to each claimant in compliance with UR approved guidelines. The use of a service contractor to provide this service is acceptable. Such fees shall be charged on an unlimited treatment request per referral to the claim file. All referrals to a service contractor for UR shall be maintained in the claim file.

o. Contractor shall work with the ORIM to develop UR standards and to establish guidelines to review treatment requests and to outline all review fees, including physician review and any automatic per file referral fees.

p. Contractor shall utilize a Nurse Case Manager, where appropriate, to identify needed medical services, to arrange for services and to educate the claimant on the claimant's role in the recovery process. Contractor must obtain prior approval from the ORIM to utilize a Nurse Case Manager. The Nurse Case Managers are required to be Registered Nurses, with a minimum of three (3) years of experience in workers' compensation case management.

q. The fees and costs for Utilization Review, Medical Bill Review and Nurse Case Management Services shall be paid to the service provider as an allocated expense for the involved claim and shall not be included in the annual fee paid to the Contractor. The fees and costs shall be in accordance with Exhibit A – Attachment 3, the Managed Care Rate Fee Schedule, incorporated by reference.

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11. Compensability

    a. Contractor shall make a compensability determination (accept claim, deny claim or delay acceptance pending the results of additional investigation) within 14 calendar days from the date of knowledge of the loss. The reasons for such determination shall be made and clearly documented in the file.

    b. Contractor shall place a 90 calendar day delay status for further investigation on any claim wherein compensability is not evident. Delay of benefit notices shall be mailed in accordance with the California Workers' Compensation laws and regulations, including but not limited to 8 CCR § 9810 and following.

    c. In the event the claim is not received by the Contractor within 14 calendar days of the filing of the claim with the CCR, the Contractor shall make the initial compensability determination within seven (7) calendar days of receipt of the claim.

12. Investigations

    a. Contractor shall be required to conduct initial investigative activities.

    b. Contractor shall arrange for investigators when in the Contractor's judgment and with prior approval from ORIM, such action is necessary to:

        (1) Process questionable claims.

        (2) Assist in determining Arising Out of Employment/during the Course of Employment (AOE/COE).

        (3) Assist with claims with litigation or subrogation potential.

        (4) Assist in determining fraudulent claims.

    c. Contractor shall keep ORIM informed on the scope and results of all investigations.

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d. All such activities and related communications with ORIM shall be clearly documented in the claim file within one (1) business day.

13. Reserves

Contractor shall maintain accurate reserves by:

a. Establishing initial reserves within three (3) business days of claim receipt based on information obtained at the time of claim set up.

b. Updating reserves based on the known facts of the claim and the estimated cost of each claim.

c. Reviewing all reserve categories on regularly, but no less than every 90 calendar days. This review shall be documented in the claim file within one (1) business day of the review.

d. Adjusting reserves for changes in indemnity and medical benefits.

e. Reviewing reserves at regular diary due date and at the time of any significant event. All reviews must be documented in the file.

f. Maintaining an initial and current reserve worksheet in the claim file, that is also available for on-line review by the ORIM, the State, DHCS, or the applicable county.

g. Providing an explanation for any reserve changes.

h. Notifying ORIM when a claim reserve reaches or exceeds $100,000 or the incurred amount exceeds $100,000. The notification shall include a current status of the claim, the plan of action and total incurred amounts by indemnity, Supplemental Job Displace Benefits, medical and expense categories. An update shall be provided to ORIM every 90 calendar days.

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14. Payments

a. The State of California, State Controller's Office (SCO) issues all payments for benefits and allocated expenses through an electronic claims payment process.

b. Contractor and the State shall establish an individual payment threshold for submitting payment requests to the SCO without the State's prior approval.

c. Contractor shall request payments at least once every business day from the State and the SCO. The following provides the payment request process and the Contractor's responsibilities:

(1) To request payments, the Contractor shall create an Electronic Claim File that includes payment and claim information. The following link provides SCO's guidelines for creating the file http://www.sco.ca.gov/Files-AUD/reqts.pdf. **To ensure timely payments, the Contractor shall allow up to five (5) business days for issuance of a payment (warrant).**

(2) Contractor shall transmit the Electronic Claim File to SCO through a secure file transfer protocol (secure FTP). The file must be transmitted no later than 3:00 p.m. PST.

(3) Contractor shall email ORIM prior to 1:30 p.m. PST each business day.

(4) ORIM shall verify the payment information and email the STD 218, payment report and send ORIM's approval letter to CDSS accounting at FSABWorkersComp@dss.ca.gov no later than 3:00 p.m. PST every business day.

(5) A courier arranged and paid for by the Contractor, shall collect the STD 218 from CDSS Accounting at 744 P Street, OB 9, 4th Floor, Room 9-0523, Sacramento at 9:30 a.m. PST the following morning and deliver it to SCO at the Warrant Distribution Unit 3301 C Street, Suite 700, Sacramento no later than 10:30 a.m. PST that same day.

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(6) SCO Audits shall review the Electronic Data File and the STD 218. If approved, SCO Division of Disbursements shall issue and mail warrants directly to payees for claims included in the Electronic Data File.

(7) SCO generates a DEX file to put on the FTP site for the Contractor to retrieve payment data and update the Contractor's database. The DEX file includes warrant numbers, issue dates and net dollar amounts for the warrants issued, in addition to the data contained in the Electronic Data File.

(8) Contractor shall contact the SCO Program Project Representative for any inconsistencies in the DEX and the Electronic Data File within 24 hours.

(9) Contractor shall process emergency payments, replacement warrants, arrears payments, overpayments, stop payments, voided warrants, stale date warrants or supplemental payments, as needed. These shall be processed continuously and included in the daily Electronic Data File provided to the SCO.

(10) Contractor shall ensure that payments are made within a timeframe that shall allow the SCO to issue payments on a timely basis.

(11) The Contractor shall provide to the State and the SCO the required fraud language in English and in Spanish to be mailed with the warrants.

15. Provision of Benefits

The Contractor shall:

a. Make its requests for payments by the SCO for compensation and medical benefits promptly and in compliance with the statutory requirements of the California Labor Code and the California Code of Regulations.

b. Compute and request payment of temporary disability benefits to claimants based upon earnings information and authorized disability periods.

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c. Review, compute and request payment of all informal ratings, death benefits, findings and awards, life pensions, or compromise and release settlements. All payment of such benefits shall be issued by the SCO.

16. Initial Indemnity Payment

a. Contractor shall request initial indemnity payments in a timely manner to ensure payments generated by SCO are issued within 14 calendar days of the knowledge of the first day of disability. Contractor shall provide a properly completed DWC benefit notice to the claimant and maintain a copy of the benefit notice in the claim file.

b. Late payments shall include the self-imposed increase in accordance with the Labor Code. Reasons for the late payment shall be clearly documented in the claim file within one (1) business day. When penalties occur, Contractor shall analyze the reasons for the delay and implement steps to prevent further delays. Contractor shall be responsible for fees or penalties associated with the late payments that are the result of Contractor's failure to timely and properly request payments.

17. Subsequent Indemnity Payments

a. Contractor shall verify and request issuance for all indemnity payments subsequent to the first payment on time to ensure payments generated by the SCO, except for obvious long-term disability, are issued within the time limits established by the Labor Code and the California Code of Regulations. Contractor shall provide the required benefit notices to the claimant regarding the subsequent benefits separately and maintain a copy of the benefit notices in the applicable claim file.

b. Late payments shall include the self-imposed increase in accordance with the Labor Code. Reasons for the late payment shall be clearly documented in the claim file within one (1) business day. When penalties occur, the Contractor shall analyze the reasons for the delay and implement steps to prevent further delays. The Contractor shall be responsible for fees or penalties associated with the late payments that are the result of the Contractor's failure to timely

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and properly request payments.

18. Medical Payments

    a. Contractor shall review medical bills for accuracy, approve payment on the appropriate claim file, and request payments from the SCO to be issued within time limits established by the Labor Code and the California Code of Regulations.

    b. Contractor shall notify the medical provider in writing within thirty (30) business days of receipt of a bill, if a medical bill is contested, denied or incomplete.

    c. Contractor shall utilize a bill review process.

    d. Late payments must include the self-imposed increase and penalties in accordance with the Labor Code and the California Code of Regulations. Reasons for the late payment shall be clearly documented in the claim file within one (1) business day.

        Contractor shall be responsible for fees or penalties associated with the late payments for medical treatment that are the result of the Contractor's failure to timely and properly request payments.

19. Transportation/Self Procured Expenses

    a. Contractor shall review "Transportation/Self-Procured Expenses" for accuracy and request payment promptly to the SCO to ensure reimbursement expenses are issued within fifteen (15) business days of the receipt of claims for reimbursement.

    b. Contractor shall request Advance Travel Expense Payments promptly to the SCO to ensure payments are issued at least ten (10) calendar days prior to the anticipated date of travel.

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20. Return-to-Work

    a. Contractor shall provide support and assistance to the CCR, if requested by the CCR, when the modified work is appropriate for the claimants while recovering and prior to their return to regular duties.

    b. Contractor shall consult with the CCR at least once a month where injury residuals might involve work restrictions and assist through the provision of modified duty when appropriate.

    c. Contractor shall notify the CCR immediately upon receipt of a claimant's permanent work restrictions so that the CCR can determine the availability of permanent modified or alternative work. Notification shall clearly be documented in the claim file within one (1) business day.

21. Permanent Disability

    a. The Contractor shall determine the nature and extent of permanent disability and arrange for an informal disability rating whenever possible to avoid Workers' Compensation Appeals Board (WCAB) litigation. Determination of the level of permanent disability shall be clearly noted by the Contractor in the claim file within one (1) business day.

    b. The Contractor shall take advantage of any potential apportionment to prior claims, disabilities and impairments.

    c. The Contractor shall send permanent disability benefit notices to the claimant as required by the Labor Code and the California Code of Regulations.

22. Supplemental Job Displacement Benefits (SJDB)

    a. In accordance with all applicable California laws, the Contractor shall advise the claimant of the right to Supplemental Job Displacement Benefits (SJDB), provide appropriate SJDB, control SJDB costs, attempt to secure the prompt conclusion of SJDB and provide notification to the CCR should work restrictions require permanent or modified alternative accommodations.

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23. Plan of Action

a. Contractor shall develop, implement and maintain a claim-specific plan of action that is separately labeled in the file notes. Each claim file shall clearly state the examiner's plan of action for the future handling of that claim, including the reasoning, strategy and course of action.

b. The plan of action on new claims shall be established within ten (10) business days of initial claim set-up and shall be updated at least every:

(1) 90 calendar days for active indemnity claims.

(2) 180 days for settled claims but are open for the claimant’s future medical care.

c. The plan of action shall include, but not be limited to accident history, current disability status, claimant's return-to-work status, medical status, type and duration of future medical care recommended by the applicable medical provider, litigation status, subrogation potential, detailed review of reserves and future activity to move the claim towards resolution.

24. Claim File Review

a. All claim files shall be reviewed for the purpose of moving all claims to closure and to close out medical claims, when appropriate, by the claim examiner at least every forty-five (45) calendar days for active claims and at least every 80 calendar days for claims that have settled, but are open for the claimant's future medical care.

b. The examiner shall distinguish in the file the regular diary claim file review from routine file documentation in the claim file.

c. The examiner shall update the file on any current "activity" that has occurred since the last file review.

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d. The examiner shall document all steps/actions taken in accordance to the plan of action previously entered.

25. Supervision

a. Contractor shall provide supervisory staff to regularly review the work product of the examiners. The supervisor shall review all new claims within the first thirty (30) calendar days of receipt from any source. The supervisor shall review at least ten percent (10%) of each examiner's caseload each month to ensure each examiner is following the performance standards outlined in this Agreement. Written verification of the ten percent (10%) requirement shall be provided to ORIM upon request. In addition, the supervisor shall conduct a regular quarterly review of all open indemnity claims with future reserves in excess of $100,000.00 and all problem or complex claims. Such reviews shall include directions, recommendations, and/or appropriate feedback and be labeled as "Supervisor Review" and be clearly documented in the claim file within one (1) business day.

b. The supervisor shall review all medical-only claims open beyond 90 calendar days from the date of claim entry by the Contractor for potential closure or conversion to indemnity claim status. Claims with $5,000.00 or more paid-to-date on any claim open beyond 180 calendar days from the date of claim entry shall be converted to indemnity status and shall have an appropriate precautionary indemnity reserve placed on the claim.

c. The supervisors shall monitor activity on indemnity files at intervals not to exceed 120 calendar days. The supervisors shall review the future medical only claims at intervals not to exceed 180 calendar days.

d. The supervisor shall monitor the claim file reviews by printing a report each month to identify any files that may have fallen off the diary system of the Contractor.

26. Status Report Requests

a. For claims with reserves in excess of $100,000.00 or when a claim reaches or exceeds $100,000.00 in total incurred value, the Contractor shall report to

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ORIM every 90 calendar days regarding the status of the claim. Such reports shall include a current status of the claim, the examiner's plan and total incurred amounts listed by Indemnity, SJDB, medical and expense categories.

b. Contractor shall respond to verbal requests of ORIM for information regarding such claims within two (2) business days and clearly note the request and the response in the claim file within one (1) business day of each request and response.

27. Settlement Requests

a. Contractor shall obtain ORIM's prior written authorization on all settlements over $25,000.00. All requests for settlement authority shall be clear and concise and include a written claim analysis, estimate of permanent disability, indemnity payments cost of medical care, and if applicable the defense counsel's comments and recommendations along with the dates of any pending litigation activity or conferences at the WCAB.

b. On all settlement authority requests exceeding $100,000.00, or other lower amounts when requested by ORIM, the Contractor or defense counsel, if applicable, shall provide to the ORIM a written analysis of each proposed settlement. The written analysis must include, but is not limited to, the following:

(1) Facts that reflect the State's liability.

(2) Estimated value of the case (best case scenario – worst case scenario).

(3) Settlement value presented by claimant or opposing counsel.

(4) Defense counsel's or Contractor's recommendation of how to proceed (trial vs. settlement) with justification for the recommendation.

(5) Brief review of medical evaluators/treating doctors' positions. Clearly identify whether the physician is the claimant's, defendant's or treating

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physician.

(6) Sums paid to date by category for medical expenses of the claim, including rehabilitation.

(7) Center for Medicare Services (CMS) requirements for the Medicare Set-Aside Arrangement (MSA), if applicable.

c. The above written analysis may be followed with requests for information, telephone conference calls or meetings with ORIM, the State, Defense Counsel and the Contractor in order to obtain settlement authority.

d. Settlement considerations must include an evaluation of the need for an MSA and the benefits of a Structured Settlement.

28. Award Payment

a. Contractor shall request payments from the SCO on Awards, computations, commutations or Compromise and Release agreements promptly to ensure payments are issued within the required time limits. Late payments must include the self-imposed increase and appropriate interest in accordance with the Labor Code. The Contractor shall be responsible for fees, increases or penalties associated with the late payments for medical treatment that result from the Contractor's failure to timely and properly request payments.

b. Contractor shall document in the claim file the date of WCAB approval, the amount of the settlement, and the type and duration of future medical care recommended by the applicable medical provider. The Contractor shall also document the reason(s) for any late payment of the Award.

29. Subrogation

a. Contractor shall promptly initiate an investigation of issues identified as material to potential subrogation recovery. In all cases where a third party is responsible for the injury to the claimant, the Contractor shall send a letter to the State requesting approval to pursue subrogation. If the claimant brings a civil action against the party responsible for the injury, the Contractor shall

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consult with ORIM about the value of the subrogation claim and other considerations.

b. When subrogation is to be pursued, Contractor shall contact the third party within ten (10) business days with notification of the State's right to subrogation and the recovery of certain claim expenses. If the third party is a public entity, a claim shall be filed with the public entity within six (6) months of the injury or notice of injury.

c. Contractor shall make periodic contact with the responsible third party and/or insurer to provide notification of the amount of the estimated recovery.

d. If the injured worker files a civil action against the party responsible for the injury, the Contractor shall consult with ORIM about the value of the subrogation claim and other considerations. Upon ORIM's authorization, subrogation counsel shall be assigned to file a Lien or a Complaint in Intervention in the civil action.

e. Whenever practical, the Contractor shall take advantage of any settlement in a civil action by attempting to settle the workers' compensation claim by means of a Third-Party Compromise and Release. If such attempt does not succeed, then every effort shall be made through the WCAB to offset claim expenses through a credit against the proceeds from a claimant's civil action.

f. Contractor shall be responsible for collecting subrogation recoveries from the appropriate third party on a quarterly basis for the benefit of the State. A copy of the request to the third party shall be forwarded to the ORIM until such time as the Contractor is instructed otherwise. Any subrogation recovery shall be made payable to the State as directed by ORIM. Any discrepancy in the recovery or reimbursement amount shall be clarified in the claim file at the time of each request for reimbursement. Settlement negotiations shall include the involvement of ORIM.

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30. Litigation

a. Contractor shall clearly document the notice of claimant's representation in the claim file and the claimant's allegations of injury.

b. Contractor shall promptly initiate an investigation of issues identified as material to potential litigation.

c. Contractor shall be required to manage, negotiate and settle any litigated claims, when possible, without the aid of defense counsel.

d. Contractor shall make assignments to defense counsel. Litigation direction shall remain with the Experienced Claims Examiner. Contractor shall prepare clear and concise litigation referrals to defense counsel outlining the issues of the claim and duties that shall be handled by defense counsel, which shall not be clerical in nature. The defense counsel shall not be requested to do anything that could be accomplished by the Contractor, including administrative tasks, such as setting medical appointments, sending appointment letters and medical record requests. These tasks are to be completed by the Contractor.

e. Contractor shall monitor defense counsel's progress and must audit all bills before payment.

f. Defense counsel shall provide a written Plan to defend the litigated issues with an estimate of cost. The Plan shall include an initial analysis of the issues and facts. Timely periodic written updates shall also be provided to the Contractor.

g. Contractor shall request settlement authority from ORIM at least fifteen (15) days prior to any settlement conference, hearing or trial for claims exceeding $25,000.00.

Requests for settlement shall be complete, with essential facts and recommendations provided to make an informed decision.

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h. The Contractor's manager, supervisor or claims examiner shall attend WCAB hearings and meetings with defense counsel as necessary and as requested to do so.

i. All defense counsels retained by the Contractor to perform services for this Agreement shall be licensed to practice law in the State of California, be in good standing throughout the duration of the services and possess at a minimum five (5) years of experience providing workers' compensation defense services.

j. The State and ORIM reserve the right to audit counsels' billings for litigated or settled claims during the agreement period and for three years (3) after the expiration of the services agreement or three (3) years after the settlement of the litigation associated with the billings, whichever occurs last. Should overpayments be identified by the State or ORIM, the Contractor shall reimburse the State within forty-five (45) calendar days of request for reimbursement.

31. Fraudulent Claims

a. Contractor shall refer any claim with suspected fraudulent activity to the Contractor's special investigation process for further investigation and potential referral to the appropriate authorities.

b. If the Contractor does not have an in-house special investigation process, the claim shall be referred to an outside investigator with ORIM's prior approval, to conduct further investigation. ORIM shall be notified of the referral and be provided with periodic updates by the Contractor.

32. Overpayment

Contractor shall notify ORIM regarding any overpayment. Contractor shall be responsible for collecting any overpayment. In the event the Contractor fails to collect the overpayment, Contractor shall reimburse the State for the amount of the overpayment. The Contractor shall also notify the State via ORIM when the reimbursement is credited. Any settlement that considers credit for an overpayment against a "new and further" disability shall be reviewed and

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approved by the ORIM. The claim notes shall outline the reason and amount of the overpayment and the efforts taken to request reimbursement for the overpayment.

33. Assessment of Administrative Penalties Payment

a. Contractor shall reimburse the State for any penalties assessed to the State which is found to be the result of the Contractor's lack of proper handling, including late payments and costs incurred due to late/improper notifications. All benefits must include the self-imposed penalty/increase in accordance with California law. The reason and the amount for the penalties/increases shall be clearly documented and supported in the claim file.

b. If the Contractor fails to comply with statutory laws and administrative regulations, any and all penalties incurred as a result, shall be the sole responsibility of the Contractor.

34. Claim Reconciliation

All claim files must be reconciled to ensure all medical, indemnity and expense payments have been made correctly. The reconciliation should verify that payments were issued to the correct provider, in the correct amount and from the correct claim file. All open claims must be reconciled as follows: (1) any time there is a change from one benefit to another (e.g., from temporary disability to permanent disability); (2) when ten (10) indemnity warrants have been issued; or (3) at least annually. Proof of the reconciliation shall be documented in the claim file.

35. Future Medical Claims

a. Contractor shall review medical-only claims open beyond 90 calendar days from the date received by the Contractor for potential closure or conversion to indemnity claim status.

b. Contractor shall evaluate stipulated claims with future medical provisions semi-annually to adjust reserves and to determine potential for settlement of future medical benefits and any remaining benefits due. The reason(s) and

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calculation(s) for the recommended settlement amount shall be clearly documented in the claim file.

c. Contractor shall clearly document in the claim file the outcome of the settlement negotiations. Should active litigation develop after the future medical claim has been settled, the claim shall be considered active and shall no longer be considered a future medical claim. All appropriate performance standards contained in this Agreement pertaining to active claims shall apply.

36. Case Closure

a. Contractor shall close all cases, where permanent disability is not an issue, within thirty (30) calendar days of the final financial transaction or final correspondence to the claimant as required by law.

b. All indemnity claims with awards for future medical benefits shall remain open for two (2) years from the last payment of benefit and then closed within thirty (30) calendar days of that date in accordance with Title 8, CCR section 15400.2 and Title 8, CCR section 9812(g)(3).

C. Special Provisions

1. Transition and Implementation Services

a. Contractor shall be prepared and ready to commence the annual management and administration of Workers' Compensation Claims on or before November 1, 2027.

b. Contractor shall undertake and complete the services included in the Proposer's Transition and Implementation Plan (Plan), Exhibit A – Attachment 2, within 30 (thirty) days of approval of this Agreement by the DGS Office of Legal Services (OLS).

c. Contractor shall provide the following transition and implementation services included in the Plan:

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(1) The completion of data transfer and conversion from the current TPA's existing system for the open and closed workers' compensation claims data to the Contractor's System.

(2) Testing and validating converted data of the current TPA for use in the Contractor's system to verify that the data is stable, reliable and usable by the Contractor.

(3) Completion of the testing and validation of the converted data.

(4) The data interface and integration of the Contractor's system shall be operational to accept claimants' demographic information.

(5) The online claims management system of the Contractor shall be available to the State, ORIM, DHCS and the authorized CCRs.

(6) Contractor's transmission and receipt of the electronic data for the issuance of all claims-related payments made by the SCO shall exist in the required format described in the "Payments" provision of this Scope of Work. This shall involve meeting with SCO and the State to establish an implementation plan to include, but not be limited to:

(a) Testing and validating transmitted data with SCO.

(b) Establishing procedures, processes and standards with ORIM, the State and SCO that meet the State's accounting and fiscal requirements.

(c) Contractor shall submit the final written implementation plan for the SCO system to the State and the SCO for their approval.

d. On or before November 1, 2027:

(1) Contractor shall have in place, staff comprised of qualified and experienced personnel to administer workers' compensation claims in accordance with the requirements of the SOW.

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(2) Contractor shall have in place a claims manual for the Contractor's staff, detailing the requirements for the Contractor's administration of the workers' compensation services to the State in accordance with the requirements of this SOW.

(3) After December 1, 2027, Contractor shall provide training to all County Contact Representatives regarding Claims reporting procedures and responsibilities. Training is to include instructions to report claims “On-Line” via a web-based reporting module.

(4) Contractor shall prepare proper notifications and letters of introduction to the claimants and their representatives, service providers and all other interested parties for open claims of the current TPA and for new claims.

(5) Contractor shall provide the prepared notifications and letters of introduction to the claimants and their representatives, service providers and all other interested parties for open claims of the prior TPA and for new claims.

(6) Contractor shall have in place, at a minimum three (3) fully staffed, furnished, claims offices in California to administer the workers’ compensation claims administration services statewide.

(7) Contractor shall arrange and provide secure storage of the closed workers’ compensation claim files.

2. Financial Administration

a. Contractor shall maintain a record of all indemnity, medical and allocated loss expense payments. Payment authorization limits and payment policies shall be established by the ORIM and reviewed from time to time with the Contractor.

b. Contractor shall maintain complete and accurate records with respect to costs, expenses, receipts and other such information required by the ORIM that relate to the performance of services under this Agreement. Contractor shall maintain adequate records of services provided in sufficient detail to

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permit an evaluation of services. All such records shall be maintained in accordance with generally accepted accounting principles and shall be clearly identified and readily accessible.

c. Contractor shall timely prepare and forward the required Federal Form 1099 filing and distribute 1099 Forms to all applicable payees pertaining to claims administered by the Contractor as required by the Internal Revenue Service. This includes the applicable payees, who are paid by the SCO pursuant to the request for payments (warrants) made by the Contractor. The Contractor shall be responsible for any late fees incurred due to late processing of the Federal 1099 Forms. All fees associated with the preparation and distribution of the Federal 1099 forms shall be included within the contract price.

3. Allocated Loss Expenses

The term "Allocated Loss Expense" shall mean all Workers' Compensation Appeals Board or court costs, fees and expenses; fees for service of process; fees to attorneys and paralegals; the cost of investigators; the cost employing independent experts; medical cost containment program costs as defined in Title 8, CCR section 15300; the cost for record copying services; the cost of depositions and court reporter fees and any similar cost or expenses properly chargeable to the defense of a particular claim or to protect the subrogation rights of the State. Generally, the above services are typically not performed by the Contractor responsible for the administration of the claim file. An Allocated Loss Expense is not included in the fee paid to the Contractor.

4. Right to Audit

a. ORIM and/or its designated representative, as well as the State is authorized to visit the Contractor's processing and/or storage premises for the purpose of performing a claims audit, and shall have access to all data, including paper documents, and stored data which relate to payments or non-payments made by the Contractor. Any assistance or services provided in response to a claims audit described above shall be rendered at no additional cost to the State.

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b. Within sixty (60) calendar days of the conclusion of the audit, ORIM shall deliver to the Contractor the formal written audit report. Contractor shall have sixty (60) calendar days to respond to the audit and provide a corrective action plan if any deficiencies are found and agreed upon.

c. The State shall be provided by ORIM a report of audit findings, along with any corrective action plans within ten (10) business days of receipt of Contractor's response. The State may contact the ORIM or the Contractor for additional information. If contacted by the State, the Contractor agrees to provide additional information upon request of the State.

5. Payments to Ineligible Claimants

a. The State shall not be responsible for benefits provided to a claimant who was ineligible to receive the workers' compensation benefits under this Agreement. Benefits or payments made on behalf of an ineligible claimant shall be the responsibility of the Contractor. Contractor is responsible for recovering from the claimant and reimbursing the State for all benefits or payments made to or on behalf of an ineligible claimant.

b. Contractor shall, upon discovery of an ineligible payment(s), immediately notify the Program and ORIM of all benefits or payments made to or on behalf of an ineligible claimant.

c. The Program of the State, in lieu of waiting for the recovery by the Contractor, may at its election with thirty (30) calendar day written notice to the Contractor offset the amount due the Contractor as compensation for services by the amount of the benefits or payments made to or on behalf of an ineligible claimant.

d. The thirty (30) day written notice to the Contractor shall provide the facts of the claimant's ineligibility for workers' compensation benefits and detail the benefits or payments made to or on behalf of the claimant.

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6. Reports

a. Contractor shall provide scheduled reports each month, each quarter and upon request to be sent electronically through an encrypted or secure zip file, or through the use of a secure and encrypted diskette, or in a written format, provided that the method of delivery protects the security and confidentiality of the personal and medical information contained in the writing. During the initial implementation of the Agreement, the Contractor and the ORIM shall prepare a list of required reports and records with time deadlines. These reports shall include, but are not limited to:

- Detailed listing of open claims and closed claims
- Summaries of all open and closed claims
- Claims Cost Detail
- Claims Cost Summary by Year
- Claims by Location
- Claims trending
- Subrogation Recovery
- Vendor Payment Detail
- Vendor Payment Summary
- SIU Fraud Report
- Bill Review Summary
- Bill Review Detail
- UR Summary
- UR Detail
- Nurse Case Management
- Pharmacy Benefit Management
- Penalty Reports, including Self-Imposed Penalties
- Closing Percentages
- Bill Review Percentage of Saving
- Utilization Review Percentage of Savings
- Loss causation
- Injury type
- Body Parts
- Ad hoc customized reports that may include, but not be limited to, litigation reports, settlement reports and/or use of medical clinics.

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- Statistical and narrative reports on outstanding issues to be addressed at quarterly meetings
- Examiner Caseload

b. Contractor shall provide other special reports required by ORIM including, but not limited to, loss trend reports, claim abstract reports, reports required by actuaries, etc. If new programming is required to provide such reports, the Contractor shall pay at its own expense for new or special programming costs.

c. Contractor shall make corrections to the loss runs within thirty (30) calendar days of a request for correction by ORIM.

d. Other than standard monthly loss runs, computer-generated loss data reports requested by ORIM shall be provided within five (5) business days.

7. Risk Management Information System

a. Contractor's system must have the ability to import all workers' compensation claims and payment data from the existing system into the Contractor's system.

b. Contractor shall utilize a paperless system.

c. Contractor's system must have the ability for CCRs to report work-related injuries and illnesses through an "online' web-based reporting module.

d. Contractor's system must have the ability to provide the State, ORIM, DHCS and the CCRs, through the use of their state or county computers, with read-only access to all portions of their claims in the Contractor's system.

e. Contractor's system shall have the ability to export data to and import data from the SCO.

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8. Forms and Notices

   a. Contractor shall provide all forms necessary for the processing of benefits or claims information including the Employer's Report of Occupational Injury or Illness, Employee Claim Form (DWC Form 1), and other related forms. These forms shall be provided at no additional cost to the State.

   b. Contractor shall provide all required notices to each claimant with the information and language(s) meeting the standards set forth in the regulations for the provision of notices.

9. Claims Manual

   a. Contractor shall prepare and maintain a written Claims Manual specific to the needs and requirements of the workers compensations' claims administration services provided by the Contractor for this Agreement. The manual shall provide performance expectations and standards for the Contractor's staff assigned to the Program. A copy the manual shall be provided to ORIM and the State upon its completion.

   b. A template for each required notice shall be kept current and placed in the Contractor's Claims Manual.

10. Claims Management Program

   a. Training

      (1) Contractor shall provide training services annually or when requested by the State to various counties throughout California to the CCRs regarding the Program and reporting procedures. These training can be provided in-person or virtually. No more than eight (8) trainings shall be done on-site. Unless otherwise designated by ORIM, the anticipated training locations shall include the following:

         - Alameda
         - Fresno
         - Los Angeles

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- Redding
- Sacramento
- San Bernardino
- San Diego
- Ventura

(2) Contractor shall be responsible for the cost of training locations, coordinating attendance, verifying attendance and supplying training materials.

(3) The cost of training and the associated travel costs of providing the training are included in the annual fees for claim administration, in accordance with the price quote provided by the Contractor on the Cost Proposal Sheet, Attachment 6 to the Cost Proposal. No additional fees or costs shall be paid for the required training and related travel costs.

b. Quarterly Program Review

The Contractor and the State shall meet on a quarterly basis at the Department of Social Services' building in Sacramento or virtually if the State chooses. At these meetings the Contractor shall provide:

Recommendations to reduce costs and improve the efficiency and effectiveness of the workers' compensation services of this Agreement for the benefit of the State.

Written updates regarding current statutes, proposed changes to statutes, new or recent court cases, and changes to the rules and regulations, that affect the services delivered by the Contractor for the benefit of the State.

Written information regarding trends in the applicable Program affecting the number of claims, liability or costs of medical care or benefit payments.

An overview of activities, on-going issues, challenges and accomplishments of the workers' compensation services of this

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Agreement for the applicable Program.

11. Qualification of Personnel

a. Contractor shall assign only competent personnel according to the reasonable and customary standards of training and experience in the relevant field to perform services pursuant to this Agreement. Failure to assign such competent personnel shall constitute grounds for termination of this Agreement. The examiners and claims assistants shall be dedicated to the exclusive handling of the State's claims. Contractor shall be allowed to use non-dedicated or part-time, experienced examiners when caseloads exceed the number specified in the caseloads outlined in Section C, Item 1, in the Scope of Work.

b. Contractor shall conduct a thorough background investigation of the Contractor's staff as a condition for undertaking the services of this Agreement. The cost of the background check is the responsibility of the Contractor.

c. Contractor shall assign only claims professionals who possess a current certificate to administer workers' compensation claims in the State of California. The Contractor shall annually certify to the ORIM that each examiner is in compliance with all legal and regulatory licensing and continuing educational requirements at present or in the future as shall be promulgated and required by the State of California.

d. It is understood that the State has the right to require examiners to be removed from performing services under this Agreement based on unsatisfactory performance. The notice of unsatisfactory performance and request for removal may be provided by ORIM.

e. The Contractor shall require an examiner to be available and to readily respond to a CCR's request for assistance with the issues of a claim whether ongoing or of a limited nature.

f. Contractor shall require its examiners or other of the Contractor's personnel, as necessary, to attend meetings to report on the general state of the

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workers' compensation services for the applicable Program and on any particular cases of interest.

g. Contractor shall assign claims supervisors with a minimum of four (4) years of workers' compensation claims technical experience and at least two (2) years of workers' compensation claims supervisory experience in the State of California. Each supervisor shall be responsible for the following:

(1) Provide claims management oversight, training and supervision to assigned staff, including Claims Examiners and Medical Only Examiners.

(2) Ensure performance expectations for the proper and timely claims administration set forth in this Agreement.

(3) Identify and resolve performance issues and inefficiencies in the claims administration process.

(4) Serve as a point of contact for ORIM for escalated issues involving individual claims, investigations or claims administration processes and procedures.

h. Contractor shall assign Experienced Claims Examiners to manage indemnity and litigated claims. The claims examiner shall have a minimum of three (3) years of experience examining California workers' compensation claims. The claims examiner shall be assigned the following:

(1) Complex or technically difficult claims requiring fact gathering and investigation; a determination of exposure or compensability associated with the claim; and a well-developed action plan for timely and appropriate resolution.

(2) The coordination of vendor referrals for additional investigation and/or litigation management, with continued oversight of such services.

(3) Referrals to vendors for allowable cost containment.

(4) The management of claim recoveries, including subrogation.

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(5) Responsibility for maintaining appropriate reserves over the life of a claim.

(6) Responsibility for maintaining a professional and/or supportive relationship with the claimant to expedite the rendering of services and the closing of the claim.

(7) Ensuring the provision of the required notices within the statutory requirements.

(8) Responsibility for appropriately and timely documenting the claim file.

i. Contractor shall assign claims examiners with a minimum of two (2) years of experience examining California workers' compensation claims to handle medical only claims.

j. Contractor shall ensure that other personnel, such as management, clerical, accounting and data processing, which may be required to satisfactorily provide the services required by this Agreement, shall be provided by the Contractor within the agreed fee contained in the Contractor's Response to the Request for Proposal and this Agreement. It is understood that the personnel referred to in this paragraph need not be dedicated to the exclusive use of the workers' compensation services for the applicable Program. The Medical Only Examiner shall have the following responsibilities:

(1) Documenting and securely storing received medical reports.

(2) Contact with the CCR to confirm no lost time.

(3) Reviewing medical reports for consistency and accuracy with the employer's report, including correct body part or occupational illness for treatment.

(4) Reviewing claims every thirty (30) to forty-five (45) calendar days to ensure claim is progressing.

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(5) Authorize medical treatment, medications, physical therapy and medications as needed.

12. Record Retention

a. Contractor shall maintain all claim files and associated data for ten (10) years from the date the claim was closed. The ORIM shall be notified in writing at least thirty (30) calendar days prior to any destruction of files to determine if it wishes to retain the claim files at its expense.

b. Contractor shall store the IHSS and WPCS claim files and associated data by Program.

13. Confidentiality of Information

a. The Contractor shall properly secure and maintain the highest level of privacy and confidentiality of any and all claim information to which the Contractor is privy under this Agreement, unless and until the Contractor obtains the express written consent from the State to release such information. All claim information or any related information shall be considered to be confidential and shall be protected as such. This applies to any and all claims data in any form (oral, hard copy or electronic) that the Contractor comes in contact with in the course of executing this Agreement, including, but not limited to, the State's workers' compensation claims, health and fiscal data or any other personally identifiable data that should be reasonably understood to be confidential and not generally known or subject to public disclosure, or otherwise exempt from public disclosure under the law. Public disclosure shall mean disclosure to anyone (including County departments and employees not designated to the Contractor by the Program as being authorized to assist in administering claims activities within a given County) outside of the State and its authorized personnel and/or designee(s). The only exception to this requirement relates to any information that the Contractor is required by statute and/or regulation to provide to other third parties, including the State of California. Contractor shall notify the State in writing at least ten (10) calendar days prior to the anticipated release.

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b. Contractor agrees to comply with the CDSS Confidentiality and Information Security Requirements for Vendor in Exhibit E – Attachment 1.

c. For participants of the IHSS and DHCS WPCS programs, Contractor also agrees to comply with the HIPAA Business Associate Addendum in Exhibit E – Attachment 2.

d. In the event of a breach of security or incident of the personal information or protected health information of the participants of the IHSS or WPCS programs, the Contractor agrees to notify both CDSS and DHCS simultaneously.

e. Contractor also agrees to comply with the following security measures:

(1) Any paper records which contain personal information as defined by Cal. Civ. Code 1798.3 may only be sent by the Contractor to CDSS (or its agents), State, or the Counties through the use of a process of delivery that requires the addressee/recipient to sign for receipt.

(2) Contractor agrees to update its procedures and processes for confidentiality, security and privacy with changes in technology or law.

f. Once a year, Contractor shall conduct an internal assessment of its data handling security processes and provide a report to the ORIM with any recommendations or corrective action plans.

14. Records, Files, Transcripts, Tapes, Etc.

a. All records, files, transcripts, computer tapes and any other material on workers' compensation adjusting activities developed in the course of the services by the Contractor under this Agreement are the property of the State and must be maintained in good order and condition and relinquished to the State in good order and condition, upon termination of this Agreement without additional cost to the State.

b. These records are subject to the State Records Management Act commencing at Govt. Code section 14740 and may not be removed or

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deleted or otherwise destroyed during the term or subsequent renewal of this Agreement, except as specifically authorized in Section 12 above.

c. All records of fiscal, legal or administrative value generated, created or received by the Contractor under this Agreement shall be securely retained by the Contractor.

d. Contractor shall instruct its personnel providing services under this Agreement that the deletion or destruction of a governmental record is not permitted, except as specifically authorized in Section 12 above, and may subject the performer of such an act to criminal or civil penalties.

e. Most if not all information contained within the files of a claim's adjuster should not be subject to a Public Records Act (PRA) request. However, in the event that the Program receives a request under the PRA for information that may be subject to disclosure, the Contractor agrees to assist the Program in collecting or evaluating the information for a response to the PRA request.

f. Contractor shall bear the cost of any security incident or breach of security including, but not limited to, investigation of the incident or breach, the notification of the breach to the affected individuals as required by law, and the cost of credit monitoring for a period of two (2) years from the date of the discovery of the security incident or breach in the event that the breach of security resulted in the release or disclosure of the affected individuals' Social Security Number, financial account information or medical identification number.

15. Protection of Data

a. It is the Contractor's responsibility to develop and implement processes and procedures relating to the protection of the State's and DHCS's electronic data, including a suitable security and back-up system for all stored data and a written policy with respect to disaster recovery, physical and electronic data security and electronic data retention. The processes and procedures for the protection of the electronic data must be equal to or exceed the requirements of the State Administrative Manual commencing at Chapter 5300 –

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Information Security (Office of Information Security).

b. For the participants of the IHSS and WPCS programs the security and privacy of the data must comply with the Health Insurance Portability and Accountability Act, and the associated federal regulations for the protection of protected health information and electronic protected health information.

16. Termination Assistance Services

Contractor shall provide the State with the following services (i) upon Notice to the Contractor that the Agreement shall be terminated, or (ii) if the State notifies the Contractor to commence such services, since the State does not intend to extend the Agreement past the current term at no cost to State:

a. Provide to the ORIM or its designee copies of the completed and partially completed Work, including, without limitation, indexing and defining location and form (electronic, paper copy, etc.) of such Work.

b. Review completed and partially completed Work with the ORIM or its designee. Including, without limitation, identifying the extent of completion of the partially completed Work, estimating requirements to complete the Work, and identifying the contingencies or dependencies of the Work on other currently ongoing or completed Work.

c. Review with ORIM or its designee the status of the risks, issues and corresponding action plans for transferring existing Work, including but not limited to open and/or litigated claims.

d. Develop, with the assistance of the ORIM, or its designee, a plan for the transition of the Work-in-progress to the State, or its designee including, without limitation, a recommended sequence for review and establishment of a series of briefings to accomplish knowledge transfer.

e. Provide information and assistance as the ORIM, or its designee, may reasonably request relating to the function of the Key Personnel employed or contracted by the Contractor to perform the Work under this Agreement.

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f. Conduct meetings with the ORIM or its designee to discuss status and Work-in-progress/to-dos.

g. Provide bi-weekly status reports during transition period – task-oriented status reports including, without limitation: week back and week forward status of tasks and other commitments, resolved and unresolved issues and risks, and resources availability.

h. Provide data and loss reports and assist in any necessary reconciliation of data after transition of the program.

17. Translation Services

Contractor is responsible for the provision of translation services for each claimant, as required by the Labor Code.

18. Standard Insurance Requirements of the State of California

Contractor shall also comply with Exhibit E, Additional Provisions, Insurance Requirements.

D. CDSS RESPONSIBILITIES

The CDSS shall:

1. Use a formal notification process to notify the CCRs of the Contractor’s name, address and other contact information upon the approval of this Agreement by DGS/OLS.

2. Enter into an agreement with ORIM for the oversight and management of the services of the Contractor for this Agreement.

3. Respond timely to requests for information from the Contractor or ORIM regarding the Program and policies associated with the Program.

4. Respond to ORIM’s provision of the Contractor's request for settlement authority to settle a claimant's claim within ten (10) calendar days of the receipt of a written

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request, which is complete with the necessary information to make an informed decision. The State shall make a good faith effort to obtain a decision from DHCS within ten (10) calendar days. Missing or incomplete information associated with the settlement request may result in a delayed decision by the State or a request for additional information.

5. Meet quarterly meet with Contractor and ORIM to review reports regarding the delivery of the services, including but not limited to financial trends, ongoing cost containment measures of the Contractor, additional requirements in law for the provision of services, and recommendations of the Contractor or ORIM for improvements or changes in the processes used to coordinate the delivery of services.

6. Create amendments to this Agreement and timely provide a copy of each draft amendment to ORIM and the Contractor for review and comment. The State may solicit input from ORIM or the Contractor for the creation of any amendments.

7. As time permits, attend trainings of the Contractor.

8. As time permits, request topics for inclusion in the Contractor trainings.

9. Provide directions to ORIM for the oversight of the delivery of the services of the Contractor, as necessary

10. For the WPCS program, coordinate with ORIM the timely notifications to DHCS for its input or approval when such input or approval is necessary. This includes, but is not limited to, providing notice of the quarterly reviews of the WPCS Program and responding to requests for settlement authority for a WPCS claim.

11. All printing shall be sent to the California Department of General Services, Office of State Publishing (OSP). It is the responsibility of the CDSS Project Representative to obtain an exemption from OSP to competitively bid out any and all printing listed within this contract. The printing exemption process is managed by the CDSS Forms Management Unit.

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E. Project Representatives

The Project Representatives during the term of this Agreement shall be:

CDSS	**Contractor**
TBD	TBD
Phone:	Phone:
Email:	Email:

A Party to this Agreement may change its Project Representative's information by providing written notice to the other Parties within five (5) business days of the change. Said change shall not require an amendment to this Agreement.

Definitions for the IHSS/WPCS Programs

The terms defined below and elsewhere throughout the Contract Documents shall apply to the Agreement.

"Administrative Director" refers to the Director of the Department of Industrial Relations, which includes the Division of Workers' Compensation (DWC), of the State of California.

"Agreement" – see the definition of Contract.

"Allocated Loss Expense" refers to the cost or expense incurred as part of a loss on a Claim file, which may include, but is not limited to the following: Workers' Compensation Appeals Board (WCAB) or court costs, fees, and expenses, fees for service of process; fees to attorneys; fees of independent adjusters or attorneys for investigations or adjustments of claims for AOE/COE investigations not performed by the personnel of the Contractor; the cost of employing experts for the purpose of preparing maps, photographs, diagrams, chemical or physical questions; medical cost containment as identified in the California Code of Regulations, Title 8, Division 1, Chapter 8, Subchapter 2, Article 6 and Section 15300 (b)(1); costs of copies of transcripts of witness testimony, coroners' inquests or private records; the cost of depositions and a court reporter or recorded statements; and any similar costs or expenses properly chargeable to the defense of a particular claim or to the protection of the subrogation rights of the California Department of Social Services (the State). Allocated Loss Expenses do not include fees payable by the State to the Contractor or penalties payable by the Contractor.

"Amendment" means a written document issued by the State, the Department of General Services, the Office of Risk and Insurance Management (ORIM) and signed by the Contractor, DGS/ORIM and the State which alters the Contract Documents and identifies the following: (i) a change in the Work; (ii) a change in Contract Amount; (iii) a change in time allotted for performance; or (iv) a change in the terms.

"Appeals Board" refers to the Workers' Compensation Appeals Board (WCAB) of the DWC.

"AOC/COE" is the acronym for Arising Out of Employment/ in the Course of Employment.

"AOE/COE Investigation" refers to an investigation of the facts surrounding an alleged injury suffered by a workers' compensation claimant to determine whether the injury was sustained in the course of providing the required services. It also includes determining whether the alleged injury was sustained as the result of a third party's actions or in course of conducting the claimant's personal errands, tasks or affairs.

Definitions for the IHSS/WPCS Programs

"AOC/COE Referral" refers to the Contractor's referral to an independent investigator to conduct an AOC/COE investigation.

"Approval of an AOC/COE Investigation" refers to the process by which the Contractor notifies ORIM that an Arising Out of Employment, in the Course of Employment (AOE/COE) investigation by the Contractor is necessary and ORIM pre-approves in writing the AOC/COE investigation by the Contractor. Any AOC/COE investigation conducted by Contractor without ORIM pre-approval shall be at the Contractor's sole expense.

"Benefit Notices" refers to written communications with claimants in compliance with Labor Code and Title 8 of the California Code of Regulations.

"Caseload" refers to the number of open or current claims for compensation assigned to claims
adjusters, medical claims examiners, or supervisors under this Agreement.

"Claim" refers to a demand for medical care or compensation for temporary or permanent
disabilities in accordance with the Labor Code for a work-related injury or occupational illness.

"Claimant" means a claimant who files a Claim for Workers' Compensation pursuant to his or her required participation in the E & T Program. In the event that the claimant is deceased as a result of the injury, claimant also includes dependents.

"Claims Adjuster" refers to one who possesses sufficient training or experience as determined by the Department of Insurance to lawfully adjust injury or medical claims. "Claims adjuster" means a person who, on behalf of an insurer, including an employee or agent of an entity that is not an insurer, is responsible for determining the validity of a workers' compensation claim. The claims adjuster may also establish a case reserve, approve and process all workers' compensation benefits, may hire investigators, attorneys or other professionals and may negotiate settlements of claims.

"Claims Adjusting" or **"Claims Administration"** means the processing of claims, including new or existing claims, which includes, but is not limited to: verifying a claimant's eligibility; monitoring examiners, attorneys and medical service providers; negotiating settlements; record-keeping; preparing reports; and monitoring delivery of services to ensure that they comply with the Scope of Work, Exhibit A.

"Claims Administration Compensation" refers to the compensation as set forth in Exhibit B,

Definitions for the IHSS/WPCS Programs

Budget Detail and Payment Provisions, that the State shall pay the Contractor for providing claims services as specified in the Scope of Work. Compensation for services does not include the Allocated Loss Expenses or the indemnity claims of claimants.

"Claims Examiner" refers to a Claims Adjuster.

"Closed Claim File" means (i) Claim files closed by settlement which precludes their reopening, (ii) administratively closed files which may be subject to reopening for the life of the Claimant, or (iii) files closed by settlement which could later be reopened.

"Confidential Information" means trade secrets, financial, statistical, personnel, technical and other data and information relating to the State's or ORIM's business or the business of their personnel or constituents and including any communications between the Contractor and the State or ORIM, their personnel or constituents. Confidential information also means an individual's status as an applicant or recipient of services to one of the IHSS or WPCS programs. Confidential information shall include medical information as defined by the California Civil Code Section 56.05 (f). Confidential information does not include (i) information that is already known by the receiving party, free of obligation of confidentiality to the disclosing party; (ii) information that becomes generally available to the public, other than as a result of disclosure by the receiving party in breach of this Agreement; (iii) information that is independently developed by the receiving party without reference to the Confidential Information; and (iv) information that the receiving party rightfully obtains from a Third Party free of the obligation of confidentiality to the disclosing party.

"Contract" or **"Contract Documents"** constitute the entire integrated agreement between the
ORIM, the State and the Contractor, as attached to and incorporated into a fully executed State
Standard Agreement. The terms "Contract" or "Contract Documents" may be used interchangeably with the term "Agreement."

"Contract Amount" means the total amount encumbered under this Agreement. The Contract
Amount does not include payments for Claims, such as medical or indemnity, or the Allocated Loss Expenses.

"Contractor" refers to the (TBD)-Name of Contractor.

"County Contact Representative (CCR)" refers to the point of contact in the county to facilitate information or documentation to the Contractor for administering the workers' compensation claim in that county; this contact also participates in the return to work process of the claimant. The County Contact Representative may be the employer, worksite supervisor, or a county representative.

Definitions for the IHSS/WPCS Programs

"Coverage" refers to the provision of workers' compensation services and benefits to claimants who suffered an occupational illness or injury in the provision of services for which the State is required to provide coverage pursuant to state or federal law.

"Day" means calendar day, unless otherwise specified.

"DWC-1 Form" refers to the Division of the Workers' Compensation Claim Form & Notice of Potential Eligibility.

"Examiner" refers to a Claims Examiner.

"Existing Claim" refers to any open or closed Incident, Indemnity, or Medical Claim of a claimant for which Claims Administration services are required.

"Experienced Claims Examiner" refers to a person who has had at least five (5) years within the past eight (8) years of on-the-job experience adjusting California workers' compensation claims or supervising claims adjusters handling California workers' compensation claims and is designated as an experienced claims adjuster by an insurer. A person who has successfully completed the written examination specified by Title 8, Section 15452 of the California Code of Regulations is also considered an experienced claims adjuster, provided that he or she has either (1) worked as a workers' compensation claims adjuster or supervised workers' compensation claims adjusters continuously since passing the examination and is designated as an experienced claims adjuster by an insurer or (2) passed the examination within the previous five (5) years and is designated as an experienced claims adjuster by an insurer.

"First Aid" refers to First Aid as defined in Labor Code Section 5401(a).

"Future Liability or Liabilities" refers to the estimate of future liability of the indemnity component and a medical component of each claim and the outstanding or reasonably anticipated Allocated Loss Expense of each claim. The indemnity component shall include the estimated future cost of all temporary disability, permanent disability, death benefits including burial costs, supplemental job displacement benefit voucher and vocational rehabilitation costs.

"In-Home Supportive Services (IHSS)" refers to those services which are provided by the IHSS Program.

"IHSS Program" refers to the Medi-Cal Personal Care Services Program (PCSP), the IHSS Plus Option (replacement of the IHSS Plus Waiver Program [IPW]), and the IHSS Residual (IHSS-R) program. Each of the three programs may provide participants with personal care, paramedical, domestic services (e.g. housework, meal preparation, laundry, shopping) accompaniment to medical appointments and protective supervision

Definitions for the IHSS/WPCS Programs

of the mentally impaired who place themselves at risk for injury, hazard, or accident. A description of the supportive services is provided in Welfare & Institutions Code section 12300 subd. (b), with a list of the personal care services provided in subd. (c) of the same section. The services are time limited in accordance with section 12300.4.

"IHSS Provider Eligible for Coverage" refers to the following:

a. An individual who provides IHSS services that is selected by the participant of the IHSS Program and the County makes or provides for direct payment to the provider or to the participant for the provision of in-home supportive services. Section 12302.2 of the Welf. & Inst. Code requires CDSS to provide for workers' compensation coverage to an individual provider.

b. Employee of a Contract Mode provider. A Contract Mode provider is a non-profit and or proprietary agency that provides IHSS Program services pursuant to contracts entered into by the County. The Welf. & Inst. Code section 12302.21 requires the State (CDSS) to provide workers' compensation coverage to such employees. At the contract initiation, Contract Mode providers include the following:

   - Contra Costa County
   - San Francisco County

"IHSS Provider Ineligible for Coverage" refers to a provider of in-home supportive services who is not an employee of a Contract Mode provider or an individual provider and therefore not provided with workers' compensation coverage by the State. It also refers to one who was an IHSS Provider Eligible for Coverage but failed to file a claim within the statutorily required time period.

"Indemnity" refers to a Workers' Compensation Claim as defined in Labor Code section 4652.

"Indemnity Claim" refers to a work injury which may result in any of the following benefits:

(i) Lost time
(ii) Temporary Disability;
(iii) Permanent Disability;
(iv) Death Benefits;
(v) Vocational Rehabilitation; or
(vi) Supplemental Job Displacement Benefit Voucher

Definitions for the IHSS/WPCS Programs

“Injury” refers to any injury or occupational disease arising out of an individual’s required participation in an unpaid training assignment, on the job training, or work experience administered in the County.

An injury may be either: (a) “specific,” occurring as the result of one incident or exposure which causes disability or need for medical treatment; or (b) “cumulative,” occurring as repetitive mentally or physically traumatic activities extending over a period of time, the combined effect of which causes any disability or need for medical treatment. The date of a cumulative injury shall be the date determined under the Labor Code section 5412.

"Interpretation Services" refers to the services required to be provided or subject to reimbursement pursuant to the Labor Code, including but not limited to sections 4600, subds. (f) and (g), and 5811, subd. (b) (2).

“Labor Code” refers to the California Labor Code.

“Litigation Referrals” refers to written referrals by an experienced claims examiner to a defense counsel where the services of the defense counsel shall be substantive, and not of a clerical nature. All litigation referrals are concise and clearly state the issues of the claim and the duties requested to be undertaken by defense counsel.

“Lost Time” refers to absence from work for a full day or shift beyond the date of the injury or illness, per 8 CCR §14001, subd. a.

“Medical Bill Review” refers to the Contractor’s Medical Management Service pertaining to the review of medical and pharmacy bills for the proper application of the State of California’s official Workers’ Compensation medical fee schedule in effect during the term(s) of the Contract.

“Medical Claim” refers to that portion of a Workers’ Compensation Claim involving medical treatment, but does not include an Indemnity or Lost Time Claim.

“Medical Claims Examiner” refers to an examiner who only reviews medical only or future medical claims and who meets the Department of Insurance qualification requirements to review medical claims.

“Medical Only Claim” A work-injury case which does not result in compensable lost time but results in medical treatment beyond first aid.

“Medical Payments” includes payments for allowable medical treatment and for medical examinations pursuant to the Labor Code section 4600.

Definitions for the IHSS/WPCS Programs

“Medical Treatment” refers to those services authorized in the Labor Code and the applicable regulations including, but not limited to medical, surgical, and hospital treatment; nursing, medicines, medical and surgical supplies, crutches, and apparatus; services and supplies by physical therapists, chiropractic practitioners, and acupuncturists, as licensed by California state law and within the scope of their practice as defined by law. A referral by a licensed physician or surgeon for other treatment authorized in the Labor Code also refers to medical treatment.

“Medical Treatment Utilization Schedule (MTUS)” provides medical treatment guidelines for utilization review and an analytical framework for the evaluation and treatment of injured workers. It helps medical providers understand which evidenced-based treatments have been effective in providing improved medical outcomes to those workers. The MTUS is promulgated by the DWC under Labor Code sections 5307.27 and 4604.5, and can be found in section 9792.20 et seq. of Title 8 of the California Code of Regulations.

“Open Claim” refers to a work-injury case in which it appears that one or more future payments of workers' compensation benefits may be due.

"Nurse Case Management Services", when provided to a claimant, refers to a form of medical treatment within Labor Code section 4600.

“Programs” refers to the IHSS and WPCS Programs.

“QME/AME” refers to the following:

A qualified medical evaluator (QME) is a physician, who meets educational and licensing requirements to qualify as a QME.

An agreed medical evaluator (AME) is a QME included in list of state-certified doctors issued by the DWC Medical Unit and agreed upon by a claimant’s attorney and the claims adjuster.

“Reserves” see **“Future Liabilities”**

“Supplemental Job Displacement Benefits (SJDB)” refers the benefits for educational retraining or skills enhancement to claimants whose employers are unable to provide work consistent with the requirements of Labor Code section 4658.6.

“Subrogation” refers to the right of the State to receive all rights and remedies in any recovery obtained from a third party pursuant to settlement, adjudication or any other legal process.

Definitions for the IHSS/WPCS Programs

"Third Party Administrator" refers to a competent person pursuant to Title 8 of the California Code of Regulations Section 15452, who is responsible for day-to-day management of a self-insured's workers' compensation program in the State of California. The responsibility includes, but is not limited to, the making and reviewing of decisions relating to the furnishing of all workers' compensation benefits in accordance with law and the maintenance of the self-insured's claim records.

"Unallocated Loss Expense" refers to services and costs related to an AOE/COE investigation performed by the personnel of the Contractor, which is not approved in writing by ORIM prior to the undertaking of the services by the Contractor's personnel. It is not an expense for which the Contractor may receive reimbursement or payment. Unallocated loss expense also refers to a general expense that cannot be associated with a particular claim.

"Utilization Review (UR)" refers to the process used by claims administrators to review the treatment recommendations of physicians to determine if the treatment is medically necessary. It includes providing prospective or precertification, concurrent and retrospective utilization review services to determine whether aspects of a patient's care and requested medical treatment and/or services is medically necessary and appropriately delivered. Claims administrators are required by law to have a UR program which is governed by Labor Code section 4610 and associated regulations.

(i) Each utilization review process is governed by written procedures and policies developed by the TPA.
(ii) Policies and procedures shall ensure that the UR decisions are based on the medical necessity to cure and relieve and that the proposed medical treatment services are consistent with the schedule for medical treatment utilization adopted pursuant to section 5307.27 of the Labor Code.
(iii) Utilization Review does not include determinations of the work-relatedness of injury or disease, or bill review for the purpose of determining whether the medical services were accurately billed. The utilization review process begins when the completed DWC Form Request for Authorization (RFA) is first received by the claims administrator, or in the case of prior authorization, when the treating physician satisfies the conditions described in the utilization review plan for prior authorization.

"Work-Injury Claim" refers to an injury that is reported or reportable to the Division of Labor Statistics and Research pursuant to Labor Code Sections 6409, 6409.1 and 6413.

"Waiver Personal Care Services (WPCS) Program" refers to the Program that provides authorized in-home services to waiver participants through the use of providers pursuant to Welf. & Inst. Code section 14132.97.

Definitions for the IHSS/WPCS Programs

"WPCS Provider" refers to an independent unlicensed provider who assists the waiver participant in gaining independence in his/her activities of daily living and preventing social isolation. These services assist the waiver participant in remaining in his/her residence and continuing to be part of the community.

MANAGED CARE RATE FEE SCHEDULE

Bill Review Services

Contract Term	Flat rate fee per bill
36 Month Base Term (TBD – TBD)	x $
36 Month Option Term (TBD – TBD)	x $

Nurse Case Management Services

Contract Term	Hourly Rate
36 Month Base Term (TBD – TBD)	x $
36 Month Option Term (TBD - TBD)	x $

Field Case Management Services

Contract Term	Hourly Rate
36 Month Base Term (TBD – TBD)	x $
36 Month Option Term (TBD – TBD)	x $

Utilization Review Fees

Non-Physician Review Services

Contract Term	Hourly Rate
36 Month Base Term (TBD – TBD)	x $
36 Month Option Term (TBD – TBD)	x $

Physician Review Services

Contract Term	Hourly Rate
36 Month Base Term (TBD – TBD)	x $
36 Month Option Term (TBD – TBD)	x $

Medical Director Review Services

Contract Term	Hourly Rate
36 Month Base Term (TBD – TBD)	x $
36 Month Option Term (TBD – TBD)	x $

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BUDGET DETAIL AND PAYMENT PROVISIONS

A. Invoicing and Payment

1. The maximum amount payable under this Agreement shall not exceed $TBD.

2. For services satisfactorily rendered, and upon receipt and approval of the invoice(s), CDSS agrees to pay the Contractor for said services in accordance with the rates specified in TBD.

3. Funding for necessary travel expenses and per diem are included in this Agreement and will be reimbursed at rates established by the California Department of Human Resources (CalHR) for comparable classes. (See https://www.calhr.ca.gov/employees/Pages/travel-reimbursements.aspx). Contractor will itemize travel expenses, including receipts, and submit to CDSS Program Contract Manager for approval. This approval, including itemization and receipts must be attached to the invoice submitted for payment. No travel outside of the State of California by Contractor shall be reimbursed unless there is prior written authorization from CDSS.

4. Invoices shall include the Agreement Number TBD and Reporting Structure TBD and shall be submitted not more frequently than monthly in arrears to:

   California Department of Social Services
   Adult Programs
   FAB/Contracts Unit
   744 P Street, M.S. 9-11-91
   Sacramento, CA 95814
   Attn: TBD
   Email: TBD

   Any invoices submitted without the above referenced information may be returned to the Contractor for further re-processing.

B. State Budget Contingency Clause

1. It is mutually agreed that if the Budget Act of the current year and/or any subsequent years covered under this Agreement does not appropriate sufficient funds for the program, this Agreement shall be of no further force and effect. In this event, CDSS shall have no liability to pay any funds whatsoever to Contractor or to furnish any other considerations under this Agreement and Contractor shall not be obligated to perform any provisions of this Agreement.

2. If funding for any fiscal year is reduced or deleted by the Budget Act for purposes of this program, CDSS shall have the option to either cancel this Agreement with

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no liability occurring to the State, or offer an agreement amendment to Contractor to reflect the reduced amount.

C. For Contract with Federal Funds

1. It is mutually understood between the parties that this Agreement may have been written before ascertaining the availability of Congressional appropriation of funds, for the mutual benefit of both parties, in order to avoid program and fiscal delays which would occur if the Agreement were executed after that determination was made.

2. This Agreement is valid and enforceable only if sufficient funds are made available to the State by the United States Government for the term of this Agreement for the purposes of this program. In addition, this Agreement is subject to any additional restrictions, limitations, or conditions enacted by the Congress or any statute enacted by the Congress which may affect the provisions, terms, or funding of this Agreement in any manner.

3. It is mutually agreed that if the Congress does not appropriate sufficient funds for the program, this Agreement shall be amended to reflect any reduction in funds.

4. CDSS has the option to invalidate the Agreement under the 30-day cancellation clause or to amend the Agreement to reflect any reduction of funds.

D. Prompt Payment Clause

Payment will be made in accordance with, and within the time specified in, Government Code Chapter 4.5, commencing with Section 927.

E. Review

CDSS reserves the right to review service levels and billing procedures as they impact charges against this Agreement.

F. Final Billing

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

G. Nonresident Tax Withholdings

Payments to all nonresidents may be subject to withholding. Nonresident payees performing services in California or receiving rent, lease, or royalty payments from property (real or personal) located in California will have seven percent of their total

EXHIBIT B
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payments withheld for state income taxes. However, no withholding is required if total payments to the payee are $1,500 or less for the calendar year.

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SPECIAL TERMS AND CONDITIONS

A. Dispute Provisions

1. If Contractor disputes a decision of the State's Project Representative regarding the performance of this Agreement or on other issues for which the Project Representative is authorized by this Agreement to make a binding decision, Contractor shall provide written dispute notice to the State's Project Representative within 15 calendar days after the date of the action. The written dispute notice shall contain the following information:

   a. the decision under dispute;

   b. the reason(s) Contractor believes the decision of the State's Project Representative to have been in error (if applicable, reference pertinent contract provisions);

   c. identification of all documents and substance of all oral communication which support Contractor's position; and

   d. the dollar amount in dispute, if applicable.

2. Upon receipt of the written dispute notice, the State program management will examine the matter and issue a written decision to Contractor within 15 calendar days. The decision of State program management shall contain the following information:

   a. a description of the dispute;

   b. a reference to pertinent contract provisions, if applicable;

   c. a statement of the factual areas of agreement or disagreement; and

   d. a statement of the representative's decision with supporting rationale.

3. The decision of the State program management shall be final unless, within 30 calendar days from the date of receipt of the decision, Contractor files with the California Department of Social Services a notice of appeal addressed to:

   California Department of Social Services
   744 P Street, M.S. 9-6-747
   Sacramento, CA 95814
   Attention: Chief, Contracts and Procurement Services Branch

   Pending resolution of any dispute, Contractor shall diligently continue all contract work and comply with all of the Project Representative's orders and directions.

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B. Termination Without Cause

This Agreement may be terminated without cause by the State upon 30 days written notice to Contractor.

C. Debarment and Suspension

For federally funded agreements, Contractor certifies that to the best of their knowledge and belief that they and their principals or affiliates or any subcontractor utilized under this Agreement, are not debarred or suspended from federal financial assistance programs and activities, nor proposed for debarment, declared ineligible, or voluntarily excluded from participation in covered transactions by any federal department or agency. Contractor also certifies that it or any of its subcontractors are not listed with any active exclusions on the System for Award Management (http://www.sam.gov) (Executive Order 12549, 2 C.F.R. Parts 180, 376, 417 and 2336).

D. Certification Regarding Lobbying

The following provisions are applicable to Cooperative Agreements and Contracts exceeding $100,000 in federal funds:

1. For agreements with contractors who are State entities not under the authority of the Governor, or cities, private firms, or agencies which are receiving in excess of $100,000 in federal funds from CDSS to perform services. By signing this Agreement, Contractor certifies that to the best of their knowledge and belief, that:

    a. No federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of a federal contract, the making of a federal grant, the making of a federal loan, the entering into of a cooperative agreement, and the extension, continuation, renewal, amendment, or modification of a federal contract, grant, loan, or cooperative agreement.

    b. If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with this federal grant or agreement, the undersigned shall complete and submit Standard Form-LLL, “Disclosure of Lobbying Activities,” in accordance with its instructions.

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c. Contractor shall require that the language of this certification be included in the award documents for all covered subawards exceeding $100,000 in federal funds at all appropriate tiers and that all subrecipients shall certify and disclose accordingly.

2. This certification is a prerequisite for making or entering into this transaction and is imposed by Section 1352, Title 31, U.S. Code. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Any person who fails to file the required certification shall be subject to a civil penalty of no less than $10,000 and not more than $100,000 for each such failure.

3. Nonprofit organizations and Institutes of Higher Education are also required to comply with the lobbying provisions contained in 2 C.F.R. section 200.450 and 45 C.F.R. section 75.450.

E. Unruh Civil Rights Act and the Fair Employment & Housing Act

By entering into this Agreement, Contractor certifies compliance with the Unruh Civil Rights Act (Section 51 of the Civil Code) and the Fair Employment and Housing Act (Section 12960 of the Government Code); and if Contractor has an internal policy against a sovereign nation or peoples recognized by the United States government, Contractor certifies that such policies are not used in violation of the Unruh Civil Rights Act or the Fair Employment and Housing Act.

F. Computer Software Copyrights

Contractor certifies that it has appropriate systems and controls in place to ensure that state funds will not be used in the performance of this Agreement for the acquisition, operation, or maintenance of computer software in violation of copyright laws.

G. OMB Audit

Pursuant to Office of Management and Budget (OMB) audit requirement regulations (2 C.F.R. § 200.501), non-federal entities that expend $1,000,000 or more in a year in federal awards from all sources combined shall have a single or program-specific audit conducted for that year in accordance with the provisions of 2 C.F.R. section 200.514 (previously OMB Circular A-133). All OMB audit reports shall meet the report submission requirements established in 2 C.F.R. section 200.512 and a copy shall be forwarded to CDSS.

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(Standard Agreement)

H. Subcontractors

Contractor may enter into subcontracts for the services to be performed consistent with this Agreement. Nothing contained in this Agreement or otherwise shall create any contractual relationship between CDSS and any subcontractors, and no subcontractor shall relieve Contractor of its responsibilities and obligations hereunder. Contractor agrees to be fully responsible to CDSS for the acts and omissions of its subcontractors and of persons either directly or indirectly employed by any of them as it is for the acts and omissions of persons directly employed by Contractor. Contractor's obligation to pay its subcontractors is an independent obligation from the obligation of CDSS to make payments to Contractor. As a result, CDSS shall have no obligation to pay or to enforce the payment of any moneys to any subcontractor. Contractor shall maintain a copy of each subcontract entered into in support of this Agreement and shall, upon request by CDSS, make copies available for approval, inspection, or audit. Contractor shall ensure that all subcontracts for services include provision(s) requiring compliance with applicable terms and conditions specified in this Agreement and shall, as applicable, advise all subcontractors of their obligations to comply with the terms of the Agreement between CDSS and Contractor. Contractor may not add or substitute any subcontractor without advance written consent of CDSS**.**

I. Indirect Costs/Administrative Overhead

Contractor may claim indirect costs as identified in this Agreement. Line-item budget shifts which increase the indirect costs shall not be allowed.

Indirect costs are expenses incurred for administrative services such as, but not limited to, accounting; personnel and payroll administration; accounts payable services; general and specialized insurance coverage; compliance and regulatory monitoring; independent audit services; and legal services. Indirect costs are applied to personnel, operating expenses, supplies, equipment, and travel expenses. Contractor shall ensure that all administrative fees are reasonable considering the services being provided. Contractor may only pay overhead charges on the first $25,000 of each subcontract. Any subcontractor receiving $25,000 or more must be clearly identified in the budget display and excluded when the total indirect costs are calculated.

J. Accessibility Requirements

Contractor shall comply with California Government Code sections 7405 and 11135 which requires, among other things, that Contractor shall comply with the accessibility requirements of Section 508 of the Federal Rehabilitation Act of 1973, as amended (29 U.S.C. Sec. 794d), and regulations implementing that act as set forth in Part 1194 of Title 36 of the Federal Code of Regulations. All Contractor

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deliverables shall meet the requirements of the Web Content Accessibility Guidelines 2.0, or a subsequent version, published by the Web Accessibility Initiative of the World Wide Web Consortium at minimum Level AA success criteria. Contractor shall respond to and resolve any complaint regarding accessibility of its products or services that is brought to its attention.

K. Russia – Ukraine Conflict Economic Sanctions

Contractor shall ensure compliance with economic sanctions imposed by the U.S. government in response to Russia's actions in Ukraine, as well as any sanctions imposed under state law (collectively, economic sanctions). Economic sanctions include, but are not limited to, refraining from new investments in, and financial transactions with, Russian institutions or companies that are headquartered or have their principal place of business in Russia (Russian entities), and not transferring technology to Russia or Russian entities. Contractor(s) are further notified that they will be subject to additional reporting requirements pursuant to Executive Order (N-6-22) issued on March 4, 2022, and any other subsequently issued orders.

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ADDITIONAL PROVISIONS

A. Agreement Term and Amendment

The date of Agreement approval by the State shall be the governing factor as to the date of commencement. Should performance commence before the Agreement is approved, such services may be considered voluntary. The State may exercise any options to extend and/or amend the Agreement as permitted by the Solicitation.

B. Confidentiality Requirements

Contractor and its employees and agents shall comply with CDSS Confidentiality and Information Security Requirements as described in Exhibit E – Attachment 1.

C. Insurance Requirements

1. Contractor, at their own expense, shall maintain the following insurance coverage:

   i. Commercial General Liability – Contractor shall maintain general liability on an occurrence form with limits 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 & advertising injury, and liability assumed under an insured contract. This insurance shall apply separately to each insured against whom claim is made or suit is brought subject to the Contractor's limit of liability.

   The policy shall include California Department of Social Services, State of California, its officers, agents, employees, and guests, as additional insureds, but only with respect to work performed under the Agreement.

   This endorsement shall be supplied under form acceptable to the Office of Risk and Insurance Management. In the case of Contractor's utilization of subcontractors to complete the contracted scope of work, Contractor shall include all subcontractors as insureds under Contractor's insurance or supply evidence of insurance to the State equal to policies, coverages, and limits required of Contractor.

   ii. Automobile Liability – Contractor shall maintain motor vehicle liability with limits 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.

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The policy shall be endorsed to include the State of California, its officers, agents, employees, and guests as additional insured, but only with respect to work performed under the Agreement. The additional insured endorsement is to be provided with the certificate of insurance.

iii. Workers' Compensation and Employers Liability – 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. Employer's liability limits of $1,000,000 are required.

The Workers' Compensation policy shall be endorsed with a waiver of subrogation in favor of the State. The waiver of subrogation endorsement is to be provided with the certificate of insurance.

iv. Professional Liability – Contractor shall maintain professional liability covering any damages caused by a negligent error, act, or omission with limits of not less than $1,000,000 per occurrence and $3,000,000 policy aggregate. The policy's retroactive date shall be shown on the certificate of insurance and shall be before the date this contract was executed or before the beginning of contract work.

2. Certificates evidencing Contractor's insurance coverage shall be filed with CDSS prior to execution of this Agreement.

D. General Provisions Applying to All Insurance Polices

1. Coverage Term – Coverage shall be in force for the complete term of the Agreement. If insurance expires during the term of the Agreement, a new certificate shall be received by the State at least ten (10) days prior to the expiration of the insurance. Any new insurance shall comply with the original terms of the Agreement.

2. Policy Cancellation / Termination & Notice of Non-Renewal – Contractor shall provide to the State within five (5) business days a copy of any notice of Cancellation/Termination or Non-renewal received by Contractor for any required insurance policies. In the event Contractor fails to keep the insurance coverage required by this Agreement in effect at all times, the State may, in addition to any other remedies it may have, terminate this Agreement upon the occurrence of such event, subject to the provisions of this Agreement.

3. Deductible – Contractor is responsible for any deductible or self-insured retention contained within their insurance program.

EXHIBIT E
(Standard Agreement)

4. Primary Clause – Any required insurance contained in this Agreement shall be primary, and not excess or contributory, to any other insurance carried by the State.

5. Insurance Carrier Required Rating – All insurance companies shall carry a rating acceptable to the Office of Risk and Insurance Management. If the Contractor is self-insured for a portion or all of its insurance, review of financial information including a letter of credit may be required.

6. Endorsements – Any required endorsements requested by the State shall be physically attached to all requested certificates of insurance and not substituted by referring to such coverage on the certificate of insurance.

7. Inadequate Insurance – Inadequate or lack of insurance does not negate the Contractor's obligations under this Agreement.

E. Incompatible Activities

Contractor shall not engage in any activity, employment or enterprise which is inconsistent, incompatible, in conflict with, or inimical to his or her duties as a consultant. These include, but are not limited to, the following, unless the CDSS has determined in writing that the consultant's specific activity, employment, or enterprise does not constitute an incompatible activity.

1. Being licensed to operate a facility under the jurisdiction of the CDSS, including a child day care facility, foster family home, certified family home, community care facility, or residential care facility for the elderly.

2. Holding a position of Chief Executive Officer, or other officer of the governing body of the licensee of a facility under the jurisdiction of the CDSS, as referenced in #1, and also including a residential care facility for persons with chronic, life-threatening illness.

3. Being employed by a facility under the jurisdiction of the CDSS.

4. Being a volunteer of a facility under the jurisdiction of the CDSS.

5. Residing at a facility under the jurisdiction of the CDSS.

6. Representing any individual not employed by the CDSS or any facility under the jurisdiction of the CDSS in an administrative or legal matter.

7. Having a financial interest in any facility under the jurisdiction of the CDSS.

EXHIBIT E
(Standard Agreement)

8. Using, or having access to, confidential information by virtue of this contract, for private gain or advantage, or providing confidential information to persons not authorized by the CDSS.

F. Certifications and Licenses

Contractor and its employees shall maintain applicable valid and current certifications and/or licenses as required throughout the term of the Agreement. Contractor shall furnish, upon CDSS request, certifications and/or licenses of staff utilized to perform services.

G. Substitution of Subcontractor

Contractor may not substitute any subcontractor without advance written consent of CDSS.

H. Disabled Veteran Business Enterprise Subcontractors

1. If for this Agreement Contractor made a commitment to achieve Disabled Veteran Business Enterprise (DVBE) participation, then Contractor shall within 60 days of receiving final payment under this Agreement (or within such other time period as may be specified elsewhere in this Agreement) certify in a report to the awarding department: (1) the total amount the prime contractor received under the contract; (2) the name and address of the DVBE(s) that participated in the performance of the contract; (3) the amount each DVBE received from the prime contractor; (4) that all payments under the contract 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. (Military & Veterans Code (M&VC) §999.5(d).)

2. Contractor understands and agrees that should award of this Agreement be based in part on their commitment to use the DVBE subcontractor(s) identified in their bid or offer, per M&VC 999.5(e), a DVBE subcontractor may only be replaced by another DVBE subcontractor and shall be approved by the Department of General Services (DGS). Changes to the scope of work that impact the DVBE subcontractor(s) identified in the bid or offer and approved DVBE substitutions will be documented by contract amendment.

3. Failure of Contractor to seek substitution and adhere to the DVBE participation level identified in the bid or offer may be cause for contract termination, recovery of damages under the rights and remedies due to the State, and penalties as outlined in M&VC §999.9; Public Contract Code (PCC) §10115.10, or PCC §4110 (applies to public works only).

EXHIBIT E
(Standard Agreement)

I. DVBE Subcontractor Invoices

To ensure that DVBE participation is applied correctly, all DVBE subcontractor invoices submitted to the Contractor shall include the Agreement number.

The California Department of Social Services
Confidentiality and Information Security Requirements
Standard Agreement - v 2026 01

This Confidentiality and Information Security Requirements Exhibit (hereinafter referred to as "this Exhibit") sets forth the information security and privacy requirements Contractor/Entity (hereinafter referred to as "Contractor") is obligated to follow with respect to all confidential and sensitive information (as defined herein) disclosed to or collected by Contractor, pursuant to Contractor's Agreement (the "Agreement") with the California Department of Social Services (hereinafter "CDSS") in which this Exhibit is incorporated. The CDSS and Contractor desire to protect the privacy and provide for the security of CDSS Confidential, Sensitive, and/or Personal (CSP) Information (hereinafter referred to as "CDSS CSP") in compliance with state and federal statutes, rules and regulations.

If it is determined at the sole discretion of CDSS that if no CDSS CSP is processed, stored, transmitted, received, accessed, or exchanged, this Exhibit remains a required and enforceable part of the Agreement; however, only the following sections of this Exhibit apply, and all other provisions remain non-operative: Sections I-III; IV (A-E, N, O(1)(a), O(2)(g)-(h), P-Q); and V-XI.

I. Order of Precedence.

With respect to information security and privacy requirements for all CDSS CSP, unless specifically exempted, the terms and conditions of this Exhibit shall take precedence over any conflicting terms or conditions set forth in any other part of the Agreement between Contractor and CDSS.

II. Effect on Lower Tier Transactions.

The terms of this Exhibit shall apply to all lower tier transactions (e.g. agreements, sub-agreements, contracts, subcontracts, and sub-awards, etc.). Contractor shall incorporate the contents of this Exhibit into each lower tier transaction.

III. Confidentiality of Information.

A. DEFINITIONS.

The following definitions apply to this Exhibit and relate to CDSS Confidential, Sensitive, and/or Personal Information.

1. "Confidential Information" is information maintained by the CDSS that is exempt from disclosure under the provisions of the California Public Records Act (Government Codes Sections 7920.000 et seq.) or has restrictions on disclosure in accordance with other applicable state or federal laws.
2. "Sensitive Information" is information maintained by the CDSS, which is not confidential by definition, but requires special precautions to protect it from unauthorized access and/or modification (i.e., financial, or operational information). Sensitive information is information in which the

disclosure would jeopardize the integrity of the CDSS (i.e., CDSS' fiscal resources and operations).

3. “Personal Information” is information, in any medium (paper, electronic, or oral) that identifies or describes an individual (i.e., name, social security number, driver’s license, home/mailing address, telephone number, financial matters with security codes, medical insurance policy number, Protected Health Information [PHI], etc.) and must be protected from inappropriate access, use or disclosure and must be made accessible to information subjects upon request. It can also be information in the possession of the Department in which the disclosure is limited by law or contractual Agreement (i.e., proprietary information, etc.).

4. “Breach” is

    a. the unauthorized acquisition, access, use, or disclosure of CDSS CSP in a manner which compromises the security, confidentiality or integrity of the information; or

    b. the same as the definition of "breach of the security of the system" set forth in California Civil Code section 1798.29(f).

5. “Information Security Incident” is unauthorized access or disclosure, modification, or destruction of, or interference with, CDSS CSP that actually or potentially jeopardizes the confidentiality, integrity, or availability of an information system or the information the system processes, stores, or transmits or that constitutes a violation or imminent threat of violation of any state or federal law or in a manner not permitted under the Agreement between Contractor and CDSS, including this Exhibit.

6. “State Data” is all information and data owned by the State and submitted to, processed by, or stored by the Contractor and includes, but is not limited to, all data/information that originated with the State, all data/information provided by the State, and data/information generated, manipulated, produced, reported by or otherwise emanating from or by applications run by the State. State Data encompasses CDSS CSP.

7. **“**CDSS Credentials” is the unique username (user ID) and password issued to CDSS employees, agents, and subcontractors for access to CDSS domain accounts, used to authenticate a user or device prior to granting access to CDSS information assets and resources.

B. CDSS CSP which may become available to Contractor as a result of the implementation of the Agreement shall be protected by Contractor from unauthorized access, use, and disclosure as described in this Exhibit.

C. Contractor is notified that unauthorized disclosure of CDSS CSP may be subject to civil and/or criminal penalties under state and federal law, including but not limited to:

- California Welfare and Institutions Code section 10850
- Information Practices Act - California Civil Code section 1798 et seq.
- Public Records Act - California Government Code section 7920.000 et seq.
- California Penal Code Section 502, 11140-11144, 13301-13303
- Health Insurance Portability and Accountability Act of 1996 ("HIPAA") - 45 CFR Parts 160 and 164
- Safeguarding Information for the Financial Assistance Programs - 45 CFR Part 205.50
- Unemployment Insurance Code section 14013

D. EXCLUSIONS.

"Confidential Information," "Sensitive Information," and "Personal Information" (CDSS CSP) does not include information that

1. is or becomes generally known or available to the public other than because of a breach by Contractor of these confidentiality provisions;

2. already known to Contractor before receipt from CDSS without an obligation of confidentiality owed to CDSS;

3. provided to Contractor from a third party except where Contractor knows, or reasonably should know, that the disclosure constitutes a breach of confidentiality or a wrongful or tortious act; or

4. independently developed by Contractor without reference to the CDSS CSP.

IV. Contractor Responsibilities.

A. Training.

Contractor shall instruct all employees, agents, and subcontractors with access to the State Data regarding:

1. The confidential nature of the information;

2. The civil and criminal sanctions against unauthorized access, use, or disclosure found in the California Civil Code Section 1798.55, Penal Code Section 502 and other state and federal laws;

3. CDSS procedures for reporting actual or suspected information security incidents in Paragraph V - Information Security Incidents and/or Breaches; and

4. That unauthorized access, use, or disclosure of CDSS CSP is grounds for immediate termination of this Agreement with CDSS and Contractor and may be subject to penalties, both civil and criminal.

B. Disclosure of Attendee CSP.

For contracts for training services, unless authorized in writing by the attendees or required by law, the collection and/or disclosure of confidential

information related to the attendees in trainings and conferences by Contractor shall be limited to that which is required to:

1. Verify attendance and/or participation;
2. Analyze the effectiveness of training and conference;
3. Provide attendees with continuing education units (e.g., Board of Behavioral Sciences requirements available at http://www.bbs.ca.gov/licensees/ce_licensees.shtml); and/or
4. Analyze the effectiveness of training and conference as described in the "Child and Family Services Plan 2015-2019" available at http://www.cdss.ca.gov/inforesources/Child-Welfare-Program-Improvement/Child-and-Family-Services-Plan

C. Use Restrictions.

Contractor shall take the appropriate steps to ensure that their employees, agents, and subcontractors will not intentionally seek out, read, use, or disclose the State Data other than for the purposes described in the Agreement and to meet its obligations under the Agreement.

D. Disclosure of State Data.

Contractor shall not disclose any individually identifiable State Data to any person other than for the purposes described in the Agreement and to meet its obligations under the Agreement.

E. Subpoena.

If Contractor receives a subpoena or other validly issued administrative or judicial notice requesting the disclosure of State Data, Contractor will immediately notify the CDSS Program Contract Manager and the CDSS Information Security and Privacy Officer. In no event should notification to CDSS occur more than three (3) business days after receipt by Contractor's responsible unit for handling subpoenas and court orders.

F. Information Security Officer.

Contractor shall designate an Information Security Officer to oversee its compliance with this Exhibit and to communicate with CDSS on matters concerning this Exhibit.

G. Requests for CDSS CSP by Third Parties.

Contractor shall promptly transmit to the CDSS Program Contract Manager and the CDSS Information Security and Privacy Officer all requests for disclosure of any CDSS CSP requested by third parties to the Agreement between Contractor and CDSS (except from an Individual for an accounting of disclosures of the individual's personal information pursuant to applicable state or federal law), unless prohibited from doing so by applicable state or federal law.

H. Documentation of Disclosures for Requests for Accounting.

Contractor shall maintain an accurate accounting of all requests for disclosure of CDSS CSP Information and the information necessary to respond to a request for an accounting of disclosures of personal information as required by Civil Code section 1798.25, or any applicable state or federal law.

I. Return or Destruction of CDSS CSP on Expiration or Termination.

Upon expiration or termination of the Agreement between Contractor and CDSS, or upon a date mutually agreed upon by the Parties following expiration or termination, Contractor shall return or destroy the CDSS CSP. If return or destruction is not feasible, Contractor shall provide a written explanation to the CDSS Program Contract Manager and the CDSS Information Security and Privacy Officer, using the contact information in this Agreement. CDSS, in its sole discretion, will make a determination of the acceptability of the explanation and, if retention is permitted, shall inform Contractor in writing of any additional terms and conditions applicable to the retention of the CDSS CSP.

J. Retention Required by Law.

If required by state or federal law, Contractor may retain, after expiration or termination, CDSS CSP for the time specified as necessary to comply with the law.

K. Obligations Continue Until Return or Destruction.

Contractor's obligations regarding the confidentiality of CDSS CSP set forth in this Agreement, including but not limited to obligations related to responding to Public Records Act requests and subpoenas shall continue until Contractor returns or destroys the CDSS CSP or returns the CDSS CSP to CDSS; provided however, that on expiration or termination of the Agreement between Contractor and CDSS, Contractor shall not further use or disclose the CDSS CSP except as required by state or federal law.

L. Notification of Election to Destroy CDSS CSP.

If Contractor elects to destroy the CDSS CSP, Contractor shall certify in writing, to the CDSS Program Contract Manager and the CDSS Information Security and Privacy Officer, using the contact information, that the CDSS CSP has been destroyed.

M. Background Check.

Before a member of Contractor's workforce may access State Data, a thorough background check must be completed to ensure the worker does not present a risk to CDSS information technology systems and/or State Data.

Contractors with CDSS Credentials

Prior to accessing any CDSS CSP and being granted CDSS credentials, Contractors will need to pass all of CDSS' fingerprinting/background checks and onboarding procedures.

All Other Contractors

Contractor shall perform at, Contractor's expense, thorough background checks of any member of their workforce that may access or be exposed to CDSS CSP and evaluate the results to ensure that there is no indication that the worker may present a risk to CDSS information technology systems and/or CDSS data. Contractor shall be liable for damages due to security incidents as a result of insufficient background check of its workforce. Contractor shall retain each workforce member's background check documentation for a period of three (3) years following Agreement termination.

1. **Please see the following table for clarification on contractor background checks:**

Contractors Needing CDSS Credentials	**Contractors Not Needing CDSS Credentials**
Prior to accessing any CDSS CSP and being granted CDSS credentials, Contractors will need to pass CDSS' fingerprinting/ background checks and onboarding procedures.	It is the responsibility of the contractor to perform thorough background checks of any member of their workforce that will have access to CDSS CSP. Contractor must conduct a thorough background check of that worker. [Contractor shall perform thorough background checks of any member of their workforce that may access or be exposed to CDSS CSP and evaluate the results to ensure that there is no indication that the worker may present a risk to CDSS information technology systems and/or CDSS data. Contractor shall be liable for damages due to security incidents as a result of insufficient background check of its workforce. Contractor shall retain each workforce member's background check documentation

	for a period of three (3) years following Agreement termination.

N. Nothing in this Agreement shall restrict Contractor's use of:

1. Information obtained by Contractor from public records or other sources generally available to the public, including but not limited to, academic publications and data extracts.
2. Contractor's pre-existing data, reports or similar information.
3. Non-confidential information received by Contractor from a third party or non-confidential information created or developed by Contractor, with the exception of information specifically identifying or intending to identify an applicant for, or recipient of, public social services.

O. Confidentiality Safeguards.

Contractor shall implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of the State Data that it creates, receives, maintains, uses, or transmits pursuant to the Agreement. Contractor shall develop and maintain a written information privacy and security program that includes administrative, technical and physical safeguards appropriate to the size and complexity of Contractor's operations and the nature and scope of its activities, including at a minimum the following safeguards:

1. General Security Controls

a. Confidentiality Acknowledgement.

By executing this Agreement and signing Paragraph XI, CDSS Confidentiality and Security Compliance Statement, Contractor acknowledges that the information resources maintained by CDSS and provided to Contractor may be confidential, sensitive, and/or personal and requires special precautions to protect it from wrongful access, use, disclosure, modification, and destruction.

b. Workstation/Laptop Encryption.

All Contractor-owned or managed workstations, laptops, tablets, smart phones, and similar devices that process and/or store CDSS CSP must be encrypted using a FIPS 140-3, until deprecated, certified algorithm which is 128 bit or higher, such as Advanced Encryption Standard (AES). The encryption solution must be full disk unless approved by the CDSS Information Security Office.

c. Data Encryption.

Any CDSS CSP shall be encrypted at rest when stored on network file shares or document repositories.

d. Server Security.

Servers containing unencrypted CDSS CSP must have sufficient administrative, physical, and technical controls in place to protect that data, based upon a risk assessment/system security review.

e. Minimum Necessary.

Only the minimum necessary amount of the CDSS CSP required to perform necessary business functions may be copied, downloaded, or exported.

f. Removable Media Devices.

All electronic files that contain the CDSS CSP must be encrypted when stored on any removable media or portable device (i.e. USB thumb drives, floppies, CD/DVD, smart phone, backup tapes etc.). Encryption must be a FIPS 140-3, until deprecated, certified algorithm which is 128 bit or higher, such as AES.

g. Antivirus Software.

All Contractor-owned or managed workstations, laptops, tablets, smart phones, and similar devices that process and/or store CDSS CSP must install and actively use comprehensive anti-virus software solution with automatic updates scheduled at least daily.

h. Patch Management.

To correct known security vulnerabilities, Contractor shall install security patches and updates in a timely manner on all Contractor-owned or managed workstations, laptops, tablets, smart phones, and similar devices that process and/or store CDSS CSP as appropriate based on Contractor's risk assessment of such patches and updates, the technical requirements of Contractor's systems, and the vendor's written recommendations. If patches and updates cannot be applied in a timely manner due to hardware or software constraints, mitigating controls will be implemented based upon the results of a risk assessment.

i. User IDs and Password Controls.

All users must be issued a unique username for accessing CDSS CSP. Contractor's password policy must be based on information security best practices for password length, complexity, and reuse.

j. Data Destruction.

Upon termination of the Agreement, all CDSS CSP must be sanitized in accordance with NIST Special Publication 800-88, Guidelines for Media Sanitization.

k. Multi-Factor Authentication (MFA)

Contractor shall comply with the Multi-Factor Authentication (MFA) requirements set forth in the Statewide Information Management Manual (SIMM) Section 5360-C. MFA shall be enforced for any publicly accessible information asset that stores, processes, transmits or visually presents CDSS CSP. Contractor shall also ensure that all employees, subcontractors and associated third parties engaged in the performance of this Agreement comply with these same MFA requirements.

2. System Security Controls

a. System Timeout.

The system providing access to the CDSS CSP must provide an automatic timeout, requiring re-authentication of the user session after no more than thirty (30) minutes of inactivity for applications, and fifteen (15) minutes of inactivity for desktops and laptops.

b. Warning Banners.

All systems (servers, desktops, laptops, etc.) containing CDSS CSP must display a warning banner at login stating that data is confidential, systems are logged, and system use is for business purposes only. User must be directed to log off the system if they do not agree with these requirements.

c. System Logging.

The system must maintain an automated audit trail which can identify the user or system process which initiates a request for CDSS CSP, or which alters CDSS CSP. The audit trail must be date and time stamped, must log both successful and failed accesses, must be read only, and must be restricted to authorized users. If CDSS CSP is stored in a database, database logging functionality must be enabled. Audit trail data must be archived for at least one (1) year after occurrence.

d. Access Controls.

The system must use role-based access controls for all user authentications, enforcing the principle of least privilege.

e. Transmission Encryption.

All data transmissions of CDSS CSP by Contractor outside the secure internal network must be encrypted using a FIPS 140-3, until deprecated, certified algorithm, such as Advanced Encryption Standard (AES), with a 128 bit key or higher. Encryption can be end-to-end at the network level, or the data files containing CDSS CSP can be encrypted. This requirement pertains to any type of CDSS CSP in motion such as website access, file transfer, and/or email.

f. Intrusion Detection.

All systems involved in accessing, holding, transporting, and protecting CDSS CSP that are accessible via the Internet must be protected by a comprehensive intrusion detection and prevention solution.

g. Data Location.

The physical location of Contractor's data center where State Data is stored shall only be within the continental United States, unless otherwise specified in the Statement of Work and approved in advance in writing by the State CISO. Any exceptions to the Data Location is at the sole discretion of the State

h. Data Access.

Contractor shall not allow its personnel or subcontractors to store State Data on portable devices, including personal computers, except for devices that are used and kept only at its data centers located in the continental United States. Remote access to State Data from outside the continental United States, including remote access to State Data by authorized Services support staff in identified support centers, is prohibited unless approved in advance in writing by the State CISO. Responsibility to obtain CISO approval lies with the State.

i. Software as a Service.

If the Contractor is providing any web/cloud hosting services, the Contractor shall agree to the most current revision of the State Model Cloud Computing Special Provisions for Software as a Service (SaaS), hereby incorporated by reference.

3. Audit Controls

a. System Security Review.

All systems processing and/or storing CDSS CSP must have at least an annual system risk assessment/security review

which provides assurance that administrative, physical, and technical controls are functioning effectively and providing adequate levels of protection. Reviews shall include vulnerability scanning and/or penetration testing tools. The Contractor must submit the vulnerability assessment and/or penetration testing report(s) to the CDSS Information Security and Privacy Office upon request. The Contractor must agree to CDSS vulnerability assessment scans of the portion of its extranet to be used to service CDSS.

b. Log Reviews.

All systems processing and/or storing CDSS CSP must have a routine procedure in place to review system logs for unauthorized access.

c. Change Control.

All systems processing and/or storing CDSS CSP must have a documented change control procedure that ensures changes can be attributed to an individual and can be tracked and audited to protect the confidentiality, integrity, and availability of data.

4. Business Continuity / Disaster Recovery Controls

a. Disaster Recovery.

Contractor must establish a documented plan to enable continuation of critical business processes and protection of the security of electronic CDSS CSP in the event of an emergency. Emergency means any circumstance or situation that causes normal computer operations to become unavailable for use in performing the work required under this Agreement for more than twenty-four (24) hours.

b. Data Backup Plan.

Contractor must have established documented procedures to backup CDSS CSP to maintain retrievable exact copies of CDSS CSP. The plan must include a regular schedule for making backups, storing backups offsite, an inventory of backup media, and the amount of time to restore CDSS CSP should it be lost. At a minimum, the schedule must be a weekly full backup and monthly offsite storage of CDSS data.

5. Paper Document Controls

a. Supervision of Information.

CDSS CSP in paper form shall not be left unattended at any time, unless it is locked in a file cabinet, file room, desk, or office. Unattended means that information may be observed

by an individual not authorized to access the information. CDSS CSP in paper form shall not be left unattended at any time in vehicles or planes and shall not be checked in baggage on commercial airplanes.

b. Escorting Visitors.

Visitors to areas where the CDSS CSP are contained shall be escorted by a CDSS Employee and CDSS CSP shall be kept out of sight while visitors are in the area.

c. Confidential Destruction.

CDSS CSP must be disposed of through confidential means, such as crosscut shredding and/or pulverizing.

d. Removal of Information.

CDSS CSP must not be removed from the premises of Contractor except for identified routine business purposes or with express written permission of CDSS.

e. Faxing.

CDSS CSP that must be transmitted by fax shall require that Contractor confirms the recipient fax number before sending, takes precautions to ensure that the fax was appropriately received, maintains procedures to notify recipients if Contractor's fax number changes, and maintains fax machines in a secure area**.**

f. Mailing.

Paper copies of CDSS CSP shall be mailed using a secure, bonded mail service, such as Federal Express, UPS, or by registered U.S. Postal Service (i.e., accountable mail using restricted delivery). All packages must be double packed with a sealed envelope and a sealed outer envelope or locked box.

P. Generative Artificial Intelligence (GenAI) Safeguards.

Contractor shall not use any Generative Artificial Intelligence (GenAI) technology (e.g., software, tools, add-ons, and other similar capabilities) for any purpose that may process, store or transmit CDSS confidential, sensitive, personal, or other regulated information.

Q. Contractor Responsibility for Security and Compliance.

If the Contractor is a third-party reseller and not the original manufacture of the product or service provided under this Agreement, Contractor hereby certifies that the product or service, as provided, meets or exceeds the requirements of this Exhibit.

In the event of a security incident originating from a manufacturer or subcontractor, Contractor shall remain the primary point of accountability to

the State and shall use commercially reasonable efforts to facilitate State's participation in any investigation.

V. Information Security Incidents and/or Breaches of State Data

A. State Data Information Security Incidents and/or Breaches Response Responsibility.

The Contractor shall be responsible for facilitating the Information Security Incident and/or Breach response process as described in California Civil Code 1798.82(f), and State Administrative Manual (SAM) Section 5340, Information Security Incident Management, including, but not limited to, taking:

1. Prompt corrective action to mitigate the risks or damages involved with the Information Security Incident and/or Breach and to protect the operating environment; and
2. Any action pertaining to such unauthorized disclosure required by applicable Federal and State laws and regulations.

B. Discovery and Notification of Information Security Incidents and/or Breaches of State Data.

Contractor shall notify the CDSS Program Contract Manager and the CDSS Information Security and Privacy Officer of an Information Security Incident and/or Breach as expeditiously as practicable and without unreasonable delay, taking into account the time necessary to allow Contractor to determine the scope of the Information Security Incident and/or Breach, but no later than three (3) calendar days after the discovery of an Information Security Incident and/or Breach. Notification is to be made by telephone call and email.

C. Isolation of System or Device.

A system or device containing State Data compromised by an exploitation of a technical vulnerability shall be promptly disconnected or quarantined and investigated until the vulnerability is resolved. Contractor will notify CDSS within two (2) business days of a confirmed exploitation of a technical vulnerability and keep CDSS informed as to the investigation until resolution of the vulnerability is completed.

D. Investigation of Information Security Incidents and/or Breaches.

The Contractor shall promptly investigate Information Security Incidents and/or Breaches of State Data. CDSS shall have the right to participate in the investigation of such Information Security Incidents and/or Breaches. CDSS shall also have the right to conduct its own independent investigation, and Contractor shall cooperate fully in such investigations. The Contractor is not required to disclose their un-redacted confidential, proprietary, or privileged information. Contractor will keep CDSS fully informed of the results of any such investigation.

E. Updates on Investigation.

Contractor shall provide regular (at least once a week) email updates on the progress of the Information Security Incident and/or Breach investigation of State Data to the CDSS Program Contract Manager and the CDSS Information Security and Privacy Officer until the updates are no longer needed, as mutually agreed upon between Contractor and the CDSS Information Security and Privacy Officer. Contractor is not required to disclose their un-redacted confidential, proprietary, or privileged information.

F. Written Report.

Contractor shall provide a written report of the investigation to the CDSS Program Contract Manager and the CDSS Information Security and Privacy Officer within thirty (30) business days of the discovery of the Information Security Incident and/or Breach of State Data. Contractor is not required to disclose their un-redacted confidential, proprietary, or privileged information. The report shall include, but not be limited to, if known, the following:

1. Contractor point of contact information;
2. A description of what happened, including the date of the Information Security Incident and/or Breach of State Data and the date of the discovery of the Information Security Incident and/or Breach, if known;
3. A description of the types of State Data that were involved, and the extent of the information involved in the Information Security Incident and/or Breach;
4. A description of the unauthorized persons known or reasonably believed to have improperly used or disclosed State Data;
5. A description of where the State Data is believed to have been improperly transmitted, sent, or utilized;
6. A description of the probable causes of the improper use or disclosure;
7. Whether Civil Code sections 1798.29 or 1798.82 or any other federal or state laws requiring individual notifications of breaches are triggered; and
8. A full, detailed corrective action plan, including information on measures that were taken to halt and/or contain the Information Security Incident and/or Breach of State Data.

G. Cost of Investigation and Remediation.

Per SAM Section 5305.8, Contractor shall be responsible for all direct and reasonable costs incurred by CDSS due to Information Security Incidents and/or Breaches of State Data resulting from Contractor's failure to perform or from negligent acts of its personnel, and resulting in the unauthorized disclosure, release, access, review, or destruction; or loss, theft, or misuse of an information asset. These costs include, but are not limited to, notice and credit monitoring for twelve (12) months for impacted individuals, CDSS staff time, material costs, postage, media announcements, and other identifiable costs associated with the Information Security Incident, Breach and/or loss of data.

VI. Contact Information.

To direct communications to the above referenced CDSS staff, Contractor shall initiate contact as indicated herein. CDSS reserves the right to make changes to the contact information below by giving written notice to Contractor. Said changes shall not require an amendment to this Exhibit or the Agreement to which it is incorporated.

CDSS Program Contract Manager

See the Scope or Statement of Work exhibit for Program Project Representative information.

CDSS Information Security & Privacy Officer

California Department of Social Services
Information Security & Privacy Officer
744 P Street, MS 9-9-70
Sacramento, CA 95814
Email: iso@dss.ca.gov
Telephone: (916) 651-5558

VII. Audits and Inspections.

If CDSS CSP is present or reasonably believed to be present in the Contractor/Entity's systems or environments, CDSS may inspect or monitor systems, system logs, or request comparable system artifacts or audit trail data to verify compliance with this Exhibit's requirements. The Contractor/Entity shall promptly remediate any identified deficiencies and certify corrective action(s) in writing to the CDSS Program Contract Manager and the CDSS Information Security and Privacy Office. CDSS's right to inspect does not waive or reduce the Contractor/Entity's responsibility to fully comply with the requirements of this Exhibit, regardless of whether inspection is exercised.

VIII. Amendment.

The parties acknowledge that federal and state laws regarding information security and privacy rapidly evolves, and that amendment of this Exhibit may be required to provide for procedures to ensure compliance with such laws. The parties specifically agree to take such action as is necessary to implement new standards and requirements imposed by regulations and other applicable laws relating to the security or privacy of State Data.

IX. Interpretation.

The terms and conditions in this Exhibit shall be interpreted as broadly as necessary to implement and comply with regulations and applicable State laws. The parties agree that any ambiguity in the terms and conditions of this Exhibit shall be resolved in favor of a meaning that complies and is consistent with federal and state laws and regulations.

X. Termination.

An Information Security Incident and/or Breach of State Data by Contractor, its employees, agents, or subcontractors, as determined by CDSS, may constitute a material breach of the Agreement between Contractor and CDSS and grounds for immediate termination of the Agreement.

XI. CDSS Confidentiality and Security Compliance Statement

CALIFORNIA DEPARTMENT of SOCIAL SERVICES
CONFIDENTIALITY AND SECURITY COMPLIANCE STATEMENT v 2026 01

Information resources maintained by the CDSS and provided to Contractor may be confidential, sensitive, and/or personal and requires special precautions to protect it from wrongful access, use, disclosure, modification, and destruction.

We hereby acknowledge that the confidential and/or sensitive records of the CDSS are subject to strict confidentiality requirements imposed by state and federal law, which may include, but are not limited to, the following; the California Welfare and Institutions Code §10850, Information Practices Act - California Civil Code §1798 et seq., Public Records Act - California Government Code §7920.000 et seq., California Penal Code §502, 11140-11144, 13301-13303, Health Insurance Portability and Accountability Act of 1996 ("HIPAA") - 45 CFR Parts 160 and 164, and Safeguarding Information for the Financial Assistance Programs - 45 CFR Part 205.50. Contractor agrees to comply with the laws applicable to the CDSS CSP received.

This Confidentiality and Security Compliance Statement must be signed and returned with the Agreement.

CDSS Representative:

Name (Printed):	
Title:	
Business Name:	
Email Address:	
Phone:	
Signature:	
Date Signed:	

READ and ACKNOWLEDGED: (Authorized Official responsible for business' information security program)

Name (Printed):	
Title:	
Business Name:	
Email Address:	
Phone:	
Signature:	
Date Signed:	

STATE OF CALIFORNIA - DEPARTMENT OF GENERAL SERVICES

STANDARD AGREEMENT

STD 213 (Rev. 04/2020)

AGREEMENT NUMBER	PURCHASING AUTHORITY NUMBER (If Applicable)
TBD	

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

CONTRACTING AGENCY NAME

California Department of Social Services

CONTRACTOR NAME

To be determined (TBD)

2. The term of this Agreement is:

START DATE

TBD

THROUGH END DATE

TBD

3. The maximum amount of this Agreement is:

$TBD

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

	Exhibits	Title	Pages
	Exhibit A	Scope of Work	TBD
	Exhibit A - Attachment 1	Definitions for the CalFresh Programs	TBD
	Exhibit A - Attachment 2	Implementation and Transition Plan	TBD
+ -	Exhibit A - Attachment 3	Managed Care Rate Fee Schedule	TBD
+ -	Exhibit B	Budget Detail and Payment Provisions	TBD
+ -	Exhibit C	General Terms and Conditions	TBD
+ -	Exhibit D	Special Terms and Conditions	TBD
+ -	Exhibit E	Additional Provisions	TBD
+ -	Exhibit E - Attachment 1	CDSS Confidentiality and Information Security Requirements	TBD

Items shown with an asterisk (*), are hereby incorporated by reference and made part of this agreement as if attached hereto.
These documents can be viewed at https://www.dgs.ca.gov/OLS/Resources

IN WITNESS WHEREOF, THIS AGREEMENT HAS BEEN EXECUTED BY THE PARTIES HERETO.

CONTRACTOR

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

TBD

CONTRACTOR BUSINESS ADDRESS	CITY	STATE	ZIP

PRINTED NAME OF PERSON SIGNING	TITLE

CONTRACTOR AUTHORIZED SIGNATURE	DATE SIGNED

STATE OF CALIFORNIA - DEPARTMENT OF GENERAL SERVICES
STANDARD AGREEMENT
STD 213 (Rev. 04/2020)

AGREEMENT NUMBER	PURCHASING AUTHORITY NUMBER (If Applicable)
TBD	

STATE OF CALIFORNIA

CONTRACTING AGENCY NAME			
California Department of Social Services			
CONTRACTING AGENCY ADDRESS	CITY	STATE	ZIP
744 P Street, M.S. 9-6-747	Sacramento	CA	95814
PRINTED NAME OF PERSON SIGNING	TITLE		
TBD	TBD		
CONTRACTING AGENCY AUTHORIZED SIGNATURE	DATE SIGNED		
CALIFORNIA DEPARTMENT OF GENERAL SERVICES APPROVAL	EXEMPTION (If Applicable)		
	TBD		

EXHIBIT A
(Standard Agreement)

SCOPE OF WORK

A. Introduction and Background

1. OBJECTIVES

The Agreement is entered into by and between the California Department of Social Services (herein referred to as CDSS or the State), acting in conjunction with the Department of General Services (DGS), Office of Risk and Insurance Management (hereafter the ORIM), and the Contractor. The Contractor shall provide the State with the workers' compensation administration services of a Third-Party Administrator (TPA), as more fully described herein. The State is required to provide workers' compensation coverage for certain individuals, who are required to participate in the CalFresh Employment and Training (E&T) Program, pursuant to the Food and Nutrition Act of 2008 (as amended through P.L. 110-246, effective October 1, 2008) at Sections 6 (d)(4)(B) (IV) and 20 (d)(2), now codified at 7. U.S.C. §§ 2015(d)(1)(D)(4) and 2029 (d)(2), the related regulations at 7 C.F.R. § 273.7(a)(3) and (m)(6)E, and the Manual of Policies and Procedures of the State at Section 63-407.841(b).

During the term of this Agreement, the Contractor shall meet the following general objectives for the administration of the workers' compensation claims services as a TPA:

a. Ensure a thorough and efficient transition of the administration of the workers' compensation claims from the existing TPA to the Contractor within the requirements detailed in this Agreement.

b. Ensure all workers' compensation and related services are managed effectively and efficiently and in accordance with the requirements detailed in this Agreement.

c. Ensure that claimants sustaining work related injuries or occupation illness are provided with quality medical care and treatment promptly.

d. Ensure that claimants sustaining work related injuries or occupational illness receive appropriate medical and rehabilitative services to promote maximum medical recovery and a safe and expedient return to work, as appropriate.

e. Maintain a professional working relationship with ORIM, the State, and the County Contact Representatives (CCR).

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f. Timely provide appropriate services to claimants to decrease the need for decisions by the Workers' Compensation Appeals Board or representation of counsel.

g. Develop and implement strategies to improve the effectiveness and delivery of the services to the claimants and to reduce costs to the State.

h. Ensure compliance with statutory, regulatory, or judicial decisions which affect the delivery of services described in this Agreement, for the term of this Agreement, including any extensions.

2. APPLICABLE LAW RELATED TO THE PROVISION OF SERVICES

The Contractor shall comply with the applicable state and federal laws and regulations, including but not limited to the following:

a. California Labor Code sections 129, 129.5, 131, 132, 132a, 138.4, 138.6, 138.7, 139.3, 139.32, 139.43, 3702.1, 3751, 3752, 3820, 3822, 3850-3865 (Subrogation), 4050-4068 (Medical Examinations), 4060-4068 (Determination of Medical Issues), 4155 and 5402.

b. California Insurance Code selections 1871-1879 (The False and Fraudulent Claims Act), 1877-1877.5 (The Workers' Compensation Insurance and Fraud Reporting Act), 11761 and 14020.

c. Public Contract Code § 12140 (Prohibition of the Offshoring of State Public Benefit Contracts).

B. Contractor Responsibilities

The Contractor shall provide Claims Management Services, which include the following:

1. <u>Caseload</u>

a. Contractor shall manage caseloads to ensure that, on average, its claims examiners have a targeted caseload of one hundred fifty (150), but not to exceed 165 indemnity claims. In situations where caseloads include future medical and medical only claims, every two (2) future medical or medical only claims shall be counted as one (1) indemnity claim in the caseload limit. Each examiner who handles solely medical-only or future claims shall have a caseload not to exceed 300 open claims.

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b. If during the term of this Agreement, the total number of Contractor's staff falls below the minimum number of staff necessary to maintain compliance with caseload maximums, qualified temporary help must be hired at the Contractor's expense.

c. Contractor shall ensure that each claims examiner supervisor does not have a caseload of claims for which they are responsible as an examiner unless prior written authorization is provided by ORIM.

d. Contractor shall ensure assignments, to the extent reasonably possible, are distributed to its adjusters/examiners and supervisors by county to facilitate the growth of relationships with the county Departmental staff or the CCRs.

e. Contractor shall maintain a list of adjuster/examiner and supervisor assignments by county to be provided to ORIM as the assignments change. The list shall be updated no less than monthly and provided to ORIM.

2. Claim File Set-Up

a. Upon receipt of the Employer's Report of Occupational injury or illness or Application for the Adjudication of the Claim, the Contractor shall prepare an individual claim file within one (1) business day of receipt for each claim. Preparation of the claim file shall include entering the claim into the TPA's claims reporting and risk management system. The claim file shall be immediately accessible to ORIM, the State, DHCS, the counties and their representatives, claims auditors, and review agents, and shall contain all medical and factual information on each reported claim. Claims shall be reviewed and set up within one (1) business day of receipt.

b. The Contractor shall determine the compensability of claimed injuries and illnesses in accordance with the Labor Code by making a three-point contact with the non-represented claimant, the CCR, and the physician within the timeframes required in this Scope of Work.|

c. In the file set up, the TPA shall use a code to identify the applicable program for the claim. As necessary, the TPA may request assistance from ORIM, the State, DHCS, or the applicable county personnel to identify the appropriate Program.

d. Preparation of the claim file shall include entering all claim information and establishing reserves.

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3. Claim File Documentation

   a. All claim activity, contact, notification, reconciliation in the regular course of business, referrals, reviews, verification, etc., shall be clearly documented by assigned claim examiner/adjuster in the computer notepad within one (1) business day of receipt in the applicable claim file. A copy of all written documentation, notices, letters, reports, etc. shall be maintained in the applicable claim file. This requirement shall apply to all standards contained in the Scope of Work.

   b. The use of the electronic claim files is appropriate only with assurances that the claim file can be recreated in hard copy as requested, and access to the electronic claim file is provided to ORIM, the State and DHCS if applicable, or their agents upon request.

   c. File contents shall comply with Title 8 of the California Code of Regulations at Sections 10101, 10101.1 and 15400 and be kept in a neat and orderly fashion.

   d. Claim file documentation shall include the title of the applicable Program.

4. Coverage

   a. Contractor shall establish and verify that the claimant was eligible for coverage on the date of injury or occupation illness.

   b. Establish whether the facts of the claim indicate the liability of a third party responsible for or contributing to the injury or occupational illness of the claimant.

   c. Contractor shall exercise due diligence in identifying third parties responsible, in part or entirely, for the injuries or occupational illness of the claimant.

   d. If applicable, the Contractor shall exercise due diligence in joining applicable third parties as co-defendants.

   e. All activities to verify coverage, identify responsible third parties, and join co-defendants shall be clearly documented in the claim file within one (1) business day.

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5. ISO Claim Search

   Contractor shall report all claims to the ISO Claim Search, a reporting service that maintains a database of claimants who have filed previous workers' compensation claims, at the time of initial setup. All claims shall be re-indexed every six (6) months thereafter.

6. County Contact Representative (CCR)

   a. The Contractor shall, within one (1) business day of notification, request the Employer's Report of Occupational Injury or Illness form from the CCR when or if notification of any injury or illness by any source is received first.

   b. The CCR may report claims to the Contractor through mail, fax, or online through the Contractor's secure web-based reporting module.

   c. Within two (2) business days of notification of injury by any source, the Contractor shall contact the CCR to conduct an initial and meaningful investigation. The Contractor shall substantiate the claim and verify that the claimant was eligible for coverage on the date of injury or occupational illness.

   d. If the DWC Form 1 has not been received by the Contractor within two (2) business days after receiving the Employer's Report of Occupational Injury or Illness, the Contractor shall contact the CCR to ensure the DWC Form 1 was given to the claimant within one (1) business day of knowledge of the injury or illness. If a DWC Form 1 was not provided to the claimant, the Contractor shall immediately send the DWC Form 1 directly to the claimant.

   e. Upon receipt of a phone call or e-mail communication from the CCR, the Contractor shall return the phone call or e-mail to the CCR, and if necessary, the State, within one (1) business day, and be clearly documented in the claim file within one (1) business day.

   f. Contractor shall respond to all correspondence from the CCR within three (3) business days of receipt. The correspondence and response shall be clearly documented in the claim file within one (1) business day of the response by the Contractor.

7. Medicare Reporting

   a. Contractor shall provide accurate and timely reporting and tracking services for all claimants meeting the requirements of Medicare Section 111

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Mandatory Reporting, per the Medicare Secondary Payer Act, as amended by the Medicare, Medicaid and SCHIP Extension Act of 2007 (MMSEA), and related statutes. The reporting requirements include proper reporting to Medicare and providing associated data to the State.

b. All fines and penalties imposed as a result of non-compliance shall be the responsibility of the Contractor.

c. Contractor shall act in compliance with the requirements of the Medicare Section 111 Mandatory Reporting, per the Medicare Secondary Payer Act, as amended by the MMSEA, and related statutes, and shall timely communicate changes in the federal laws to ORIM.

d. Upon the request of CDSS, Contractor shall assist CDSS with registering and designating Contractor as CDSS' reporting agent.

e. Contractor shall request program information from CDSS as necessary to meet any new MMSEA reporting requirement including, but not limited to, Medicare eligibility queries and Mandatory Insurance Reporting.

8. Claimant Contact

a. Within one (1) day of notification of injury or illness, Contractor shall establish telephone or personal contact with the unrepresented claimant to:

(1) Obtain information regarding the specific facts of the accident, nature of injury or illness, other employment and claims, witness names, etc.

(2) Inform the claimant of all rights and benefits and clearly explain the claims process.

(3) Answer questions professionally and develop a positive rapport with the claimant to eliminate doubts or uncertainty and avoid litigation.

(4) Assist the claimants in resolving problems pertaining to their claims.

b. Contractor shall continue contact with the claimant as often as necessary, but at least monthly.

c. All correspondence from a claimant shall be responded to within three (3) business days of receipt and clearly documented in the claim file within one (1) business day.

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d. The Contractor shall make the Contractor's secure mobile phone application, ICARE App, known to claimants and available at their request.

The provision of the mobile ICARE App for the benefit of claimants shall not supplant Contractor's communications or contacts with claimants which are required pursuant to this Agreement.

9. Communications with the ORIM or the State

a. Contractor shall return phone calls and respond to emails from ORIM or the State within one (1) business day of receipt.

b. Contractor shall respond to all correspondence from the ORIM or the State within three (3) business days of receipt.

10. Medical Administration

a. Contractor, absent a Medical Provider Network (MPN), shall select a panel of general practitioners, specialists, hospitals, and emergency treatment facilities to which claimants should be referred throughout the State. The panel shall be regularly reviewed and updated to ensure that timely services are readily available.

b. Contractor shall assist the CCR and the State in identifying an industrial clinic and/or medical providers, if requested.

c. Contractor shall contact the physician's office within three (3) business days of notice of each new claim to conduct an initial investigation as to the medical aspects of the claim. Such contact shall continue as needed during the continuation of temporary disability to ensure that treatment is related to a compensable claim.

d. Contractor shall maintain contact with treating physicians to ensure claimants receive proper medical treatment and are returned to full or modified employment at the earliest possible date.

e. Contractor shall maintain direct contact with medical providers to ensure their reports are received in a timely and confidential manner.

f. Contractor shall arrange medical evaluations when needed, reasonable, and/or requested in compliance with the California Labor Code and/or related regulations.

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g. Contractor shall make every attempt to utilize medical providers with contracts for negotiated rates to be paid less than the Official Medical Fee Schedule (OMFS) and/or recommended rates established by the Administrative Director for the Division of Workers' Compensation (Administrative Director).

h. Contractor shall make available to the workers' compensation claimants participation in an established and extensive Preferred Provider Organization (PPO) Network, which refers to organizations that have negotiated volume-based discounts with unaffiliated physicians and medical facilities, and the payment discounts offered by these organizations to capture savings below the medical services fees contained within the OMFS.

i. Contractor shall ensure that medical bills are reduced to at least the OMFS and/or recommended rates by the Administrative Director.

j. Contractor shall provide Bill Review Services for all invoices to:

(1) Accurately evaluate and reduce provider charges in compliance with the OMFS.

(2) Integrate PPO networks agreements for additional savings.

(3) Apply other review methods, such as direct negotiations when the OMFS or PPO is not applicable.

(4) Integrate Utilization Review determination into Bill Review, so payments are recommended for authorized medical savings only.

(5) Identify any duplicate bills at no additional charge to CDSS.

k. The use of a service contractor is acceptable for Bill Review Services. Fees associated with the Bill Review Services shall be on a per-bill basis. The Contractor shall attribute to PPO services, the incremental savings below the California Official Medical Fee Schedule rates for savings and fee calculation purposes.

l. Contractor shall have a Utilization Review (UR) process in place.

m. Contractor shall be responsible for evaluating situations that may require and/or benefit from referral to either an internal or affiliated UR activity. It is expected that experienced examiners shall make most first line UR decisions and defer to formal UR assessment when an appropriate medical expertise is

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needed or when required by statute or regulation. UR decisions made at the adjuster/examiner level must be appropriately documented per the Labor Code and associated regulations.

n. Contractor shall provide UR and/or professional managed care services, on an as-needed basis, to each claimant in compliance with UR approved guidelines. The use of a service contractor to provide this service is acceptable. Such fees shall be charged on an unlimited treatment request per referral to the claim file. All referrals to a service contractor for UR shall be maintained in the claim file.

o. Contractor shall work with the ORIM to develop UR standards and to establish guidelines to review treatment requests and to outline all review fees, including physician review and any automatic per file referral fees.

p. Contractor shall utilize a Nurse Case Manager, where appropriate, to identify needed medical services, to arrange for services, and to educate the claimant on the claimant's role in the recovery process. Contractor must obtain prior approval from the ORIM to utilize a Nurse Case Manager. The Nurse Case Managers are required to be Registered Nurses, with a minimum of three (3) years of experience in workers' compensation case management.

q. The fees and costs for Utilization Review, Medical Bill Review and Nurse Case Management Services shall be paid to the service provider as an allocated expense for the involved claim and shall not be included in the annual fee paid to the Contractor. The fees and costs shall be in accordance with Exhibit A – Attachment 3, the Managed Care Rate Fee Schedule, incorporated by reference.

11. Compensability

a. Contractor shall make a compensability determination (accept claim, deny claim or delay acceptance pending the results of additional investigation) within 14 calendar days from the date of knowledge of the loss. The reasons for such determination shall be made and clearly documented in the file.

b. Contractor shall place a 90 calendar day delay status for further investigation on any claim wherein compensability is not evident. Delay of benefit notices shall be mailed in accordance with the California Workers' Compensation laws and regulations, including but not limited to 8 CCR § 9810 and following.

c. In the event the claim is not received by the Contractor within 14 calendar days of the filing of the claim with the CCR, the Contractor shall make the

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initial compensability determination within seven (7) calendar days of receipt of the claim.

12. Investigations

    a. Contractor shall be required to conduct initial investigative activities.

    b. Contractor shall arrange for investigators when in the Contractor's judgment and with prior approval from ORIM, such action is necessary to:

        (1) Process questionable claims.

        (2) Assist in determining Arising Out of Employment/during the Course of Employment (AOE/COE).

        (3) Assist with claims with litigation or subrogation potential.

        (4) Assist in determining fraudulent claims.

    c. Contractor shall keep ORIM informed on the scope and results of all investigations.

    d. All such activities and related communications with ORIM shall be clearly documented in the claim file within one (1) business day.

13. Reserves

    Contractor shall maintain accurate reserves by:

    a. Establishing initial reserves within three (3) business days of claim receipt based on information obtained at the time of claim set up.

    b. Updating reserves based on the known facts of the claim and the estimated cost of each claim.

    c. Reviewing all reserve categories regularly, but no less than every 90 calendar days. This review shall be documented in the claim file within one (1) business day of the review.

    d. Adjusting reserves for changes in indemnity and medical benefits.

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e. Reviewing reserves at regular diary due date and at the time of any significant event. All reviews must be documented in the file.

f. Maintaining an initial and current reserve worksheet in the claim file, that is also available for on-line review by the ORIM, the State, DHCS, or the applicable county.

g. Providing an explanation for any reserve changes.

h. Notifying ORIM when a claim reserve reaches or exceeds $100,000.00 or the incurred amount exceeds $100,000.00. The notification shall include a current status of the claim, the plan of action and total incurred amounts by indemnity, Supplemental Job Displace Benefits, medical and expense categories. An update shall be provided to ORIM every 90 calendar days.

14. Payments

a. The State of California, State Controller's Office (SCO) issues all payments for benefits and allocated expenses through an electronic claim payment process.

b. Contractor and the State shall establish an individual payment threshold for submitting payment requests to the SCO without the State's prior approval.

c. Contractor shall request payments at least once every business day from the State and the SCO. The following provides the payment request process and the Contractor's responsibilities:

(1) To request payments, the Contractor shall create an Electronic Claim File that includes payment and claim information. The following link provides SCO's guidelines for creating the file http://www.sco.ca.gov/Files-AUD/reqts.pdf. **To ensure timely payments, the Contractor shall allow up to five (5) business days for issuance of a payment (warrant).**

(2) Contractor shall transmit the Electronic Claim File to SCO through a secure file transfer protocol (secure FTP). The file must be transmitted no later than 3:00 p.m. PST.

(3) Contractor shall email ORIM prior to 1:30 p.m. PST each business day.

(4) ORIM shall verify the payment information and email the STD 218, payment report, and send ORIM's approval letter to CDSS accounting at FSABWorkersComp@dss.ca.gov no later than 3:00 p.m. PST every

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business day.

(5) A courier arranged and paid for by the Contractor, shall collect the STD 218 from CDSS Accounting at 744 P Street, OB 9, 4th Floor, Room 9-0523, Sacramento at 9:30 a.m. PST the following morning and deliver it to SCO at the Warrant Distribution Unit 3301 C Street, Suite 700, Sacramento no later than 10:30 a.m. PST that same day.

(6) SCO Audits shall review the Electronic Data File and the STD 218. If approved, SCO Division of Disbursements shall issue and mail warrants directly to payees for claims included in the Electronic Data File.

(7) SCO generates a DEX file to put on the FTP site for the Contractor to retrieve payment data and update the contractor's database. The DEX file includes warrant numbers, issue dates, and net dollar amounts for the warrants issued, in addition to the data contained in the Electronic Data File.

(8) Contractor shall contact the SCO Program Project Representative for any inconsistencies in the DEX and the Electronic Data File within 24 hours.

(9) Contractor shall process emergency payments, replacement warrants, arrears payments, overpayments, stop payments, voided warrants, stale date warrants, or supplemental payments, as needed. These shall be processed continuously and included in the daily Electronic Data File provided to the SCO.

(10) Contractor shall ensure that payments are made within a timeframe that shall allow the SCO to issue payments on a timely basis.

(11) Contractor shall provide to the State and the SCO the required fraud language in English and in Spanish to be mailed with the warrants.

15. Provision of Benefits

Contractor shall:

a. Make its requests for payments by the SCO for compensation and medical benefits promptly and in compliance with the statutory requirements of the California Labor Code and the California Code of Regulations.

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b. Compute and request payment of temporary disability benefits to claimants based upon earnings information and authorized disability periods.

c. Review, compute, and request payment of all informal ratings, death benefits, findings and awards, life pensions, or compromise and release settlements. All payment of such benefits shall be issued by the SCO.

16. Initial Indemnity Payment

a. Contractor shall request initial indemnity payments in a timely manner to ensure payments generated by SCO are issued within 14 calendar days of the knowledge of the first day of disability. Contractor shall provide a properly completed DWC benefit notice to the claimant and maintain a copy of the benefit notice in the claim file.

b. Late payments shall include the self-imposed increase in accordance with the Labor Code. Reasons for the late payment shall be clearly documented in the claim file within one (1) business day. When penalties occur, Contractor shall analyze the reasons for the delay and implement steps to prevent further delays. Contractor shall be responsible for fees or penalties associated with the late payments that are the result of Contractor's failure to timely and properly request payments.

17. Subsequent Indemnity Payments

a. Contractor shall verify and request issuance for all indemnity payments subsequent to the first payment on time to ensure payments generated by the SCO, except for obvious long-term disability, are issued within the time limits established by the Labor Code and the California Code of Regulations. Contractor shall provide the required benefit notices to the claimant regarding the subsequent benefits separately and maintain a copy of the benefit notices in the applicable claim file.

b. Late payments shall include the self-imposed increase in accordance with the Labor Code. Reasons for the late payment shall be clearly documented in the claim file within one (1) business day. When penalties occur, the Contractor shall analyze the reasons for the delay and implement steps to prevent further delays. The Contractor shall be responsible for fees or penalties associated with the late payments that are the result of the Contractor's failure to timely and properly request payments.

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18. Medical Payments

    a. Contractor shall review medical bills for accuracy, approve payment on the appropriate claim file, and request payments from the SCO to be issued within time limits established by the Labor Code and the California Code of Regulations.

    b. Contractor shall notify the medical provider in writing within thirty (30) business days of receipt of a bill, if a medical bill is contested, denied or incomplete.

    c. Contractor shall utilize a bill review process.

    d. Late payments must include the self-imposed increase and penalties in accordance with the Labor Code and the California Code of Regulations. Reasons for the late payment shall be clearly documented in the claim file within one (1) business day.

       Contractor shall be responsible for fees or penalties associated with the late payments for medical treatment that are the result of the Contractor's failure to timely and properly request payments.

19. Transportation/Self Procured Expenses

    a. Contractor shall review "Transportation/Self-Procured Expenses" for accuracy and request payment promptly to the SCO to ensure reimbursement expenses are issued within fifteen (15) business days of the receipt of claims for reimbursement.

    b. Contractor shall request Advance Travel Expense Payments promptly to the SCO to ensure payments are issued at least ten (10) calendar days prior to the anticipated date of travel.

20. Return-to-Work

    a. Contractor shall provide support and assistance to the CCR, if requested by the CCR, when the modified work is appropriate for the claimants while recovering and prior to their return to regular duties.

    b. Contractor shall consult with the CCR at least once a month where injury residuals might involve work restrictions and assist through the provision of

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modified duty when appropriate.

c. Contractor shall notify the CCR immediately upon receipt of a claimant's permanent work restrictions so that the CCR can determine the availability of permanent modified or alternative work. Notification shall clearly be documented in the claim file within one (1) business day.

21. Permanent Disability

a. Contractor shall determine the nature and extent of permanent disability and arrange for an informal disability rating whenever possible to avoid Workers' Compensation Appeals Board (WCAB) litigation. Determination of the level of permanent disability shall be clearly noted by the Contractor in the claim file within one (1) business day.

b. Contractor shall take advantage of any potential apportionment to prior claims, disabilities, and impairments.

c. Contractor shall send permanent disability benefit notices to the claimant as required by the Labor Code and the California Code of Regulations.

22. Supplemental Job Displacement Benefits (SJDB)

In accordance with all applicable California laws, the Contractor shall advise the claimant of the right to Supplemental Job Displacement Benefits (SJDB), provide appropriate SJDB, control SJDB costs, attempt to secure the prompt conclusion of SJDB, and provide notification to the CCR should work restrictions require permanent or modified alternative accommodations.

23. Plan of Action

a. Contractor shall develop, implement, and maintain a claim-specific plan of action that is separately labeled in the file notes. Each claim file shall clearly state the examiner's plan of action for the future handling of that claim, including the reasoning, strategy, and course of action.

b. The plan of action on new claims shall be established within ten (10) business days of initial claim set-up and shall be updated at least every:

(1) 90 calendar days for active indemnity claims.

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(2) 180 days for settled claims but are open for the claimant's future medical care.

c. The plan of action shall include, but not be limited to, accident history, current disability status, claimant's return-to-work status, medical status, type and duration of future medical care recommended by the applicable medical provider, litigation status, subrogation potential, detailed review of reserves, and future activity to move the claim towards resolution.

24. Claim File Review

a. All claim files shall be reviewed for the purpose of moving all claims to closure and to close out medical claims, when appropriate, by the claim examiner at least every 45 calendar days for active claims and at least every 180 calendar days for claims that have settled, but are open for the claimant's future medical care.

b. The examiner shall distinguish in the file the regular diary claim file review from routine file documentation in the claim file.

c. The examiner shall update the file on any current "activity" that has occurred since the last file review.

d. The examiner shall document all steps/actions taken in accordance to the plan of action previously entered.

25. Supervision

a. Contractor shall provide supervisory staff to regularly review the work product of the examiners. The supervisor shall review all new claims within the first thirty (30) calendar days of receipt from any source. The supervisor shall review at least ten percent (10%) of each examiner's caseload each month to ensure each examiner is following the performance standards outlined in this Agreement. Written verification of the ten percent (10%) requirement shall be provided to ORIM upon request. In addition, the supervisor shall conduct a regular quarterly review of all open indemnity claims with future reserves in excess of $100,000.00 and all problem or complex claims. Such reviews shall include directions, recommendations, and/or appropriate feedback and be labeled as "Supervisor Review" and be clearly documented in the claim file within one (1) business day.

b. The supervisor shall review all medical-only claims open beyond 90 calendar days from the date of claim entry by the Contractor for potential closure or

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conversion to indemnity claim status. Claims with $5,000.00 or more paid-to-date on any claim open beyond 180 calendar days from the date of claim entry shall be converted to indemnity status and shall have an appropriate precautionary indemnity reserve placed on the claim.

c. The supervisors shall monitor activity on indemnity files at intervals not to exceed one hundred twenty (120) calendar days. The supervisors shall review the future medical only claims at intervals not to exceed one hundred 180 calendar days.

d. The supervisor shall monitor the claim file reviews by printing a report each month to identify any files that may have fallen off the diary system of the Contractor.

26. Status Report Requests

a. For claims with reserves in excess of $100,000.00 or when a claim reaches or exceeds $100,000.00 in total incurred value, the Contractor shall report to ORIM every 90 calendar days regarding the status of the claim. Such reports shall include a current status of the claim, the examiner's plan, and total incurred amounts listed by Indemnity, SJDB, medical, and expense categories.

b. Contractor shall respond to verbal requests of ORIM for information regarding such claims within two (2) business days and clearly note the request and the response in the claim file within one (1) business day of each request and response.

27. Settlement Requests

a. Contractor shall obtain ORIM’s prior written authorization on all settlements over $25,000.00. All requests for settlement authority shall be clear and concise and include a written claim analysis, estimate of permanent disability, indemnity payments, cost of medical care, and, if applicable, the defense counsel's comments and recommendations, along with the dates of any pending litigation activity or conferences at the WCAB.

b. On all settlement authority requests exceeding $100,000.00, or other lower amounts when requested by ORIM, the Contractor or defense counsel, if applicable, shall provide to the ORIM a written analysis of each proposed settlement. The written analysis must include, but is not limited to, the

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following:

(1) Facts that reflect the State's liability.

(2) Estimated value of the case (best case scenario – worst case scenario).

(3) Settlement value presented by claimant or opposing counsel.

(4) Defense counsel's or Contractor's recommendation of how to proceed (trial vs. settlement) with justification for the recommendation.

(5) Brief review of medical evaluators/treating doctors' positions. Clearly identify whether the physician is the claimant's, defendant's, or treating physician.

(6) Sums paid to date by category for medical expenses of the claim, including rehabilitation.

(7) Center for Medicare Services (CMS) requirements for Medicare Set-Aside Arrangement (MSA), if applicable.

c. The above written analysis may be followed with requests for information, telephone conference calls, or meetings with ORIM, the State, Defense Counsel and the Contractor in order to obtain settlement authority.

d. Settlement considerations must include an evaluation of the need for a MSA and the benefits of a Structured Settlement.

28. Award Payment

a. Contractor shall request payments from the SCO on Awards, computations, commutations, or Compromise and Release agreements promptly to ensure payments are issued within the required time limits. Late payments must include the self-imposed increase and appropriate interest in accordance with the Labor Code. The Contractor shall be responsible for fees, increases, or penalties associated with the late payments for medical treatment that result from the Contractor's failure to timely and properly request payments.

b. Contractor shall document in the claim file the date of WCAB approval, the amount of the settlement, and the type and duration of future medical care recommended by the applicable medical provider. The Contractor shall also document the reason(s) for any late payment of the Award.

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29. Subrogation

a. Contractor shall promptly initiate an investigation of issues identified as material to potential subrogation recovery. In all cases where a third party is responsible for the injury to the claimant, the Contractor shall send a letter to the State requesting approval to pursue subrogation. If the claimant brings a civil action against the party responsible for the injury, the Contractor shall consult with ORIM about the value of the subrogation claim and other considerations.

b. When subrogation is to be pursued, Contractor shall contact the third party within ten (10) business days with notification of the State's right to subrogation and the recovery of certain claim expenses. If the third party is a public entity, a claim shall be filed with the public entity within six (6) months of the injury or notice of injury.

c. Contractor shall make periodic contact with the responsible third party and/or insurer to provide notification of the amount of the estimated recovery.

d. If the injured worker files a civil action against the party responsible for the injury, the Contractor shall consult with ORIM about the value of the subrogation claim and other considerations. Upon ORIM's authorization, subrogation counsel shall be assigned to file a Lien or a Complaint in Intervention in the civil action.

e. Whenever practical, the Contractor shall take advantage of any settlement in a civil action by attempting to settle the workers' compensation claim by means of a Third-Party Compromise and Release. If such attempt does not succeed, then every effort shall be made through the WCAB to offset claim expenses through a credit against the proceeds from a claimant's civil action.

f. Contractor shall be responsible for collecting subrogation recoveries from the appropriate third party on a quarterly basis for the benefit of the State. A copy of the request to the third party shall be forwarded to the ORIM until such time as the Contractor is instructed otherwise. Any subrogation recovery shall be made payable to the State as directed by ORIM. Any discrepancy in the recovery or reimbursement amount shall be clarified in the claim file at the time of each request for reimbursement. Settlement negotiations shall include the involvement of ORIM.

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30. Litigation

a. Contractor shall clearly document the notice of claimant's representation in the claim file and the claimant's allegations of injury.

b. Contractor shall promptly initiate an investigation of issues identified as material to potential litigation.

c. Contractor shall be required to manage, negotiate, and settle any litigated claims, when possible, without the aid of defense counsel.

d. Contractor shall make assignments to defense counsel. Litigation direction shall remain with the Experienced Claims Examiner. Contractor shall prepare clear and concise litigation referrals to defense counsel outlining the issues of the claim and duties that shall be handled by defense counsel, which shall not be clerical in nature. The defense counsel shall not be requested to do anything that could be accomplished by the Contractor, including administrative tasks, such as setting medical appointments, sending appointment letters and medical record requests. These tasks are to be completed by the Contractor.

e. Contractor shall monitor defense counsel's progress and must audit all bills before payment.

f. Defense counsel shall provide a written Plan to defend the litigated issues with an estimate of cost. The Plan shall include an initial analysis of the issues and facts. Timely periodic written updates shall also be provided to the Contractor.

g. Contractor shall request settlement authority from ORIM at least fifteen (15) days prior to any settlement conference, hearing, or trial for claims exceeding $25,000.00.

(2) Request for settlement shall be complete, with essential facts and recommendations provided to make an informed decision.

h. Contractor's manager, supervisor, or claims examiner shall attend WCAB hearings and meetings with defense counsel as necessary and as requested to do so.

i. All defense counsels retained by the Contractor to perform services for this Agreement shall be licensed to practice law in the State of California, be in

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good standing throughout the duration of the services, and possess at a minimum five (5) years of experience providing workers' compensation defense services.

j. The State and ORIM reserve the right to audit counsels' billings for litigated or settled claims during the agreement period and for three years (3) after the expiration of the services agreement or three (3) years after the settlement of the litigation associated with the billings, whichever occurs last. Should overpayments be identified by the State or ORIM, the Contractor shall reimburse the State within forty-five (45) calendar days of request for reimbursement.

31. Fraudulent Claims

a. Contractor shall refer any claim with suspected fraudulent activity to the Contractor's special investigation process for further investigation and potential referral to the appropriate authorities.

b. If the Contractor does not have an in-house special investigation process, the claim shall be referred to an outside investigator with ORIM's prior approval to conduct further investigation. ORIM shall be notified of the referral and be provided with periodic updates by the Contractor.

32. Overpayment

Contractor shall notify ORIM regarding any overpayment. Contractor shall be responsible for collecting any overpayment. In the event the Contractor fails to collect the overpayment, the Contractor shall reimburse the State for the amount of the overpayment. Contractor shall also notify the State via ORIM when the reimbursement is credited. Any settlement that considers credit for an overpayment against a "new and further" disability shall be reviewed and approved by the ORIM. The claim notes shall outline the reason and amount of the overpayment and the efforts taken to request reimbursement for the overpayment.

33. Assessment of Administrative Penalties Payment

a. Contractor shall reimburse the State for any penalties assessed to the State which is found to be the result of the Contractor's lack of proper handling, including late payments and costs incurred due to late/improper notifications. All benefits must include the self-imposed penalty/increase in accordance with California law. The reason and the amount for the penalties/increases

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shall be clearly documented and supported in the claim file.

b. If the Contractor fails to comply with statutory laws and administrative regulations, any and all penalties incurred as a result shall be the sole responsibility of the Contractor.

34. Claim Reconciliation

All claim files must be reconciled to ensure all medical, indemnity, and expense payments have been made correctly. The reconciliation should verify that payments were issued to the correct provider, in the correct amount, and from the correct claim file. All open claims must be reconciled as follows: (1) any time there is a change from one benefit to another (e.g., from temporary disability to permanent disability); (2) when ten (10) indemnity warrants have been issued; or (3) at least annually. Proof of the reconciliation shall be documented in the claim file.

35. Future Medical Claims

a. Contractor shall review medical-only claims open beyond 90 calendar days from the date received by the Contractor for potential closure or conversion to indemnity claim status.

b. Contractor shall evaluate stipulated claims with future medical provisions semi-annually to adjust reserves and to determine potential for settlement of future medical benefits and any remaining benefits due. The reason(s) and calculation(s) for the recommended settlement amount shall be clearly documented in the claim file.

c. Contractor shall clearly document in the claim file the outcome of the settlement negotiations. Should active litigation develop after the future medical claim has been settled, the claim shall be considered active and shall no longer be considered a future medical claim. All appropriate performance standards contained in this Agreement pertaining to active claims shall apply.

36. Case Closure

a. Contractor shall close all cases where permanent disability is not an issue, within thirty (30) calendar days of the final financial transaction or final correspondence to the claimant as required by law.

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b. All indemnity claims with awards for future medical benefits shall remain open for two (2) years from the last payment of benefit and then closed within thirty (30) calendar days of that date in accordance with Title 8, CCR section 15400.2 and Title 8, CCR section 9812(g)(3).

C. SPECIAL PROVISIONS

1. Transition and Implementation Services

a. Contractor shall be prepared and ready to commence the annual management and administration of Workers' Compensation Claims on or before November 1, 2027.

b. Contractor shall undertake and complete the services included in the Proposer's Transition and Implementation Plan (Plan), Exhibit A – Attachment 2, within 30 (thirty) calendar days of approval of this Agreement by the DGS Office of Legal Services (OLS).

c. Contractor shall provide the following transition and implementation services included in the Plan:

(1) The completion of data transfer and conversion from the current TPA's existing system for the open and closed workers' compensation claims data to the Contractor's System.

(2) Testing and validating converted data of the current TPA for use in the Contractor's system to verify that the data is stable, reliable, and usable by the Contractor.

(3) Completion of the testing and validation of the converted data.

(4) The data interface and integration of the Contractor's system shall be operational to accept claimants' demographic information.

(5) The online claims management system of the Contractor shall be available to the State, ORIM, DHCS, and the authorized CCRs.

(6) Contractor's transmission and receipt of the electronic data for the issuance of all claims-related payments made by the SCO shall exist in the required format described in the "Payments" provision of this Scope of Work. This shall involve meeting with SCO and the State to establish an implementation plan to include, but not be limited to:

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(a) Testing and validating transmitted data with SCO.

(b) Establishing procedures, processes, and standards with ORIM, the State, and SCO that meet the State's accounting and fiscal requirements.

(c) Contractor shall submit the final written implementation plan for the SCO system to the State and the SCO for their approval.

d. On or before November 1, 2027

(1) Contractor shall have in place, staff comprised of qualified and experienced personnel to administer workers' compensation claims in accordance with the requirements of the SOW.

(2) Contractor shall have in place a claims manual for the Contractor's staff, detailing the requirements for the Contractor's administration of the workers' compensation services to the State in accordance with the requirements of this SOW.

(3) After November 1, 2027, Contractor shall provide training to all County Contact Representatives regarding Claims reporting procedures and responsibilities. Training is to include instructions to report claims "On-Line" via a web-based reporting module.

(4) Contractor shall prepare proper notifications and letters of introduction to the claimants and their representatives, service providers and all other interested parties for open claims of the current TPA and for new claims.

(5) Contractor shall provide the prepared notifications and letters of introduction to the claimants and their representatives, service providers and all other interested parties for open claims of the prior TPA and for new claims.

(6) Contractor shall have in place, at a minimum three (3) fully staffed, furnished, claims offices in California to administer the workers' compensation claims administration services statewide.

(7) Contractor shall arrange and provide secure storage of the closed workers' compensation claim files.

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2. Financial Administration

   a. Contractor shall maintain a record of all indemnity, medical and allocated loss expense payments. Payment authorization limits and payment policies shall be established by the ORIM and reviewed from time to time with the Contractor.

   b. Contractor shall maintain complete and accurate records with respect to costs, expenses, receipts, and other such information required by the ORIM that relate to the performance of services under this Agreement. Contractor shall maintain adequate records of services provided in sufficient detail to permit an evaluation of services. All such records shall be maintained in accordance with generally accepted accounting principles and shall be clearly identified and readily accessible.

   c. Contractor shall timely prepare and forward the required Federal Form 1099 filing and distribute 1099 Forms to all applicable payees pertaining to claims administered by the Contractor as required by the Internal Revenue Service. This includes the applicable payees, who are paid by the SCO pursuant to the request for payments (warrants) made by the Contractor. The Contractor shall be responsible for any late fees incurred due to late processing of the Federal 1099 Forms. All fees associated with the preparation and distribution of the Federal 1099 forms shall be included within the contract price.

3. Allocated Loss Expenses

   The term “Allocated Loss Expense” shall mean all Workers’ Compensation Appeals Board or court costs, fees and expenses; fees for service of process; fees to attorneys and paralegals; the cost of investigators; the cost employing independent experts; medical cost containment program costs as defined in Title 8, CCR section 15300; the cost for record copying services; the cost of depositions and court reporter fees and any similar cost or expenses properly chargeable to the defense of a particular claim or to protect the subrogation rights of the State. Generally, the above services are typically not performed by the Contractor responsible for the administration of the claim file. An Allocated Loss Expense is not included in the fee paid to the Contractor.

4. Right to Audit

   a. ORIM and/or its designated representative, as well as the State is authorized to visit the Contractor’s processing and/or storage premises for the purpose of performing a claims audit, and shall have access to all data, including paper

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documents, and stored data which relate to payments or non-payments made by the Contractor. Any assistance or services provided in response to a claims audit described above shall be rendered at no additional cost to the State.

b. Within sixty (60) calendar days of the conclusion of the audit, ORIM shall deliver to the Contractor the formal written audit report. Contractor shall have sixty (60) calendar days to respond to the audit and provide a corrective action plan if any deficiencies are found and agreed upon.

c. The State shall be provided by ORIM a report of audit findings, along with any corrective action plans, within ten (10) business days of receipt of Contractor's response. The State may contact the ORIM or the Contractor for additional information. If contacted by the State, the Contractor agrees to provide additional information upon request of the State.

5. Payments to Ineligible Claimants

a. The State shall not be responsible for benefits provided to a claimant who was ineligible to receive the workers' compensation benefits under this Agreement. Benefits or payments made on behalf of an ineligible claimant shall be the responsibility of the Contractor. Contractor is responsible for recovering from the claimant and reimbursing the State for all benefits or payments made to or on behalf of an ineligible claimant.

b. Contractor shall, upon discovery of an ineligible payment(s), immediately notify the Program and ORIM of all benefits or payments made to or on behalf of an ineligible claimant.

c. The Program of the State, in lieu of waiting for the recovery by the Contractor, may, at its election with thirty (30) calendar day written notice to the Contractor offset the amount due the Contractor as compensation for services by the amount of the benefits or payments made to or on behalf of an ineligible claimant.

d. The thirty (30) day written notice to the Contractor shall provide the facts of the claimant's ineligibility for workers' compensation benefits and detail the benefits or payments made to or on behalf of the claimant.

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6. Reports

a. Contractor shall provide scheduled reports each month, each quarter and upon request to be sent electronically through an encrypted or secure zip file, or through the use of a secure and encrypted diskette, or in a written format, provided that the method of delivery protects the security and confidentiality of the personal and medical information contained in the writing. During the initial implementation of the Agreement, the Contractor and the ORIM shall prepare a list of required reports and records with time deadlines. These reports shall include, but are not limited to:

- Detailed listing of open claims and closed claims
- Summaries of all open and closed claims
- Claims Cost Detail
- Claims Cost Summary by Year
- Claims by Location
- Claims trending
- Subrogation Recovery
- Vendor Payment Detail
- Vendor Payment Summary
- SIU Fraud Report
- Bill Review Summary
- Bill Review Detail
- UR Summary
- UR Detail
- Nurse Case Management
- Pharmacy Benefit Management
- Penalty Reports, including Self-Imposed Penalties
- Closing Percentages
- Bill Review Percentage of Saving
- Utilization Review Percentage of Savings
- Loss causation
- Injury type
- Body Parts
- Ad hoc customized reports that may include, but not be limited to, litigation reports, settlement reports and/or use of medical clinics.
- Statistical and narrative reports on outstanding issues to be addressed at quarterly meetings
- Examiner Caseload

b. Contractor shall provide other special reports required by ORIM, including, but not limited to, loss trend reports, claim abstract reports, reports required

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by actuaries, etc. If new programming is required to provide such reports, the Contractor shall pay at its own expense for new or special programming costs.

c. Contractor shall make corrections to the loss runs within thirty (30) calendar days of a request for correction by ORIM.

d. Other than standard monthly loss runs, computer-generated loss data reports requested by ORIM shall be provided within five (5) business days.

7. Risk Management Information System

a. Contractor's system must have the ability to import all workers' compensation claims and payment data from the existing system into the Contractor's system.

b. Contractor shall utilize a paperless system.

c. Contractor's system must have the ability for CCR to report work-related injuries and illnesses through an "online' web-based reporting module.

d. Contractor's system must have the ability to provide the State, ORIM, DHCS, and the CCRs, through the use of their state or county computers, with read-only access to all portions of their claims in the Contractor's system.

e. Contractor's system shall have the ability to export data to and import data from the SCO.

8. Forms and Notices

a. Contractor shall provide all forms necessary for the processing of benefits or claims information, including the Employer's Report of Occupational Injury or Illness, Employee Claim Form (DWC Form 1), and other related forms. These forms shall be provided at no additional cost to the State.

b. Contractor shall provide all required notices to each claimant with the information and language(s) meeting the standards set forth in the regulations for the provision of notices.

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9. Claims Manual

   a. Contractor shall prepare and maintain a written Claims Manual specific to the needs and requirements of the workers compensations' claims administration services provided by the Contractor for this Agreement. The manual shall provide performance expectations and standards for the Contractor's staff assigned to the Program. A copy of the manual shall be provided to ORIM and the State upon its completion.

   b. A template for each required notice shall be kept current and placed in the Contractor's Claims Manual.

10. Claims Management Program

   a. Training

      (1) Contractor shall provide a maximum of eight (8) special on-site training services annually or when requested by the State in various counties throughout California to the CCRs regarding the Program and reporting procedures. Unless otherwise designated by ORIM, the anticipated training locations shall include the following:

         - Alameda
         - Fresno
         - Los Angeles
         - Redding
         - Sacramento
         - San Bernardino
         - San Diego
         - Ventura

      (1) Contractor shall be responsible for the cost of training locations, coordinating attendance, verifying attendance, and supplying training materials.

      (2) The cost of training and the associated travel costs of providing the training are included in the annual fees for claim administration, in accordance with the price quote provided by the Contractor on the Cost Proposal Sheet, Attachment 6 to the Cost Proposal. No additional fees or costs shall be paid for the required training and related travel costs.

   b. Quarterly Program Review

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Contractor and the State shall meet on a quarterly basis at the Department of Social Services' building in Sacramento. At these meetings the Contractor shall provide:

(a) Recommendations to reduce costs and improve the efficiency and effectiveness of the workers' compensation services of this Agreement for the benefit of the State.

(b) Written updates regarding current statutes, proposed changes to statutes, new or recent court cases, and changes to the rules and regulations that affect the services delivered by the Contractor for the benefit of the State.

(c) Written information regarding trends in the applicable Program affecting the number of claims, liability, or costs of medical care or benefit payments.

(d) An overview of activities, on-going issues, challenges, and accomplishments of the workers' compensation services of this Agreement for the applicable Program.

11. Qualification of Personnel

a. Contractor shall assign only competent personnel according to the reasonable and customary standards of training and experience in the relevant field to perform services pursuant to this Agreement. Failure to assign such competent personnel shall constitute grounds for termination of this Agreement. The examiners and claims assistants shall be dedicated to the exclusive handling of the State's claims. Contractor shall be allowed to use non-dedicated or part-time, experienced examiners when caseloads exceed the number specified in the caseloads outlined in Section C, Item 1, in the Scope of Work.

b. Contractor shall conduct a thorough background investigation of the Contractor's staff as a condition for undertaking the services of this Agreement. The cost of the background check is the responsibility of the Contractor.

c. Contractor shall assign only claims professionals who possess a current certificate to administer workers' compensation claims in the State of California. The Contractor shall annually certify to the ORIM that each examiner is in compliance with all legal and regulatory licensing and continuing educational requirements at present or in the future as shall be

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promulgated and required by the State of California.

d. It is understood that the State has the right to require examiners to be removed from performing services under this Agreement based on unsatisfactory performance. The notice of unsatisfactory performance and request for removal may be provided by ORIM.

e. Contractor shall require an examiner to be available and to readily respond to a CCR's request for assistance with the issues of a claim, whether ongoing or of a limited nature.

f. Contractor shall require its examiners or other of the Contractor's personnel, as necessary, to attend meetings to report on the general state of the workers' compensation services for the applicable Program and on any particular cases of interest.

g. Contractor shall assign claims supervisors with a minimum of four (4) years of workers' compensation claims technical experience and at least two (2) years of workers' compensation claims supervisory experience in the State of California. Each supervisor shall be responsible for the following:

(1) Provide claims management oversight, training, and supervision to assigned staff, including Claims Examiners and Medical Only Examiners.

(1) Ensure performance expectations for the proper and timely claims administration set forth in this Agreement.

(2) Identify and resolve performance issues and inefficiencies in the claims administration process.

(3) Serve as a point of contact for ORIM for escalated issues involving individual claims, investigations, or claims administration processes and procedures.

h. Contractor shall assign Experienced Claims Examiners to manage indemnity and litigated claims. The claims examiner shall have a minimum of three (3) years of experience examining California workers' compensation claims. The claims examiner shall be assigned the following:

(1) Complex or technically difficult claims requiring fact gathering and investigation; a determination of exposure or compensability associated with the claim; and a well-developed action plan for timely and appropriate resolution.

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(1) The coordination of vendor referrals for additional investigation and/or litigation management, with continued oversight of such services.

(2) Referrals to vendors for allowable cost containment.

(3) The management of claim recoveries, including subrogation.

(4) Responsibility for maintaining appropriate reserves over the life of a claim.

(5) Responsibility for maintaining a professional and/or supportive relationship with the claimant to expedite the rendering of services and the closing of the claim.

(6) Ensuring the provision of the required notices within the statutory requirements.

(7) Responsibility for appropriately and timely documenting the claim file.

i. Contractor shall assign claims examiners with a minimum of two (2) years of experience examining California workers' compensation claims to handle medical only claims.

j. Contractor shall ensure that other personnel, such as management, clerical, accounting and data processing, which may be required to satisfactorily provide the services required by this Agreement, shall be provided by the Contractor within the agreed fee contained in the Contractor's Response to the Request for Proposal and this Agreement. It is understood that the personnel referred to in this paragraph need not be dedicated to the exclusive use of the workers' compensation services for the applicable Program. The Medical Only Examiner shall have the following responsibilities:

(1) Documenting and securely storing received medical reports.

(1) Contact with the CCR to confirm no lost time.

(2) Reviewing medical reports for consistency and accuracy with the employer's report, including correct body part or occupational illness for treatment.

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(3) Reviewing claims every thirty (30) to forty-five (45) calendar days to ensure claim is progressing.

(4) Authorize medical treatment, medications, physical therapy and medications as needed.

12. Record Retention

Contractor shall maintain all claim files and associated data for ten (10) years from the date the claim is closed. ORIM shall be notified in writing at least thirty (30) calendar days prior to any destruction of files to determine if it wishes to retain the claim files at its expense.

13. Confidentiality of Information

a. Contractor shall properly secure and maintain the highest level of privacy and confidentiality of any and all claim information to which the Contractor is privy under this Agreement, unless and until the Contractor obtains the express written consent from the State to release such information. All claim information or any related information shall be considered to be confidential and shall be protected as such. This applies to any and all claims data in any form (oral, hard copy or electronic) that the Contractor comes in contact with in the course of executing this Agreement, including, but not limited to, the State's workers' compensation claims, health and fiscal data or any other personally identifiable data that should be reasonably understood to be confidential and not generally known or subject to public disclosure, or otherwise exempt from public disclosure under the law. Public disclosure shall mean disclosure to anyone (including County departments and employees not designated to the Contractor by the Program as being authorized to assist in administering claims activities within a given County) outside of the State and its authorized personnel and/or designee(s). The only exception to this requirement relates to any information that the Contractor is required by statute and/or regulation to provide to other third parties, including the State of California. Contractor shall notify the State in writing at least ten (10) calendar days prior to the anticipated release.

b. Contractor agrees to comply with the CDSS Confidentiality and Security Requirements for Vendor in Exhibit E – Attachment 1.

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c. Contractor also agrees to comply with the following security measures:

(1) Any paper records which contain personal information as defined by Ca. Civ. Code 1798.3 may only be sent by the Contractor to CDSS (or its agents), State, or the Counties through the use of a process of delivery that requires the addressee/recipient to sign for receipt.

(1) Contractor agrees to update its procedures and processes for confidentiality, security, and privacy with changes in technology or law.

d. Once a year, Contractor shall conduct an internal assessment of its data handling security processes and provide a report to the ORIM with any recommendations or corrective action plans.

14. Records, Files, Transcripts, Tapes, Etc.

a. All records, files, transcripts, computer tapes and any other material on workers' compensation adjusting activities developed in the course of the services by the Contractor under this Agreement are the property of the State and must be maintained in good order and condition and relinquished to the State in good order and condition, upon termination of this Agreement without additional cost to the State.

b. These records are subject to the State Records Management Act commencing at Government Code section 14740 and may not be removed or deleted or otherwise destroyed during the term or subsequent renewal of this Agreement, except as specifically authorized in Section 12 above.

c. All records of fiscal, legal, or administrative value generated, created or received by the Contractor under this Agreement shall be securely retained by the Contractor.

d. Contractor shall instruct its personnel providing services under this Agreement that the deletion or destruction of a governmental record is not permitted, except as specifically authorized in Section 12 above, and may subject the performer of such an act to criminal or civil penalties.

e. Most, if not all, information contained within the files of a claim's adjuster should not be subject to a Public Records Act (PRA) request. However, in the event that the Program receives a request under the Public Records Act for information that may be subject to disclosure, the Contractor agrees to assist the Program in collecting or evaluating the information for a response to the

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PRA request.

f. Contractor shall bear the cost of any security incident or breach of security including, but not limited to, investigation of the incident or breach, the notification of the breach to the affected individuals as required by law, and the cost of credit monitoring for a period of two (2) years from the date of the discovery of the security incident or breach in the event that the breach of security resulted in the release or disclosure of the affected individuals' Social Security Number, financial account information or medical identification number.

15. Protection of Data

It is the Contractor's responsibility to develop and implement processes and procedures relating to the protection of the State's electronic data, including a suitable security and back-up system for all stored data and a written policy with respect to disaster recovery, physical and electronic data security, and electronic data retention. The processes and procedures for the protection of the electronic data must be equal to or exceed the requirements of the State Administrative Manual commencing at Chapter 5300 – Information Security (Office of Information Security).

16. Termination Assistance Services

Contractor shall provide the State with the following services (i) upon Notice to the Contractor that the Agreement shall be terminated, or (ii) if the State notifies the Contractor to commence such services, since the State does not intend to extend the Agreement past the current Term at no cost to State:

a. Provide to the ORIM or its designee copies of the completed and partially completed Work, including, without limitation, indexing and defining location and form (electronic, paper copy, etc.) of such Work.

b. Review completed and partially completed Work with the ORIM or its designee. Including, without limitation, identifying the extent of completion of the partially completed Work, estimating requirements to complete the Work, and identifying the contingencies or dependencies of the Work on other currently ongoing or completed Work.

c. Review with ORIM or its designee the status of the risks, issues, and corresponding action plans for transferring existing Work, including but not

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limited to open and/or litigated claims.

d. Develop with the assistance of the ORIM, or its designee, a plan for the transition of the Work-in-progress to the State, or its designee, including, without limitation, a recommended sequence for review and establishment of a series of briefings to accomplish knowledge transfer.

e. Provide information and assistance as the ORIM, or its designee, may reasonably request relating to the function of the Key Personnel employed or contracted by the Contractor to perform the Work under this Agreement.

f. Conduct meetings with the ORIM or its designee to discuss status and Work-in-progress/to-dos.

g. Provide bi-weekly status reports during transition period – task-oriented status reports including, without limitation: week back and week forward status of tasks and other commitments, resolved and unresolved issues and risks, and resources availability.

h. Provide data and loss reports and assist in any necessary reconciliation of data after transition of the program.

17. Translation Services

Contractor is responsible for the provision of translation services for each claimant, as required by the Labor Code.

18. Standard Insurance Requirements of the State of California

Contractor shall also comply with Exhibit E, Additional Provisions, Insurance Requirements.

D. CDSS Responsibilities

The State shall:

1. Use a formal notification process to notify the CCRs of the Contractor's name, address, and other contact information upon the approval of this Agreement by DGS/OLS.

2. Enter into an agreement with ORIM for the oversight and management of the services of the Contractor for this Agreement.

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3. Respond timely to requests for information from the Contractor or ORIM regarding the Program and policies associated with the Program.

4. Respond to ORIM's provision of the Contractor's request for settlement authority to settle a claimant's claim within ten (10) calendar days of the receipt of a written request, which is complete with the necessary information to make an informed decision. The State shall make a good faith effort to obtain a decision from DHCS within ten (10) calendar days. Missing or incomplete information associated with the settlement request may result in a delayed decision by the State or a request for additional information.

5. Meet quarterly with Contractor and ORIM to review reports regarding the delivery of the services, including but not limited to financial trends, ongoing cost containment measures of the Contractor, additional requirements in law for the provision of services, and recommendations of the Contractor or ORIM for improvements or changes in the processes used to coordinate the delivery of services.

6. Create amendments to this Agreement and timely provide a copy of each draft amendment to ORIM and the Contractor for review and comment. The State may solicit input from ORIM or the Contractor for the creation of any amendments.

7. As time permits, attend trainings of the Contractor.

8. As time permits, request topics for inclusion in the Contractor trainings.

9. Provide directions to ORIM for the oversight of the delivery of the services of the Contractor, as necessary.

10. All printing shall be sent to the California Department of General Services, Office of State Publishing (OSP). It is the responsibility of the CDSS Project Representative to obtain an exemption from OSP to competitively bid out any and all printing listed within this contract. The printing exemption process is managed by the CDSS Forms Management Unit.

E. Project Representatives

The Project Representatives during the term of this Agreement shall be:

CDSS	**Contractor**
TBD	TBD

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Phone:	Phone:
Email:	Email:

A Party to this Agreement may change its Project Representative's information by providing written notice to the other Parties within five (5) business days of the change. Said change shall not require an amendment to this Agreement.

Definitions for the CalFresh Program

The terms defined below and elsewhere throughout the Contract Documents shall apply to the Agreement.

"Administrative Director" refers to the Director of the Department of Industrial Relations, which includes the Division of Workers' Compensation (DWC), of the State of California.

"Agreement" – see the definition of Contract.

"Allocated Loss Expense" refers to the cost or expense incurred as part of a loss on a Claim file, which may include, but is not limited to the following: Workers' Compensation Appeals Board (WCAB) or court costs, fees, and expenses, fees for service of process; fees to attorneys; fees of independent adjusters or attorneys for investigations or adjustments of claims for AOE/COE investigations not performed by the personnel of the Contractor; the cost of employing experts for the purpose of preparing maps, photographs, diagrams, chemical or physical questions; medical cost containment as identified in the California Code of Regulations, Title 8, Division 1, Chapter 8, Subchapter 2, Article 6 and Section 15300 (b)(1); costs of copies of transcripts of witness testimony, coroners' inquests or private records; the cost of depositions and a court reporter or recorded statements; and any similar costs or expenses properly chargeable to the defense of a particular claim or to the protection of the subrogation rights of the California Department of Social Services (the State). Allocated Loss Expenses do not include fees payable by the State to the Contractor or penalties payable by the Contractor.

"Amendment" means a written document issued by the State, the Department of General Services, the Office of Risk and Insurance Management (ORIM) and signed by the Contractor, DGS/ORIM and the State which alters the Contract Documents and identifies the following: (i) a change in the Work; (ii) a change in Contract Amount; (iii) a change in time allotted for performance; or (iv) a change in the terms.

"Appeals Board" refers to the Workers' Compensation Appeals Board (WCAB) of the DWC.

"AOC/COE" is the acronym for Arising Out of Employment/ in the Course of Employment.

"AOE/COE Investigation" refers to an investigation of the facts surrounding an alleged injury suffered by a workers' compensation claimant to determine whether the injury was sustained in the course of providing the required services. It also includes determining whether the alleged injury was sustained as the result of a third party's actions or in course of conducting the claimant's personal errands, tasks or affairs.

Definitions for the CalFresh Program

"AOC/COE Referral" refers to the Contractor's referral to an independent investigator to conduct an AOC/COE investigation.

"Approval of an AOC/COE Investigation" refers to the process by which the Contractor notifies ORIM that an Arising Out of Employment, in the Course of Employment (AOE/COE) investigation by the Contractor is necessary and ORIM pre-approves in writing the AOC/COE investigation by the Contractor. Any AOC/COE investigation conducted by Contractor without ORIM pre-approval shall be at the Contractor's sole expense.

"Benefit Notices" refers to written communications with claimants in compliance with Labor Code and Title 8 of the California Code of Regulations.

"CalFresh E&T Program" refers to the California employment and training program provided to certain recipients of benefits provided through the federal Supplemental Nutrition Assistance Program, known as CalFresh in the State of California.

"Caseload" refers to the number of open or current claims for compensation assigned to claims adjusters, medical claims examiners, or supervisors under this Agreement.

"Claim" refers to a demand for medical care or compensation for temporary or permanent disabilities in accordance with the Labor Code for a work-related injury or occupational illness.

"Claimant" means a claimant who files a Claim for Workers' Compensation pursuant to his or her required participation in the E & T Program. In the event that the claimant is deceased as a result of the injury, claimant also includes dependents.

"Claims Adjuster" refers to one who possesses sufficient training or experience as determined by the Department of Insurance to lawfully adjust injury or medical claims. "Claims adjuster" means a person who, on behalf of an insurer, including an employee or agent of an entity that is not an insurer, is responsible for determining the validity of a workers' compensation claim. The claims adjuster may also establish a case reserve, approve and process all workers' compensation benefits, may hire investigators, attorneys or other professionals and may negotiate settlements of claims.

"Claims Adjusting" or **"Claims Administration"** means the processing of claims, including new or existing claims, which includes, but is not limited to: verifying a claimant's eligibility; monitoring examiners, attorneys and medical service providers; negotiating settlements; record-keeping; preparing reports; and monitoring delivery of services to ensure that they comply with the Scope of Work, Exhibit A.

"Claims Administration Compensation" refers to the compensation as set forth in Exhibit B,

Definitions for the CalFresh Program

Budget Detail and Payment Provisions, that the State shall pay the Contractor for providing claims services as specified in the Scope of Work. Compensation for services does not include the Allocated Loss Expenses or the indemnity claims of claimants.

"Claims Examiner" refers to a Claims Adjuster.

"Closed Claim File" means (i) Claim files closed by settlement which precludes their reopening, (ii) administratively closed files which may be subject to reopening for the life of the Claimant, or (iii) files closed by settlement which could later be reopened.

"Confidential Information" means trade secrets, financial, statistical, personnel, technical and other data and information relating to the State's or ORIM's business or the business of their personnel or constituents and including any communications between the Contractor and the State or ORIM, their personnel or constituents. Confidential information also means an individual's status as an applicant or participant in a public assistance program pursuant to Welfare & Institutions Code Section 10850. Confidential information shall include medical information as defined by the California Civil Code Section 56.05 (f). Confidential information does not include (i) information that is already known by the receiving party, free of obligation of confidentiality to the disclosing party; (ii) information that becomes generally available to the public, other than as a result of disclosure by the receiving party in breach of this Agreement; (iii) information that is independently developed by the receiving party without reference to the Confidential Information; and (iv) information that the receiving party rightfully obtains from a Third Party free of the obligation of confidentiality to the disclosing party.

"Contract" or **"Contract Documents"** constitute the entire integrated agreement between the ORIM, the State and the Contractor, as attached to and incorporated into a fully executed State Standard Agreement. The terms "Contract" or "Contract Documents" may be used interchangeably with the term "Agreement."

"Contract Amount" means the total amount encumbered under this Agreement. The Contract Amount does not include payments for Claims, such as medical or indemnity, or the Allocated Loss Expenses.

"Contractor" refers to the (TBD)-Name of Contractor.

"County Contact Representative (CCR)" refers to the point of contact in the county to facilitate information or documentation to the Contractor for administering the workers' compensation claim in that county; this contact also participates in the return to work process of the claimant. The County Contact Representative may be the employer, worksite supervisor, or a county representative.

"Coverage" refers to the provision of workers' compensation services and benefits to claimants

Definitions for the CalFresh Program

who suffered an occupational illness or injury in the provision of services for which the State is required to provide coverage pursuant to state or federal law.

"Day" means calendar day, unless otherwise specified.

"DWC-1 Form" refers to the Division of the Workers' Compensation Claim Form & Notice of Potential Eligibility.

"Examiner" refers to a Claims Examiner.

"Existing Claim" refers to any open or closed Incident, Indemnity, or Medical Claim of a claimant for which Claims Administration services are required.

"Experienced Claims Examiner" refers to a person who has had at least five (5) years within the past eight (8) years of on-the-job experience adjusting California workers' compensation claims or supervising claims adjusters handling California workers' compensation claims and is designated as an experienced claims adjuster by an insurer. A person who has successfully completed the written examination specified by Title 8, Section 15452 of the California Code of Regulations is also considered an experienced claims adjuster, provided that he or she has either (1) worked as a workers' compensation claims adjuster or supervised workers' compensation claims adjusters continuously since passing the examination and is designated as an experienced claims adjuster by an insurer or (2) passed the examination within the previous five (5) years and is designated as an experienced claims adjuster by an insurer.

"First Aid" refers to First Aid as defined in Labor Code Section 5401(a).

"Future Liability or Liabilities" refers to the estimate of future liability of the indemnity component and a medical component of each claim and the outstanding or reasonably anticipated Allocated Loss Expense of each claim. The indemnity component shall include the estimated future cost of all temporary disability, permanent disability, death benefits including burial costs, supplemental job displacement benefit voucher and vocational rehabilitation costs.

"Indemnity" refers to a Workers' Compensation Claim as defined in Labor Code section 4652.

"Indemnity Claim" refers to a work injury which may result in any of the following benefits:

(i) Lost time
(ii) Temporary Disability;
(iii) Permanent Disability;
(iv) Death Benefits;

Definitions for the CalFresh Program

(v) Vocational Rehabilitation; or
(vi) Supplemental Job Displacement Benefit Voucher

“Injury” refers to any injury or occupational disease arising out of an individual’s required participation in an unpaid training assignment, on the job training, or work experience administered in the County.

An injury may be either: (a) “specific,” occurring as the result of one incident or exposure which causes disability or need for medical treatment; or (b) “cumulative,” occurring as repetitive mentally or physically traumatic activities extending over a period of time, the combined effect of which causes any disability or need for medical treatment. The date of a cumulative injury shall be the date determined under the Labor Code section 5412.

"Interpretation Services" refers to the services required to be provided or subject to reimbursement pursuant to the Labor Code, including but not limited to sections 4600, subds. (f) and (g), and 5811, subd. (b) (2).

“Labor Code” refers to the California Labor Code.

“Litigation Referrals” refers to written referrals by an experienced claims examiner to a defense counsel where the services of the defense counsel shall be substantive, and not of a clerical nature. All litigation referrals are concise and clearly state the issues of the claim and the duties requested to be undertaken by defense counsel.

“Lost Time” refers to absence from work for a full day or shift beyond the date of the injury or illness, per 8 CCR §14001, subd. a. **“Medical Bill Review”** refers to the Contractor’s Medical Management Service pertaining to the review of medical and pharmacy bills for the proper application of the State of California’s official Workers’ Compensation medical fee schedule in effect during the term(s) of the Contract.

“Medical Claim” refers to that portion of a Workers’ Compensation Claim involving medical treatment, but does not include an Indemnity or Lost Time Claim.

“Medical Claims Examiner” refers to an examiner who only reviews medical only or future medical claims and who meets the Department of Insurance qualification requirements to review medical claims.

“Medical Only Claim” A work-injury case which does not result in compensable lost time but results in medical treatment beyond first aid.

“Medical Payments” includes payments for allowable medical treatment and for medical examinations pursuant to the Labor Code section 4600.

Definitions for the CalFresh Program

"Medical Treatment" refers to those services authorized in the Labor Code and the applicable regulations including, but not limited to medical, surgical, and hospital treatment; nursing, medicines, medical and surgical supplies, crutches, and apparatus; services and supplies by physical therapists, chiropractic practitioners, and acupuncturists, as licensed by California state law and within the scope of their practice as defined by law. A referral by a licensed physician or surgeon for other treatment authorized in the Labor Code also refers to medical treatment.

"Medical Treatment Utilization Schedule (MTUS)" provides medical treatment guidelines for utilization review and an analytical framework for the evaluation and treatment of injured workers. It helps medical providers understand which evidenced-based treatments have been effective in providing improved medical outcomes to those workers. The MTUS is promulgated by the DWC under Labor Code sections 5307.27 and 4604.5, and can be found in section 9792.20 et seq. of Title 8 of the California Code of Regulations.

"Open Claim" refers to a work-injury case in which it appears that one or more future payments of workers' compensation benefits may be due.

"Nurse Case Management Services", when provided to a claimant, refers to a form of medical treatment within Labor Code section 4600.

"Program" refers to the CalFresh E&T Program.

"QME/AME" refers to the following:

A qualified medical evaluator (QME) is a physician, who meets educational and licensing requirements to qualify as a QME.

An agreed medical evaluator (AME) is a QME included in list of state-certified doctors issued by the DWC Medical Unit and agreed upon by a claimant's attorney and the claims adjuster.

"Reserves" see **"Future Liabilities"**

"Supplemental Job Displacement Benefits (SJDB)" refers the benefits for educational retraining or skills enhancement to claimants whose employers are unable to provide work consistent with the requirements of Labor Code section 4658.6.

"Subrogation" refers to the right of the State to receive all rights and remedies in any recovery obtained from a third party pursuant to settlement, adjudication or any other legal process.

Definitions for the CalFresh Program

"Third Party Administrator" refers to a competent person pursuant to Title 8 of the California Code of Regulations Section 15452, who is responsible for day-to-day management of a self-insured's workers' compensation program in the State of California. The responsibility includes, but is not limited to, the making and reviewing of decisions relating to the furnishing of all workers' compensation benefits in accordance with law and the maintenance of the self-insured's claim records.

"Unallocated Loss Expense" refers to services and costs related to an AOE/COE investigation performed by the personnel of the Contractor, which is not approved in writing by ORIM prior to the undertaking of the services by the Contractor's personnel. It is not an expense for which the Contractor may receive reimbursement or payment. Unallocated loss expense also refers to a general expense that cannot be associated with a particular claim.

"Utilization Review (UR)" refers to the process used by claims administrators to review the treatment recommendations of physicians to determine if the treatment is medically necessary. It includes providing prospective or precertification, concurrent and retrospective utilization review services to determine whether aspects of a patient's care and requested medical treatment and/or services is medically necessary and appropriately delivered. Claims administrators are required by law to have a UR program which is governed by Labor Code section 4610 and associated regulations.

(i) Each utilization review process is governed by written procedures and policies developed by the TPA.
(ii) Policies and procedures shall ensure that the UR decisions are based on the medical necessity to cure and relieve and that the proposed medical treatment services are consistent with the schedule for medical treatment utilization adopted pursuant to section 5307.27 of the Labor Code.
(iii) Utilization Review does not include determinations of the work-relatedness of injury or disease, or bill review for the purpose of determining whether the medical services were accurately billed. The utilization review process begins when the completed DWC Form Request for Authorization (RFA) is first received by the claims administrator, or in the case of prior authorization, when the treating physician satisfies the conditions described in the utilization review plan for prior authorization.

"Work-Injury Claim" refers to an injury that is reported or reportable to the Division of Labor Statistics and Research pursuant to Labor Code Sections 6409, 6409.1 and 6413.

MANAGED CARE RATE FEE SCHEDULE

Bill Review Services

Contract Term	Flat rate fee per bill
36 Month Base Term (TBD – TBD)	x $
36 Month Option Term (TBD – TBD)	x $

Nurse Case Management Services

Contract Term	Hourly Rate
36 Month Base Term (TBD – TBD)	x $
36 Month Option Term (TBD – TBD)	x $

Field Case Management Services

Contract Term	Hourly Rate
36 Month Base Term (TBD – TBD)	x $
36 Month Option Term (TBD – TBD)	x $

Utilization Review Fees

Non-Physician Review Services

Contract Term	Hourly Rate
36 Month Base Term (TBD – TBD)	x $
36 Month Option Term (TBD – TBD)	x $

Physician Review Services

Contract Term	Hourly Rate
36 Month Base Term (TBD – TBD)	x $
36 Month Option Term (TBD – TBD)	x $

Medical Director Review Services

Contract Term	Hourly Rate
36 Month Base Term (TBD – TBD)	x $
36 Month Option Term (TBD – TBD)	x $

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SPECIAL TERMS AND CONDITIONS

A. Dispute Provisions

1. If Contractor disputes a decision of the State's Project Representative regarding the performance of this Agreement or on other issues for which the Project Representative is authorized by this Agreement to make a binding decision, Contractor shall provide written dispute notice to the State's Project Representative within 15 calendar days after the date of the action. The written dispute notice shall contain the following information:

   a. the decision under dispute;

   b. the reason(s) Contractor believes the decision of the State's Project Representative to have been in error (if applicable, reference pertinent contract provisions);

   c. identification of all documents and substance of all oral communication which support Contractor's position; and

   d. the dollar amount in dispute, if applicable.

2. Upon receipt of the written dispute notice, the State program management will examine the matter and issue a written decision to Contractor within 15 calendar days. The decision of State program management shall contain the following information:

   a. a description of the dispute;

   b. a reference to pertinent contract provisions, if applicable;

   c. a statement of the factual areas of agreement or disagreement; and

   d. a statement of the representative's decision with supporting rationale.

3. The decision of the State program management shall be final unless, within 30 calendar days from the date of receipt of the decision, Contractor files with the California Department of Social Services a notice of appeal addressed to:

   California Department of Social Services
   744 P Street, M.S. 9-6-747
   Sacramento, CA 95814
   Attention: Chief, Contracts and Procurement Services Branch

   Pending resolution of any dispute, Contractor shall diligently continue all contract work and comply with all of the Project Representative's orders and directions.

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B. Termination Without Cause

This Agreement may be terminated without cause by the State upon 30 days written notice to Contractor.

C. Debarment and Suspension

For federally funded agreements, Contractor certifies that to the best of their knowledge and belief that they and their principals or affiliates or any subcontractor utilized under this Agreement, are not debarred or suspended from federal financial assistance programs and activities, nor proposed for debarment, declared ineligible, or voluntarily excluded from participation in covered transactions by any federal department or agency. Contractor also certifies that it or any of its subcontractors are not listed with any active exclusions on the System for Award Management (http://www.sam.gov) (Executive Order 12549, 2 C.F.R. Parts 180, 376, 417 and 2336).

D. Certification Regarding Lobbying

The following provisions are applicable to Cooperative Agreements and Contracts exceeding $100,000 in federal funds:

1. For agreements with contractors who are State entities not under the authority of the Governor, or cities, private firms, or agencies which are receiving in excess of $100,000 in federal funds from CDSS to perform services. By signing this Agreement, Contractor certifies that to the best of their knowledge and belief, that:

    a. No federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of a federal contract, the making of a federal grant, the making of a federal loan, the entering into of a cooperative agreement, and the extension, continuation, renewal, amendment, or modification of a federal contract, grant, loan, or cooperative agreement.

    b. If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with this federal grant or agreement, the undersigned shall complete and submit Standard Form-LLL, “Disclosure of Lobbying Activities,” in accordance with its instructions.

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c. Contractor shall require that the language of this certification be included in the award documents for all covered subawards exceeding $100,000 in federal funds at all appropriate tiers and that all subrecipients shall certify and disclose accordingly.

2. This certification is a prerequisite for making or entering into this transaction and is imposed by Section 1352, Title 31, U.S. Code. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Any person who fails to file the required certification shall be subject to a civil penalty of no less than $10,000 and not more than $100,000 for each such failure.

3. Nonprofit organizations and Institutes of Higher Education are also required to comply with the lobbying provisions contained in 2 C.F.R. section 200.450 and 45 C.F.R. section 75.450.

E. Unruh Civil Rights Act and the Fair Employment & Housing Act

By entering into this Agreement, Contractor certifies compliance with the Unruh Civil Rights Act (Section 51 of the Civil Code) and the Fair Employment and Housing Act (Section 12960 of the Government Code); and if Contractor has an internal policy against a sovereign nation or peoples recognized by the United States government, Contractor certifies that such policies are not used in violation of the Unruh Civil Rights Act or the Fair Employment and Housing Act.

F. Computer Software Copyrights

Contractor certifies that it has appropriate systems and controls in place to ensure that state funds will not be used in the performance of this Agreement for the acquisition, operation, or maintenance of computer software in violation of copyright laws.

G. OMB Audit

Pursuant to Office of Management and Budget (OMB) audit requirement regulations (2 C.F.R. § 200.501), non-federal entities that expend $1,000,000 or more in a year in federal awards from all sources combined shall have a single or program-specific audit conducted for that year in accordance with the provisions of 2 C.F.R. section 200.514 (previously OMB Circular A-133). All OMB audit reports shall meet the report submission requirements established in 2 C.F.R. section 200.512 and a copy shall be forwarded to CDSS.

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H. Subcontractors

Contractor may enter into subcontracts for the services to be performed consistent with this Agreement. Nothing contained in this Agreement or otherwise shall create any contractual relationship between CDSS and any subcontractors, and no subcontractor shall relieve Contractor of its responsibilities and obligations hereunder. Contractor agrees to be fully responsible to CDSS for the acts and omissions of its subcontractors and of persons either directly or indirectly employed by any of them as it is for the acts and omissions of persons directly employed by Contractor. Contractor's obligation to pay its subcontractors is an independent obligation from the obligation of CDSS to make payments to Contractor. As a result, CDSS shall have no obligation to pay or to enforce the payment of any moneys to any subcontractor. Contractor shall maintain a copy of each subcontract entered into in support of this Agreement and shall, upon request by CDSS, make copies available for approval, inspection, or audit. Contractor shall ensure that all subcontracts for services include provision(s) requiring compliance with applicable terms and conditions specified in this Agreement and shall, as applicable, advise all subcontractors of their obligations to comply with the terms of the Agreement between CDSS and Contractor. Contractor may not add or substitute any subcontractor without advance written consent of CDSS**.**

I. Indirect Costs/Administrative Overhead

Contractor may claim indirect costs as identified in this Agreement. Line-item budget shifts which increase the indirect costs shall not be allowed.

Indirect costs are expenses incurred for administrative services such as, but not limited to, accounting; personnel and payroll administration; accounts payable services; general and specialized insurance coverage; compliance and regulatory monitoring; independent audit services; and legal services. Indirect costs are applied to personnel, operating expenses, supplies, equipment, and travel expenses. Contractor shall ensure that all administrative fees are reasonable considering the services being provided. Contractor may only pay overhead charges on the first $25,000 of each subcontract. Any subcontractor receiving $25,000 or more must be clearly identified in the budget display and excluded when the total indirect costs are calculated.

J. Accessibility Requirements

Contractor shall comply with California Government Code sections 7405 and 11135 which requires, among other things, that Contractor shall comply with the accessibility requirements of Section 508 of the Federal Rehabilitation Act of 1973, as amended (29 U.S.C. Sec. 794d), and regulations implementing that act as set forth in Part 1194 of Title 36 of the Federal Code of Regulations. All Contractor

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deliverables shall meet the requirements of the Web Content Accessibility Guidelines 2.0, or a subsequent version, published by the Web Accessibility Initiative of the World Wide Web Consortium at minimum Level AA success criteria. Contractor shall respond to and resolve any complaint regarding accessibility of its products or services that is brought to its attention.

K. Russia – Ukraine Conflict Economic Sanctions

Contractor shall ensure compliance with economic sanctions imposed by the U.S. government in response to Russia's actions in Ukraine, as well as any sanctions imposed under state law (collectively, economic sanctions). Economic sanctions include, but are not limited to, refraining from new investments in, and financial transactions with, Russian institutions or companies that are headquartered or have their principal place of business in Russia (Russian entities), and not transferring technology to Russia or Russian entities. Contractor(s) are further notified that they will be subject to additional reporting requirements pursuant to Executive Order (N-6-22) issued on March 4, 2022, and any other subsequently issued orders.

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ADDITIONAL PROVISIONS

A. Agreement Term and Amendment

The date of Agreement approval by the State shall be the governing factor as to the date of commencement. Should performance commence before the Agreement is approved, such services may be considered voluntary. The State may exercise any options to extend and/or amend the Agreement as permitted by the Solicitation.

B. Confidentiality Requirements

Contractor and its employees and agents shall comply with CDSS Confidentiality and Information Security Requirements as described in Exhibit E – Attachment 1.

C. Insurance Requirements

1. Contractor, at their own expense, shall maintain the following insurance coverage:

   i. Commercial General Liability – Contractor shall maintain general liability on an occurrence form with limits 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 & advertising injury, and liability assumed under an insured contract. This insurance shall apply separately to each insured against whom claim is made or suit is brought subject to the Contractor's limit of liability.

   The policy shall include California Department of Social Services, State of California, its officers, agents, employees, and guests, as additional insureds, but only with respect to work performed under the Agreement.

   This endorsement shall be supplied under form acceptable to the Office of Risk and Insurance Management. In the case of Contractor's utilization of subcontractors to complete the contracted scope of work, Contractor shall include all subcontractors as insureds under Contractor's insurance or supply evidence of insurance to the State equal to policies, coverages, and limits required of Contractor.

   ii. Automobile Liability – Contractor shall maintain motor vehicle liability with limits 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.

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The policy shall be endorsed to include the State of California, its officers, agents, employees, and guests as additional insured, but only with respect to work performed under the Agreement. The additional insured endorsement is to be provided with the certificate of insurance.

iii. Workers' Compensation and Employers Liability – 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. Employer's liability limits of $1,000,000 are required.

The Workers' Compensation policy shall be endorsed with a waiver of subrogation in favor of the State. The waiver of subrogation endorsement is to be provided with the certificate of insurance.

iv. Professional Liability – Contractor shall maintain professional liability covering any damages caused by a negligent error, act, or omission with limits of not less than $1,000,000 per occurrence and $3,000,000 policy aggregate. The policy's retroactive date shall be shown on the certificate of insurance and shall be before the date this contract was executed or before the beginning of contract work.

2. Certificates evidencing Contractor's insurance coverage shall be filed with CDSS prior to execution of this Agreement.

D. General Provisions Applying to All Insurance Polices

1. Coverage Term – Coverage shall be in force for the complete term of the Agreement. If insurance expires during the term of the Agreement, a new certificate shall be received by the State at least ten (10) days prior to the expiration of the insurance. Any new insurance shall comply with the original terms of the Agreement.

2. Policy Cancellation / Termination & Notice of Non-Renewal – Contractor shall provide to the State within five (5) business days a copy of any notice of Cancellation/Termination or Non-renewal received by Contractor for any required insurance policies. In the event Contractor fails to keep the insurance coverage required by this Agreement in effect at all times, the State may, in addition to any other remedies it may have, terminate this Agreement upon the occurrence of such event, subject to the provisions of this Agreement.

3. Deductible – Contractor is responsible for any deductible or self-insured retention contained within their insurance program.

EXHIBIT E
(Standard Agreement)

4. Primary Clause – Any required insurance contained in this Agreement shall be primary, and not excess or contributory, to any other insurance carried by the State.

5. Insurance Carrier Required Rating – All insurance companies shall carry a rating acceptable to the Office of Risk and Insurance Management. If the Contractor is self-insured for a portion or all of its insurance, review of financial information including a letter of credit may be required.

6. Endorsements – Any required endorsements requested by the State shall be physically attached to all requested certificates of insurance and not substituted by referring to such coverage on the certificate of insurance.

7. Inadequate Insurance – Inadequate or lack of insurance does not negate the Contractor's obligations under this Agreement.

E. Incompatible Activities

Contractor shall not engage in any activity, employment or enterprise which is inconsistent, incompatible, in conflict with, or inimical to his or her duties as a consultant. These include, but are not limited to, the following, unless the CDSS has determined in writing that the consultant's specific activity, employment, or enterprise does not constitute an incompatible activity.

1. Being licensed to operate a facility under the jurisdiction of the CDSS, including a child day care facility, foster family home, certified family home, community care facility, or residential care facility for the elderly.

2. Holding a position of Chief Executive Officer, or other officer of the governing body of the licensee of a facility under the jurisdiction of the CDSS, as referenced in #1, and also including a residential care facility for persons with chronic, life-threatening illness.

3. Being employed by a facility under the jurisdiction of the CDSS.

4. Being a volunteer of a facility under the jurisdiction of the CDSS.

5. Residing at a facility under the jurisdiction of the CDSS.

6. Representing any individual not employed by the CDSS or any facility under the jurisdiction of the CDSS in an administrative or legal matter.

7. Having a financial interest in any facility under the jurisdiction of the CDSS.

EXHIBIT E
(Standard Agreement)

8. Using, or having access to, confidential information by virtue of this contract, for private gain or advantage, or providing confidential information to persons not authorized by the CDSS.

F. Certifications and Licenses

Contractor and its employees shall maintain applicable valid and current certifications and/or licenses as required throughout the term of the Agreement. Contractor shall furnish, upon CDSS request, certifications and/or licenses of staff utilized to perform services.

G. Substitution of Subcontractor

Contractor may not substitute any subcontractor without advance written consent of CDSS.

H. Disabled Veteran Business Enterprise Subcontractors

1. If for this Agreement Contractor made a commitment to achieve Disabled Veteran Business Enterprise (DVBE) participation, then Contractor shall within 60 days of receiving final payment under this Agreement (or within such other time period as may be specified elsewhere in this Agreement) certify in a report to the awarding department: (1) the total amount the prime contractor received under the contract; (2) the name and address of the DVBE(s) that participated in the performance of the contract; (3) the amount each DVBE received from the prime contractor; (4) that all payments under the contract 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. (Military & Veterans Code (M&VC) §999.5(d).)

2. Contractor understands and agrees that should award of this Agreement be based in part on their commitment to use the DVBE subcontractor(s) identified in their bid or offer, per M&VC 999.5(e), a DVBE subcontractor may only be replaced by another DVBE subcontractor and shall be approved by the Department of General Services (DGS). Changes to the scope of work that impact the DVBE subcontractor(s) identified in the bid or offer and approved DVBE substitutions will be documented by contract amendment.

3. Failure of Contractor to seek substitution and adhere to the DVBE participation level identified in the bid or offer may be cause for contract termination, recovery of damages under the rights and remedies due to the State, and penalties as outlined in M&VC §999.9; Public Contract Code (PCC) §10115.10, or PCC §4110 (applies to public works only).

EXHIBIT E
(Standard Agreement)

I. DVBE Subcontractor Invoices

To ensure that DVBE participation is applied correctly, all DVBE subcontractor invoices submitted to the Contractor shall include the Agreement number.

The California Department of Social Services
Confidentiality and Information Security Requirements
Standard Agreement - v 2026 01

This Confidentiality and Information Security Requirements Exhibit (hereinafter referred to as "this Exhibit") sets forth the information security and privacy requirements Contractor/Entity (hereinafter referred to as "Contractor") is obligated to follow with respect to all confidential and sensitive information (as defined herein) disclosed to or collected by Contractor, pursuant to Contractor's Agreement (the "Agreement") with the California Department of Social Services (hereinafter "CDSS") in which this Exhibit is incorporated. The CDSS and Contractor desire to protect the privacy and provide for the security of CDSS Confidential, Sensitive, and/or Personal (CSP) Information (hereinafter referred to as "CDSS CSP") in compliance with state and federal statutes, rules and regulations.

If it is determined at the sole discretion of CDSS that if no CDSS CSP is processed, stored, transmitted, received, accessed, or exchanged, this Exhibit remains a required and enforceable part of the Agreement; however, only the following sections of this Exhibit apply, and all other provisions remain non-operative: Sections I-III; IV (A-E, N, O(1)(a), O(2)(g)-(h), P-Q); and V-XI.

I. Order of Precedence.

With respect to information security and privacy requirements for all CDSS CSP, unless specifically exempted, the terms and conditions of this Exhibit shall take precedence over any conflicting terms or conditions set forth in any other part of the Agreement between Contractor and CDSS.

II. Effect on Lower Tier Transactions.

The terms of this Exhibit shall apply to all lower tier transactions (e.g. agreements, sub-agreements, contracts, subcontracts, and sub-awards, etc.). Contractor shall incorporate the contents of this Exhibit into each lower tier transaction.

III. Confidentiality of Information.

A. DEFINITIONS.

The following definitions apply to this Exhibit and relate to CDSS Confidential, Sensitive, and/or Personal Information.

1. "Confidential Information" is information maintained by the CDSS that is exempt from disclosure under the provisions of the California Public Records Act (Government Codes Sections 7920.000 et seq.) or has restrictions on disclosure in accordance with other applicable state or federal laws.
2. "Sensitive Information" is information maintained by the CDSS, which is not confidential by definition, but requires special precautions to protect it from unauthorized access and/or modification (i.e., financial, or operational information). Sensitive information is information in which the

disclosure would jeopardize the integrity of the CDSS (i.e., CDSS' fiscal resources and operations).

3. “Personal Information” is information, in any medium (paper, electronic, or oral) that identifies or describes an individual (i.e., name, social security number, driver’s license, home/mailing address, telephone number, financial matters with security codes, medical insurance policy number, Protected Health Information [PHI], etc.) and must be protected from inappropriate access, use or disclosure and must be made accessible to information subjects upon request. It can also be information in the possession of the Department in which the disclosure is limited by law or contractual Agreement (i.e., proprietary information, etc.).

4. “Breach” is

    a. the unauthorized acquisition, access, use, or disclosure of CDSS CSP in a manner which compromises the security, confidentiality or integrity of the information; or

    b. the same as the definition of "breach of the security of the system" set forth in California Civil Code section 1798.29(f).

5. “Information Security Incident” is unauthorized access or disclosure, modification, or destruction of, or interference with, CDSS CSP that actually or potentially jeopardizes the confidentiality, integrity, or availability of an information system or the information the system processes, stores, or transmits or that constitutes a violation or imminent threat of violation of any state or federal law or in a manner not permitted under the Agreement between Contractor and CDSS, including this Exhibit.

6. “State Data” is all information and data owned by the State and submitted to, processed by, or stored by the Contractor and includes, but is not limited to, all data/information that originated with the State, all data/information provided by the State, and data/information generated, manipulated, produced, reported by or otherwise emanating from or by applications run by the State. State Data encompasses CDSS CSP.

7. **“**CDSS Credentials” is the unique username (user ID) and password issued to CDSS employees, agents, and subcontractors for access to CDSS domain accounts, used to authenticate a user or device prior to granting access to CDSS information assets and resources.

B. CDSS CSP which may become available to Contractor as a result of the implementation of the Agreement shall be protected by Contractor from unauthorized access, use, and disclosure as described in this Exhibit.

C. Contractor is notified that unauthorized disclosure of CDSS CSP may be subject to civil and/or criminal penalties under state and federal law, including but not limited to:

- California Welfare and Institutions Code section 10850
- Information Practices Act - California Civil Code section 1798 et seq.
- Public Records Act - California Government Code section 7920.000 et seq.
- California Penal Code Section 502, 11140-11144, 13301-13303
- Health Insurance Portability and Accountability Act of 1996 ("HIPAA") - 45 CFR Parts 160 and 164
- Safeguarding Information for the Financial Assistance Programs - 45 CFR Part 205.50
- Unemployment Insurance Code section 14013

D. EXCLUSIONS.

"Confidential Information," "Sensitive Information," and "Personal Information" (CDSS CSP) does not include information that

1. is or becomes generally known or available to the public other than because of a breach by Contractor of these confidentiality provisions;

2. already known to Contractor before receipt from CDSS without an obligation of confidentiality owed to CDSS;

3. provided to Contractor from a third party except where Contractor knows, or reasonably should know, that the disclosure constitutes a breach of confidentiality or a wrongful or tortious act; or

4. independently developed by Contractor without reference to the CDSS CSP.

IV. Contractor Responsibilities.

A. Training.

Contractor shall instruct all employees, agents, and subcontractors with access to the State Data regarding:

1. The confidential nature of the information;

2. The civil and criminal sanctions against unauthorized access, use, or disclosure found in the California Civil Code Section 1798.55, Penal Code Section 502 and other state and federal laws;

3. CDSS procedures for reporting actual or suspected information security incidents in Paragraph V - Information Security Incidents and/or Breaches; and

4. That unauthorized access, use, or disclosure of CDSS CSP is grounds for immediate termination of this Agreement with CDSS and Contractor and may be subject to penalties, both civil and criminal.

B. Disclosure of Attendee CSP.

For contracts for training services, unless authorized in writing by the attendees or required by law, the collection and/or disclosure of confidential

information related to the attendees in trainings and conferences by Contractor shall be limited to that which is required to:

1. Verify attendance and/or participation;
2. Analyze the effectiveness of training and conference;
3. Provide attendees with continuing education units (e.g., Board of Behavioral Sciences requirements available at http://www.bbs.ca.gov/licensees/ce_licensees.shtml); and/or
4. Analyze the effectiveness of training and conference as described in the "Child and Family Services Plan 2015-2019" available at http://www.cdss.ca.gov/inforesources/Child-Welfare-Program-Improvement/Child-and-Family-Services-Plan

C. Use Restrictions.

Contractor shall take the appropriate steps to ensure that their employees, agents, and subcontractors will not intentionally seek out, read, use, or disclose the State Data other than for the purposes described in the Agreement and to meet its obligations under the Agreement.

D. Disclosure of State Data.

Contractor shall not disclose any individually identifiable State Data to any person other than for the purposes described in the Agreement and to meet its obligations under the Agreement.

E. Subpoena.

If Contractor receives a subpoena or other validly issued administrative or judicial notice requesting the disclosure of State Data, Contractor will immediately notify the CDSS Program Contract Manager and the CDSS Information Security and Privacy Officer. In no event should notification to CDSS occur more than three (3) business days after receipt by Contractor's responsible unit for handling subpoenas and court orders.

F. Information Security Officer.

Contractor shall designate an Information Security Officer to oversee its compliance with this Exhibit and to communicate with CDSS on matters concerning this Exhibit.

G. Requests for CDSS CSP by Third Parties.

Contractor shall promptly transmit to the CDSS Program Contract Manager and the CDSS Information Security and Privacy Officer all requests for disclosure of any CDSS CSP requested by third parties to the Agreement between Contractor and CDSS (except from an Individual for an accounting of disclosures of the individual's personal information pursuant to applicable state or federal law), unless prohibited from doing so by applicable state or federal law.

H. Documentation of Disclosures for Requests for Accounting.

Contractor shall maintain an accurate accounting of all requests for disclosure of CDSS CSP Information and the information necessary to respond to a request for an accounting of disclosures of personal information as required by Civil Code section 1798.25, or any applicable state or federal law.

I. Return or Destruction of CDSS CSP on Expiration or Termination.

Upon expiration or termination of the Agreement between Contractor and CDSS, or upon a date mutually agreed upon by the Parties following expiration or termination, Contractor shall return or destroy the CDSS CSP. If return or destruction is not feasible, Contractor shall provide a written explanation to the CDSS Program Contract Manager and the CDSS Information Security and Privacy Officer, using the contact information in this Agreement. CDSS, in its sole discretion, will make a determination of the acceptability of the explanation and, if retention is permitted, shall inform Contractor in writing of any additional terms and conditions applicable to the retention of the CDSS CSP.

J. Retention Required by Law.

If required by state or federal law, Contractor may retain, after expiration or termination, CDSS CSP for the time specified as necessary to comply with the law.

K. Obligations Continue Until Return or Destruction.

Contractor's obligations regarding the confidentiality of CDSS CSP set forth in this Agreement, including but not limited to obligations related to responding to Public Records Act requests and subpoenas shall continue until Contractor returns or destroys the CDSS CSP or returns the CDSS CSP to CDSS; provided however, that on expiration or termination of the Agreement between Contractor and CDSS, Contractor shall not further use or disclose the CDSS CSP except as required by state or federal law.

L. Notification of Election to Destroy CDSS CSP.

If Contractor elects to destroy the CDSS CSP, Contractor shall certify in writing, to the CDSS Program Contract Manager and the CDSS Information Security and Privacy Officer, using the contact information, that the CDSS CSP has been destroyed.

M. Background Check.

Before a member of Contractor's workforce may access State Data, a thorough background check must be completed to ensure the worker does not present a risk to CDSS information technology systems and/or State Data.

Contractors with CDSS Credentials

Prior to accessing any CDSS CSP and being granted CDSS credentials, Contractors will need to pass all of CDSS' fingerprinting/background checks and onboarding procedures.

All Other Contractors

Contractor shall perform at, Contractor's expense, thorough background checks of any member of their workforce that may access or be exposed to CDSS CSP and evaluate the results to ensure that there is no indication that the worker may present a risk to CDSS information technology systems and/or CDSS data. Contractor shall be liable for damages due to security incidents as a result of insufficient background check of its workforce. Contractor shall retain each workforce member's background check documentation for a period of three (3) years following Agreement termination.

1. **Please see the following table for clarification on contractor background checks:**

Contractors Needing CDSS Credentials	**Contractors Not Needing CDSS Credentials**
Prior to accessing any CDSS CSP and being granted CDSS credentials, Contractors will need to pass CDSS' fingerprinting/ background checks and onboarding procedures.	It is the responsibility of the contractor to perform thorough background checks of any member of their workforce that will have access to CDSS CSP. Contractor must conduct a thorough background check of that worker. [Contractor shall perform thorough background checks of any member of their workforce that may access or be exposed to CDSS CSP and evaluate the results to ensure that there is no indication that the worker may present a risk to CDSS information technology systems and/or CDSS data. Contractor shall be liable for damages due to security incidents as a result of insufficient background check of its workforce. Contractor shall retain each workforce member's background check documentation

	for a period of three (3) years following Agreement termination.

N. Nothing in this Agreement shall restrict Contractor's use of:

1. Information obtained by Contractor from public records or other sources generally available to the public, including but not limited to, academic publications and data extracts.
2. Contractor's pre-existing data, reports or similar information.
3. Non-confidential information received by Contractor from a third party or non-confidential information created or developed by Contractor, with the exception of information specifically identifying or intending to identify an applicant for, or recipient of, public social services.

O. Confidentiality Safeguards.

Contractor shall implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of the State Data that it creates, receives, maintains, uses, or transmits pursuant to the Agreement. Contractor shall develop and maintain a written information privacy and security program that includes administrative, technical and physical safeguards appropriate to the size and complexity of Contractor's operations and the nature and scope of its activities, including at a minimum the following safeguards:

1. General Security Controls

a. Confidentiality Acknowledgement.

By executing this Agreement and signing Paragraph XI, CDSS Confidentiality and Security Compliance Statement, Contractor acknowledges that the information resources maintained by CDSS and provided to Contractor may be confidential, sensitive, and/or personal and requires special precautions to protect it from wrongful access, use, disclosure, modification, and destruction.

b. Workstation/Laptop Encryption.

All Contractor-owned or managed workstations, laptops, tablets, smart phones, and similar devices that process and/or store CDSS CSP must be encrypted using a FIPS 140-3, until deprecated, certified algorithm which is 128 bit or higher, such as Advanced Encryption Standard (AES). The encryption solution must be full disk unless approved by the CDSS Information Security Office.

c. Data Encryption.

Any CDSS CSP shall be encrypted at rest when stored on network file shares or document repositories.

d. Server Security.

Servers containing unencrypted CDSS CSP must have sufficient administrative, physical, and technical controls in place to protect that data, based upon a risk assessment/system security review.

e. Minimum Necessary.

Only the minimum necessary amount of the CDSS CSP required to perform necessary business functions may be copied, downloaded, or exported.

f. Removable Media Devices.

All electronic files that contain the CDSS CSP must be encrypted when stored on any removable media or portable device (i.e. USB thumb drives, floppies, CD/DVD, smart phone, backup tapes etc.). Encryption must be a FIPS 140-3, until deprecated, certified algorithm which is 128 bit or higher, such as AES.

g. Antivirus Software.

All Contractor-owned or managed workstations, laptops, tablets, smart phones, and similar devices that process and/or store CDSS CSP must install and actively use comprehensive anti-virus software solution with automatic updates scheduled at least daily.

h. Patch Management.

To correct known security vulnerabilities, Contractor shall install security patches and updates in a timely manner on all Contractor-owned or managed workstations, laptops, tablets, smart phones, and similar devices that process and/or store CDSS CSP as appropriate based on Contractor's risk assessment of such patches and updates, the technical requirements of Contractor's systems, and the vendor's written recommendations. If patches and updates cannot be applied in a timely manner due to hardware or software constraints, mitigating controls will be implemented based upon the results of a risk assessment.

i. User IDs and Password Controls.

All users must be issued a unique username for accessing CDSS CSP. Contractor's password policy must be based on information security best practices for password length, complexity, and reuse.

j. Data Destruction.

Upon termination of the Agreement, all CDSS CSP must be sanitized in accordance with NIST Special Publication 800-88, Guidelines for Media Sanitization.

k. Multi-Factor Authentication (MFA)

Contractor shall comply with the Multi-Factor Authentication (MFA) requirements set forth in the Statewide Information Management Manual (SIMM) Section 5360-C. MFA shall be enforced for any publicly accessible information asset that stores, processes, transmits or visually presents CDSS CSP. Contractor shall also ensure that all employees, subcontractors and associated third parties engaged in the performance of this Agreement comply with these same MFA requirements.

2. System Security Controls

a. System Timeout.

The system providing access to the CDSS CSP must provide an automatic timeout, requiring re-authentication of the user session after no more than thirty (30) minutes of inactivity for applications, and fifteen (15) minutes of inactivity for desktops and laptops.

b. Warning Banners.

All systems (servers, desktops, laptops, etc.) containing CDSS CSP must display a warning banner at login stating that data is confidential, systems are logged, and system use is for business purposes only. User must be directed to log off the system if they do not agree with these requirements.

c. System Logging.

The system must maintain an automated audit trail which can identify the user or system process which initiates a request for CDSS CSP, or which alters CDSS CSP. The audit trail must be date and time stamped, must log both successful and failed accesses, must be read only, and must be restricted to authorized users. If CDSS CSP is stored in a database, database logging functionality must be enabled. Audit trail data must be archived for at least one (1) year after occurrence.

d. Access Controls.

The system must use role-based access controls for all user authentications, enforcing the principle of least privilege.

e. Transmission Encryption.

All data transmissions of CDSS CSP by Contractor outside the secure internal network must be encrypted using a FIPS 140-3, until deprecated, certified algorithm, such as Advanced Encryption Standard (AES), with a 128 bit key or higher. Encryption can be end-to-end at the network level, or the data files containing CDSS CSP can be encrypted. This requirement pertains to any type of CDSS CSP in motion such as website access, file transfer, and/or email.

f. Intrusion Detection.

All systems involved in accessing, holding, transporting, and protecting CDSS CSP that are accessible via the Internet must be protected by a comprehensive intrusion detection and prevention solution.

g. Data Location.

The physical location of Contractor's data center where State Data is stored shall only be within the continental United States, unless otherwise specified in the Statement of Work and approved in advance in writing by the State CISO. Any exceptions to the Data Location is at the sole discretion of the State

h. Data Access.

Contractor shall not allow its personnel or subcontractors to store State Data on portable devices, including personal computers, except for devices that are used and kept only at its data centers located in the continental United States. Remote access to State Data from outside the continental United States, including remote access to State Data by authorized Services support staff in identified support centers, is prohibited unless approved in advance in writing by the State CISO. Responsibility to obtain CISO approval lies with the State.

i. Software as a Service.

If the Contractor is providing any web/cloud hosting services, the Contractor shall agree to the most current revision of the State Model Cloud Computing Special Provisions for Software as a Service (SaaS), hereby incorporated by reference.

3. Audit Controls

a. System Security Review.

All systems processing and/or storing CDSS CSP must have at least an annual system risk assessment/security review

which provides assurance that administrative, physical, and technical controls are functioning effectively and providing adequate levels of protection. Reviews shall include vulnerability scanning and/or penetration testing tools. The Contractor must submit the vulnerability assessment and/or penetration testing report(s) to the CDSS Information Security and Privacy Office upon request. The Contractor must agree to CDSS vulnerability assessment scans of the portion of its extranet to be used to service CDSS.

b. Log Reviews.

All systems processing and/or storing CDSS CSP must have a routine procedure in place to review system logs for unauthorized access.

c. Change Control.

All systems processing and/or storing CDSS CSP must have a documented change control procedure that ensures changes can be attributed to an individual and can be tracked and audited to protect the confidentiality, integrity, and availability of data.

4. Business Continuity / Disaster Recovery Controls

a. Disaster Recovery.

Contractor must establish a documented plan to enable continuation of critical business processes and protection of the security of electronic CDSS CSP in the event of an emergency. Emergency means any circumstance or situation that causes normal computer operations to become unavailable for use in performing the work required under this Agreement for more than twenty-four (24) hours.

b. Data Backup Plan.

Contractor must have established documented procedures to backup CDSS CSP to maintain retrievable exact copies of CDSS CSP. The plan must include a regular schedule for making backups, storing backups offsite, an inventory of backup media, and the amount of time to restore CDSS CSP should it be lost. At a minimum, the schedule must be a weekly full backup and monthly offsite storage of CDSS data.

5. Paper Document Controls

a. Supervision of Information.

CDSS CSP in paper form shall not be left unattended at any time, unless it is locked in a file cabinet, file room, desk, or office. Unattended means that information may be observed

by an individual not authorized to access the information. CDSS CSP in paper form shall not be left unattended at any time in vehicles or planes and shall not be checked in baggage on commercial airplanes.

b. Escorting Visitors.

Visitors to areas where the CDSS CSP are contained shall be escorted by a CDSS Employee and CDSS CSP shall be kept out of sight while visitors are in the area.

c. Confidential Destruction.

CDSS CSP must be disposed of through confidential means, such as crosscut shredding and/or pulverizing.

d. Removal of Information.

CDSS CSP must not be removed from the premises of Contractor except for identified routine business purposes or with express written permission of CDSS.

e. Faxing.

CDSS CSP that must be transmitted by fax shall require that Contractor confirms the recipient fax number before sending, takes precautions to ensure that the fax was appropriately received, maintains procedures to notify recipients if Contractor's fax number changes, and maintains fax machines in a secure area**.**

f. Mailing.

Paper copies of CDSS CSP shall be mailed using a secure, bonded mail service, such as Federal Express, UPS, or by registered U.S. Postal Service (i.e., accountable mail using restricted delivery). All packages must be double packed with a sealed envelope and a sealed outer envelope or locked box.

P. Generative Artificial Intelligence (GenAI) Safeguards.

Contractor shall not use any Generative Artificial Intelligence (GenAI) technology (e.g., software, tools, add-ons, and other similar capabilities) for any purpose that may process, store or transmit CDSS confidential, sensitive, personal, or other regulated information.

Q. Contractor Responsibility for Security and Compliance.

If the Contractor is a third-party reseller and not the original manufacture of the product or service provided under this Agreement, Contractor hereby certifies that the product or service, as provided, meets or exceeds the requirements of this Exhibit.

In the event of a security incident originating from a manufacturer or subcontractor, Contractor shall remain the primary point of accountability to

the State and shall use commercially reasonable efforts to facilitate State's participation in any investigation.

V. Information Security Incidents and/or Breaches of State Data

A. State Data Information Security Incidents and/or Breaches Response Responsibility.

The Contractor shall be responsible for facilitating the Information Security Incident and/or Breach response process as described in California Civil Code 1798.82(f), and State Administrative Manual (SAM) Section 5340, Information Security Incident Management, including, but not limited to, taking:

1. Prompt corrective action to mitigate the risks or damages involved with the Information Security Incident and/or Breach and to protect the operating environment; and
2. Any action pertaining to such unauthorized disclosure required by applicable Federal and State laws and regulations.

B. Discovery and Notification of Information Security Incidents and/or Breaches of State Data.

Contractor shall notify the CDSS Program Contract Manager and the CDSS Information Security and Privacy Officer of an Information Security Incident and/or Breach as expeditiously as practicable and without unreasonable delay, taking into account the time necessary to allow Contractor to determine the scope of the Information Security Incident and/or Breach, but no later than three (3) calendar days after the discovery of an Information Security Incident and/or Breach. Notification is to be made by telephone call and email.

C. Isolation of System or Device.

A system or device containing State Data compromised by an exploitation of a technical vulnerability shall be promptly disconnected or quarantined and investigated until the vulnerability is resolved. Contractor will notify CDSS within two (2) business days of a confirmed exploitation of a technical vulnerability and keep CDSS informed as to the investigation until resolution of the vulnerability is completed.

D. Investigation of Information Security Incidents and/or Breaches.

The Contractor shall promptly investigate Information Security Incidents and/or Breaches of State Data. CDSS shall have the right to participate in the investigation of such Information Security Incidents and/or Breaches. CDSS shall also have the right to conduct its own independent investigation, and Contractor shall cooperate fully in such investigations. The Contractor is not required to disclose their un-redacted confidential, proprietary, or privileged information. Contractor will keep CDSS fully informed of the results of any such investigation.

E. Updates on Investigation.

Contractor shall provide regular (at least once a week) email updates on the progress of the Information Security Incident and/or Breach investigation of State Data to the CDSS Program Contract Manager and the CDSS Information Security and Privacy Officer until the updates are no longer needed, as mutually agreed upon between Contractor and the CDSS Information Security and Privacy Officer. Contractor is not required to disclose their un-redacted confidential, proprietary, or privileged information.

F. Written Report.

Contractor shall provide a written report of the investigation to the CDSS Program Contract Manager and the CDSS Information Security and Privacy Officer within thirty (30) business days of the discovery of the Information Security Incident and/or Breach of State Data. Contractor is not required to disclose their un-redacted confidential, proprietary, or privileged information. The report shall include, but not be limited to, if known, the following:

1. Contractor point of contact information;
2. A description of what happened, including the date of the Information Security Incident and/or Breach of State Data and the date of the discovery of the Information Security Incident and/or Breach, if known;
3. A description of the types of State Data that were involved, and the extent of the information involved in the Information Security Incident and/or Breach;
4. A description of the unauthorized persons known or reasonably believed to have improperly used or disclosed State Data;
5. A description of where the State Data is believed to have been improperly transmitted, sent, or utilized;
6. A description of the probable causes of the improper use or disclosure;
7. Whether Civil Code sections 1798.29 or 1798.82 or any other federal or state laws requiring individual notifications of breaches are triggered; and
8. A full, detailed corrective action plan, including information on measures that were taken to halt and/or contain the Information Security Incident and/or Breach of State Data.

G. Cost of Investigation and Remediation.

Per SAM Section 5305.8, Contractor shall be responsible for all direct and reasonable costs incurred by CDSS due to Information Security Incidents and/or Breaches of State Data resulting from Contractor's failure to perform or from negligent acts of its personnel, and resulting in the unauthorized disclosure, release, access, review, or destruction; or loss, theft, or misuse of an information asset. These costs include, but are not limited to, notice and credit monitoring for twelve (12) months for impacted individuals, CDSS staff time, material costs, postage, media announcements, and other identifiable costs associated with the Information Security Incident, Breach and/or loss of data.

VI. Contact Information.

To direct communications to the above referenced CDSS staff, Contractor shall initiate contact as indicated herein. CDSS reserves the right to make changes to the contact information below by giving written notice to Contractor. Said changes shall not require an amendment to this Exhibit or the Agreement to which it is incorporated.

CDSS Program Contract Manager

See the Scope or Statement of Work exhibit for Program Project Representative information.

CDSS Information Security & Privacy Officer

California Department of Social Services
Information Security & Privacy Officer
744 P Street, MS 9-9-70
Sacramento, CA 95814
Email: iso@dss.ca.gov
Telephone: (916) 651-5558

VII. Audits and Inspections.

If CDSS CSP is present or reasonably believed to be present in the Contractor/Entity's systems or environments, CDSS may inspect or monitor systems, system logs, or request comparable system artifacts or audit trail data to verify compliance with this Exhibit's requirements. The Contractor/Entity shall promptly remediate any identified deficiencies and certify corrective action(s) in writing to the CDSS Program Contract Manager and the CDSS Information Security and Privacy Office. CDSS's right to inspect does not waive or reduce the Contractor/Entity's responsibility to fully comply with the requirements of this Exhibit, regardless of whether inspection is exercised.

VIII. Amendment.

The parties acknowledge that federal and state laws regarding information security and privacy rapidly evolves, and that amendment of this Exhibit may be required to provide for procedures to ensure compliance with such laws. The parties specifically agree to take such action as is necessary to implement new standards and requirements imposed by regulations and other applicable laws relating to the security or privacy of State Data.

IX. Interpretation.

The terms and conditions in this Exhibit shall be interpreted as broadly as necessary to implement and comply with regulations and applicable State laws. The parties agree that any ambiguity in the terms and conditions of this Exhibit shall be resolved in favor of a meaning that complies and is consistent with federal and state laws and regulations.

X. Termination.

An Information Security Incident and/or Breach of State Data by Contractor, its employees, agents, or subcontractors, as determined by CDSS, may constitute a material breach of the Agreement between Contractor and CDSS and grounds for immediate termination of the Agreement.

XI. CDSS Confidentiality and Security Compliance Statement

CALIFORNIA DEPARTMENT of SOCIAL SERVICES
CONFIDENTIALITY AND SECURITY COMPLIANCE STATEMENT v 2026 01

Information resources maintained by the CDSS and provided to Contractor may be confidential, sensitive, and/or personal and requires special precautions to protect it from wrongful access, use, disclosure, modification, and destruction.

We hereby acknowledge that the confidential and/or sensitive records of the CDSS are subject to strict confidentiality requirements imposed by state and federal law, which may include, but are not limited to, the following; the California Welfare and Institutions Code §10850, Information Practices Act - California Civil Code §1798 et seq., Public Records Act - California Government Code §7920.000 et seq., California Penal Code §502, 11140-11144, 13301-13303, Health Insurance Portability and Accountability Act of 1996 ("HIPAA") - 45 CFR Parts 160 and 164, and Safeguarding Information for the Financial Assistance Programs - 45 CFR Part 205.50. Contractor agrees to comply with the laws applicable to the CDSS CSP received.

This Confidentiality and Security Compliance Statement must be signed and returned with the Agreement.

CDSS Representative:

Name (Printed):	
Title:	
Business Name:	
Email Address:	
Phone:	
Signature:	
Date Signed:	

READ and ACKNOWLEDGED: (Authorized Official responsible for business' information security program)

Name (Printed):	
Title:	
Business Name:	
Email Address:	
Phone:	
Signature:	
Date Signed:	

STATE OF CALIFORNIA - DEPARTMENT OF GENERAL SERVICES

STANDARD AGREEMENT

STD 213 (Rev. 04/2020)

AGREEMENT NUMBER	PURCHASING AUTHORITY NUMBER (If Applicable)
TBD	

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

CONTRACTING AGENCY NAME

California Department of Social Services

CONTRACTOR NAME

To be determined (TBD)

2. The term of this Agreement is:

START DATE

TBD

THROUGH END DATE

TBD

3. The maximum amount of this Agreement is:

$TBD

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

	Exhibits	Title	Pages
	Exhibit A	Scope of Work	TBD
	Exhibit A - Attachment 1	Definitions for the CalWORKs Programs	TBD
	Exhibit A - Attachment 2	Implementation and Transition Plan	TBD
+ -	Exhibit A - Attachment 3	Managed Care Rate Fee Schedule	TBD
+ -	Exhibit B	Budget Detail and Payment Provisions	TBD
+ -	Exhibit C	General Terms and Conditions	TBD
+ -	Exhibit D	Special Terms and Conditions	TBD
+ -	Exhibit E	Additional Provisions	TBD
+ -	Exhibit E - Attachment 1	CDSS Confidentiality and Information Security Requirements	TBD

Items shown with an asterisk (*), are hereby incorporated by reference and made part of this agreement as if attached hereto.
These documents can be viewed at https://www.dgs.ca.gov/OLS/Resources

IN WITNESS WHEREOF, THIS AGREEMENT HAS BEEN EXECUTED BY THE PARTIES HERETO.

CONTRACTOR

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

TBD

CONTRACTOR BUSINESS ADDRESS	CITY	STATE	ZIP

PRINTED NAME OF PERSON SIGNING	TITLE

CONTRACTOR AUTHORIZED SIGNATURE	DATE SIGNED

STATE OF CALIFORNIA - DEPARTMENT OF GENERAL SERVICES
STANDARD AGREEMENT
STD 213 (Rev. 04/2020)

AGREEMENT NUMBER	PURCHASING AUTHORITY NUMBER (If Applicable)
TBD	

STATE OF CALIFORNIA

CONTRACTING AGENCY NAME			
California Department of Social Services			
CONTRACTING AGENCY ADDRESS	CITY	STATE	ZIP
744 P Street, M.S. 9-6-747	Sacramento	CA	95814
PRINTED NAME OF PERSON SIGNING	TITLE		
TBD	TBD		
CONTRACTING AGENCY AUTHORIZED SIGNATURE	DATE SIGNED		
CALIFORNIA DEPARTMENT OF GENERAL SERVICES APPROVAL	EXEMPTION (If Applicable)		
	TBD		

EXHIBIT A
(Standard Agreement)

SCOPE OF WORK

A. Introduction and Background

1. OBJECTIVES

The Agreement is entered into by and between the California Department of Social Services (hereafter referred to as CDSS or the State), acting in conjunction with the Department of General Services (DGS), Office of Risk and Insurance Management (hereafter the ORIM) and the Contractor. The Contractor shall provide the State with the workers' compensation administration services of a Third-Party Administrator (TPA), as more fully described herein. The State is required to provide workers' compensation coverage for certain participants in the California Work Opportunity and Responsibility to Kids (CalWORKs) program pursuant to the 1996 Personal Responsibility and Work Opportunity Reconciliation Act (PRWOR) (PL 104-193), and state law for the following Welfare-to-Work (WTW) activities: work experience, community service, and other WTW activities. (California Welfare & Institutions Code §§ 11322.6 and 11322.85 (a)(3)).

During the term of this Agreement the Contractor shall meet the following general objectives for the administration of the workers' compensation claims services as a TPA:

a. Ensure a thorough and efficient transition of the administration of the workers' compensation claims from the existing TPA to the Contractor within the requirements detailed in this Agreement.

b. Ensure all workers' compensation and related services are managed effectively and efficiently and in accordance with the requirements detailed in this Agreement.

c. Ensure that claimants sustaining work related injuries or occupation illness are provided with quality medical care and treatment promptly.

d. Ensure that claimants sustaining work related injuries or occupational illness receive appropriate medical and rehabilitative services to promote maximum medical recovery and a safe and expedient return to work, as appropriate.

EXHIBIT A
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e. Maintain a professional working relationship with ORIM, the State and the County Contact Representatives (CCR).

f. Timely provide appropriate services to claimants to decrease the need for decisions by the Workers' Compensation Appeals Board or representation of counsel.

g. Develop and implement strategies to improve the effectiveness and delivery of the services to the claimants and to reduce costs to the State.

h. Ensure compliance with statutory, regulatory or judicial decisions, which affect the delivery of services described in this Agreement, for the term of this Agreement including any extensions.

2. APPLICABLE LAW RELATED TO THE PROVISION OF SERVICES

The Contractor shall comply with the applicable state and federal laws and regulations, including but not limited to the following:

a. California Labor Code sections 129, 129.5, 131, 132, 132a, 138.4, 138.6, 138.7, 139.3, 139.32, 139.43, 3702.1, 3751, 3752, 3820, 3822, 3850-3865 (Subrogation), 4050-4068 (Medical Examinations), 4060-4068 (Determination of Medical Issues), 4155 and 5402.

b. California Insurance Code sections 1871-1879 (The False and Fraudulent Claims Act), 1877-1877.5 (The Workers' Compensation Insurance and Fraud Reporting Act), 11761 and 14020.

c. Public Contract Code section 12140 (Prohibition of the Offshoring of State Public Benefits Contracts).

B. CONTRACTOR RESPONSIBILITIES

The Contractor shall provide Claims Management Services, which include the following:

1. <u>Caseload</u>

a. Contractor shall manage caseloads to ensure that on average its claims examiners have a targeted caseload of 150, but not to exceed 165 indemnity

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claims. In situations where caseloads include future medical and medical only claims, every two (2) future medical or medical only claims shall be counted as one (1) indemnity claim in the caseload limit. Each examiner who handles solely medical-only or future claims shall have a caseload not to exceed three hundred (300) open claims.

b. If during the term of this Agreement, the total number of Contractor's staff falls below the minimum number of staff necessary to maintain compliance with caseload maximums, qualified temporary help must be hired at the Contractor's expense.

c. Contractor shall ensure that each claims examiner supervisor does not have a caseload of claims for which they are responsible as an examiner unless prior written authorization is provided by ORIM.

d. Contractor shall ensure assignments, to the extent reasonably possible, are distributed to its adjusters/examiners and supervisors by county to facilitate the growth of relationships with the county Departmental staff or the CCRs.

e. Contractor shall maintain a list of adjuster/examiner and supervisor assignments by county to be provided to ORIM as the assignments change. The list shall be updated no less than monthly and provided to ORIM.

2. Claim File Set-Up

a. Upon receipt of the Employer's Report of Occupational injury or illness or Application for the Adjudication of the Claim, the Contractor shall prepare an individual claim file within one (1) business day of receipt for each claim. Preparation of the claim file shall include entering the claim into the TPA's claims reporting and risk management system. The claim file shall be immediately accessible to ORIM, the State, DHCS, the counties and their representatives, claims auditors and review agents, and shall contain all medical and factual information on each reported claim. Claims shall be reviewed and set up within one (1) business day of receipt.

b. The Contractor shall determine the compensability of claimed injuries and illnesses in accordance with the Labor Code by making a three-point contact

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with the non-represented claimant, the CCR and the physician within the timeframes required in this Scope of Work.

c. In the file set up, the TPA shall use a code to identify the applicable program for the claim. As necessary, the TPA may request assistance from ORIM, the State, DHCS, or the applicable county personnel to identify the appropriate Program.

d. Preparation of the claim file shall include entering all claim information and establishing reserves.

3. Claim File Documentation

a. All claim activity, contact, notification, reconciliation in the regular course of business, referrals, reviews, verification, etc., shall be clearly documented by assigned claim examiner/adjuster in the computer notepad within one (1) business day of receipt in the applicable claim file. A copy of all written documentation, notices, letters, reports, etc. shall be maintained in the applicable claim file. This requirement shall apply to all standards contained in the Scope of Work.

b. The use of the electronic claim files is appropriate only with assurances that the claim file can be recreated in hard copy as requested, and access to the electronic claim file is provided to ORIM, the State and DHCS if applicable, or their agents upon request.

c. File contents shall comply with Title 8 of the California Code of Regulations at Sections 10101, 10101.1 and 15400 and be kept in a neat and orderly fashion.

d. Claim file documentation shall include the title of the applicable Program.

4. Coverage

a. Contractor shall establish and verify that the claimant was eligible for coverage on the date of injury or occupation illness.

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b. Establish whether the facts of the claim indicate the liability of a third party responsible for or contributing to the injury or occupational illness of the claimant.

c. Contractor shall exercise due diligence in identifying third parties responsible, in part or entirely, for the injuries or occupational illness of the claimant.

d. If applicable, the Contractor shall exercise due diligence in joining applicable third parties as co-defendants.

e. All activities to verify coverage, identify responsible third parties, and join co-defendants shall be clearly documented in the claim file within one (1) business day.

5. ISO Claim Search

Contractor shall report all claims to the ISO Claim Search, a reporting service that maintains a database of claimants who have filed previous workers' compensation claims, at the time of initial setup. All claims shall be re-indexed every six (6) months thereafter.

6. County Contact Representative (CCR)

a. The Contractor shall, within one (1) business day of notification, request the Employer's Report of Occupational Injury or Illness form from the CCR when or if notification of any injury or illness by any source is received first.

b. The CCR may report claims to the Contractor through mail, fax, or online through the Contractor's secure web-based reporting module.

c. Within two (2) business days of notification of injury by any source, the Contractor shall contact the CCR to conduct an initial and meaningful investigation. The Contractor shall substantiate the claim and verify that the claimant was eligible for coverage on the date of injury or occupational illness.

d. If the DWC Form 1 has not been received by the Contractor within two (2) business days after receiving the Employer's Report of Occupational Injury or

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Illness, the Contractor shall contact the CCR to ensure the DWC Form 1 was given to the claimant within one (1) business day of knowledge of the injury or illness. If a DWC Form 1 was not provided to the claimant, the Contractor shall immediately send the DWC Form 1 directly to the claimant.

e. Upon receipt of a phone call or e-mail communication from the CCR, the Contractor shall return the phone call or e-mail to the CCR, and if necessary, the State, within one (1) business day and be clearly documented in the claim file within one (1) business day.

f. Contractor shall respond to all correspondence from the CCR within three (3) business days of receipt. The correspondence and response shall be clearly documented in the claim file within one (1) business day of the response by the Contractor.

7. Medicare Reporting

a. Contractor shall provide accurate and timely reporting and tracking services for all claimants meeting the requirements of Medicare Section 111 Mandatory Reporting, per the Medicare Secondary Payer Act, as amended by the Medicare, Medicaid and SCHIP Extension Act of 2007 (MMSEA), and related statutes. The reporting requirements include proper reporting to Medicare and providing associated data to the State.

b. All fines and penalties imposed as a result of non-compliance shall be the responsibility of the Contractor.

c. Contractor shall act in compliance with the requirements of the Medicare Section 111 Mandatory Reporting, per the Medicare Secondary Payer Act, as amended by the MMSEA, and related statutes, and shall timely communicate changes in the federal laws to ORIM.

d. Upon the request of CDSS, Contractor shall assist CDSS with registering and designating Contractor as CDSS' reporting agent.

e. Contractor shall request program information from CDSS as necessary to meet any new MMSEA reporting requirement including, but not limited to, Medicare eligibility queries and Mandatory Insurance Reporting.

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8. Claimant Contact

   a. Within one (1) day of notification of injury or illness, Contractor shall establish telephone or personal contact with the unrepresented claimant to:

      1) Obtain information regarding the specific facts of the accident, nature of injury or illness, other employment and claims, witness names, etc.

      2) Inform the claimant of all rights and benefits and clearly explain the claims process.
      3) Answer questions professionally and develop a positive rapport with the claimant to eliminate doubts or uncertainty and avoid litigation.

      4) Assist the claimants in resolving problems pertaining to their claims.

   b. Contractor shall continue contact with the claimant as often as necessary, but at least monthly.

   c. All correspondence from a claimant shall be responded to within three (3) business days of receipt and clearly documented in the claim file within one (1) business day.

   d. The Contractor shall make the Contractor's secure mobile phone application, ICARE App, known to claimants and available at their request.

      The provision of the mobile ICARE App for the benefit of claimants shall not supplant Contractor's communications or contacts with claimants which are required pursuant to this Agreement.

9. Communications with the ORIM or the State

   a. Contractor shall return phone calls and respond to emails from ORIM or the State within one (1) business day of receipt.

   b. Contractor shall respond to all correspondence from the ORIM or the State within three (3) business days of receipt.

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10. Medical Administration

a. Contractor, absent a Medical Provider Network (MPN), shall select a panel of general practitioners, specialists, hospitals and emergency treatment facilities to which claimants should be referred throughout the State. The panel shall be regularly reviewed and updated to ensure that timely services are readily available.

b. Contractor shall assist the CCR and the State in identifying an industrial clinic and/or medical providers, if requested.

c. Contractor shall contact the physician's office within three (3) business days of notice of each new claim to conduct an initial investigation as to the medical aspects of the claim. Such contact shall continue as needed during the continuation of temporary disability to ensure that treatment is related to a compensable claim.

d. Contractor shall maintain contact with treating physicians to ensure claimants receive proper medical treatment and are returned to full or modified employment at the earliest possible date.

e. Contractor shall maintain direct contact with medical providers to ensure their reports are received in a timely and confidential manner.

f. Contractor shall arrange medical evaluations when needed, reasonable, and/or requested in compliance with the California Labor Code and/or related regulations.

g. Contractor shall make every attempt to utilize medical providers with contracts for negotiated rates to be paid less than the Official Medical Fee Schedule (OMFS) and/or recommended rates established by the Administrative Director for the Division of Workers' Compensation (Administrative Director).

h. Contractor shall make available to the workers' compensation claimants participation in an established and extensive Preferred Provider Organization (PPO) Network, which refers to organizations that have negotiated volume-

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based discounts with unaffiliated physicians and medical facilities and the payment discounts offered by these organizations to capture savings below the medical services fees contained within the OMFS.

i. Contractor shall ensure that medical bills are reduced to at least the OMFS and/or recommended rates by the Administrative Director.

j. Contractor shall provide Bill Review Services for all invoices to:

(1) Accurately evaluate and reduce provider charges in compliance with the OMFS.

(2) Integrate PPO networks agreements for additional savings.

(3) Apply other review methods, such as direct negotiations when the OMFS or PPO is not applicable.

(4) Integrate Utilization Review determination into Bill Review, so payments are recommended for authorized medical savings only.

(5) Identify any duplicate bills at no additional charge to CDSS.

k. The use of a service contractor is acceptable for Bill Review Services. Fees associated with the Bill Review Services shall be on a per-bill basis. The Contractor shall attribute to PPO services, the incremental savings below the California Official Medical Fee Schedule rates for savings and fee calculation purposes.

l. Contractor shall have a Utilization Review (UR) process in place.

m. Contractor shall be responsible for evaluating situations that may require and/or benefit from referral to either an internal or affiliated UR activity. It is expected that experienced examiners shall make most first line UR decisions and defer to formal UR assessment when an appropriate medical expertise is needed or when required by statute or regulation. UR decisions made at the adjuster/examiner level must be appropriately documented per the Labor Code and associated regulations.

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n. Contractor shall provide UR and/or professional managed care services, on an as-needed basis, to each claimant in compliance with UR approved guidelines. The use of a service contractor to provide this service is acceptable. Such fees shall be charged on an unlimited treatment request per referral to the claim file. All referrals to a service contractor for UR shall be maintained in the claim file.

o. Contractor shall work with the ORIM to develop UR standards and to establish guidelines to review treatment requests and to outline all review fees, including physician review and any automatic per file referral fees.

p. Contractor shall utilize a Nurse Case Manager, where appropriate, to identify needed medical services, to arrange for services and to educate the claimant on the claimant's role in the recovery process. Contractor must obtain prior approval from the ORIM to utilize a Nurse Case Manager. The Nurse Case Managers are required to be Registered Nurses, with a minimum of three (3) years of experience in workers' compensation case management.

q. The fees and costs for Utilization Review, Medical Bill Review and Nurse Case Management Services shall be paid to the service provider as an allocated expense for the involved claim and shall not be included in the annual fee paid to the Contractor. The fees and costs shall be in accordance with Exhibit A – Attachment 3, the Managed Care Rate Fee Schedule, incorporated by reference.

11. Compensability

a. Contractor shall make a compensability determination (accept claim, deny claim or delay acceptance pending the results of additional investigation) within 14 calendar days from the date of knowledge of the loss. The reasons for such determination shall be made and clearly documented in the file.

b. Contractor shall place a 90 calendar day delay status for further investigation on any claim wherein compensability is not evident. Delay of benefit notices shall be mailed in accordance with the California Workers' Compensation laws and regulations, including but not limited to 8 CCR § 9810 and following.

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c. In the event the claim is not received by the Contractor within 14 calendar days of the filing of the claim with the CCR, the Contractor shall make the initial compensability determination within seven (7) calendar days of receipt of the claim.

12. Investigations

a. Contractor shall be required to conduct initial investigative activities.

b. Contractor shall arrange for investigators when in the Contractor's judgment and with prior approval from ORIM, such action is necessary to:

(1) Process questionable claims.

(2) Assist in determining Arising Out of Employment/during the Course of Employment (AOE/COE).

(3) Assist with claims with litigation or subrogation potential.

(4) Assist in determining fraudulent claims.

c. Contractor shall keep ORIM informed on the scope and results of all investigations.

d. All such activities and related communications with ORIM shall be clearly documented in the claim file within one (1) business day.

13. Reserves

Contractor shall maintain accurate reserves by:

a. Establishing initial reserves within three (3) business days of claim receipt based on information obtained at the time of claim set up.

b. Updating reserves based on the known facts of the claim and the estimated cost of each claim.

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c. Reviewing all reserve categories regularly, but no less than every 90 calendar days. This review shall be documented in the claim file within 1 business day of the review.

d. Adjusting reserves for changes in indemnity and medical benefits.

e. Reviewing reserves at regular diary due date and at the time of any significant event. All reviews must be documented in the file.

f. Maintaining an initial and current reserve worksheet in the claim file, that is also available for on-line review by the ORIM, the State, DHCS or the applicable county.

g. Providing an explanation for any reserve changes.

h. Notifying ORIM when a claim reserve reaches or exceeds $100,000 or the incurred amount exceeds $100,000. The notification shall include a current status of the claim, the plan of action and total incurred amounts by indemnity, Supplemental Job Displace Benefits, medical and expense categories. An update shall be provided to ORIM every 90 calendar days.

14. Payments

a. The State of California, State Controller's Office (SCO) issues all payments for benefits and allocated expenses through an electronic claims payment process.

b. Contractor and the State shall establish an individual payment threshold for submitting payment requests to the SCO without the State's prior approval.

c. The Contractor shall request payments at least once every business day from the State and the SCO. The following provides the payment request process and the Contractor's responsibilities:

(1) To request payments, the Contractor shall create an Electronic Claim File that includes payment and claim information. The following link provides SCO's guidelines for creating the file http://www.sco.ca.gov/Files-

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AUD/reqts.pdf. **To ensure timely payments, the Contractor shall allow up to five (5) business days for issuance of a payment (warrant).**

(2) Contractor shall transmit the Electronic Claim File to SCO through a secure file transfer protocol (secure FTP). The file must be transmitted no later than 3:00 p.m. PST.

(3) Contractor shall email ORIM prior to 1:30 p.m. PST each business day.

(4) ORIM shall verify the payment information and email the STD 218, payment report and send ORIM's approval letter to CDSS accounting at FSABWorkersComp@dss.ca.gov no later than 3:00 p.m. PST every business day.

(5) A courier arranged and paid for by the Contractor, shall collect the STD 218 from CDSS Accounting at 744 P Street, OB 9, 4th Floor, Room 9-0523, Sacramento at 9:30 a.m. the following morning and deliver it to SCO at the Warrant Distribution Unit 3301 C Street, Suite 700, Sacramento no later than 10:30 a.m. PST that same day.

(6) SCO Audits shall review the Electronic Data File and the STD 218. If approved, SCO Division of Disbursements shall issue and mail warrants directly to payees for claims included in the Electronic Data File.

(7) SCO generates a DEX file to put on the FTP site for the Contractor to retrieve payment data and update the Contractor's database. The DEX file includes warrant numbers, issue dates and net dollar amounts for the warrants issued, in addition to the data contained in the Electronic Data File.

(8) Contractor shall contact the SCO Program Project Representative for any inconsistencies in the DEX and the Electronic Data File within 24 hours.

(9) Contractor shall process emergency payments, replacement warrants, arrears payments, overpayments, stop payments, voided warrants, stale date warrants or supplemental payments, as needed. These shall be processed continuously and included in the daily Electronic Data File

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provided to the SCO.

(10) Contractor shall ensure that payments are made within a timeframe that shall allow the SCO to issue payments on a timely basis.

(11) Contractor shall provide to the State and the SCO the required fraud language in English and in Spanish to be mailed with the warrants.

15. Provision of Benefits

Contractor shall:

a. Make its requests for payments by the SCO for compensation and medical benefits promptly and in compliance with the statutory requirements of the California Labor Code and the California Code of Regulations.
b. Compute and request payment of temporary disability benefits to claimants based upon earnings information and authorized disability periods.

c. Review, compute, and request payment of all informal ratings, death benefits, findings and awards, life pensions, or compromise and release settlements. All payment of such benefits shall be issued by the SCO.

16. Initial Indemnity Payment

a. Contractor shall request initial indemnity payments in a timely manner to ensure payments generated by SCO are issued within 14 calendar days of the knowledge of the first day of disability. Contractor shall provide a properly completed DWC benefit notice to the claimant and maintain a copy of the benefit notice in the claim file.

b. Late payments shall include the self-imposed increase in accordance with the Labor Code. Reasons for the late payment shall be clearly documented in the claim file within one (1) business day. When penalties occur, Contractor shall analyze the reasons for the delay and implement steps to prevent further delays. Contractor shall be responsible for fees or penalties associated with the late payments that are the result of Contractor’s failure to timely and

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properly request payments.

17. Subsequent Indemnity Payments

    a. Contractor shall verify and request issuance for all indemnity payments subsequent to the first payment promptly to ensure payments generated by the SCO, except for obvious long-term disability, are issued within the time limits established by the Labor Code and the California Code of Regulations. Contractor shall provide the required benefit notices to the claimant regarding the subsequent benefits separately and maintain a copy of the benefit notices in the applicable claim file.

    b. Late payments shall include the self-imposed increase in accordance with the Labor Code. Reasons for the late payment shall be clearly documented in the claim file within one (1) business day. When penalties occur, the Contractor shall analyze the reasons for the delay and implement steps to prevent further delays. The Contractor shall be responsible for fees or penalties associated with the late payments that are the result of the Contractor's failure to timely and properly request payments.

18. Medical Payments

    a. Contractor shall review medical bills for accuracy, approve payment on the appropriate claim file, and request payments from the SCO to be issued within time limits established by the Labor Code and the California Code of Regulations.

    b. Contractor shall notify the medical provider in writing within thirty (30) business days of receipt of a bill, if a medical bill is contested, denied or incomplete.

    c. Contractor shall utilize a bill review process.

    d. Late payments must include the self-imposed increase and penalties in accordance with the Labor Code and the California Code of Regulations. Reasons for the late payment shall be clearly documented in the claim file

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within one (1) business day.

1) Contractor shall be responsible for fees or penalties associated with the late payments for medical treatment that are the result of the Contractor's failure to timely and properly request payments.

19. Transportation/Self Procured Expenses

a. Contractor shall review "Transportation/Self-Procured Expenses" for accuracy and request payment promptly to the SCO to ensure reimbursement expenses are issued within fifteen (15) business days of the receipt of claims for reimbursement.

b. Contractor shall request Advance Travel Expense Payments promptly to the SCO to ensure payments are issued at least ten (10) calendar days prior to the anticipated date of travel.

20. Return-to-Work

a. Contractor shall provide support and assistance to the CCR, if requested by the CCR, when the modified work is appropriate for the claimants while recovering and prior to their return to regular duties.

b. Contractor shall consult with the CCR at least once a month where injury residuals might involve work restrictions and assist through the provision of modified duty when appropriate.

c. Contractor shall notify the CCR immediately upon receipt of a claimant's permanent work restrictions so that the CCR can determine the availability of permanent modified or alternative work. Notification shall clearly be documented in the claim file within one (1) business day.

21. Permanent Disability

a. Contractor shall determine the nature and extent of permanent disability and arrange for an informal disability rating whenever possible to avoid Workers' Compensation Appeals Board (WCAB) litigation. Determination of the level of

EXHIBIT A
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permanent disability shall be clearly noted by the Contractor in the claim file within one (1) business day.

b. Contractor shall take advantage of any potential apportionment to prior claims, disabilities and impairments.

c. Contractor shall send permanent disability benefit notices to the claimant as required by the Labor Code and the California Code of Regulations.

22. Supplemental Job Displacement Benefits (SJDB)

In accordance with all applicable California laws, the Contractor shall advise the claimant of the right to Supplemental Job Displacement Benefits (SJDB), provide appropriate SJDB, control SJDB costs, attempt to secure the prompt conclusion of SJDB and provide notification to the CCR should work restrictions require permanent or modified alternative accommodations.

23. Plan of Action

a. Contractor shall develop, implement and maintain a claim-specific plan of action that is separately labeled in the file notes. Each claim file shall clearly state the examiner's plan of action for the future handling of that claim, including the reasoning, strategy and course of action.

b. The plan of action on new claims shall be established within ten (10) business days of initial claim set-up and shall be updated at least every:

(1) 90 calendar days for active indemnity claims.

(2) 180 days for settled claims but are open for the claimant’s future medical care.

c. The plan of action shall include, but not be limited to accident history, current disability status, claimant's return-to-work status, medical status, type and duration of future medical care recommended by the applicable medical provider, litigation status, subrogation potential, detailed review of reserves

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and future activity to move the claim towards resolution.

24. Claim File Review

a. All claim files shall be reviewed for the purpose of moving all claims to closure and to close out medical claims, when appropriate, by the claim examiner at least every 45 calendar days for active claims and at least every 180 calendar days for claims that have settled, but are open for the claimant's future medical care.

b. The examiner shall distinguish in the file the regular diary claim file review from routine file documentation in the claim file.

c. The examiner shall update the file on any current "activity" that has occurred since the last file review.

d. The examiner shall document all steps/actions taken in accordance to the plan of action previously entered.

25. Supervision

a. Contractor shall provide supervisory staff to regularly review the work product of the examiners. The supervisor shall review all new claims within the first thirty (30) calendar days of receipt from any source. The supervisor shall review at least ten percent (10%) of each examiner's caseload each month to ensure each examiner is following the performance standards outlined in this Agreement. Written verification of the ten percent (10%) requirement shall be provided to ORIM upon request. In addition, the supervisor shall conduct a regular quarterly review of all open indemnity claims with future reserves in excess of $100,000.00 and all problem or complex claims. Such reviews shall include directions, recommendations, and/or appropriate feedback and be labeled as "Supervisor Review" and be clearly documented in the claim file within one (1) business day.

b. The supervisor shall review all medical-only claims open beyond 90 calendar days from the date of claim entry by the Contractor for potential closure or conversion to indemnity claim status. Claims with $5,000.00 or more paid-to-

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date on any claim open beyond 180 calendar days from the date of claim entry shall be converted to indemnity status and shall have an appropriate precautionary indemnity reserve placed on the claim.

c. The supervisors shall monitor activity on indemnity files at intervals not to exceed 120 calendar days. The supervisors shall review the future medical only claims at intervals not to exceed 180 calendar days.

d. The supervisor shall monitor the claim file reviews by printing a report each month to identify any files that may have fallen off the diary system of the Contractor.

26. Status Report Requests

a. For claims with reserves in excess of $100,000.00 or when a claim reaches or exceeds $100,000.00 in total incurred value, the Contractor shall report to ORIM every 90 calendar days regarding the status of the claim. Such reports shall include a current status of the claim, the examiner's plan and total incurred amounts listed by Indemnity, SJDB, medical and expense categories.

b. Contractor shall respond to verbal requests of ORIM for information regarding such claims within two (2) business days and clearly note the request and the response in the claim file within one (1) business day of each request and response.

27. Settlement Requests

a. Contractor shall obtain ORIM’s prior written authorization on all settlements over $25,000.00. All requests for settlement authority shall be clear and concise and include a written claim analysis, estimate of permanent disability, indemnity payments cost of medical care, and if applicable the defense counsel's comments and recommendations along with the dates of any pending litigation activity or conferences at the WCAB.

b. On all settlement authority requests exceeding $100,000.00, or other lower amounts when requested by ORIM, the Contractor or defense counsel, if

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applicable, shall provide to the ORIM a written analysis of each proposed settlement. The written analysis must include, but is not limited to, the following:

(1) Facts that reflect the State's liability.

(2) Estimated value of the case (best case scenario – worst case scenario).

(3) Settlement value presented by claimant or opposing counsel.

(4) Defense counsel's or Contractor's recommendation of how to proceed (trial vs. settlement) with justification for the recommendation.

(5) Brief review of medical evaluators/treating doctorss positions. Clearly identify whether the physician is the claimant's, defendant's or treating physician.

(6) Sums paid to date by category for medical expenses of the claim, including rehabilitation.

(7) Center for Medicare Services (CMS) requirements for the Medicare Set-Aside Arrangement (MSA), if applicable.

c. The above written analysis may be followed with requests for information, telephone conference calls or meetings with ORIM, the State, Defense Counsel and the Contractor in order to obtain settlement authority.

d. Settlement considerations must include an evaluation of the need for a MSA and the benefits of a Structured Settlement.

28. Award Payment

a. Contractor shall request payments from the SCO on Awards, computations, commutations or Compromise and Release agreements promptly to ensure payments are issued within the required time limits. Late payments must include the self-imposed increase and appropriate interest in accordance with the Labor Code. The Contractor shall be responsible for fees, increases or

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penalties associated with the late payments for medical treatment that result from the Contractor's failure to timely and properly request payments.

b. Contractor shall document in the claim file the date of WCAB approval, the amount of the settlement, and the type and duration of future medical care recommended by the applicable medical provider. The Contractor shall also document the reason(s) for any late payment of the Award.

29. Subrogation

a. Contractor shall promptly initiate an investigation of issues identified as material to potential subrogation recovery. In all cases where a third party is responsible for the injury to the claimant, the Contractor shall send a letter to the State requesting approval to pursue subrogation. If the claimant brings a civil action against the party responsible for the injury, the Contractor shall consult with ORIM about the value of the subrogation claim and other considerations.

b. When subrogation is to be pursued, Contractor shall contact the third party within ten (10) business days with notification of the State's right to subrogation and the recovery of certain claim expenses. If the third party is a public entity, a claim shall be filed with the public entity within six (6) months of the injury or notice of injury.

c. Contractor shall make periodic contact with the responsible third party and/or insurer to provide notification of the amount of the estimated recovery.

d. If the injured worker files a civil action against the party responsible for the injury, the Contractor shall consult with ORIM about the value of the subrogation claim and other considerations. Upon ORIM's authorization, subrogation counsel shall be assigned to file a Lien or a Complaint in Intervention in the civil action.

e. Whenever practical, the Contractor shall take advantage of any settlement in a civil action by attempting to settle the workers' compensation claim by means of a Third-Party Compromise and Release. If such attempt does not succeed, then every effort shall be made through the WCAB to offset claim

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expenses through a credit against the proceeds from a claimant's civil action.

f. Contractor shall be responsible for collecting subrogation recoveries from the appropriate third party on a quarterly basis for the benefit of the State. A copy of the request to the third party shall be forwarded to the ORIM until such time as the Contractor is instructed otherwise. Any subrogation recovery shall be made payable to the State as directed by ORIM. Any discrepancy in the recovery or reimbursement amount shall be clarified in the claim file at the time of each request for reimbursement. Settlement negotiations shall include the involvement of ORIM.

30. Litigation

a. Contractor shall clearly document the notice of claimant's representation in the claim file and the claimant's allegations of injury.

b. Contractor shall promptly an initiate investigation of issues identified as material to potential litigation.

c. The Contractor shall be required to manage, negotiate and settle any litigated claims, when possible, without the aid of defense counsel.

d. Contractor shall make assignments to defense counsel. Litigation direction shall remain with the Experienced Claims Examiner. Contractor shall prepare clear and concise litigation referrals to defense counsel outlining the issues of the claim and duties that shall be handled by defense counsel, which shall not be clerical in nature. The defense counsel shall not be requested to do anything that could be accomplished by the Contractor, including administrative tasks, such as setting medical appointments, sending appointment letters and medical record requests. These tasks are to be completed by the Contractor.

e. Contractor shall monitor defense counsel's progress and must audit all bills before payment.

f. Defense counsel shall provide a written Plan to defend the litigated issues with an estimate of cost. The Plan shall include an initial analysis of the

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issues and facts. Timely periodic written updates shall also be provided to the Contractor.

g. Contractor shall request settlement authority from ORIM at least fifteen (15) days prior to any settlement conference, hearing or trial for claims exceeding $25,000.00.

   1) Requests for settlement shall be complete, with essential facts and recommendations provided to make an informed decision.

h. Contractor's manager, supervisor or claims examiner shall attend WCAB hearings and meetings with defense counsel as necessary and as requested to do so.

i. All defense counsels retained by the Contractor to perform services for this Agreement shall be licensed to practice law in the State of California, be in good standing throughout the duration of the services and possess at a minimum five (5) years of experience providing workers' compensation defense services.

j. The State and ORIM reserve the right to audit counsels' billings for litigated or settled claims during the agreement period and for three years (3) after the expiration of the services agreement or three (3) years after the settlement of the litigation associated with the billings, whichever occurs last. Should overpayments be identified by the State or ORIM, the Contractor shall reimburse the State within forty-five (45) calendar days of request for reimbursement.

31. Fraudulent Claims

a. Contractor shall refer any claim with suspected fraudulent activity to the Contractor's special investigation process for further investigation and potential referral to the appropriate authorities.

b. If the Contractor does not have an in-house special investigation process, the claim shall be referred to an outside investigator with ORIM's prior approval, to conduct further investigation. The ORIM shall be notified of the referral and

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be provided with periodic updates by the Contractor.

32. Overpayment

Contractor shall notify ORIM regarding any overpayment. Contractor shall be responsible for collecting any overpayment. In the event the Contractor fails to collect the overpayment, the Contractor shall reimburse the State for the amount of the overpayment. Contractor shall also notify the State via ORIM when the reimbursement is credited. Any settlement that considers credit for an overpayment against a "new and further" disability shall be reviewed and approved by the ORIM. The claim notes shall outline the reason and amount of the overpayment and the efforts taken to request reimbursement for the overpayment.

33. Assessment of Administrative Penalties Payment

a. Contractor shall reimburse the State for any penalties assessed to the State which is found to be the result of the Contractor's lack of proper handling, including late payments and costs incurred due to late/improper notifications. All benefits must include the self-imposed penalty/increase in accordance with California law. The reason and the amount for the penalties/increases shall be clearly documented and supported in the claim file.

b. If the Contractor fails to comply with statutory laws and administrative regulations, any and all penalties incurred as a result, shall be the sole responsibility of the Contractor.

34. Claim Reconciliation

All claim files must be reconciled to ensure all medical, indemnity and expense payments have been made correctly. The reconciliation should verify that payments were issued to the correct provider, in the correct amount and from the correct claim file. All open claims must be reconciled as follows: (1) any time there is a change from one benefit to another (e.g., from temporary disability to permanent disability); (2) when ten (10) indemnity warrants have been issued; or (3) at least annually. Proof of the reconciliation shall be documented in the claim

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file.

35. Future Medical Claims

a. Contractor shall review medical-only claims open beyond 90 days from the date received by the Contractor for potential closure or conversion to indemnity claim status.

b. Contractor shall evaluate stipulated claims with future medical provisions semi-annually to adjust reserves and to determine potential for settlement of future medical benefits and any remaining benefits due. The reason(s) and calculation(s) for the recommended settlement amount shall be clearly documented in the claim file.

c. Contractor shall clearly document in the claim file the outcome of the settlement negotiations. Should active litigation develop after the future medical claim has been settled, the claim shall be considered active and shall no longer be considered a future medical claim. All appropriate performance standards contained in this Agreement pertaining to active claims shall apply.

36. Case Closure

a. Contractor shall close all cases, where permanent disability is not an issue, within thirty (30) calendar days of the final financial transaction or final correspondence to the claimant as required by law.

b. All indemnity claims with awards for future medical benefits shall remain open for two (2) years from the last payment of benefit and then closed within thirty (30) calendar days of that date in accordance with Title 8, CCR section 15400.2 and Title 8, CCR section 9812(g)(3).

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C. SPECIAL PROVISIONS

1. Transition and Implementation Services

   a. Contractor shall be prepared and ready to commence the annual management and administration of Workers' Compensation Claims on or before November 1, 2027.

   b. Contractor shall undertake and complete the services included in the Proposer's Transition and Implementation Plan (Plan), Exhibit A – Attachment 2, within 30 (thirty) calendar days of approval of this Agreement by the DGS Office of Legal Services (OLS).

   c. Contractor shall provide the following transition and implementation services included in the Plan:

      (1) The completion of data transfer and conversion from the current TPA's existing system for the open and closed workers' compensation claims data to the Contractor's System.

      (2) Testing and validating converted data of the current TPA for use in the Contractor's system to verify that the data is stable, reliable and usable by the Contractor.

      (3) Completion of the testing and validation of the converted data.

      (4) The data interface and integration of the Contractor's system shall be operational to accept claimants' demographic information.

      (5) The online claims management system of the Contractor shall be available to the State, ORIM, DHCS and the authorized CCRs.

      (6) Contractor's transmission and receipt of the electronic data for the issuance of all claims-related payments made by the SCO shall exist in the required format described in the "Payments" provision of this Scope of Work. This shall involve meeting with SCO and the State to establish

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an implementation plan to include, but not be limited to:

(a) Testing and validating transmitted data with SCO.

(b) Establishing procedures, processes and standards with ORIM, the State, and SCO that meet the State's accounting and fiscal requirements.

(c) Contractor shall submit the final written implementation plan for the SCO system to the State and the SCO for their approval.

d. On or before November 1, 2027:

(1) Contractor shall have in place, staff comprised of qualified and experienced personnel to administer workers' compensation claims in accordance with the requirements of the SOW.

(2) Contractor shall have in place a claims manual for Contractor's staff, detailing the requirements for the Contractor's administration of the workers' compensation services to the State in accordance with the requirements of this SOW.

(3) After November 1, 2027, Contractor shall provide training to all County Contact Representatives regarding Claims reporting procedures and responsibilities. Training is to include instructions to report claims "On-Line" via a web-based reporting module.

(4) Contractor shall prepare proper notifications and letters of introduction to the claimants and their representatives, service providers and all other interested parties for open claims of the current TPA and for new claims.

(5) Contractor shall provide the prepared notifications and letters of introduction to the claimants and their representatives, service providers and all other interested parties for open claims of the prior TPA and for new claims.

(6) Contractor shall have in place, at a minimum three (3) fully staffed, furnished, claims in California offices to administer the workers'

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compensation claims administration services statewide.

(7) Contractor shall arrange and provide secure storage of the closed workers' compensation claim files.

2. Financial Administration

a. Contractor shall maintain a record of all indemnity, medical and allocated loss expense payments. Payment authorization limits and payment policies shall be established by the ORIM and reviewed from time to time with the Contractor.

b. Contractor shall maintain complete and accurate records with respect to costs, expenses, receipts and other such information required by the ORIM that relate to the performance of services under this Agreement. Contractor shall maintain adequate records of services provided in sufficient detail to permit an evaluation of services. All such records shall be maintained in accordance with generally accepted accounting principles and shall be clearly identified and readily accessible.

c. Contractor shall timely prepare and forward the required Federal Form 1099 filing and distribute 1099 Forms to all applicable payees pertaining to claims administered by the Contractor as required by the Internal Revenue Service. This includes the applicable payees, who are paid by the SCO pursuant to the request for payments (warrants) made by the Contractor. The Contractor shall be responsible for any late fees incurred due to late processing of the Federal 1099 Forms. All fees associated with the preparation and distribution of the Federal 1099 forms shall be included within the contract price.

3. Allocated Loss Expenses

The term "Allocated Loss Expense" shall mean all Workers' Compensation Appeals Board or court costs, fees and expenses; fees for service of process; fees to attorneys and paralegals; the cost of investigators; the cost employing independent experts; medical cost containment program costs as defined in Title 8, CCR section 15300; the cost for record copying services; the cost of depositions and court reporter fees and any similar cost or expenses properly

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chargeable to the defense of a particular claim or to protect the subrogation rights of the State. Generally, the above services are typically not performed by the Contractor responsible for administration of the claim file. An Allocated Loss Expense is not included in the fee paid to the Contractor.

4. Right to Audit

   a. ORIM and/or its designated representative, as well as the State is authorized to visit the Contractor's processing and/or storage premises for the purpose of performing a claims audit, and shall have access to all data, including paper documents, and stored data which relate to payments or non-payments made by the Contractor. Any assistance or services provided in response to a claims audit described above shall be rendered at no additional cost to the State.

   b. Within sixty (60) calendar of the conclusion of the audit, ORIM shall deliver to the Contractor the formal written audit report. Contractor shall have sixty (60) calendar days to respond to the audit and provide a corrective action plan if any deficiencies are found and agreed upon.

   c. The State shall be provided by ORIM a report of audit findings along with any corrective action plans within ten (10) business days of receipt of Contractor's response. The State may contact the ORIM or the Contractor for additional information. If contacted by the State, the Contractor agrees to provide additional information upon request of the State.

5. Payments to Ineligible Claimants

   a. The State shall not be responsible for benefits provided to a claimant who was ineligible to receive the workers' compensation benefits under this Agreement. Benefits or payments made on behalf of an ineligible claimant shall be the responsibility of the Contractor. The Contractor is responsible for recovering from the claimant and reimbursing the State for all benefits or payments made to or on behalf of an ineligible claimant.

   b. Contractor shall, upon discovery of an ineligible payment(s), immediately notify the Program and ORIM of all benefits or payments made to or on behalf

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of an ineligible claimant.

c. The Program of the State, in lieu of waiting for the recovery by the Contractor, may at its election with thirty (30) calendar day written notice to the Contractor offset the amount due the Contractor as compensation for services by the amount of the benefits or payments made to or on behalf of an ineligible claimant.

d. The thirty (30) day written notice to the Contractor shall provide the facts of the claimant's ineligibility for workers' compensation benefits and detail the benefits or payments made to or on behalf of the claimant.

6. Reports

a. Contractor shall provide scheduled reports each month, each quarter and upon request to be sent electronically through an encrypted or secure zip file, or through the use of a secure and encrypted diskette, or in a written format, provided that the method of delivery protects the security and confidentiality of the personal and medical information contained in the writing. During the initial implementation of the Agreement, the Contractor and the ORIM shall prepare a list of required reports and records with time deadlines. These reports shall include, but are not limited to:

- Detailed listing of open claims and closed claims
- Summaries of all open and closed claims
- Claims Cost Detail
- Claims Cost Summary by Year
- Claims by Location
- Claims trending
- Subrogation Recovery
- Vendor Payment Detail
- Vendor Payment Summary
- SIU Fraud Report
- Bill Review Summary
- Bill Review Detail
- UR Summary
- UR Detail

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- Nurse Case Management
- Pharmacy Benefit Management
- Penalty Reports, including Self-Imposed Penalties
- Closing Percentages
- Bill Review Percentage of Saving
- Utilization Review Percentage of Savings
- Loss causation
- Injury type
- Body Parts
- Ad hoc customized reports that may include, but not be limited to, litigation reports, settlement reports and/or use of medical clinics.
- Statistical and narrative reports on outstanding issues to be addressed at quarterly meetings
- Examiner Caseload

b. Contractor shall provide other special reports required by ORIM including, but not limited to, loss trend reports, claim abstract reports, reports required by actuaries, etc. If new programming is required to provide such reports, the Contractor shall pay at its own expense for new or special programming costs.

c. Contractor shall make corrections to the loss runs within thirty (30) calendar days of a request for correction by ORIM.

d. Other than standard monthly loss runs, computer-generated loss data reports requested by ORIM shall be provided within five (5) business days.

7. Risk Management Information System

a. Contractor’s system must have the ability to import all workers’ compensation claims and payment data from the existing system into the Contractor's system.

b. Contractor shall utilize a paperless system.

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c. Contractor's system must have the ability for CCRs to report work-related injuries and illnesses through an 'online' web-based reporting module.

d. Contractor's system must have the ability to provide the State, ORIM, DHCS and the CCRs, through the use of their state or county computers, with read-only access to all portions of their claims in the Contractor's system.

e. Contractor's system shall have the ability to export data to and import data from the SCO.

8. Forms and Notices

a. Contractor shall provide all forms necessary for the processing of benefits or claims information including the Employer's Report of Occupational Injury or Illness, Employee Claim Form (DWC Form 1), and other related forms. These forms shall be provided at no additional cost to the State.

b. Contractor shall provide all required notices to each claimant with the information and language(s) meeting the standards set forth in the regulations for the provision of notices.

9. Claims Manual

a. Contractor shall prepare and maintain a written Claims Manual specific to the needs and requirements of the workers compensations' claims administration services provided by the Contractor for this Agreement. The manual shall provide performance expectations and standards for the Contractor's staff assigned to the Program. A copy the manual shall be provided to ORIM and the State upon its completion.

b. A template for each required notice shall be kept current and placed in the Contractor's Claims Manual.

10. Claims Management Program

a. Training

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(1) Contractor shall provide a maximum of eight (8) special on-site training services annually or when requested by the State in various counties throughout California to the CCRs regarding the Program and reporting procedures. Unless otherwise designated by ORIM, the anticipated training locations shall include the following:

- Alameda
- Fresno
- Los Angeles
- Redding
- Sacramento
- San Bernardino
- San Diego
- Ventura

(2) Contractor shall be responsible for the cost of training locations, coordinating attendance, verifying attendance and supplying training materials.

(3) The cost of training and the associated travel costs of providing the training are included in the annual fees for claim administration, in accordance with the price quote provided by the Contractor on the Cost Proposal Sheet, Attachment 6 to the Cost Proposal. No additional fees or costs shall be paid for the required training and related travel costs.

b. Quarterly Program Review

Contractor and the State shall meet on a quarterly basis at the Department of Social Services' building in Sacramento. At these meetings the Contractor shall provide:

(a) Recommendations to reduce costs and improve the efficiency and effectiveness of the workers' compensation services of this Agreement for the benefit of the State.

(b) Written updates regarding current statutes, proposed changes to statutes, new or recent court cases, and changes to the rules and

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regulations, that affect the services delivered by the Contractor for the benefit of the State.

(c) Written information regarding trends in the applicable Program affecting the number of claims, liability or costs of medical care or benefit payments.

(d) An overview of activities, on-going issues, challenges and accomplishments of the workers' compensation services of this Agreement for the applicable Program.

11. Qualification of Personnel

a. Contractor shall assign only competent personnel according to the reasonable and customary standards of training and experience in the relevant field to perform services pursuant to this Agreement. Failure to assign such competent personnel shall constitute grounds for termination of this Agreement. The examiners and claims assistants shall be dedicated to the exclusive handling of the State's claims. Contractor shall be allowed to use non-dedicated or part-time, experienced examiners when caseloads exceed the number specified in the caseloads outlined in Section C, Item 1, in the Scope of Work.

b. Contractor shall conduct a thorough background investigation of the Contractor's staff as a condition for undertaking the services of this Agreement. The cost of the background check is the responsibility of the Contractor.

c. Contractor shall assign only claims professionals who possess a current certificate to administer workers’ compensation claims in the State of California. The Contractor shall annually certify to the ORIM that each examiner is in compliance with all legal and regulatory licensing and continuing educational requirements at present or in the future as shall be promulgated and required by the State of California.

d. It is understood that the State has the right to require examiners to be removed from performing services under this Agreement based on

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unsatisfactory performance. The notice of unsatisfactory performance and request for removal may be provided by ORIM.

e. Contractor shall require an examiner to be available and to readily respond to a CCR's request for assistance with the issues of a claim whether ongoing or of a limited nature.

f. Contractor shall require its examiners or other of the Contractor's personnel, as necessary, to attend meetings to report on the general state of the workers' compensation services for the applicable Program and on any particular cases of interest.

g. Contractor shall assign claims supervisors with a minimum of four (4) years of workers' compensation claims technical experience and at least two (2) years of workers' compensation claims supervisory experience in the State of California. Each supervisor shall be responsible for the following:

(1) Provide claims management oversight, training and supervision to assigned staff, including Claims Examiners and Medical Only Examiners.

(2) Ensure performance expectations for the proper and timely claims administration set forth in this Agreement.

(3) Identify and resolve performance issues and inefficiencies in the claims administration process.

(4) Serve as a point of contact for ORIM for escalated issues involving individual claims, investigations or claims administration processes and procedures.

h. Contractor shall assign Experienced Claims Examiners to manage indemnity and litigated claims. The claims examiner shall have a minimum of three (3) years of experience examining California workers' compensation claims. The claims examiner shall be assigned the following:

(1) Complex or technically difficult claims requiring fact gathering and investigation; a determination of exposure or compensability associated with the claim; and a well-developed action plan for timely and

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appropriate resolution.

(2) The coordination of vendor referrals for additional investigation and/or litigation management, with continued oversight of such services.

(3) Referrals to vendors for allowable cost containment.

(4) The management of claim recoveries, including subrogation.

(5) Responsibility for maintaining appropriate reserves over the life of a claim.

(6) Responsibility for maintaining a professional and/or supportive relationship with the claimant to expedite the rendering of services and the closing of the claim.

(7) Ensuring the provision of the required notices within the statutory requirements.

(8) Responsibility for appropriately and timely documenting the claim file.

i. Contractor shall assign claims examiners with a minimum of two (2) years of experience examining California workers' compensation claims to handle medical only claims.

j. Contractor shall ensure that other personnel, such as management, clerical, accounting and data processing, which may be required to satisfactorily provide the services required by this Agreement, shall be provided by the Contractor within the agreed fee contained in the Contractor's Response to the Request for Proposal and this Agreement. It is understood that the personnel referred to in this paragraph need not be dedicated to the exclusive use of the workers' compensation services for the applicable Program. The Medical Only Examiner shall have the following responsibilities:

(1) Documenting and securely storing received medical reports.

(2) Contact with the CCR to confirm no lost time.

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(3) Reviewing medical reports for consistency and accuracy with the employer's report, including correct body part or occupational illness for treatment.

(4) Reviewing claims every thirty (30) to forty-five (45) calendar days to ensure claim is progressing.

(5) Authorize medical treatment, medications, physical therapy and medications as needed.

12. Record Retention

Contractor shall maintain all claim files and associated data for ten (10) years from the date the claim is closed. ORIM shall be notified in writing at least thirty (30) calendar days prior to any destruction of files to determine if it wishes to retain the claim files at its expense.

13. Confidentiality of Information

a. Contractor shall properly secure and maintain the highest level of privacy and confidentiality of any and all claim information to which the Contractor is privy under this Agreement, unless and until the Contractor obtains the express written consent from the State to release such information. All claim information or any related information shall be considered to be confidential and shall be protected as such. This applies to any and all claims data in any form (oral, hard copy or electronic) that the Contractor comes in contact with in the course of executing this Agreement, including, but not limited to, the State's workers' compensation claims, health and fiscal data or any other personally identifiable data that should be reasonably understood to be confidential and not generally known or subject to public disclosure, or otherwise exempt from public disclosure under the law. Public disclosure shall mean disclosure to anyone (including County departments and employees not designated to the Contractor by the Program as being authorized to assist in administering claims activities within a given County) outside of the State and its authorized personnel and/or designee(s). The only exception to this requirement relates to any information that the Contractor is required by statute and/or regulation to provide to other third

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parties, including the State of California. Contractor shall notify the State in writing at least ten (10) calendar days prior to the anticipated release.

b. The Contractor agrees to comply with the CDSS Confidentiality and Security Requirements for Vendor in Exhibit E – Attachment 1.

c. Contractor also agrees to comply with the following security measures:

(1) Any paper records which contain personal information as defined by Ca. Civ. Code 1798.3 may only be sent by the Contractor to CDSS (or its agents), State, or the Counties through the use of a process of delivery that requires the addressee/recipient to sign for receipt.

(2) Contractor agrees to update its procedures and processes for confidentiality, security and privacy with changes in technology or law.

d. Once a year, Contractor shall conduct an internal assessment of its data handling security processes and provide a report to the ORIM with any recommendations or corrective action plans.

14. Records, Files, Transcripts, Tapes, Etc.

a. All records, files, transcripts, computer tapes and any other material on workers' compensation adjusting activities developed in the course of the services by the Contractor under this Agreement are the property of the State and must be maintained in good order and condition and relinquished to the State in good order and condition, upon termination of this Agreement without additional cost to the State.

b. These records are subject to the State Records Management Act commencing at Government Code section 14740 and may not be removed or deleted or otherwise destroyed during the term or subsequent renewal of this Agreement, except as specifically authorized in Section 12 above.

c. All records of fiscal, legal or administrative value generated, created or received by the Contractor under this Agreement shall be securely retained

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by the Contractor.

d. Contractor shall instruct its personnel providing services under this Agreement that the deletion or destruction of a governmental record is not permitted, except as specifically authorized in Section 12 above, and may subject the performer of such an act to criminal or civil penalties.

e. Most if not all information contained within the files of a claim's adjuster should not be subject to a Public Records Act (PRA) request. However, in the event that the Program receives a request under the Public Records Act for information that may be subject to disclosure, the Contractor agrees to assist the Program in collecting or evaluating the information for a response to the PRA request.

f. Contractor shall bear the cost of any security incident or breach of security including, but not limited to, investigation of the incident or breach, the notification of the breach to the affected individuals as required by law, and the cost of credit monitoring for a period of two (2) years from the date of the discovery of the security incident or breach in the event that the breach of security resulted in the release or disclosure of the affected individuals' Social Security Number, financial account information or medical identification number.

15. Protection of Data

It is the Contractor's responsibility to develop and implement processes and procedures relating to the protection of the State's electronic data, including a suitable security and back-up system for all stored data and a written policy with respect to disaster recovery, physical and electronic data security and electronic data retention. The processes and procedures for the protection of the electronic data must be equal to or exceed the requirements of the State Administrative Manual commencing at Chapter 5300 – Information Security (Office of Information Security).

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16. Termination Assistance Services

Contractor shall provide the State with the following services (i) upon Notice to the Contractor that the Agreement shall be terminated, or (ii) if the State notifies the Contractor to commence such services, since the State does not intend to extend the Agreement past the current term at no cost to State:

a. Provide to the ORIM or its designee copies of the completed and partially completed Work, including, without limitation, indexing and defining location and form (electronic, paper copy, etc.) of such Work.

b. Review completed and partially completed Work with the ORIM or its designee. Including, without limitation, identifying the extent of completion of the partially completed Work, estimating requirements to complete the Work, and identifying the contingencies or dependencies of the Work on other currently ongoing or completed Work.

c. Review with ORIM or its designee the status of the risks, issues and corresponding action plans for transferring existing Work, including but not limited to open and/or litigated claims.

d. Develop, with the assistance of the ORIM, or its designee, a plan for the transition of the Work-in-progress to the State, or its designee including, without limitation, a recommended sequence for review and establishment of a series of briefings to accomplish knowledge transfer.

e. Provide information and assistance as the ORIM, or its designee, may reasonably request relating to the function of the Key Personnel employed or contracted by the Contractor to perform the Work under this Agreement.

f. Conduct meetings with the ORIM or its designee to discuss status and Work-in-progress/to-dos.

g. Provide bi-weekly status reports during transition period – task-oriented status reports including, without limitation: week back and week forward status of tasks and other commitments, resolved and unresolved issues and risks,

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resources availability.

h. Provide data and loss reports and assist in any necessary reconciliation of data after transition of the program.

17. Translation Services

Contractor is responsible for the provision of translation services for each claimant, as required by the Labor Code.

18. Standard Insurance Requirements of the State of California

Contractor shall also comply with Exhibit E, Additional Provisions, Insurance Requirements.

D. CDSS Responsibilities

The State shall:

1. Use a formal notification process to notify the CCRs of the Contractor's name, address and other contact information upon the approval of this Agreement by DGS/OLS.

2. Enter into an agreement with ORIM for the oversight and management of the services of the Contractor for this Agreement.

3. Respond timely to requests for information from the Contractor or ORIM regarding the Program and policies associated with the Program.

4. Respond to ORIM's provision of the Contractor's request for settlement authority to settle a claimant's claim within ten (10) calendar days of the receipt of a written request, which is complete with the necessary information to make an informed decision. The State shall make a good faith effort to obtain a decision from DHCS within ten (10) calendar days. Missing or incomplete information associated with the settlement request may result in a delayed decision by the State or a request for additional information.

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5. Meet quarterly meet with the Contractor and ORIM to review reports regarding the delivery of the services, including but not limited to financial trends, ongoing cost containment measures of the Contractor, additional requirements in law for the provision of services, and recommendations of the Contractor or ORIM for improvements or changes in the processes used to coordinate the delivery of services.

6. Create amendments to this Agreement and timely provide a copy of each draft amendment to ORIM and the Contractor for review and comment. The State may solicit input from ORIM or the Contractor for the creation of any amendments.

7. As time permits, attend trainings of the Contractor.

8. As time permits, request topics for inclusion in the Contractor trainings.

9. Provide directions to ORIM for the oversight of the delivery of the services of the Contractor, as necessary.

10. All printing shall be sent to the California Department of General Services, Office of State Publishing (OSP). It is the responsibility of the CDSS Project Representative to obtain an exemption from OSP to competitively bid out any and all printing listed within this contract. The printing exemption process is managed by the CDSS Forms Management Unit.

E. PROJECT REPRESENTATIVES

The Project Representatives during the term of this Agreement shall be:

CDSS	**Contractor**
TBD	TBD
Phone:	Phone:
Email:	Email:

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A Party to this Agreement may change its Project Representative's information by providing written notice to the other Parties within five (5) business days of the change. Said change shall not require an amendment to this Agreement.

Definitions for the CalWORKs Program

The terms defined below and elsewhere throughout the Contract Documents shall apply to the Agreement.

"Administrative Director" refers to the Director of the Department of Industrial Relations, which includes the Division of Workers' Compensation (DWC), of the State of California.

"Agreement" – see the definition of Contract.

"Allocated Loss Expense" refers to the cost or expense incurred as part of a loss on a Claim file, which may include, but is not limited to the following: Workers' Compensation Appeals Board (WCAB) or court costs, fees, and expenses, fees for service of process; fees to attorneys; fees of independent adjusters or attorneys for investigations or adjustments of claims for AOE/COE investigations not performed by the personnel of the Contractor; the cost of employing experts for the purpose of preparing maps, photographs, diagrams, chemical or physical questions; medical cost containment as identified in the California Code of Regulations, Title 8, Division 1, Chapter 8, Subchapter 2, Article 6 and Section 15300 (b)(1); costs of copies of transcripts of witness testimony, coroners' inquests or private records; the cost of depositions and a court reporter or recorded statements; and any similar costs or expenses properly chargeable to the defense of a particular claim or to the protection of the subrogation rights of the California Department of Social Services (the State). Allocated Loss Expenses do not include fees payable by the State to the Contractor or penalties payable by the Contractor.

"Amendment" means a written document issued by the State, the Department of General Services, the Office of Risk and Insurance Management (ORIM) and signed by the Contractor, DGS/ORIM and the State which alters the Contract Documents and identifies the following: (i) a change in the Work; (ii) a change in Contract Amount; (iii) a change in time allotted for performance; or (iv) a change in the terms.

"Appeals Board" refers to the Workers' Compensation Appeals Board (WCAB) of the DWC.

"AOC/COE" is the acronym for Arising Out of Employment/ in the Course of Employment.

"AOE/COE Investigation" refers to an investigation of the facts surrounding an alleged injury suffered by a workers' compensation claimant to determine whether the injury was sustained in the course of providing the required services. It also includes determining whether the alleged injury was sustained as the result of a third party's actions or in course of conducting the claimant's personal errands, tasks or affairs.

Definitions for the CalWORKs Program

"AOC/COE Referral" refers to the Contractor's referral to an independent investigator to conduct an AOC/COE investigation.

"Approval of an AOC/COE Investigation" refers to the process by which the Contractor notifies ORIM that an Arising Out of Employment, in the Course of Employment (AOE/COE) investigation by the Contractor is necessary and ORIM pre-approves in writing the AOC/COE investigation by the Contractor. Any AOC/COE investigation conducted by Contractor without ORIM pre-approval shall be at the Contractor's sole expense.

"Benefit Notices" refers to written communications with claimants in compliance with Labor Code and Title 8 of the California Code of Regulations.

"CalWORKs Program" refers to the California welfare-to-work program through which certain participants are required to participate in unpaid work experience, unpaid community service, subsidized employment or other activities.

"Caseload" refers to the number of open or current claims for compensation assigned to claims adjusters, medical claims examiners, or supervisors under this Agreement.

"Claim" refers to a demand for medical care or compensation for temporary or permanent disabilities in accordance with the Labor Code for a work-related injury or occupational illness.

"Claimant" means a claimant who files a Claim for Workers' Compensation pursuant to his or her required participation in the E & T Program. In the event that the claimant is deceased as a result of the injury, claimant also includes dependents.

"Claims Adjuster" refers to one who possesses sufficient training or experience as determined by the Department of Insurance to lawfully adjust injury or medical claims. "Claims adjuster" means a person who, on behalf of an insurer, including an employee or agent of an entity that is not an insurer, is responsible for determining the validity of a workers' compensation claim. The claims adjuster may also establish a case reserve, approve and process all workers' compensation benefits, may hire investigators, attorneys or other professionals and may negotiate settlements of claims.

"Claims Adjusting" or **"Claims Administration"** means the processing of claims, including new or existing claims, which includes, but is not limited to: verifying a claimant's eligibility; monitoring examiners, attorneys and medical service providers; negotiating settlements; record-keeping; preparing reports; and monitoring delivery of services to ensure that they comply with the Scope of Work, Exhibit A.

"Claims Administration Compensation" refers to the compensation as set forth in Exhibit B,

Definitions for the CalWORKs Program

Budget Detail and Payment Provisions, that the State shall pay the Contractor for providing claims services as specified in the Scope of Work. Compensation for services does not include the Allocated Loss Expenses or the indemnity claims of claimants.

"Claims Examiner" refers to a Claims Adjuster.

"Closed Claim File" means (i) Claim files closed by settlement which precludes their reopening, (ii) administratively closed files which may be subject to reopening for the life of the Claimant, or (iii) files closed by settlement which could later be reopened.

"Confidential Information" means trade secrets, financial, statistical, personnel, technical and other data and information relating to the State's or ORIM's business or the business of their personnel or constituents and including any communications between the Contractor and the State or ORIM, their personnel or constituents. Confidential information also means an individual's status as an applicant or participant in a public assistance program pursuant to Welfare & Institutions Code Section 10850. Confidential information shall include medical information as defined by the California Civil Code Section 56.05 (f). Confidential information does not include (i) information that is already known by the receiving party, free of obligation of confidentiality to the disclosing party; (ii) information that becomes generally available to the public, other than as a result of disclosure by the receiving party
in breach of this Agreement; (iii) information that is independently developed by the receiving party without reference to the Confidential Information; and (iv) information that the receiving party rightfully obtains from a Third Party free of the obligation of confidentiality to the disclosing party.

"Contract" or **"Contract Documents"** constitute the entire integrated agreement between the ORIM, the State and the Contractor, as attached to and incorporated into a fully executed State Standard Agreement. The terms "Contract" or "Contract Documents" may be used interchangeably with the term "Agreement."

"Contract Amount" means the total amount encumbered under this Agreement. The Contract Amount does not include payments for Claims, such as medical or indemnity, or the Allocated Loss Expenses.

"Contractor" refers to the (TBD)-Name of Contractor.

"County Contact Representative (CCR)" refers to the point of contact in the county to facilitate information or documentation to the Contractor for administering the workers' compensation claim in that county; this contact also participates in the return to work process of the claimant. The County Contact Representative may be the employer, worksite supervisor, or a county representative.

Definitions for the CalWORKs Program

"Coverage" refers to the provision of workers' compensation services and benefits to claimants who suffered an occupational illness or injury in the provision of services for which the State is required to provide coverage pursuant to state or federal law.

"Day" means calendar day, unless otherwise specified.

"DWC-1 Form" refers to the Division of the Workers' Compensation Claim Form & Notice of Potential Eligibility.

"Examiner" refers to a Claims Examiner.

"Existing Claim" refers to any open or closed Incident, Indemnity, or Medical Claim of a claimant for which Claims Administration services are required.

"Experienced Claims Examiner" refers to a person who has had at least five (5) years within the past eight (8) years of on-the-job experience adjusting California workers' compensation claims or supervising claims adjusters handling California workers' compensation claims and is designated as an experienced claims adjuster by an insurer. A person who has successfully completed the written examination specified by Title 8, Section 15452 of the California Code of Regulations is also considered an experienced claims adjuster, provided that he or she has either (1) worked as a workers' compensation claims adjuster or supervised workers' compensation claims adjusters continuously since passing the examination and is designated as an experienced claims adjuster by an insurer or (2) passed the examination within the previous five (5) years and is designated as an experienced claims adjuster by an insurer.

"First Aid" refers to First Aid as defined in Labor Code Section 5401(a).

"Future Liability or Liabilities" refers to the estimate of future liability of the indemnity component and a medical component of each claim and the outstanding or reasonably anticipated Allocated Loss Expense of each claim. The indemnity component shall include the estimated future cost of all temporary disability, permanent disability, death benefits including burial costs, supplemental job displacement benefit voucher and vocational rehabilitation costs.

"Indemnity" refers to a Workers' Compensation Claim as defined in Labor Code section 4652.

"Indemnity Claim" refers to a work injury which may result in any of the following benefits:

(i) Lost time
(ii) Temporary Disability;
(iii) Permanent Disability;
(iv) Death Benefits;

Definitions for the CalWORKs Program

(v) Vocational Rehabilitation; or
(vi) Supplemental Job Displacement Benefit Voucher

"Injury" refers to any injury or occupational disease arising out of an individual's required participation in an unpaid training assignment, on the job training, or work experience administered in the County.

An injury may be either: (a) "specific," occurring as the result of one incident or exposure which causes disability or need for medical treatment; or (b) "cumulative," occurring as repetitive mentally or physically traumatic activities extending over a period of time, the combined effect of which causes any disability or need for medical treatment. The date of a cumulative injury shall be the date determined under the Labor Code section 5412.

"Interpretation Services" refers to the services required to be provided or subject to reimbursement pursuant to the Labor Code, including but not limited to sections 4600, subds. (f) and (g), and 5811, subd. (b) (2).

"Labor Code" refers to the California Labor Code.

"Litigation Referrals" refers to written referrals by an experienced claims examiner to a defense counsel where the services of the defense counsel shall be substantive, and not of a clerical nature. All litigation referrals are concise and clearly state the issues of the claim and the duties requested to be undertaken by defense counsel.

"Lost Time" refers to absence from work for a full day or shift beyond the date of the injury or illness, per 8 CCR §14001, subd. a.

"Medical Bill Review" refers to the Contractor's Medical Management Service pertaining to the review of medical and pharmacy bills for the proper application of the State of California's official Workers' Compensation medical fee schedule in effect during the term(s) of the Contract.

"Medical Claim" refers to that portion of a Workers' Compensation Claim involving medical treatment, but does not include an Indemnity or Lost Time Claim.

"Medical Claims Examiner" refers to an examiner who only reviews medical only or future medical claims and who meets the Department of Insurance qualification requirements to review medical claims.

"Medical Only Claim" A work-injury case which does not result in compensable lost time but results in medical treatment beyond first aid.

Definitions for the CalWORKs Program

“Medical Payments” includes payments for allowable medical treatment and for medical examinations pursuant to the Labor Code section 4600.

“Medical Treatment” refers to those services authorized in the Labor Code and the applicable regulations including, but not limited to medical, surgical, and hospital treatment; nursing, medicines, medical and surgical supplies, crutches, and apparatus; services and supplies by physical therapists, chiropractic practitioners, and acupuncturists, as licensed by California state law and within the scope of their practice as defined by law. A referral by a licensed physician or surgeon for other treatment authorized in the Labor Code also refers to medical treatment.

“Medical Treatment Utilization Schedule (MTUS)” provides medical treatment guidelines for utilization review and an analytical framework for the evaluation and treatment of injured workers. It helps medical providers understand which evidenced-based treatments have been effective in providing improved medical outcomes to those workers. The MTUS is promulgated by the DWC under Labor Code sections 5307.27 and 4604.5, and can be found in section 9792.20 et seq. of Title 8 of the California Code of Regulations.

“Open Claim” refers to a work-injury case in which it appears that one or more future payments of workers' compensation benefits may be due.

"Nurse Case Management Services", when provided to a claimant, refers to a form of medical treatment within Labor Code section 4600.

“Program” refers to the CalWORKs Program.

“QME/AME” refers to the following:

A qualified medical evaluator (QME) is a physician, who meets educational and licensing requirements to qualify as a QME.

An agreed medical evaluator (AME) is a QME included in list of state-certified doctors issued by the DWC Medical Unit and agreed upon by a claimant’s attorney and the claims adjuster.

“Reserves” see **“Future Liabilities”**

“Supplemental Job Displacement Benefits (SJDB)” refers the benefits for educational retraining or skills enhancement to claimants whose employers are unable to provide work consistent with the requirements of Labor Code section 4658.6.

“Subrogation” refers to the right of the State to receive all rights and remedies in any recovery

Definitions for the CalWORKs Program

obtained from a third party pursuant to settlement, adjudication or any other legal process.

"Third Party Administrator" refers to a competent person pursuant to Title 8 of the California Code of Regulations Section 15452, who is responsible for day-to-day management of a self-insured's workers' compensation program in the State of California. The responsibility includes, but is not limited to, the making and reviewing of decisions relating to the furnishing of all workers' compensation benefits in accordance with law and the maintenance of the self-insured's claim records.

"Unallocated Loss Expense" refers to services and costs related to an AOE/COE investigation performed by the personnel of the Contractor, which is not approved in writing by ORIM prior to the undertaking of the services by the Contractor's personnel. It is not an expense for which the Contractor may receive reimbursement or payment. Unallocated loss expense also refers to a general expense that cannot be associated with a particular claim.

"Utilization Review (UR)" refers to the process used by claims administrators to review the treatment recommendations of physicians to determine if the treatment is medically necessary. It includes providing prospective or precertification, concurrent and retrospective utilization review services to determine whether aspects of a patient's care and requested medical treatment and/or services is medically necessary and appropriately delivered. Claims administrators are required by law to have a UR program which is governed by Labor Code section 4610 and associated regulations.

(i) Each utilization review process is governed by written procedures and policies developed by the TPA.
(ii) Policies and procedures shall ensure that the UR decisions are based on the medical necessity to cure and relieve and that the proposed medical treatment services are consistent with the schedule for medical treatment utilization adopted pursuant to section 5307.27 of the Labor Code.
(iii) Utilization Review does not include determinations of the work-relatedness of injury or disease, or bill review for the purpose of determining whether the medical services were accurately billed. The utilization review process begins when the completed DWC Form Request for Authorization (RFA) is first received by the claims administrator, or in the case of prior authorization, when the treating physician satisfies the conditions described in the utilization review plan for prior authorization.

"Work-Injury Claim" refers to an injury that is reported or reportable to the Division of Labor Statistics and Research pursuant to Labor Code Sections 6409, 6409.1 and 6413.

MANAGED CARE RATE FEE SCHEDULE

Bill Review Services

Contract Term	Flat rate fee per bill
36 Month Base Term (TBD – TBD)	x $
36 Month Option Term (TBD – TBD)	x $

Nurse Case Management Services

Contract Term	Hourly Rate
36 Month Base Term (TBD – TBD)	x $
36 Month Option Term (TBD – TBD)	x $

Field Case Management Services

Contract Term	Hourly Rate
36 Month Base Term (TBD – TBD)	x $
36 Month Option Term (TBD – TBD)	x $

Utilization Review Fees

Non-Physician Review Services

Contract Term	Hourly Rate
36 Month Base Term (TBD – TBD)	x $
36 Month Option Term (TBD – TBD)	x $

Physician Review Services

Contract Term	Hourly Rate
36 Month Base Term (TBD – TBD)	x $
36 Month Option Term (TBD – TBD)	x $

Medical Director Review Services

Contract Term	Hourly Rate
36 Month Base Term (TBD – TBD)	x $
36 Month Option Term (TBD – TBD)	x $

EXHIBIT B
(Standard Agreement)

BUDGET DETAIL AND PAYMENT PROVISIONS

A. Invoicing and Payment

1. The maximum amount payable under this Agreement shall not exceed $TBD.

2. For services satisfactorily rendered, and upon receipt and approval of the invoice(s), CDSS agrees to pay the Contractor for said services in accordance with the rates specified in TBD.

3. Funding for necessary travel expenses and per diem are included in this Agreement and will be reimbursed at rates established by the California Department of Human Resources (CalHR) for comparable classes. (See https://www.calhr.ca.gov/employees/Pages/travel-reimbursements.aspx). Contractor will itemize travel expenses, including receipts, and submit to CDSS Program Contract Manager for approval. This approval, including itemization and receipts must be attached to the invoice submitted for payment. No travel outside of the State of California by Contractor shall be reimbursed unless there is prior written authorization from CDSS.

4. Invoices shall include the Agreement Number TBD and Reporting Structure TBD and shall be submitted not more frequently than monthly in arrears to:

   California Department of Social Services
   Adult Programs
   FAB/Contracts Unit
   744 P Street, M.S. 9-11-91
   Sacramento, CA 95814
   Attn: TBD
   Email: TBD

   Any invoices submitted without the above referenced information may be returned to the Contractor for further re-processing.

B. State Budget Contingency Clause

1. It is mutually agreed that if the Budget Act of the current year and/or any subsequent years covered under this Agreement does not appropriate sufficient funds for the program, this Agreement shall be of no further force and effect. In this event, CDSS shall have no liability to pay any funds whatsoever to Contractor or to furnish any other considerations under this Agreement and Contractor shall not be obligated to perform any provisions of this Agreement.

2. If funding for any fiscal year is reduced or deleted by the Budget Act for purposes of this program, CDSS shall have the option to either cancel this Agreement with

EXHIBIT B
(Standard Agreement)

no liability occurring to the State, or offer an agreement amendment to Contractor to reflect the reduced amount.

C. For Contract with Federal Funds

1. It is mutually understood between the parties that this Agreement may have been written before ascertaining the availability of Congressional appropriation of funds, for the mutual benefit of both parties, in order to avoid program and fiscal delays which would occur if the Agreement were executed after that determination was made.

2. This Agreement is valid and enforceable only if sufficient funds are made available to the State by the United States Government for the term of this Agreement for the purposes of this program. In addition, this Agreement is subject to any additional restrictions, limitations, or conditions enacted by the Congress or any statute enacted by the Congress which may affect the provisions, terms, or funding of this Agreement in any manner.

3. It is mutually agreed that if the Congress does not appropriate sufficient funds for the program, this Agreement shall be amended to reflect any reduction in funds.

4. CDSS has the option to invalidate the Agreement under the 30-day cancellation clause or to amend the Agreement to reflect any reduction of funds.

D. Prompt Payment Clause

Payment will be made in accordance with, and within the time specified in, Government Code Chapter 4.5, commencing with Section 927.

E. Review

CDSS reserves the right to review service levels and billing procedures as they impact charges against this Agreement.

F. Final Billing

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

G. Nonresident Tax Withholdings

Payments to all nonresidents may be subject to withholding. Nonresident payees performing services in California or receiving rent, lease, or royalty payments from property (real or personal) located in California will have seven percent of their total

EXHIBIT B
(Standard Agreement)

payments withheld for state income taxes. However, no withholding is required if total payments to the payee are $1,500 or less for the calendar year.

EXHIBIT D
(Standard Agreement)

SPECIAL TERMS AND CONDITIONS

A. Dispute Provisions

1. If Contractor disputes a decision of the State's Project Representative regarding the performance of this Agreement or on other issues for which the Project Representative is authorized by this Agreement to make a binding decision, Contractor shall provide written dispute notice to the State's Project Representative within 15 calendar days after the date of the action. The written dispute notice shall contain the following information:

   a. the decision under dispute;

   b. the reason(s) Contractor believes the decision of the State's Project Representative to have been in error (if applicable, reference pertinent contract provisions);

   c. identification of all documents and substance of all oral communication which support Contractor's position; and

   d. the dollar amount in dispute, if applicable.

2. Upon receipt of the written dispute notice, the State program management will examine the matter and issue a written decision to Contractor within 15 calendar days. The decision of State program management shall contain the following information:

   a. a description of the dispute;

   b. a reference to pertinent contract provisions, if applicable;

   c. a statement of the factual areas of agreement or disagreement; and

   d. a statement of the representative's decision with supporting rationale.

3. The decision of the State program management shall be final unless, within 30 calendar days from the date of receipt of the decision, Contractor files with the California Department of Social Services a notice of appeal addressed to:

   California Department of Social Services
   744 P Street, M.S. 9-6-747
   Sacramento, CA 95814
   Attention: Chief, Contracts and Procurement Services Branch

   Pending resolution of any dispute, Contractor shall diligently continue all contract work and comply with all of the Project Representative's orders and directions.

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B. Termination Without Cause

This Agreement may be terminated without cause by the State upon 30 days written notice to Contractor.

C. Debarment and Suspension

For federally funded agreements, Contractor certifies that to the best of their knowledge and belief that they and their principals or affiliates or any subcontractor utilized under this Agreement, are not debarred or suspended from federal financial assistance programs and activities, nor proposed for debarment, declared ineligible, or voluntarily excluded from participation in covered transactions by any federal department or agency. Contractor also certifies that it or any of its subcontractors are not listed with any active exclusions on the System for Award Management (http://www.sam.gov) (Executive Order 12549, 2 C.F.R. Parts 180, 376, 417 and 2336).

D. Certification Regarding Lobbying

The following provisions are applicable to Cooperative Agreements and Contracts exceeding $100,000 in federal funds:

1. For agreements with contractors who are State entities not under the authority of the Governor, or cities, private firms, or agencies which are receiving in excess of $100,000 in federal funds from CDSS to perform services. By signing this Agreement, Contractor certifies that to the best of their knowledge and belief, that:

    a. No federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of a federal contract, the making of a federal grant, the making of a federal loan, the entering into of a cooperative agreement, and the extension, continuation, renewal, amendment, or modification of a federal contract, grant, loan, or cooperative agreement.

    b. If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with this federal grant or agreement, the undersigned shall complete and submit Standard Form-LLL, “Disclosure of Lobbying Activities,” in accordance with its instructions.

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c. Contractor shall require that the language of this certification be included in the award documents for all covered subawards exceeding $100,000 in federal funds at all appropriate tiers and that all subrecipients shall certify and disclose accordingly.

2. This certification is a prerequisite for making or entering into this transaction and is imposed by Section 1352, Title 31, U.S. Code. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Any person who fails to file the required certification shall be subject to a civil penalty of no less than $10,000 and not more than $100,000 for each such failure.

3. Nonprofit organizations and Institutes of Higher Education are also required to comply with the lobbying provisions contained in 2 C.F.R. section 200.450 and 45 C.F.R. section 75.450.

E. Unruh Civil Rights Act and the Fair Employment & Housing Act

By entering into this Agreement, Contractor certifies compliance with the Unruh Civil Rights Act (Section 51 of the Civil Code) and the Fair Employment and Housing Act (Section 12960 of the Government Code); and if Contractor has an internal policy against a sovereign nation or peoples recognized by the United States government, Contractor certifies that such policies are not used in violation of the Unruh Civil Rights Act or the Fair Employment and Housing Act.

F. Computer Software Copyrights

Contractor certifies that it has appropriate systems and controls in place to ensure that state funds will not be used in the performance of this Agreement for the acquisition, operation, or maintenance of computer software in violation of copyright laws.

G. OMB Audit

Pursuant to Office of Management and Budget (OMB) audit requirement regulations (2 C.F.R. § 200.501), non-federal entities that expend $1,000,000 or more in a year in federal awards from all sources combined shall have a single or program-specific audit conducted for that year in accordance with the provisions of 2 C.F.R. section 200.514 (previously OMB Circular A-133). All OMB audit reports shall meet the report submission requirements established in 2 C.F.R. section 200.512 and a copy shall be forwarded to CDSS.

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H. Subcontractors

Contractor may enter into subcontracts for the services to be performed consistent with this Agreement. Nothing contained in this Agreement or otherwise shall create any contractual relationship between CDSS and any subcontractors, and no subcontractor shall relieve Contractor of its responsibilities and obligations hereunder. Contractor agrees to be fully responsible to CDSS for the acts and omissions of its subcontractors and of persons either directly or indirectly employed by any of them as it is for the acts and omissions of persons directly employed by Contractor. Contractor's obligation to pay its subcontractors is an independent obligation from the obligation of CDSS to make payments to Contractor. As a result, CDSS shall have no obligation to pay or to enforce the payment of any moneys to any subcontractor. Contractor shall maintain a copy of each subcontract entered into in support of this Agreement and shall, upon request by CDSS, make copies available for approval, inspection, or audit. Contractor shall ensure that all subcontracts for services include provision(s) requiring compliance with applicable terms and conditions specified in this Agreement and shall, as applicable, advise all subcontractors of their obligations to comply with the terms of the Agreement between CDSS and Contractor. Contractor may not add or substitute any subcontractor without advance written consent of CDSS**.**

I. Indirect Costs/Administrative Overhead

Contractor may claim indirect costs as identified in this Agreement. Line-item budget shifts which increase the indirect costs shall not be allowed.

Indirect costs are expenses incurred for administrative services such as, but not limited to, accounting; personnel and payroll administration; accounts payable services; general and specialized insurance coverage; compliance and regulatory monitoring; independent audit services; and legal services. Indirect costs are applied to personnel, operating expenses, supplies, equipment, and travel expenses. Contractor shall ensure that all administrative fees are reasonable considering the services being provided. Contractor may only pay overhead charges on the first $25,000 of each subcontract. Any subcontractor receiving $25,000 or more must be clearly identified in the budget display and excluded when the total indirect costs are calculated.

J. Accessibility Requirements

Contractor shall comply with California Government Code sections 7405 and 11135 which requires, among other things, that Contractor shall comply with the accessibility requirements of Section 508 of the Federal Rehabilitation Act of 1973, as amended (29 U.S.C. Sec. 794d), and regulations implementing that act as set forth in Part 1194 of Title 36 of the Federal Code of Regulations. All Contractor

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deliverables shall meet the requirements of the Web Content Accessibility Guidelines 2.0, or a subsequent version, published by the Web Accessibility Initiative of the World Wide Web Consortium at minimum Level AA success criteria. Contractor shall respond to and resolve any complaint regarding accessibility of its products or services that is brought to its attention.

K. Russia – Ukraine Conflict Economic Sanctions

Contractor shall ensure compliance with economic sanctions imposed by the U.S. government in response to Russia's actions in Ukraine, as well as any sanctions imposed under state law (collectively, economic sanctions). Economic sanctions include, but are not limited to, refraining from new investments in, and financial transactions with, Russian institutions or companies that are headquartered or have their principal place of business in Russia (Russian entities), and not transferring technology to Russia or Russian entities. Contractor(s) are further notified that they will be subject to additional reporting requirements pursuant to Executive Order (N-6-22) issued on March 4, 2022, and any other subsequently issued orders.

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ADDITIONAL PROVISIONS

A. Agreement Term and Amendment

The date of Agreement approval by the State shall be the governing factor as to the date of commencement. Should performance commence before the Agreement is approved, such services may be considered voluntary. The State may exercise any options to extend and/or amend the Agreement as permitted by the Solicitation.

B. Confidentiality Requirements

Contractor and its employees and agents shall comply with CDSS Confidentiality and Information Security Requirements as described in Exhibit E – Attachment 1.

C. Insurance Requirements

1. Contractor, at their own expense, shall maintain the following insurance coverage:

   i. Commercial General Liability – Contractor shall maintain general liability on an occurrence form with limits 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 & advertising injury, and liability assumed under an insured contract. This insurance shall apply separately to each insured against whom claim is made or suit is brought subject to the Contractor's limit of liability.

   The policy shall include California Department of Social Services, State of California, its officers, agents, employees, and guests, as additional insureds, but only with respect to work performed under the Agreement.

   This endorsement shall be supplied under form acceptable to the Office of Risk and Insurance Management. In the case of Contractor's utilization of subcontractors to complete the contracted scope of work, Contractor shall include all subcontractors as insureds under Contractor's insurance or supply evidence of insurance to the State equal to policies, coverages, and limits required of Contractor.

   ii. Automobile Liability – Contractor shall maintain motor vehicle liability with limits 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.

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The policy shall be endorsed to include the State of California, its officers, agents, employees, and guests as additional insured, but only with respect to work performed under the Agreement. The additional insured endorsement is to be provided with the certificate of insurance.

iii. Workers' Compensation and Employers Liability – 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. Employer's liability limits of $1,000,000 are required.

The Workers' Compensation policy shall be endorsed with a waiver of subrogation in favor of the State. The waiver of subrogation endorsement is to be provided with the certificate of insurance.

iv. Professional Liability – Contractor shall maintain professional liability covering any damages caused by a negligent error, act, or omission with limits of not less than $1,000,000 per occurrence and $3,000,000 policy aggregate. The policy's retroactive date shall be shown on the certificate of insurance and shall be before the date this contract was executed or before the beginning of contract work.

2. Certificates evidencing Contractor's insurance coverage shall be filed with CDSS prior to execution of this Agreement.

D. General Provisions Applying to All Insurance Polices

1. Coverage Term – Coverage shall be in force for the complete term of the Agreement. If insurance expires during the term of the Agreement, a new certificate shall be received by the State at least ten (10) days prior to the expiration of the insurance. Any new insurance shall comply with the original terms of the Agreement.

2. Policy Cancellation / Termination & Notice of Non-Renewal – Contractor shall provide to the State within five (5) business days a copy of any notice of Cancellation/Termination or Non-renewal received by Contractor for any required insurance policies. In the event Contractor fails to keep the insurance coverage required by this Agreement in effect at all times, the State may, in addition to any other remedies it may have, terminate this Agreement upon the occurrence of such event, subject to the provisions of this Agreement.

3. Deductible – Contractor is responsible for any deductible or self-insured retention contained within their insurance program.

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4. Primary Clause – Any required insurance contained in this Agreement shall be primary, and not excess or contributory, to any other insurance carried by the State.

5. Insurance Carrier Required Rating – All insurance companies shall carry a rating acceptable to the Office of Risk and Insurance Management. If the Contractor is self-insured for a portion or all of its insurance, review of financial information including a letter of credit may be required.

6. Endorsements – Any required endorsements requested by the State shall be physically attached to all requested certificates of insurance and not substituted by referring to such coverage on the certificate of insurance.

7. Inadequate Insurance – Inadequate or lack of insurance does not negate the Contractor's obligations under this Agreement.

E. Incompatible Activities

Contractor shall not engage in any activity, employment or enterprise which is inconsistent, incompatible, in conflict with, or inimical to his or her duties as a consultant. These include, but are not limited to, the following, unless the CDSS has determined in writing that the consultant's specific activity, employment, or enterprise does not constitute an incompatible activity.

1. Being licensed to operate a facility under the jurisdiction of the CDSS, including a child day care facility, foster family home, certified family home, community care facility, or residential care facility for the elderly.

2. Holding a position of Chief Executive Officer, or other officer of the governing body of the licensee of a facility under the jurisdiction of the CDSS, as referenced in #1, and also including a residential care facility for persons with chronic, life-threatening illness.

3. Being employed by a facility under the jurisdiction of the CDSS.

4. Being a volunteer of a facility under the jurisdiction of the CDSS.

5. Residing at a facility under the jurisdiction of the CDSS.

6. Representing any individual not employed by the CDSS or any facility under the jurisdiction of the CDSS in an administrative or legal matter.

7. Having a financial interest in any facility under the jurisdiction of the CDSS.

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8. Using, or having access to, confidential information by virtue of this contract, for private gain or advantage, or providing confidential information to persons not authorized by the CDSS.

F. Certifications and Licenses

Contractor and its employees shall maintain applicable valid and current certifications and/or licenses as required throughout the term of the Agreement. Contractor shall furnish, upon CDSS request, certifications and/or licenses of staff utilized to perform services.

G. Substitution of Subcontractor

Contractor may not substitute any subcontractor without advance written consent of CDSS.

H. Disabled Veteran Business Enterprise Subcontractors

1. If for this Agreement Contractor made a commitment to achieve Disabled Veteran Business Enterprise (DVBE) participation, then Contractor shall within 60 days of receiving final payment under this Agreement (or within such other time period as may be specified elsewhere in this Agreement) certify in a report to the awarding department: (1) the total amount the prime contractor received under the contract; (2) the name and address of the DVBE(s) that participated in the performance of the contract; (3) the amount each DVBE received from the prime contractor; (4) that all payments under the contract 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. (Military & Veterans Code (M&VC) §999.5(d).)

2. Contractor understands and agrees that should award of this Agreement be based in part on their commitment to use the DVBE subcontractor(s) identified in their bid or offer, per M&VC 999.5(e), a DVBE subcontractor may only be replaced by another DVBE subcontractor and shall be approved by the Department of General Services (DGS). Changes to the scope of work that impact the DVBE subcontractor(s) identified in the bid or offer and approved DVBE substitutions will be documented by contract amendment.

3. Failure of Contractor to seek substitution and adhere to the DVBE participation level identified in the bid or offer may be cause for contract termination, recovery of damages under the rights and remedies due to the State, and penalties as outlined in M&VC §999.9; Public Contract Code (PCC) §10115.10, or PCC §4110 (applies to public works only).

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I. DVBE Subcontractor Invoices

To ensure that DVBE participation is applied correctly, all DVBE subcontractor invoices submitted to the Contractor shall include the Agreement number.

The California Department of Social Services
Confidentiality and Information Security Requirements
Standard Agreement - v 2026 01

This Confidentiality and Information Security Requirements Exhibit (hereinafter referred to as "this Exhibit") sets forth the information security and privacy requirements Contractor/Entity (hereinafter referred to as "Contractor") is obligated to follow with respect to all confidential and sensitive information (as defined herein) disclosed to or collected by Contractor, pursuant to Contractor's Agreement (the "Agreement") with the California Department of Social Services (hereinafter "CDSS") in which this Exhibit is incorporated. The CDSS and Contractor desire to protect the privacy and provide for the security of CDSS Confidential, Sensitive, and/or Personal (CSP) Information (hereinafter referred to as "CDSS CSP") in compliance with state and federal statutes, rules and regulations.

If it is determined at the sole discretion of CDSS that if no CDSS CSP is processed, stored, transmitted, received, accessed, or exchanged, this Exhibit remains a required and enforceable part of the Agreement; however, only the following sections of this Exhibit apply, and all other provisions remain non-operative: Sections I-III; IV (A-E, N, O(1)(a), O(2)(g)-(h), P-Q); and V-XI.

I. Order of Precedence.

With respect to information security and privacy requirements for all CDSS CSP, unless specifically exempted, the terms and conditions of this Exhibit shall take precedence over any conflicting terms or conditions set forth in any other part of the Agreement between Contractor and CDSS.

II. Effect on Lower Tier Transactions.

The terms of this Exhibit shall apply to all lower tier transactions (e.g. agreements, sub-agreements, contracts, subcontracts, and sub-awards, etc.). Contractor shall incorporate the contents of this Exhibit into each lower tier transaction.

III. Confidentiality of Information.

A. DEFINITIONS.

The following definitions apply to this Exhibit and relate to CDSS Confidential, Sensitive, and/or Personal Information.

1. "Confidential Information" is information maintained by the CDSS that is exempt from disclosure under the provisions of the California Public Records Act (Government Codes Sections 7920.000 et seq.) or has restrictions on disclosure in accordance with other applicable state or federal laws.
2. "Sensitive Information" is information maintained by the CDSS, which is not confidential by definition, but requires special precautions to protect it from unauthorized access and/or modification (i.e., financial, or operational information). Sensitive information is information in which the

disclosure would jeopardize the integrity of the CDSS (i.e., CDSS' fiscal resources and operations).

3. “Personal Information” is information, in any medium (paper, electronic, or oral) that identifies or describes an individual (i.e., name, social security number, driver’s license, home/mailing address, telephone number, financial matters with security codes, medical insurance policy number, Protected Health Information [PHI], etc.) and must be protected from inappropriate access, use or disclosure and must be made accessible to information subjects upon request. It can also be information in the possession of the Department in which the disclosure is limited by law or contractual Agreement (i.e., proprietary information, etc.).

4. “Breach” is

    a. the unauthorized acquisition, access, use, or disclosure of CDSS CSP in a manner which compromises the security, confidentiality or integrity of the information; or

    b. the same as the definition of "breach of the security of the system" set forth in California Civil Code section 1798.29(f).

5. “Information Security Incident” is unauthorized access or disclosure, modification, or destruction of, or interference with, CDSS CSP that actually or potentially jeopardizes the confidentiality, integrity, or availability of an information system or the information the system processes, stores, or transmits or that constitutes a violation or imminent threat of violation of any state or federal law or in a manner not permitted under the Agreement between Contractor and CDSS, including this Exhibit.

6. “State Data” is all information and data owned by the State and submitted to, processed by, or stored by the Contractor and includes, but is not limited to, all data/information that originated with the State, all data/information provided by the State, and data/information generated, manipulated, produced, reported by or otherwise emanating from or by applications run by the State. State Data encompasses CDSS CSP.

7. **“**CDSS Credentials” is the unique username (user ID) and password issued to CDSS employees, agents, and subcontractors for access to CDSS domain accounts, used to authenticate a user or device prior to granting access to CDSS information assets and resources.

B. CDSS CSP which may become available to Contractor as a result of the implementation of the Agreement shall be protected by Contractor from unauthorized access, use, and disclosure as described in this Exhibit.

C. Contractor is notified that unauthorized disclosure of CDSS CSP may be subject to civil and/or criminal penalties under state and federal law, including but not limited to:

- California Welfare and Institutions Code section 10850
- Information Practices Act - California Civil Code section 1798 et seq.
- Public Records Act - California Government Code section 7920.000 et seq.
- California Penal Code Section 502, 11140-11144, 13301-13303
- Health Insurance Portability and Accountability Act of 1996 ("HIPAA") - 45 CFR Parts 160 and 164
- Safeguarding Information for the Financial Assistance Programs - 45 CFR Part 205.50
- Unemployment Insurance Code section 14013

D. EXCLUSIONS.

"Confidential Information," "Sensitive Information," and "Personal Information" (CDSS CSP) does not include information that

1. is or becomes generally known or available to the public other than because of a breach by Contractor of these confidentiality provisions;

2. already known to Contractor before receipt from CDSS without an obligation of confidentiality owed to CDSS;

3. provided to Contractor from a third party except where Contractor knows, or reasonably should know, that the disclosure constitutes a breach of confidentiality or a wrongful or tortious act; or

4. independently developed by Contractor without reference to the CDSS CSP.

IV. Contractor Responsibilities.

A. Training.

Contractor shall instruct all employees, agents, and subcontractors with access to the State Data regarding:

1. The confidential nature of the information;

2. The civil and criminal sanctions against unauthorized access, use, or disclosure found in the California Civil Code Section 1798.55, Penal Code Section 502 and other state and federal laws;

3. CDSS procedures for reporting actual or suspected information security incidents in Paragraph V - Information Security Incidents and/or Breaches; and

4. That unauthorized access, use, or disclosure of CDSS CSP is grounds for immediate termination of this Agreement with CDSS and Contractor and may be subject to penalties, both civil and criminal.

B. Disclosure of Attendee CSP.

For contracts for training services, unless authorized in writing by the attendees or required by law, the collection and/or disclosure of confidential

information related to the attendees in trainings and conferences by Contractor shall be limited to that which is required to:

1. Verify attendance and/or participation;
2. Analyze the effectiveness of training and conference;
3. Provide attendees with continuing education units (e.g., Board of Behavioral Sciences requirements available at http://www.bbs.ca.gov/licensees/ce_licensees.shtml); and/or
4. Analyze the effectiveness of training and conference as described in the "Child and Family Services Plan 2015-2019" available at http://www.cdss.ca.gov/inforesources/Child-Welfare-Program-Improvement/Child-and-Family-Services-Plan

C. Use Restrictions.

Contractor shall take the appropriate steps to ensure that their employees, agents, and subcontractors will not intentionally seek out, read, use, or disclose the State Data other than for the purposes described in the Agreement and to meet its obligations under the Agreement.

D. Disclosure of State Data.

Contractor shall not disclose any individually identifiable State Data to any person other than for the purposes described in the Agreement and to meet its obligations under the Agreement.

E. Subpoena.

If Contractor receives a subpoena or other validly issued administrative or judicial notice requesting the disclosure of State Data, Contractor will immediately notify the CDSS Program Contract Manager and the CDSS Information Security and Privacy Officer. In no event should notification to CDSS occur more than three (3) business days after receipt by Contractor's responsible unit for handling subpoenas and court orders.

F. Information Security Officer.

Contractor shall designate an Information Security Officer to oversee its compliance with this Exhibit and to communicate with CDSS on matters concerning this Exhibit.

G. Requests for CDSS CSP by Third Parties.

Contractor shall promptly transmit to the CDSS Program Contract Manager and the CDSS Information Security and Privacy Officer all requests for disclosure of any CDSS CSP requested by third parties to the Agreement between Contractor and CDSS (except from an Individual for an accounting of disclosures of the individual's personal information pursuant to applicable state or federal law), unless prohibited from doing so by applicable state or federal law.

H. Documentation of Disclosures for Requests for Accounting.

Contractor shall maintain an accurate accounting of all requests for disclosure of CDSS CSP Information and the information necessary to respond to a request for an accounting of disclosures of personal information as required by Civil Code section 1798.25, or any applicable state or federal law.

I. Return or Destruction of CDSS CSP on Expiration or Termination.

Upon expiration or termination of the Agreement between Contractor and CDSS, or upon a date mutually agreed upon by the Parties following expiration or termination, Contractor shall return or destroy the CDSS CSP. If return or destruction is not feasible, Contractor shall provide a written explanation to the CDSS Program Contract Manager and the CDSS Information Security and Privacy Officer, using the contact information in this Agreement. CDSS, in its sole discretion, will make a determination of the acceptability of the explanation and, if retention is permitted, shall inform Contractor in writing of any additional terms and conditions applicable to the retention of the CDSS CSP.

J. Retention Required by Law.

If required by state or federal law, Contractor may retain, after expiration or termination, CDSS CSP for the time specified as necessary to comply with the law.

K. Obligations Continue Until Return or Destruction.

Contractor's obligations regarding the confidentiality of CDSS CSP set forth in this Agreement, including but not limited to obligations related to responding to Public Records Act requests and subpoenas shall continue until Contractor returns or destroys the CDSS CSP or returns the CDSS CSP to CDSS; provided however, that on expiration or termination of the Agreement between Contractor and CDSS, Contractor shall not further use or disclose the CDSS CSP except as required by state or federal law.

L. Notification of Election to Destroy CDSS CSP.

If Contractor elects to destroy the CDSS CSP, Contractor shall certify in writing, to the CDSS Program Contract Manager and the CDSS Information Security and Privacy Officer, using the contact information, that the CDSS CSP has been destroyed.

M. Background Check.

Before a member of Contractor's workforce may access State Data, a thorough background check must be completed to ensure the worker does not present a risk to CDSS information technology systems and/or State Data.

Contractors with CDSS Credentials

Prior to accessing any CDSS CSP and being granted CDSS credentials, Contractors will need to pass all of CDSS' fingerprinting/background checks and onboarding procedures.

All Other Contractors

Contractor shall perform at, Contractor's expense, thorough background checks of any member of their workforce that may access or be exposed to CDSS CSP and evaluate the results to ensure that there is no indication that the worker may present a risk to CDSS information technology systems and/or CDSS data. Contractor shall be liable for damages due to security incidents as a result of insufficient background check of its workforce. Contractor shall retain each workforce member's background check documentation for a period of three (3) years following Agreement termination.

1. **Please see the following table for clarification on contractor background checks:**

Contractors Needing CDSS Credentials	**Contractors Not Needing CDSS Credentials**
Prior to accessing any CDSS CSP and being granted CDSS credentials, Contractors will need to pass CDSS' fingerprinting/ background checks and onboarding procedures.	It is the responsibility of the contractor to perform thorough background checks of any member of their workforce that will have access to CDSS CSP. Contractor must conduct a thorough background check of that worker. [Contractor shall perform thorough background checks of any member of their workforce that may access or be exposed to CDSS CSP and evaluate the results to ensure that there is no indication that the worker may present a risk to CDSS information technology systems and/or CDSS data. Contractor shall be liable for damages due to security incidents as a result of insufficient background check of its workforce. Contractor shall retain each workforce member's background check documentation

	for a period of three (3) years following Agreement termination.

N. Nothing in this Agreement shall restrict Contractor's use of:

1. Information obtained by Contractor from public records or other sources generally available to the public, including but not limited to, academic publications and data extracts.
2. Contractor's pre-existing data, reports or similar information.
3. Non-confidential information received by Contractor from a third party or non-confidential information created or developed by Contractor, with the exception of information specifically identifying or intending to identify an applicant for, or recipient of, public social services.

O. Confidentiality Safeguards.

Contractor shall implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of the State Data that it creates, receives, maintains, uses, or transmits pursuant to the Agreement. Contractor shall develop and maintain a written information privacy and security program that includes administrative, technical and physical safeguards appropriate to the size and complexity of Contractor's operations and the nature and scope of its activities, including at a minimum the following safeguards:

1. General Security Controls

a. Confidentiality Acknowledgement.

By executing this Agreement and signing Paragraph XI, CDSS Confidentiality and Security Compliance Statement, Contractor acknowledges that the information resources maintained by CDSS and provided to Contractor may be confidential, sensitive, and/or personal and requires special precautions to protect it from wrongful access, use, disclosure, modification, and destruction.

b. Workstation/Laptop Encryption.

All Contractor-owned or managed workstations, laptops, tablets, smart phones, and similar devices that process and/or store CDSS CSP must be encrypted using a FIPS 140-3, until deprecated, certified algorithm which is 128 bit or higher, such as Advanced Encryption Standard (AES). The encryption solution must be full disk unless approved by the CDSS Information Security Office.

c. Data Encryption.

Any CDSS CSP shall be encrypted at rest when stored on network file shares or document repositories.

d. Server Security.

Servers containing unencrypted CDSS CSP must have sufficient administrative, physical, and technical controls in place to protect that data, based upon a risk assessment/system security review.

e. Minimum Necessary.

Only the minimum necessary amount of the CDSS CSP required to perform necessary business functions may be copied, downloaded, or exported.

f. Removable Media Devices.

All electronic files that contain the CDSS CSP must be encrypted when stored on any removable media or portable device (i.e. USB thumb drives, floppies, CD/DVD, smart phone, backup tapes etc.). Encryption must be a FIPS 140-3, until deprecated, certified algorithm which is 128 bit or higher, such as AES.

g. Antivirus Software.

All Contractor-owned or managed workstations, laptops, tablets, smart phones, and similar devices that process and/or store CDSS CSP must install and actively use comprehensive anti-virus software solution with automatic updates scheduled at least daily.

h. Patch Management.

To correct known security vulnerabilities, Contractor shall install security patches and updates in a timely manner on all Contractor-owned or managed workstations, laptops, tablets, smart phones, and similar devices that process and/or store CDSS CSP as appropriate based on Contractor's risk assessment of such patches and updates, the technical requirements of Contractor's systems, and the vendor's written recommendations. If patches and updates cannot be applied in a timely manner due to hardware or software constraints, mitigating controls will be implemented based upon the results of a risk assessment.

i. User IDs and Password Controls.

All users must be issued a unique username for accessing CDSS CSP. Contractor's password policy must be based on information security best practices for password length, complexity, and reuse.

j. Data Destruction.

Upon termination of the Agreement, all CDSS CSP must be sanitized in accordance with NIST Special Publication 800-88, Guidelines for Media Sanitization.

k. Multi-Factor Authentication (MFA)

Contractor shall comply with the Multi-Factor Authentication (MFA) requirements set forth in the Statewide Information Management Manual (SIMM) Section 5360-C. MFA shall be enforced for any publicly accessible information asset that stores, processes, transmits or visually presents CDSS CSP. Contractor shall also ensure that all employees, subcontractors and associated third parties engaged in the performance of this Agreement comply with these same MFA requirements.

2. System Security Controls

a. System Timeout.

The system providing access to the CDSS CSP must provide an automatic timeout, requiring re-authentication of the user session after no more than thirty (30) minutes of inactivity for applications, and fifteen (15) minutes of inactivity for desktops and laptops.

b. Warning Banners.

All systems (servers, desktops, laptops, etc.) containing CDSS CSP must display a warning banner at login stating that data is confidential, systems are logged, and system use is for business purposes only. User must be directed to log off the system if they do not agree with these requirements.

c. System Logging.

The system must maintain an automated audit trail which can identify the user or system process which initiates a request for CDSS CSP, or which alters CDSS CSP. The audit trail must be date and time stamped, must log both successful and failed accesses, must be read only, and must be restricted to authorized users. If CDSS CSP is stored in a database, database logging functionality must be enabled. Audit trail data must be archived for at least one (1) year after occurrence.

d. Access Controls.

The system must use role-based access controls for all user authentications, enforcing the principle of least privilege.

e. Transmission Encryption.

All data transmissions of CDSS CSP by Contractor outside the secure internal network must be encrypted using a FIPS 140-3, until deprecated, certified algorithm, such as Advanced Encryption Standard (AES), with a 128 bit key or higher. Encryption can be end-to-end at the network level, or the data files containing CDSS CSP can be encrypted. This requirement pertains to any type of CDSS CSP in motion such as website access, file transfer, and/or email.

f. Intrusion Detection.

All systems involved in accessing, holding, transporting, and protecting CDSS CSP that are accessible via the Internet must be protected by a comprehensive intrusion detection and prevention solution.

g. Data Location.

The physical location of Contractor's data center where State Data is stored shall only be within the continental United States, unless otherwise specified in the Statement of Work and approved in advance in writing by the State CISO. Any exceptions to the Data Location is at the sole discretion of the State

h. Data Access.

Contractor shall not allow its personnel or subcontractors to store State Data on portable devices, including personal computers, except for devices that are used and kept only at its data centers located in the continental United States. Remote access to State Data from outside the continental United States, including remote access to State Data by authorized Services support staff in identified support centers, is prohibited unless approved in advance in writing by the State CISO. Responsibility to obtain CISO approval lies with the State.

i. Software as a Service.

If the Contractor is providing any web/cloud hosting services, the Contractor shall agree to the most current revision of the State Model Cloud Computing Special Provisions for Software as a Service (SaaS), hereby incorporated by reference.

3. Audit Controls

a. System Security Review.

All systems processing and/or storing CDSS CSP must have at least an annual system risk assessment/security review

which provides assurance that administrative, physical, and technical controls are functioning effectively and providing adequate levels of protection. Reviews shall include vulnerability scanning and/or penetration testing tools. The Contractor must submit the vulnerability assessment and/or penetration testing report(s) to the CDSS Information Security and Privacy Office upon request. The Contractor must agree to CDSS vulnerability assessment scans of the portion of its extranet to be used to service CDSS.

b. Log Reviews.

All systems processing and/or storing CDSS CSP must have a routine procedure in place to review system logs for unauthorized access.

c. Change Control.

All systems processing and/or storing CDSS CSP must have a documented change control procedure that ensures changes can be attributed to an individual and can be tracked and audited to protect the confidentiality, integrity, and availability of data.

4. Business Continuity / Disaster Recovery Controls

a. Disaster Recovery.

Contractor must establish a documented plan to enable continuation of critical business processes and protection of the security of electronic CDSS CSP in the event of an emergency. Emergency means any circumstance or situation that causes normal computer operations to become unavailable for use in performing the work required under this Agreement for more than twenty-four (24) hours.

b. Data Backup Plan.

Contractor must have established documented procedures to backup CDSS CSP to maintain retrievable exact copies of CDSS CSP. The plan must include a regular schedule for making backups, storing backups offsite, an inventory of backup media, and the amount of time to restore CDSS CSP should it be lost. At a minimum, the schedule must be a weekly full backup and monthly offsite storage of CDSS data.

5. Paper Document Controls

a. Supervision of Information.

CDSS CSP in paper form shall not be left unattended at any time, unless it is locked in a file cabinet, file room, desk, or office. Unattended means that information may be observed

by an individual not authorized to access the information. CDSS CSP in paper form shall not be left unattended at any time in vehicles or planes and shall not be checked in baggage on commercial airplanes.

b. Escorting Visitors.

Visitors to areas where the CDSS CSP are contained shall be escorted by a CDSS Employee and CDSS CSP shall be kept out of sight while visitors are in the area.

c. Confidential Destruction.

CDSS CSP must be disposed of through confidential means, such as crosscut shredding and/or pulverizing.

d. Removal of Information.

CDSS CSP must not be removed from the premises of Contractor except for identified routine business purposes or with express written permission of CDSS.

e. Faxing.

CDSS CSP that must be transmitted by fax shall require that Contractor confirms the recipient fax number before sending, takes precautions to ensure that the fax was appropriately received, maintains procedures to notify recipients if Contractor's fax number changes, and maintains fax machines in a secure area**.**

f. Mailing.

Paper copies of CDSS CSP shall be mailed using a secure, bonded mail service, such as Federal Express, UPS, or by registered U.S. Postal Service (i.e., accountable mail using restricted delivery). All packages must be double packed with a sealed envelope and a sealed outer envelope or locked box.

P. Generative Artificial Intelligence (GenAI) Safeguards.

Contractor shall not use any Generative Artificial Intelligence (GenAI) technology (e.g., software, tools, add-ons, and other similar capabilities) for any purpose that may process, store or transmit CDSS confidential, sensitive, personal, or other regulated information.

Q. Contractor Responsibility for Security and Compliance.

If the Contractor is a third-party reseller and not the original manufacture of the product or service provided under this Agreement, Contractor hereby certifies that the product or service, as provided, meets or exceeds the requirements of this Exhibit.

In the event of a security incident originating from a manufacturer or subcontractor, Contractor shall remain the primary point of accountability to

the State and shall use commercially reasonable efforts to facilitate State's participation in any investigation.

V. Information Security Incidents and/or Breaches of State Data

A. State Data Information Security Incidents and/or Breaches Response Responsibility.

The Contractor shall be responsible for facilitating the Information Security Incident and/or Breach response process as described in California Civil Code 1798.82(f), and State Administrative Manual (SAM) Section 5340, Information Security Incident Management, including, but not limited to, taking:

1. Prompt corrective action to mitigate the risks or damages involved with the Information Security Incident and/or Breach and to protect the operating environment; and
2. Any action pertaining to such unauthorized disclosure required by applicable Federal and State laws and regulations.

B. Discovery and Notification of Information Security Incidents and/or Breaches of State Data.

Contractor shall notify the CDSS Program Contract Manager and the CDSS Information Security and Privacy Officer of an Information Security Incident and/or Breach as expeditiously as practicable and without unreasonable delay, taking into account the time necessary to allow Contractor to determine the scope of the Information Security Incident and/or Breach, but no later than three (3) calendar days after the discovery of an Information Security Incident and/or Breach. Notification is to be made by telephone call and email.

C. Isolation of System or Device.

A system or device containing State Data compromised by an exploitation of a technical vulnerability shall be promptly disconnected or quarantined and investigated until the vulnerability is resolved. Contractor will notify CDSS within two (2) business days of a confirmed exploitation of a technical vulnerability and keep CDSS informed as to the investigation until resolution of the vulnerability is completed.

D. Investigation of Information Security Incidents and/or Breaches.

The Contractor shall promptly investigate Information Security Incidents and/or Breaches of State Data. CDSS shall have the right to participate in the investigation of such Information Security Incidents and/or Breaches. CDSS shall also have the right to conduct its own independent investigation, and Contractor shall cooperate fully in such investigations. The Contractor is not required to disclose their un-redacted confidential, proprietary, or privileged information. Contractor will keep CDSS fully informed of the results of any such investigation.

E. Updates on Investigation.

Contractor shall provide regular (at least once a week) email updates on the progress of the Information Security Incident and/or Breach investigation of State Data to the CDSS Program Contract Manager and the CDSS Information Security and Privacy Officer until the updates are no longer needed, as mutually agreed upon between Contractor and the CDSS Information Security and Privacy Officer. Contractor is not required to disclose their un-redacted confidential, proprietary, or privileged information.

F. Written Report.

Contractor shall provide a written report of the investigation to the CDSS Program Contract Manager and the CDSS Information Security and Privacy Officer within thirty (30) business days of the discovery of the Information Security Incident and/or Breach of State Data. Contractor is not required to disclose their un-redacted confidential, proprietary, or privileged information. The report shall include, but not be limited to, if known, the following:

1. Contractor point of contact information;
2. A description of what happened, including the date of the Information Security Incident and/or Breach of State Data and the date of the discovery of the Information Security Incident and/or Breach, if known;
3. A description of the types of State Data that were involved, and the extent of the information involved in the Information Security Incident and/or Breach;
4. A description of the unauthorized persons known or reasonably believed to have improperly used or disclosed State Data;
5. A description of where the State Data is believed to have been improperly transmitted, sent, or utilized;
6. A description of the probable causes of the improper use or disclosure;
7. Whether Civil Code sections 1798.29 or 1798.82 or any other federal or state laws requiring individual notifications of breaches are triggered; and
8. A full, detailed corrective action plan, including information on measures that were taken to halt and/or contain the Information Security Incident and/or Breach of State Data.

G. Cost of Investigation and Remediation.

Per SAM Section 5305.8, Contractor shall be responsible for all direct and reasonable costs incurred by CDSS due to Information Security Incidents and/or Breaches of State Data resulting from Contractor's failure to perform or from negligent acts of its personnel, and resulting in the unauthorized disclosure, release, access, review, or destruction; or loss, theft, or misuse of an information asset. These costs include, but are not limited to, notice and credit monitoring for twelve (12) months for impacted individuals, CDSS staff time, material costs, postage, media announcements, and other identifiable costs associated with the Information Security Incident, Breach and/or loss of data.

VI. Contact Information.

To direct communications to the above referenced CDSS staff, Contractor shall initiate contact as indicated herein. CDSS reserves the right to make changes to the contact information below by giving written notice to Contractor. Said changes shall not require an amendment to this Exhibit or the Agreement to which it is incorporated.

CDSS Program Contract Manager

See the Scope or Statement of Work exhibit for Program Project Representative information.

CDSS Information Security & Privacy Officer

California Department of Social Services
Information Security & Privacy Officer
744 P Street, MS 9-9-70
Sacramento, CA 95814
Email: iso@dss.ca.gov
Telephone: (916) 651-5558

VII. Audits and Inspections.

If CDSS CSP is present or reasonably believed to be present in the Contractor/Entity's systems or environments, CDSS may inspect or monitor systems, system logs, or request comparable system artifacts or audit trail data to verify compliance with this Exhibit's requirements. The Contractor/Entity shall promptly remediate any identified deficiencies and certify corrective action(s) in writing to the CDSS Program Contract Manager and the CDSS Information Security and Privacy Office. CDSS's right to inspect does not waive or reduce the Contractor/Entity's responsibility to fully comply with the requirements of this Exhibit, regardless of whether inspection is exercised.

VIII. Amendment.

The parties acknowledge that federal and state laws regarding information security and privacy rapidly evolves, and that amendment of this Exhibit may be required to provide for procedures to ensure compliance with such laws. The parties specifically agree to take such action as is necessary to implement new standards and requirements imposed by regulations and other applicable laws relating to the security or privacy of State Data.

IX. Interpretation.

The terms and conditions in this Exhibit shall be interpreted as broadly as necessary to implement and comply with regulations and applicable State laws. The parties agree that any ambiguity in the terms and conditions of this Exhibit shall be resolved in favor of a meaning that complies and is consistent with federal and state laws and regulations.

X. Termination.

An Information Security Incident and/or Breach of State Data by Contractor, its employees, agents, or subcontractors, as determined by CDSS, may constitute a material breach of the Agreement between Contractor and CDSS and grounds for immediate termination of the Agreement.

XI. CDSS Confidentiality and Security Compliance Statement

CALIFORNIA DEPARTMENT of SOCIAL SERVICES
CONFIDENTIALITY AND SECURITY COMPLIANCE STATEMENT v 2026 01

Information resources maintained by the CDSS and provided to Contractor may be confidential, sensitive, and/or personal and requires special precautions to protect it from wrongful access, use, disclosure, modification, and destruction.

We hereby acknowledge that the confidential and/or sensitive records of the CDSS are subject to strict confidentiality requirements imposed by state and federal law, which may include, but are not limited to, the following; the California Welfare and Institutions Code §10850, Information Practices Act - California Civil Code §1798 et seq., Public Records Act - California Government Code §7920.000 et seq., California Penal Code §502, 11140-11144, 13301-13303, Health Insurance Portability and Accountability Act of 1996 ("HIPAA") - 45 CFR Parts 160 and 164, and Safeguarding Information for the Financial Assistance Programs - 45 CFR Part 205.50. Contractor agrees to comply with the laws applicable to the CDSS CSP received.

This Confidentiality and Security Compliance Statement must be signed and returned with the Agreement.

CDSS Representative:

Name (Printed):	
Title:	
Business Name:	
Email Address:	
Phone:	
Signature:	
Date Signed:	

READ and ACKNOWLEDGED: (Authorized Official responsible for business' information security program)

Name (Printed):	
Title:	
Business Name:	
Email Address:	
Phone:	
Signature:	
Date Signed:	