

STATE OF CALIFORNIA - DEPARTMENT OF GENERAL SERVICES

STANDARD AGREEMENT

STD 213 (Rev. 04/2020)

AGREEMENT NUMBER 25-10814	PURCHASING AUTHORITY NUMBER (If Applicable)
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1. This Agreement is entered into between the Contracting Agency and the Contractor named below:

CONTRACTING AGENCY NAME
California Department of Public Health

CONTRACTOR NAME
San Bernardino County

2. The term of this Agreement is:
START DATE
July 1, 2025, or upon CDPH approval, whichever is later

THROUGH END DATE
June 30, 2027

3. The maximum amount of this Agreement is:
\$112,248.02
One Hundred Twelve Thousand Two Hundred Forty Eight Dollars and Two Cents

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
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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.)
San Bernardino County

CONTRACTOR BUSINESS ADDRESS 150 E Holt Blvd 1st Floor	CITY Ontario	STATE CA	ZIP 91761
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PRINTED NAME OF PERSON SIGNING Dawn Rowe	TITLE Chair, Board of Supervisors
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CONTRACTOR AUTHORIZED SIGNATURE	DATE SIGNED
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STATE OF CALIFORNIA - DEPARTMENT OF GENERAL SERVICES

STANDARD AGREEMENT

STD 213 (Rev. 04/2020)

AGREEMENT NUMBER 25-10814	PURCHASING AUTHORITY NUMBER (If Applicable)
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STATE OF CALIFORNIA

CONTRACTING AGENCY NAME

California Department of Public Health

CONTRACTING AGENCY ADDRESS

1616 Capitol Avenue, Suite 74.262, MS 1800, PO Box 997377

CITY

Sacramento

STATE

CA

ZIP

95899

PRINTED NAME OF PERSON SIGNING

Errolben Elepano

TITLE

Chief, Contracts Management Unit

CONTRACTING AGENCY AUTHORIZED SIGNATURE

DATE SIGNED

CALIFORNIA DEPARTMENT OF GENERAL SERVICES APPROVAL

EXEMPTION (If Applicable)

CDPH #5

**Exhibit A
Scope of Work**

1. Service Overview

The California Department of Public Health (CDPH) works to protect the public’s health in the Golden State and helps shapes positive health outcomes for individuals, families and communities and to advance the health and well-being of California’s diverse people and the communities. The Contractor agrees to provide the following services as described herein.

Contractor will provide priority laboratory testing, consultation, and coordination to address healthcare associated infections (HAIs) and antimicrobial resistance (AR) to detect, monitor, mitigate, and prevent the spread of AR pathogens, in accordance with the Center for Disease Control’s (CDC) project guidance and CDPH coordination.

2. Service Location

The services shall be performed at

San Bernardino County Department of Public Health
150 E Holt Blvd 1st Floor
Ontario, CA 91761

3. Service Hours

The services shall be provided during working hours of 8:00 a.m. to 5:00 p.m., Monday through Friday, except official holidays.

4. Project Representatives

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

<p>California Department of Public Health Wilfred Velasco, Assistant Division Chief Telephone: (510) 412-3727 E-mail: Wilfred.velasco@cdph.ca.gov</p>	<p>County of San Bernardino Jessica Valdez, PhD., Laboratory Director Telephone: (909) 458-9430 E-mail: Jessica.Valdez@dph.sbcounty.gov</p>
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B. Direct all inquiries to:

**Exhibit A
Scope of Work**

<p>California Department of Public Health Tony Mixon, Health Program Specialist I Infectious Diseases Laboratories Division Building E, 3rd Floor Richmond, CA 94804 Telephone: (279) 999-8848 E-mail: tony.mixon@cdph.ca.gov</p>	<p>County of San Bernardino Jessica Valdez Laboratory Director San Bernardino County Department of Public Health 150 E Holt Blvd 1st Floor Ontario, CA 91761 Telephone: (909) 458-9430 E-mail: Jessica.Valdez@dph.sbcounty.gov</p>
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C. All payments from CDPH to the Contractor; shall be sent to the following address:

<p style="text-align: center;">Remittance Address</p> <p>Contractor: San Bernardino County Attention: Lizveth Varela, Admin Manager Address: 451 E. Vanderbilt Way, STE 200 City, Zip: San Bernardino, CA 92408 E-mail: lizveth.varela@dph.sbcounty.gov</p>
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D. Either party may make changes to the Project Representatives, or remittance address, by giving a written notice to the other party, said changes shall not require an amendment to this agreement but must be maintained as supporting documentation. Note: Remittance address changes will require the contractor to submit a completed CDPH 9083 Governmental Entity Taxpayer ID Form or STD 204 Payee Data Record Form and the STD 205 Payee Data Supplement which can be requested through the CDPH Project Representatives for processing.

5. Services to be Performed

See the attached Exhibit A, Attachment I, Scope of Work for the detailed description of the services to be performed.

**Exhibit A, Attachment I
Scope of Work**

Objective: Utilize AR Lab Network to sustain and expand laboratory capacity for early detection of drug-resistant pathogens and public health infrastructure for rapid response to stop transmission, which are critical components of effective strategies for preventing the spread of AR.

The check boxes pre-marked with an "X" are required activities and cannot be unchecked. The check boxes unmarked are optional activities. Please indicate which of the additional activities your local health jurisdiction will pursue by placing an "X" in the appropriate check box.:

Participating in the SHARP 2 Program Activity Component. Not participating in the SHARP 2 Program Activity Component.

Activities	Performance Indicators/Deliverables <small>* = CDPH will provide biannual reports with indicator</small>	Timeline
I. (Activity A1) Sustain laboratory capacity to perform Clinical Laboratory Improvement Act (CLIA)-compliant organism identification, carbapenemase production testing, carbapenem-resistance mechanism testing, and/or routine confirmatory antimicrobial susceptibility testing (AST) on Carbapenem-resistant Enterobacteriales (CRE)/ Carbapenem-resistant Pseudomonas aeruginosa (CRPA) and carbapenem-resistant Acinetobacter baumannii (CRAB), as recommended by CDC and CDPH.		
<input checked="" type="checkbox"/> A. (Milestone A) Depending on contractor capability, the contractor will provide carbapenemase-producing organism (CPO) testing on CRE, CRPA, and CRAB isolates. Expansion of CRE genera only as applicable and based on guidance.	Expand CRE genera tested (if applicable). Report any new CRE genera that have been validated and tested in quarterly progress reports due on the 15 th of the month following the end of each quarter.	Quarterly
<input type="checkbox"/> B. (Milestone B) Depending on contractor capability and available funding, the laboratory will provide applicable carbapenem-resistant organism (CRO) testing on every eligible isolate submitted for testing; if unable to provide necessary testing, the laboratory will work with the Microbial Disease Laboratory (MDL) AR Lab Coordinators, CDPH internal staff, to triage send-out testing.	Apply the full AR Lab Network (ARLN) testing directory to every eligible isolate received or assure testing triage to the MDL or to the ARLN for the requested testing, if not offered in-house. Submit CRO monthly testing line list report due on the 15 th of the month following the end of each month.	Monthly
<input checked="" type="checkbox"/> C. (Milestone C) Contractor will work with MDL AR Lab Coordinators and CDPH Healthcare Associated Infections (HAI) Program to facilitate submission of CRE/CRPA isolates from facilities in the contractor's jurisdiction.	Facilitate connections with clinical laboratories in the local jurisdiction to solicit submission of CRE/CRPA isolates for testing at the state/local Public Health Laboratory (PHL) in collaboration with MDL AR Lab Coordinators and/or CDPH (HAI) Program. Report the number of facilities submitting CRE and CRPA isolates for additional testing in quarterly progress reports due on the 15 th of the month following the end of each quarter.	Quarterly
<input checked="" type="checkbox"/> D. (Milestone D) Contractor will work with CDPH MDL AR Lab Coordinators and CDPH HAI Program to facilitate submission of CRAB isolates from facilities in the contractor's jurisdiction.	Facilitate connections with clinical laboratories in the local jurisdiction to solicit submission of CRAB isolates for testing at the state/local Public Health Laboratory in collaboration with MDL AR Lab Coordinators and/or CDPH HAI Program. Report the number of facilities	Quarterly

**Exhibit A, Attachment I
Scope of Work**

Activities	Performance Indicators/Deliverables <small>* = CDPH will provide biannual reports with indicator</small>	Timeline
	submitting CRAB isolates for additional testing in quarterly progress reports due on the 15 th of the month following the end of each quarter.	
<input checked="" type="checkbox"/> E. (Milestone E) As requested by CDPH MDL AR Lab Coordinators and/or CDPH HAI Program and based on capability/capacity, contractor will test additional isolates from clinical laboratories for resistance mechanisms or carbapenemase production testing.	Test additional organisms if clinical lab testing suggests carbapenemase production when requested by CDPH. Submit CRO monthly testing line list report due on the 15 th of the month following the end of the month.	Monthly

**Exhibit A, Attachment I
Scope of Work**

Activities	Performance Indicators/Deliverables <small>* = CDPH will provide biannual reports with indicator</small>	Timeline
II. (Activity A3) Collaborate and share information with CDPH AR Coordinators to facilitate communication laboratory on specimen submissions, test reporting, communication with Local Health Jurisdiction (LHJ) epidemiologists, and facilities as needed. (Required)		
<input checked="" type="checkbox"/> A. (Milestone A) Contractor will maintain communication with CDPH Coordinators (MDL and HAI Program), including attending required 1:1 meetings (quarterly) and other coordination meetings (e.g. monthly HAI/SHARP Office Hours), to ensure collaboration among laboratory partners, epidemiologists, and facilities. Meeting format will be virtual and, when coordinated in advance, in-person. (Required activity)	Contractor will attend scheduled 1:1 meetings with CDPH Coordinators. Attendance and agenda will be retained by CDPH MDL AR Lab Coordinators to document deliverable.	Quarterly

**Exhibit A, Attachment I
Scope of Work**

Activities	Performance Indicators/Deliverables <small>* = CDPH will provide biannual reports with indicator</small>	Timeline
III. (Activity A5) Advance electronic information exchange implementation (in collaboration with CDPH and CDC, where applicable). (Required)		
<input checked="" type="checkbox"/> A. (Milestone A) Contractor will identify at least one point of contact to ensure that required laboratory information submissions are exchanged between the laboratory and CDPH (who then reports to the Centers for Disease Control and Prevention (CDC)). Contractor will work and collaborate with the CDPH Microbial Disease Laboratory (MDL) AR Lab Coordinators, and other partners to facilitate laboratory information submissions, as applicable. (Required activity)	Identify a laboratory point of contact that will work with CDPH to ensure laboratory information submissions for timely reporting to state or local public epidemiologists, Washington State Public Health, a West Regional AR Lab designated by CDC's Antimicrobial Resistance Laboratory Network (AR Lab Network), and CDC for all funded AR testing. Submit verification of laboratory point of contact annually. Verification is requested within 10 business days of annual verification request by the CDPH MDL AR Lab Coordinators.	Annually
<input checked="" type="checkbox"/> B. (Milestone B) Contractor will ensure that new applicable funded testing are integrated into the local Laboratory Information Management System (LIMS) for accurate and expedient reporting. (Required activity)	Integrate new tests in the laboratory LIMS system for accessioning and reporting. Report on any new applicable funded tests that have been integrated into the laboratory LIMS in quarterly progress reports due on the 15 th of the month following the end of each quarter.	Quarterly
<input checked="" type="checkbox"/> C. (Milestone C) Contractor maintains compliance with California Code of Regulations, Title 17, Section 2505 for public health disease reporting requirements to support LIMS and Health Level 7 International (HL7) messaging for CalREDIE and/or ARLN electronic transfer, as applicable. (Required activity)	Ensure that IT infrastructure supports laboratory LIMS system for accessing and reporting. Confirm IT infrastructure maintenance to support laboratory LIMS and HL7 messaging in quarterly progress reports due on the 15 th of the month following the end of each quarter.	Quarterly
<input checked="" type="checkbox"/> D. (Milestone D) Contractor has capability and will work towards mapping California Code of Regulations, Title 17, Section 2505 reportable results via HL7 messaging for electronic laboratory reporting (ELR) to CalREDIE; and if resources and technical assistance are provided, to CDC for AR Lab Network testing. (Required activity)	If additional funding is available, ensure HL7 messaging on Title 17 2505 reportable results in order to report directly to CalREDIE and to CDC (if arraigned by CDC) for all funded AR Lab Network testing. Report any new applicable funded tests that have been mapped to HL7 for electronic laboratory reporting to CalREDIE and/or CDC in quarterly progress reports due on the 15 th of the month following the end of each quarter.	Quarterly

**Exhibit A, Attachment I
Scope of Work**

Activities	Performance Indicators/Deliverables <small>* = CDPH will provide biannual reports with indicator</small>	Timeline
IV. (Activity A6) Provide laboratory support for state-led epidemiologic investigations and HAI/AR prevention efforts focused on screening for targeted AR threats (e.g., carbapenemase-producing organisms [CPOs], pan-resistant organisms) by performing CDC-recommended assay(s), including molecular tests to detect colonization with CPOs.		
<input type="checkbox"/> A. (Milestone A) Contractor maintains communication and collaborates with AR Lab Coordinators to facilitate CPO colonization screening sample submission and testing.	Work with CDPH MDL AR Lab Coordinators and CDPH HAI Programs to facilitate collection and transportation of specimens by a courier service according to the current federal and state packaging and shipping regulations for colonization testing to ensure timely testing of specimens. Report any issues with CPO colonization screening sample submission or testing to CDPH Coordinators during quarterly 1:1 meetings. Attendance and agenda will be retained by CDPH MDL AR Lab Coordinators to document deliverable.	Quarterly
<input type="checkbox"/> B. (Milestone B) As needed, contractor provides consultation on CPO colonization screening submission and transport.	Provide advice to healthcare facilities and personnel on the collection and transportation of specimens. Report consultation tally and relevant notes in quarterly progress reports due on the 15 th of the month following the end of each quarter.	Quarterly
<input type="checkbox"/> C. (Milestone C) Depending on laboratory capability, contractor will test CPO colonization screening swabs and report within two working days of specimen receipt.	Test and report results to the jurisdictional public health department and submitting healthcare facility within two working days of specimen record. Submit CPO colonization screening received dates and result report dates using the monthly testing line list report on the 15 th of the month following the end of each month.	Monthly
<input type="checkbox"/> D. (Milestone D) Contractor that performs CPO colonization screening will submit monthly data reports (all testing) and provide positive "alert" notification within 24 hours.	Submit colonization testing data to AR Coordinators monthly and submit reports of positive screening results as alerts within 24 hours. Submit CPO colonization screening data using the monthly testing line list report on the 15 th of the month following the end of each month and submit CPO screening alerts using alert template provided by CDPH MDL AR Lab Coordinators within 24 hours of release of positive "alert" result to submitter.	Monthly
<input type="checkbox"/> E. (Milestone E) Depending on laboratory capability and as detailed in laboratory workplan, contractor will work up positive CPO specimens to obtain isolates or send specimens to CDPH or to the Regional AR Laboratory Network (ARLN) , if requested.	Provide additional culture work-up of positive CPO specimens received (if applicable) or send specimens to CDPH or the State of Washington Public Health Laboratories, the Antimicrobial Resistance Network (ARLN) for the West Region designated by CDC, for	Quarterly

**Exhibit A, Attachment I
Scope of Work**

Activities	Performance Indicators/Deliverables <small>* = CDPH will provide biannual reports with indicator</small>	Timeline
	additional culture-based testing as requested. CDPH MDL AR Lab Coordinators will compile contractor's CDPH MDL or Regional ARLN submission data quarterly.	

**Exhibit A, Attachment I
Scope of Work**

Activities	Performance Indicators/Deliverables <small>* = CDPH will provide biannual reports with indicator</small>	Timeline
V. (Activity A9) Increase or sustain laboratory capacity to perform <i>C. auris</i> colonization testing to support surveillance activities and outbreak investigations occurring within the state or local jurisdiction.		
<input checked="" type="checkbox"/> A. (Milestone A) Contractor will communicate and coordinate with AR Lab Coordinators to facilitate transport of collection materials to facilities for <i>C. auris</i> colonization testing, if requested.	Coordinate with AR lab Coordinators to transport collection swabs to healthcare facilities where swabbing for colonization testing will take place using established local courier system or shipping services by MDL. Report any issues with <i>C. auris</i> colonization screening sample submission or testing to CDPH Coordinators during quarterly 1:1 meetings. Attendance and agenda will be retained by CDPH MDL AR Lab Coordinators to document deliverable.	Quarterly
<input type="checkbox"/> B. (Milestone B) As needed, contractor provides consultation on <i>C. auris</i> colonization screening submission and transport.	Provide advice to healthcare facility laboratories on the collection and transportation of specimens. Report consultation tally and relevant notes in quarterly progress reports due on the 15 th of the month following the end of each quarter.	Quarterly
<input type="checkbox"/> C. (Milestone C) Depending on laboratory capability, as detailed in the laboratory workplan, contractor will test <i>C. auris</i> colonization screening swabs and report within two working days of specimen receipt.	Test and report to the jurisdictional public health department and submitting healthcare facility in timeframe consistent with CDC guidance. Submit <i>C. auris</i> colonization screening received dates and result report date using the monthly testing line report list due on the 15 th of the month following the end of each month.	Monthly
<input type="checkbox"/> D. (Milestone D) Contractor that performs <i>C. auris</i> colonization screening will submit monthly data reports (all testing) and provide positive “alert” notification within 24 hours.	Submit colonization testing data to AR Coordinators monthly, and positive screening results to AR Coordinators within 24 hours. Submit <i>C. auris</i> colonization screening data using the monthly testing line list report on the 15 th of the month following the end of each month and submit <i>C. auris</i> screening alerts using the alert template provided by CDPH MDL AR Lab Coordinators within 24 hours of release of positive “alert” result to submitter.	Monthly

**Exhibit A, Attachment I
Scope of Work**

Activities	Performance Indicators/Deliverables <small>* = CDPH will provide biannual reports with indicator</small>	Timeline
VI. (Activity A10) Increase or sustain laboratory capacity for <i>Neisseria gonorrhoeae</i> (GC) gradient strip Antibiotic Susceptibility Testing (AST) to monitor cases of concern (e.g. suspected treatment failures) cases with prevalent susceptibility and to expand the potential to capture emerging resistance.		
<input type="checkbox"/> A. (Milestone A) Depending on laboratory capability, if funded, contractor will implement procedures to recover GC from genital and extragenital specimens, and/or conduct Etest for azithromycin, ceftriaxone, and cefixime on GC isolates in accordance with CDC guidance.	Implement CUA compliant procedures to recover gonorrhea (GC) isolates from genital and extragenital specimens (including pharyngeal specimens) and conduct Etest for azithromycin, ceftriaxone, and cefixime on GC isolates recovered from these specimens in accordance with CDC guidance. Report any progress of ongoing work to validate and implement GC AST (if funded) in quarterly progress reports submitted on the 15 th of the month following the end of each quarter.	Quarterly
<input type="checkbox"/> B. (Milestone B) Laboratory will provide specimen collection and/or transport materials to submitters, as well as training to submitters for initial <i>Neisseria gonorrhoeae</i> isolation.	Provide specimen collection and/or transport materials to submitters and provide training to submitters for initial culture of <i>Neisseria gonorrhoeae</i> based on the acceptable specimen types in their validated Standard Operating Procedures. Report the number of submitters receiving collection/transport materials and/or submission training to CDPH Coordinators during 1:1 meetings. Attendance and agenda will be retained by the CDPH MDL AR Lab Coordinators to document deliverable.	Quarterly
<input type="checkbox"/> C. (Milestone C) Contractor will participate and successfully pass semi-annual proficiency testing for GC Etest.	Enroll in the semi-annual Proficiency Test program provided by the Wisconsin State Laboratory of Hygiene (WSLH). Report on enrollment in the WSLH proficiency testing program in the first quarterly report of the calendar year due on the 15 th of the month following the end of the semi-annual period.	Semi-annually
<input type="checkbox"/> D. (Milestone D) Contractor will ensure TAT of GC Etest does not exceed 10 calendar days from receipt isolate and will ensure that data are submitted to CDPH AR Lab Coordinators monthly or within 24 hours for “alert” data.	Send GC Etest AST results back to submitters with a turn-around-time of 7 to 10 days. Submit alert data to AR Coordinators within 24 hours and submit GC AST testing line list reports, including received date and result report date to AR Coordinators due on the 15 th of the month following then end of every month.	Monthly
<input type="checkbox"/> E. (Milestone E) Contractor will perform Whole-Genome Sequencing on <i>Neisseria gonorrhoeae</i> isolates whereby resistance is identified or, if not funded/performed, submit isolate to CDC or MDL for reference/surveillance.	Send <i>Neisseria gonorrhoeae</i> isolates sequencing upload data and/or isolate submission data as part of the monthly GC AST testing data line list submitted on the 15 th of the month following the end of each month.	Monthly

Exhibit B
Budget Detail and Payment Provisions

1. Invoicing and Payment

- A. In no event shall the Contractor request reimbursement from the State for obligations entered into or for costs incurred prior to the commencement date or after the expiration of this Agreement.
- B. For services satisfactorily rendered, and upon receipt and approval of any invoice(s) received, CDPH agrees to compensate the Contractor for actual expenditures incurred in accordance with the Budget Line-Item amounts specified in Attachment I, Budget Cost Sheet of this Exhibit.
- C. Invoices shall include the Agreement Number and shall be submitted in hard copy or electronically not more frequently than monthly in arrears and submitted to CDPH for approval to:

Tony Mixon
Health Program Specialist I
California Department of Public Health
Division of Infectious Diseases Laboratories
850 Marina Bay Parkway, E-361
Richmond, CA 94804

The State, at its discretion, may designate an alternate invoice submission address. A change in the invoice address shall be accomplished via a written notice to the Contractor by the State and shall not require an amendment to this agreement.

- D. Invoices shall:
 - 1. Be prepared on Contractor letterhead. If invoices are not on produced letterhead, invoices must be signed by an authorized official, employee or agent certifying that the expenditures claimed represent activities performed and listed in the Attachment I of this Exhibit and are in accordance with Exhibit A.
 - 2. Identify the billing and/or performance period covered by the invoice as shown in the Attachment I of this Exhibit.
 - 3. Itemize costs for the billing period in the same or greater level of detail as indicated in this agreement. Subject to the terms of this agreement, reimbursement may only be sought for those costs and/or cost categories expressly identified as allowable in this agreement and approved by CDPH.

E. Amounts Payable

The amounts payable under this agreement shall not exceed the total amounts of \$112,248.02 as identified on the first page of the agreement nor shall it exceed the amount shown in Attachment I of this Exhibit.

Exhibit B
Budget Detail and Payment Provisions

2. Budget Contingency Clause

- A. It is mutually agreed that if the Budget Act of the current year and/or any subsequent years covered under this Agreement does not appropriate sufficient funds for the program, this Agreement shall be of no further force and effect. In this event, the State shall have no liability to pay any funds whatsoever to Contractor or to furnish any other considerations under this Agreement and Contractor shall not be obligated to perform any provisions of this Agreement.
- B. If funding for any fiscal year is reduced or deleted by the Budget Act for purposes of this program, the State shall have the option to either cancel this Agreement with no liability occurring to the State or offer an agreement amendment to Contractor to reflect the reduced amount.

3. 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.

4. Timely Submission of Final Invoice

- A. Final undisputed invoice shall be submitted for payment no more than *ninety (90)* calendar days following the expiration or termination date of this agreement, unless a later or alternate deadline is agreed to in writing by the program contract manager. Said invoice should be clearly marked "Final Invoice", indicating that all payment obligations of the State under this agreement have ceased and that no further payments are due or outstanding. The State may, at its discretion, choose not to honor any delinquent final invoice if the Contractor fails to obtain prior written State approval of an alternate final invoice submission deadline.

5. Expense Allowability / Fiscal Documentation

- A. Invoice(s) received from the Contractor and accepted for payment by the State shall not be deemed evidence of allowable agreement costs.
- B. Contractor shall maintain for review and audit by the state for three years and supply to CDPH upon request adequate documentation of all expenses claimed pursuant to this agreement to permit a determination of expense allowability.
- C. If the allowability of an expense cannot be determined by the State because invoice detail, fiscal records, or backup documentation is nonexistent or inadequate according to generally accepted accounting principles or practices, all questionable costs may be dis-allowed, and payment may be withheld by the State. Upon receipt of adequate documentation supporting a disallowed or questionable expense, reimbursement may resume for the amount substantiated and deemed allowable.

Exhibit B
Budget Detail and Payment Provisions

6. Recovery of Overpayments

- A. Contractor agrees that claims based upon the terms of this agreement or an audit finding and/or an audit finding that is appealed and upheld will be recovered by the State by one of the following options:
1. Contractor's remittance to the State of the full amount of the audit exception within 30 days following the State's request for re-payment.
 2. A repayment schedule which is agreeable to both the State and the Contractor.
- B. The State reserves the right to select which option as indicated above in paragraph A will be employed and the Contractor will be notified by the State in writing of the claim procedure to be utilized.
- C. Interest on the unpaid balance of the audit finding or debt will accrue at a rate equal to the monthly average of the rate received on investments in the Pooled Money Investment Fund commencing on the date that an audit or examination finding is mailed to the Contractor, beginning 30 business days after Contractor's receipt of the State's demand for repayment.
- D. If the Contractor has filed a valid appeal regarding the report of audit findings, recovery of the overpayments will be deferred until a final administrative decision on the appeal has been reached. If the Contractor loses the final administrative appeal, Contractor shall repay to the State the over-claimed or disallowed expenses, plus accrued interest. Interest accrues from the Contractor's first receipt of State's notice requesting reimbursement of questioned audit costs or disallowed expenses.

7. Advance Payments

No advance payment is allowed under this Contract.

Strengthening HAI & AR Program Capacity 2 (SHARP 2)

Term: July 1, 2025 - June 30, 2027

Total allocation \$112,248.02

Personnel						
Position Title	FY 25/26 Salary	FY 25/26 FTE	FY 25/26 Total	FY 26/27 Salary	FY 26/27 FTE	FY 26/27 Total
Public Health Microbiologist II	\$11,112	1.0	\$11,111.85	\$11,112	1.0	\$11,111.85
Laboratory Technician	\$5,429	1.0	\$5,429.18	\$5,429	1.0	\$5,429.18
Total Salaries and Wages			\$16,541.03			\$16,541.03
Fringe Benefits		Percentage			Percentage	
			\$0.00			\$0.00
Total Personnel			\$16,541.03			\$16,541.03
Operating Expenses			Budget			Budget
MBT Star Carba Kit			\$300.60			\$300.60
Total Operating Expenses			\$300.60			\$300.60
Capital Expenditures			Budget			Budget
Total Capital Expenditures			\$0.00			\$0.00
Other Costs & Subcontracts			Budget			Budget
GeneXpert - 1 Year Service Contract			\$35,671.66			\$0.00
BD Max - 1 Year Service Contract			\$11,532.00			\$0.00
Courier Service, Year 1			\$19,398.80			\$0.00
MBT Star Carba application			\$7,000.00			\$0.00
Total Subcontracts			\$73,602.46			\$0.00
Total Indirect Costs		Percentage	Budget		Percentage	Budget
		15.0%	\$2,481.15		15.0%	\$2,481.15
Total Costs			\$92,925.24			\$19,322.78

Exhibit D
Special Terms and Conditions

(For Subvention/Local Assistance Agreements)
Rev: 05-2025

The provisions herein apply to this Agreement unless the provisions are removed by reference, the provisions are superseded by an alternate provision appearing elsewhere in this Agreement, or the applicable conditions do not exist.

Index of Special Terms and Conditions

1. Procurement Rules	11. Officials Not to Benefit
2. Equipment Ownership / Inventory / Disposition	12. Prohibited Use of State Funds for Software
3. Subcontract Requirements	13. Contract Uniformity (Fringe Benefit Allowability)
4. Income Restrictions	14. Cancellation
5. Site Inspection	15. Executive Order N-6-22-Economic Sanctions
6. Intellectual Property Rights	
7. Prior Approval of Training Seminars, Workshops or Conferences	
8. Confidentiality of Information	
9. Documents, Publications, and Written Reports	
10. Dispute Resolution Process	

Exhibit D
Special Terms and Conditions

1. Procurement Rules

(Applicable to all subvention aid/Local assistance contracts in which equipment, property, commodities and/or supplies are furnished by CDPH or expenses for said items are reimbursed with state or federal funds.)

a. Equipment definitions

Wherever the term equipment /property is used, the following definitions shall apply:

(1) **Major equipment/property:** A tangible or intangible item having a base unit cost of **\$2,500 or more** with a life expectancy of one (1) year or more and is either furnished by CDPH or the cost is reimbursed through this Agreement. Software and videos are examples of intangible items that meet this definition.

(2) **Minor equipment/property:** A tangible item having a base unit cost of **less than \$2,500** with a life expectancy of one (1) year or more and is either furnished by CDPH or the cost is reimbursed through this Agreement.

b. Government and public entities (including state colleges/universities and auxiliary organizations), whether acting as a contractor, may secure all commodities, supplies, equipment and services related to such purchases that are required in performance of this Agreement. Said procurements are subject to Paragraphs d through g of this provision. Paragraph c of this provision shall also apply, if equipment purchases are delegated to subcontractors that are nonprofit organizations or commercial businesses.

c. Nonprofit organizations and commercial businesses, whether acting as a contractor and/or subcontractor, may secure commodities, supplies, equipment and services related to such purchases for performance under this Agreement.

(1) Equipment purchases shall not exceed \$50,000 annually.

To secure equipment above the annual maximum limit of \$50,000, the Contractor shall make arrangements through the appropriate CDPH Program Contract Manager, to have all remaining equipment purchased through CDPH's Purchasing Unit. The cost of equipment purchased by or through CDPH shall be deducted from the funds available in this Agreement. Contractor shall submit to the CDPH Program Contract Manager a list of equipment specifications for those items that the State must procure. The State may pay the vendor directly for such arranged equipment purchases and title to the equipment will remain with CDPH. The equipment will be delivered to the Contractor's address, as stated on the face of the Agreement, unless the Contractor notifies the CDPH Program Contract Manager, in writing, of an alternate delivery address.

(2) All equipment purchases are subject to paragraphs d through g of this provision. Paragraph b of this provision shall also apply, if equipment purchases are delegated to subcontractors that are either a government or public entity.

(3) Nonprofit organizations and commercial businesses, shall use a procurement system that meets the following standards:

(a) Maintain a code or standard of conduct that shall govern the performance of its officers, employees, or agents engaged in awarding procurement contracts. No employee, officer,

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or agent shall participate in the selection, award, or administration of a procurement, or bid contract in which, to his or her knowledge, he or she has a financial interest.

- (b) Procurements shall be conducted in a manner that provides, to the maximum extent practical, open, and free competition.
- (c) Procurements shall be conducted in a manner that provides for all of the following:
 - [1] Avoid purchasing unnecessary or duplicate items.
 - [2] Equipment solicitations shall be based upon a clear and accurate description of the technical requirements of the goods to be procured.
 - [3] Take positive steps to utilize small and veteran owned businesses.
- d. Unless waived or otherwise stipulated in writing by CDPH, prior written authorization from the appropriate CDPH Program Contract Manager will be required before the Contractor will be reimbursed for any purchase **exceeding** \$2,500 or more for commodities, supplies, equipment, and services related to such purchases. The Contractor must provide in its request for authorization all particulars necessary, as specified by CDPH, for evaluating the necessity or desirability of incurring such costs. The term "purchase" excludes the purchase of services from a subcontractor and public utility services at rates established for uniform applicability to the general public.
- e. In special circumstances, determined by CDPH (e.g., when CDPH has a need to monitor certain purchases, etc.), CDPH may require prior written authorization and/or the submission of paid vendor receipts for any purchase, regardless of dollar amount. CDPH reserves the right to either deny claims for reimbursement or to request repayment for any Contractor purchase that CDPH determines to be unnecessary in carrying out performance under this Agreement.
- f. The Contractor must maintain a copy or narrative description of the procurement system, guidelines, rules, or regulations that will be used to make purchases under this Agreement. The State reserves the right to request a copy of these documents and to inspect the purchasing practices of the Contractor at any time.
- g. For all purchases, the Contractor must maintain copies of all paid vendor invoices, documents, bids and other information used in vendor selection, for inspection or audit. Justifications supporting the absence of bidding (i.e., sole source purchases) shall also be maintained on file by the Contractor for inspection or audit.

2. Equipment Ownership / Inventory / Disposition

(Applicable to agreements in which equipment and/or property is furnished by CDPH and/or when said items are purchased or reimbursed with state)

- a. Wherever the terms equipment and/or property are used in this provision, the definitions in provision 1, paragraph a., shall apply.

Unless otherwise stipulated in this Agreement, all equipment and/or property that are purchased/reimbursed with agreement funds or furnished by CDPH under the terms of this Agreement shall be considered state equipment and the property of CDPH.

- (1) CDPH requires the reporting, tagging and annual inventorying of all equipment and/or

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property that is furnished by CDPH or purchased/reimbursed with funds provided through this Agreement.

Upon receipt of equipment and/or property, the Contractor shall report the receipt to the CDPH Program Contract Manager. To report the receipt of said items and to receive property tags, Contractor shall use a form or format designated by CDPH's Asset Management Unit. If the appropriate form (i.e., Contractor Equipment Purchased with CDPH Funds) does not accompany this Agreement, Contractor shall request a copy from the CDPH Program Contract Manager.

- (2) If the Contractor enters into an agreement with a term of more than twelve months, the Contractor shall submit an annual inventory of state equipment and/or property to the CDPH Program Contract Manager using a form or format designated by CDPH's Asset Management Unit. If an inventory report form (i.e., Inventory/Disposition of CDPH-Funded Equipment) does not accompany this Agreement, Contractor shall request a copy from the CDPH Program Contract Manager. Contractor shall:
 - (a) Include in the inventory report, equipment and/or property in the Contractor's possession and/or in the possession of a subcontractor (including independent consultants).
 - (b) Submit the inventory report to CDPH according to the instructions appearing on the inventory form or issued by the CDPH Program Contract Manager.
 - (c) Contact the CDPH Program Contract Manager to learn how to remove, trade-in, sell, transfer or survey off, from the inventory report, expired equipment and/or property that is no longer wanted, usable or has passed its life expectancy. Instructions will be supplied by CDPH's Asset Management Unit.
- b. Title to state equipment and/or property shall not be affected by its incorporation or attachment to any property not owned by the State.
- c. Unless otherwise stipulated, CDPH shall be under no obligation to pay the cost of restoration, or rehabilitation of the Contractor's and/or Subcontractor's facility which may be affected by the removal of any state equipment and/or property.
- d. The Contractor shall maintain and administer a sound business program for ensuring the proper use, maintenance, repair, protection, insurance and preservation of state equipment and/or property.
 - (1) In administering this provision, CDPH may require the Contractor to repair or replace, to CDPH's satisfaction, any damaged, lost or stolen state equipment and/or property. Contractor shall immediately file a theft report with the appropriate police agency or the California Highway Patrol and Contractor shall promptly submit one copy of the theft report to the CDPH Program Contract Manager.
- e. Unless otherwise stipulated by the program funding this Agreement, equipment and/or property purchased/reimbursed with agreement funds or furnished by CDPH under the terms of this Agreement, shall only be used for performance of this Agreement or another CDPH agreement.
- f. Within sixty (60) calendar days prior to the termination or end of this Agreement, the Contractor shall provide a final inventory report of equipment and/or property to the CDPH Program Contract Manager and shall, at that time, query CDPH as to the requirements, including the manner and method, of returning state equipment and/or property to CDPH. Final disposition of equipment

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and/or property shall be at CDPH expense and according to CDPH instructions. Equipment and/or property disposition instructions shall be issued by CDPH immediately after receipt of the final inventory report. At the termination or conclusion of this Agreement, CDPH may at its discretion, authorize the continued use of state equipment and/or property for performance of work under a different CDPH agreement.

g. Motor Vehicles

(Applicable only if motor vehicles are purchased/reimbursed with agreement funds or furnished by CDPH under this Agreement.)

- (1) If motor vehicles are purchased/reimbursed or furnished by CDPH under the terms of this Agreement, within thirty (30) calendar days prior to the termination or end of this Agreement, the Contractor shall return such vehicles to CDPH and shall deliver all necessary documents of title or registration to enable the proper transfer of a marketable title to CDPH.
- (2) If motor vehicles are purchased/reimbursed or furnished by CDPH under the terms of this Agreement, **the State of California shall be the legal owner of said motor vehicles and the Contractor shall be the registered owner.** The Contractor shall only use said vehicles for the performance under the terms of this Agreement.
- (3) The Contractor agree that all operators of motor vehicles, purchased/reimbursed or furnished by CDPH under the terms of this Agreement, shall hold a valid State of California driver's license. In the event that ten or more passengers are to be transported in any one vehicle, the operator shall also hold a State of California Class B driver's license.
- (4) If any motor vehicle is purchased/reimbursed or furnished by CDPH under the terms of this Agreement, the Contractor, as applicable, shall provide, maintain, and certify that, at a minimum, the following type and amount of automobile liability insurance is in effect during the term of this Agreement or any extension period during which any vehicle remains in the Contractor's possession:

Automobile Liability Insurance

- (a) The Contractor, by signing this Agreement, hereby certifies that it possesses or will obtain automobile liability insurance in the amount of \$1,000,000 per occurrence for bodily injury and property damage combined. Said insurance must be obtained and made effective upon the delivery date of any motor vehicle, purchased/reimbursed with agreement funds or furnished by CDPH under the terms of this Agreement, to the Contractor.
- (b) The Contractor shall, as soon as practical, furnish a copy of the certificate of insurance to the CDPH Program Contract Manager. The certificate of insurance shall identify the CDPH contract or agreement number for which the insurance applies.
- (c) The Contractor agree that bodily injury and property damage liability insurance, as required herein, shall remain in effect at all times during the term of this Agreement or until such time as the motor vehicle is returned to CDPH.
- (d) The Contractor agree to provide, at least thirty (30) days prior to the expiration date of said insurance coverage, a copy of a new certificate of insurance evidencing continued coverage, as indicated herein, for not less than the remainder of the term of this Agreement, the term of any extension or continuation thereof, or for a period of not less than one (1) year.

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- (e) The Contractor, if not a self-insured government and/or public entity, must provide evidence, that any required certificates of insurance contain the following provisions:
- [1] The insurer will not cancel the insured's coverage without giving thirty (30) calendar days prior written notice to the State.
 - [2] The State of California, its officers, agents, employees, and servants are included as additional insureds, but only with respect to work performed for the State under this Agreement and any extension or continuation of this Agreement.
 - [3] The insurance carrier shall notify CDPH, in writing, of the Contractor's failure to pay premiums; its cancellation of such policies; or any other substantial change, including, but not limited to, the status, coverage, or scope of the required insurance. Such notices shall contain a reference to each agreement number for which the insurance was obtained.
- (f) The Contractor is hereby advised that copies of certificates of insurance may be subject to review and approval by the Department of General Services (DGS), Office of Risk and Insurance Management. The Contractor shall be notified by CDPH, in writing, if this provision is applicable to this Agreement. If DGS approval of the certificate of insurance is required, the Contractor agrees that no work or services shall be performed prior to obtaining said approval.
- (g) In the event the Contractor fails to keep insurance coverage, as required herein, in effect at all times during vehicle possession, CDPH may, in addition to any other remedies it may have, terminate this Agreement upon the occurrence of such event.

3. Subcontract Requirements

(Applicable to agreements under which services are to be performed by subcontractors including independent consultants.)

- a. Prior written authorization will be required before the Contractor enters into or is reimbursed for any subcontract for services exceeding \$2,500 for any articles, supplies, equipment, or services. The Contractor shall obtain at least three competitive quotations which should be submitted or adequate justification provided for the absence of bidding.
- b. CDPH reserves the right to approve or disapprove the selection of subcontractors and with advance written notice, require the substitution of subcontractors and require the Contractor to terminate subcontracts entered into in support of this Agreement.
 - (1) Upon receipt of a written notice from CDPH requiring the substitution and/or termination of a subcontract, the Contractor shall take steps to ensure the completion of any work in progress and select a replacement, if applicable, within 30 calendar days, unless a longer period is agreed to by CDPH.
- c. Actual subcontracts (i.e., written agreement between the Contractor and a subcontractor) exceeding \$2,500 are subject to the prior review and written approval of CDPH.
- d. Contractor shall maintain a copy of each subcontract entered into in support of this Agreement and shall, upon request by CDPH, make copies available for approval, inspection, or audit.

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- e. CDPH assumes no responsibility for the payment of subcontractors used in the performance of this Agreement. Contractor accepts sole responsibility for the payment of subcontractors used in the performance of this Agreement.
- f. The Contractor is responsible for all performance requirements under this Agreement even though performance may be carried out through a subcontract.
- g. The Contractor shall ensure that all subcontracts for services include provision(s) requiring compliance with applicable terms and conditions specified in this Agreement and shall be the subcontractor's sole point of contact for all matters related to the performance and payment during the term of this Agreement.
- h. The Contractor agrees to include the following clause, relevant to record retention, in all subcontracts for services:

"*(Subcontractor Name)* agrees to maintain and preserve, until three years after termination of *(Agreement Number)* and final payment from CDPH to the Contractor, to permit CDPH or any duly authorized representative, to have access to, examine or audit any pertinent books, documents, papers and records related to this subcontract and to allow interviews of any employees who might reasonably have information related to such records."

4. Income Restrictions

Unless otherwise stipulated in this Agreement, the Contractor agrees that any refunds, rebates, credits, or other amounts (including any interest thereon) accruing to or received by the Contractor under this Agreement shall be paid by the Contractor to CDPH, to the extent that they are properly allocable to costs for which the Contractor has been reimbursed by CDPH under this Agreement.

5. Site Inspection

The State, through any authorized representatives, has the right at all reasonable times to inspect or otherwise evaluate the work performed or being performed hereunder including subcontract supported activities and the premises in which it is being performed. If any inspection or evaluation is made of the premises of the Contractor or Subcontractor, the Contractor shall provide and shall require Subcontractors to provide all reasonable facilities and assistance for the safety and convenience of the authorized representatives in the performance of their duties. All inspections and evaluations shall be performed in such a manner as will not unduly delay the services performed.

6. Intellectual Property Rights

a. Ownership

- (1) Except where CDPH has agreed in a signed writing to accept a license, CDPH shall be and remain, without additional compensation, the sole owner of any and all rights, title and interest in all Intellectual Property, from the moment of creation, whether or not jointly conceived, that are made, conceived, derived from, or reduced to practice by Contractor or CDPH and which result directly or indirectly from this Agreement.
- (2) For the purposes of this Agreement, Intellectual Property means recognized protectable rights and interest such as: patents, (whether or not issued) copyrights, trademarks, service marks, applications for any of the foregoing, inventions, trade secrets, trade dress, logos, insignia, color combinations, slogans, moral rights, right of publicity, author's rights, contract and licensing rights, works, mask works, industrial design rights, rights of priority, know how,

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design flows, methodologies, devices, business processes, developments, innovations, good will and all other legal rights protecting intangible proprietary information as may exist now and/or here after come into existence, and all renewals and extensions, regardless of whether those rights arise under the laws of the United States, or any other state, country or jurisdiction.

- (a) For the purposes of the definition of Intellectual Property, "works" means all literary works, writings and printed matter including the medium by which they are recorded or reproduced, photographs, art work, pictorial and graphic representations and works of a similar nature, film, motion pictures, digital images, animation cells, and other audiovisual works including positives and negatives thereof, sound recordings, tapes, educational materials, interactive videos and any other materials or products created, produced, conceptualized and fixed in a tangible medium of expression. It includes preliminary and final products and any materials and information developed for the purposes of producing those final products. Works does not include articles submitted to peer review or reference journals or independent research projects.
- (3) In the performance of this Agreement, Contractor will exercise and utilize certain of its Intellectual Property in existence prior to the effective date of this Agreement. In addition, under this Agreement, Contractor may access and utilize certain of CDPH's Intellectual Property in existence prior to the effective date of this Agreement. Except as otherwise set forth herein, Contractor shall not use any of CDPH's Intellectual Property now existing or hereafter existing for any purposes without the prior written permission of CDPH. **Except as otherwise set forth herein, neither the Contractor nor CDPH shall give any ownership interest in or rights to its Intellectual Property to the other Party.** If during the term of this Agreement, Contractor accesses any third-party Intellectual Property that is licensed to CDPH, Contractor agrees to abide by all license and confidentiality restrictions applicable to CDPH in the third-party's license agreement.
- (4) Contractor agrees to cooperate with CDPH in establishing or maintaining CDPH's exclusive rights in the Intellectual Property, and in assuring CDPH's sole rights against third parties with respect to the Intellectual Property. If the Contractor enters into any agreements or subcontracts with other parties in order to perform this Agreement, Contractor shall require the terms of the Agreement(s) to include all Intellectual Property provisions. Such terms must include, but are not limited to, the subcontractor assigning and agreeing to assign to CDPH all rights, title and interest in Intellectual Property made, conceived, derived from, or reduced to practice by the subcontractor, Contractor or CDPH and which result directly or indirectly from this Agreement or any subcontract.
- (5) Contractor further agrees to assist and cooperate with CDPH in all reasonable respects, and execute all documents and, subject to reasonable availability, give testimony and take all further acts reasonably necessary to acquire, transfer, maintain, and enforce CDPH's Intellectual Property rights and interests.

b. Retained Rights / License Rights

- (1) Except for Intellectual Property made, conceived, derived from, or reduced to practice by Contractor or CDPH and which result directly or indirectly from this Agreement, Contractor shall retain title to all of its Intellectual Property to the extent such Intellectual Property is in existence prior to the effective date of this Agreement. Contractor hereby grants to CDPH, without additional compensation, a permanent, non-exclusive, royalty free, paid-up, worldwide, irrevocable, perpetual, non-terminable license to use, reproduce, manufacture, sell, offer to sell, import, export, modify, publicly and privately display/perform, distribute, and

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dispose Contractor's Intellectual Property with the right to sublicense through multiple layers, for any purpose whatsoever, to the extent it is incorporated in the Intellectual Property resulting from this Agreement, unless Contractor assigns all rights, title and interest in the Intellectual Property as set forth herein.

- (2) Nothing in this provision shall restrict, limit, or otherwise prevent Contractor from using any ideas, concepts, know-how, methodology or techniques related to its performance under this Agreement, provided that Contractor's use does not infringe the patent, copyright, trademark rights, license or other Intellectual Property rights of CDPH or third party, or result in a breach or default of any provisions of this Exhibit or result in a breach of any provisions of law relating to confidentiality.

c. Copyright

- (1) Contractor agrees that for purposes of copyright law, all works [as defined in Paragraph a, subparagraph (2)(a) of this provision] of authorship made by or on behalf of Contractor in connection with Contractor's performance of this Agreement shall be deemed "works made for hire". Contractor further agrees that the work of each person utilized by Contractor in connection with the performance of this Agreement will be a "work made for hire," whether that person is an employee of Contractor or that person has entered into an agreement with Contractor to perform the work. Contractor shall enter into a written agreement with any such person that: (i) all work performed for Contractor shall be deemed a "work made for hire" under the Copyright Act and (ii) that person shall assign all right, title, and interest to CDPH to any work product made, conceived, derived from, or reduced to practice by Contractor or CDPH and which result directly or indirectly from this Agreement.
- (2) All materials, including, but not limited to, visual works or text, reproduced or distributed pursuant to this Agreement that include Intellectual Property made, conceived, derived from, or reduced to practice by Contractor or CDPH and which result directly or indirectly from this Agreement, shall include CDPH's notice of copyright, which shall read in 3mm or larger typeface: "© [Enter Current Year e.g., 2014, etc.], Department of Public Health. This material may not be reproduced or disseminated without prior written permission from the Department of Public Health." This notice should be placed prominently on the materials and set apart from other matter on the page where it appears. Audio productions shall contain a similar audio notice of copyright.

d. Patent Rights

With respect to inventions made by Contractor in the performance of this Agreement, which did not result from research and development specifically included in the Agreement's scope of work, Contractor hereby grants to CDPH a license as described under Section b of this provision for devices or material incorporating, or made through the use of such inventions. If such inventions result from research and development work specifically included within the Agreement's scope of work, then Contractor agrees to assign to CDPH, without additional compensation, all its right, title and interest in and to such inventions and to assist CDPH in securing United States and foreign patents with respect thereto.

e. Third-Party Intellectual Property

Except as provided herein, Contractor agrees that its performance of this Agreement shall not be dependent upon or include any Intellectual Property of Contractor or third party without first: (i) obtaining CDPH's prior written approval; and (ii) granting to or obtaining for CDPH, without additional compensation, a license, as described in Section b of this provision, for any of

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Contractor's or third-party's Intellectual Property in existence prior to the effective date of this Agreement. If such a license upon these terms is unattainable, and CDPH determines that the Intellectual Property should be included in or is required for Contractor's performance of this Agreement, Contractor shall obtain a license under terms acceptable to CDPH.

f. Warranties

(1) Contractor represents and warrants that:

- (a) It is free to enter into and fully perform this Agreement.
- (b) It has secured and will secure all rights and licenses necessary for its performance of this Agreement.
- (c) Neither Contractor's performance of this Agreement, nor the exercise by either Party of the rights granted in this Agreement, nor any use, reproduction, manufacture, sale, offer to sell, import, export, modification, public and private display/performance, distribution, and disposition of the Intellectual Property made, conceived, derived from, or reduced to practice by Contractor or CDPH and which result directly or indirectly from this Agreement will infringe upon or violate any Intellectual Property right, non-disclosure obligation, or other proprietary right or interest of any third-party or entity now existing under the laws of, or hereafter existing or issued by, any state, the United States, or any foreign country. There is currently no actual or threatened claim by any such third party based on an alleged violation of any such right by Contractor.
- (d) Neither Contractor's performance nor any part of its performance will violate the right of privacy of, or constitute a libel or slander against any person or entity.
- (e) It has secured and will secure all rights and licenses necessary for Intellectual Property including, but not limited to, consents, waivers or releases from all authors of music or performances used, and talent (radio, television and motion picture talent), owners of any interest in and to real estate, sites, locations, property or props that may be used or shown.
- (f) It has not granted and shall not grant to any person or entity any right that would or might derogate, encumber, or interfere with any of the rights granted to CDPH in this Agreement.
- (g) 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.
- (h) It has no knowledge of any outstanding claims, licenses or other charges, liens, or encumbrances of any kind or nature whatsoever that could affect in any way Contractor's performance of this Agreement.

(2) CDPH MAKES NO WARRANTY THAT THE INTELLECTUAL PROPERTY RESULTING FROM THIS AGREEMENT DOES NOT INFRINGE UPON ANY PATENT, TRADEMARK, COPYRIGHT OR THE LIKE, NOW EXISTING OR SUBSEQUENTLY ISSUED.

g. Intellectual Property Indemnity

(1) Contractor shall indemnify, defend and hold harmless CDPH and its licensees and assignees, and its officers, directors, employees, agents, representatives, successors, and users of its products, ("Indemnitees") from and against all claims, actions, damages, losses, liabilities (or

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actions or proceedings with respect to any thereof), whether or not rightful, arising from any and all actions or claims by any third party or expenses related thereto (including, but not limited to, all legal expenses, court costs, and attorney's fees incurred in investigating, preparing, serving as a witness in, or defending against, any such claim, action, or proceeding, commenced or threatened) to which any of the Indemnitees may be subject, whether or not Contractor is a party to any pending or threatened litigation, which arise out of or are related to (i) the incorrectness or breach of any of the representations, warranties, covenants or agreements of Contractor pertaining to Intellectual Property; or (ii) any Intellectual Property infringement, or any other type of actual or alleged infringement claim, arising out of CDPH's use, reproduction, manufacture, sale, offer to sell, distribution, import, export, modification, public and private performance/display, license, and disposition of the Intellectual Property made, conceived, derived from, or reduced to practice by Contractor or CDPH and which result directly or indirectly from this Agreement. This indemnity obligation shall apply irrespective of whether the infringement claim is based on a patent, trademark or copyright registration that issued after the effective date of this Agreement. CDPH reserves the right to participate in and/or control, at Contractor's expense, any such infringement action brought against CDPH.

- (2) Should any Intellectual Property licensed by the Contractor to CDPH under this Agreement become the subject of an Intellectual Property infringement claim, Contractor will exercise its authority reasonably and in good faith to preserve CDPH's right to use the licensed Intellectual Property in accordance with this Agreement at no expense to CDPH. CDPH shall have the right to monitor and appear through its own counsel (at Contractor's expense) in any such claim or action. In the defense or settlement of the claim, Contractor may obtain the right for CDPH to continue using the licensed Intellectual Property; or, replace or modify the licensed Intellectual Property so that the replaced or modified Intellectual Property becomes non-infringing provided that such replacement or modification is functionally equivalent to the original licensed Intellectual Property. If such remedies are not reasonably available, CDPH shall be entitled to a refund of all monies paid under this Agreement, without restriction or limitation of any other rights and remedies available at law or in equity.
- (3) Contractor agrees that damages alone would be inadequate to compensate CDPH for breach of any term of this Intellectual Property Exhibit by Contractor. Contractor acknowledges CDPH would suffer irreparable harm in the event of such breach and agrees CDPH shall be entitled to obtain equitable relief, including without limitation an injunction, from a court of competent jurisdiction, without restriction or limitation of any other rights and remedies available at law or in equity.

h. Survival

The provisions set forth herein shall survive any termination or expiration of this Agreement or any project schedule.

7. Prior Approval of Training Seminars, Workshops or Conferences

Contractor shall obtain prior CDPH approval of the location, costs, dates, agenda, instructors, instructional materials, and attendees at any reimbursable training seminar, workshop, or conference conducted pursuant to this Agreement and of any reimbursable publicity or educational materials to be made available for distribution. The Contractor shall acknowledge the support of the State whenever publicizing the work under this Agreement in any media. This provision does not apply to necessary staff meetings or training sessions held for the staff of the Contractor in order to conduct routine business matters.

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8. Confidentiality of Information

The Contractor and its employees, agents, or subcontractors shall:

- a. Protect from unauthorized disclosure names and other identifying information concerning persons either receiving services pursuant to this Agreement or persons whose names or identifying information become available or are disclosed to the Contractor, its employees, agents, or subcontractors as a result of services performed under this Agreement, except for statistical information not identifying any such person.
- b. Not use such identifying information for any purpose other than carrying out the Contractor's obligations under this Agreement.
- c. Promptly transmit to the CDPH Contract Manager all requests for disclosure of such identifying information not emanating from the client or person.
- d. Not disclose, except as otherwise specifically permitted by this Agreement or authorized by the client, any such identifying information to anyone other than CDPH without prior written authorization from the CDPH Contract Manager, except if disclosure is required by State or Federal law.
- e. For purposes of this provision, identity shall include, but not be limited to name, identifying number, symbol, or other identifying particular assigned to the individual, such as finger or voice print or a photograph.
- f. As deemed applicable by CDPH, this provision may be supplemented by additional terms and conditions covering personal health information (PHI) or personal, sensitive, and/or confidential information (PSCI). Said terms and conditions will be outlined in one or more exhibits that will either be attached to this Agreement or incorporated into this Agreement by reference.

9. Documents, Publications and Written Reports

(Applicable to agreements over \$5,000 under which publications, written reports and documents are developed or produced. Government Code Section 7550.)

Any document, publication or written report (excluding progress reports, financial reports and normal contractual communications) prepared as a requirement of this Agreement shall contain, in a separate section preceding the main body of the document, the number and dollar amounts of all contracts or agreements and subcontracts relating to the preparation of such document or report, if the total cost for work by nonemployees of the State exceeds \$5,000.

10. Dispute Resolution Process

- a. A Contractor grievance exists whenever there is a dispute arising from CDPH's action in the administration of an agreement. If there is a dispute or grievance between the Contractor and CDPH, the Contractor must seek resolution using the procedure outlined below.
 - (1) The Contractor should first informally discuss the problem with the CDPH Program Contract Manager. If the problem cannot be resolved informally, the Contractor shall direct its grievance together with any evidence, in writing, to the program Branch Chief. The grievance shall state

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the issues in dispute, the legal authority or other basis for the Contractor's position and the remedy sought. The Branch Chief shall render a decision within ten (10) working days after receipt of the written grievance from the Contractor. The Branch Chief shall respond in writing to the Contractor indicating the decision and reasons therefore. If the Contractor disagrees with the Branch Chief's decision, the Contractor may appeal to the second level.

(2) When appealing to the second level, the Contractor must prepare an appeal indicating the reasons for disagreement with Branch Chief's decision. The Contractor shall include with the appeal a copy of the Contractor's original statement of dispute along with any supporting evidence and a copy of the Branch Chief's decision. The appeal shall be addressed to the Deputy Director of the division in which the branch is organized within ten (10) working days from receipt of the Branch Chief's decision. The Deputy Director of the division in which the branch is organized or his/her designee shall meet with the Contractor to review the issues raised. A written decision signed by the Deputy Director of the division in which the branch is organized or his/her designee shall be directed to the Contractor within twenty (20) working days of receipt of the Contractor's second level appeal.

- b. If the Contractor wishes to appeal the decision of the Deputy Director of the division in which the branch is organized or his/her designee, the Contractor shall follow the procedures set forth in Division 25.1 (commencing with Section 38050) of the Health and Safety Code and the regulations adopted thereunder. (Title 1, Division 2, Chapter 2, Article 3 (commencing with Section 1140) of the California Code of Regulations).
- c. Disputes arising out of an audit, examination of an agreement or other action not covered by subdivision (a) of Section 20204, of Chapter 2.1, Title 22, of the California Code of Regulations, and for which no procedures for appeal are provided in statute, regulation or the Agreement, shall be handled in accordance with the procedures identified in Sections 51016 through 51047, Title 22, California Code of Regulations.
- d. Unless otherwise stipulated in writing by CDPH, all dispute, grievance and/or appeal correspondence shall be directed to the CDPH Contract Manager.
- e. There are organizational differences within CDPH's funding programs, and the management levels identified in this dispute resolution provision may not apply in every contractual situation. When a grievance is received and organizational differences exist, the Contractor shall be notified in writing by the CDPH Contract Manager of the level, name, and/or title of the appropriate management official that is responsible for issuing a decision at a given level.

11. Officials Not to Benefit

No members of or delegate of Congress or the State Legislature shall be admitted to any share or part of this Agreement, or to any benefit that may arise therefrom. This provision shall not be construed to extend to this Agreement if made with a corporation for its general benefits.

12. Prohibited Use of State Funds for Software

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.

13. Contract Uniformity (Fringe Benefit Allowability)

(Applicable only to nonprofit organizations.)

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Pursuant to the provisions of Article 7 (commencing with Section 100525) of Chapter 3 of Part 1 of Division 101 of the Health and Safety Code, CDPH sets forth the following policies, procedures, and guidelines regarding the reimbursement of fringe benefits.

- a. As used herein fringe benefits shall mean an employment benefit given by one's employer to an employee in addition to one's regular or normal wages or salary.
- b. As used herein, fringe benefits do not include:
 - (1) Compensation for personal services paid currently or accrued by the Contractor for services of employees rendered during the term of this Agreement, which is identified as regular or normal salaries and wages, annual leave, vacation, sick leave, holidays, jury duty and/or military leave/training.
 - (2) Director's and executive committee member's fees.
 - (3) Incentive awards and/or bonus incentive pay.
 - (4) Allowances for off-site pay.
 - (5) Location allowances.
 - (6) Hardship pay.
 - (7) Cost-of-living differentials
- c. Specific allowable fringe benefits include:
 - (1) Fringe benefits in the form of employer contributions for the employer's portion of payroll taxes (i.e., FICA, SUI, SDI), employee health plans (i.e., health, dental and vision), unemployment insurance, worker's compensation insurance, and the employer's share of pension/retirement plans, provided they are granted in accordance with established written organization policies and meet all legal and Internal Revenue Service requirements.
- d. To be an allowable fringe benefit, the cost must meet the following criteria:
 - (1) Be necessary and reasonable for the performance of the Agreement.
 - (2) Be determined in accordance with generally accepted accounting principles.
 - (3) Be consistent with policies that apply uniformly to all activities of the Contractor.
- e. Contractor agrees that all fringe benefits shall be at actual cost.
- f. Earned/Accrued Compensation
 - (1) Compensation for vacation, sick leave and holidays is limited to that amount earned/accrued within the agreement term. Unused vacation, sick leave and holidays earned from periods prior to the agreement term cannot be claimed as allowable costs. See section f (3)(a) below for an example.
 - (2) For multiple year agreements, vacation and sick leave compensation, which is earned/accrued but not paid, due to employee(s) not taking time off may be carried over and claimed within the overall term of the multiple years of the Agreement. Holidays cannot be carried over from one agreement year to the next. See Provision f (3)(b) for an example.
 - (3) For single year agreements, vacation, sick leave and holiday compensation that is earned/accrued but not paid, due to employee(s) not taking time off within the term of the Agreement, cannot be claimed as an allowable cost. See Provision f (3)(c) for an example.

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(a) **Example No. 1:**

If an employee, John Doe, earns/accrues three weeks of vacation and twelve days of sick leave each year, then that is the maximum amount that may be claimed during a one year agreement. If John Doe has five weeks of vacation and eighteen days of sick leave at the beginning of an agreement, the Contractor during a one-year budget period may only claim up to three weeks of vacation and twelve days of sick leave as actually used by the employee. Amounts earned/accrued in periods prior to the beginning of the Agreement are not an allowable cost.

(b) **Example No. 2:**

If during a three-year (multiple year) agreement, John Doe does not use his three weeks of vacation in year one, or his three weeks in year two, but he does actually use nine weeks in year three; the Contractor would be allowed to claim all nine weeks paid for in year three. The total compensation over the three-year period cannot exceed 156 weeks (3 x 52 weeks).

(c) **Example No. 3:**

If during a single year agreement, John Doe works fifty weeks and used one week of vacation and one week of sick leave and all fifty-two weeks have been billed to CDPH, the remaining unused two weeks of vacation and seven days of sick leave may not be claimed as an allowable cost.

14. Cancellation

- A. This agreement may be cancelled by CDPH **without cause** upon 30 calendar days advance written notice to the Contractor.
- B. CDPH reserves the right to cancel or terminate this agreement immediately for cause. The Contractor may submit a written request to terminate this agreement only if CDPH substantially fails to perform its responsibilities as provided herein.
- C. The term “for cause” shall mean that the Contractor fails to meet the terms, conditions, and/or responsibilities of this agreement.
- D. Agreement termination or cancellation shall be effective as of the date indicated in CDPH’s notification to the Contractor. The notice shall stipulate any final performance, invoicing or payment requirements.
- E. Upon receipt of a notice of termination or cancellation, the Contractor shall take immediate steps to stop performance and to cancel or reduce subsequent agreement costs.
- F. In the event of early termination or cancellation, the Contractor shall be entitled to compensation for services performed satisfactorily under this agreement and expenses incurred up to the date of cancellation and any non-cancelable obligations incurred in support of this agreement.

15. Executive Order N-6-22 - Economic Sanctions

On March 4, 2022, Governor Gavin Newsom issued Executive Order N-6-22 (the EO) regarding Economic Sanctions against Russia and Russian entities and individuals.

“Economic Sanctions” refers to sanctions imposed by the U.S. government in response to

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Russia's actions in Ukraine, as well as any sanctions imposed under state law. The EO directs state agencies to terminate contracts with, and to refrain from entering any new contracts with, individuals or entities that are determined to be a target of Economic Sanctions. Accordingly, should the State determine Contractor is a target of Economic Sanctions or is conducting prohibited transactions with sanctioned individuals or entities, that shall be grounds for termination of this agreement. The State shall provide Contractor advance written notice of such termination, allowing Contractor at least 30 calendar days to provide a written response. Termination shall be at the sole discretion of the State.

Exhibit E
Additional Provisions

1. Insurance Requirements

A. General Provisions Applying to All Policies

1. Coverage Term – Coverage needs to be in force for the complete term of the Agreement. If insurance expires during the term of the Agreement, a new certificate and required endorsements must be received by the State at least ten (10) business days prior to the expiration of this insurance. Any new insurance must comply with the original Agreement terms.
2. Policy Cancellation or Termination and Notice of Non-Renewal – Contractor shall provide to the CDPH within five (5) business days following receipt by Contractor a copy of any cancellation or non-renewal of insurance required by this Contract. In the event Contractor fails to keep in effect at all times the specified insurance coverage, the CDPH 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.
3. Premiums, Assessments and Deductibles – Contractor is responsible for any premiums, policy assessments, deductibles or self-insured retentions contained within their insurance program.
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 CDPH.
5. Insurance Carrier Required Rating – All insurance companies must carry an AM Best rating of at least “A–” with a financial category rating of no lower than VI. If 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 CDPH must be physically attached to all requested certificates of insurance and not substituted by referring to such coverage on the certificate of insurance.
7. Inadequate Insurance – Inadequate or lack of insurance does not negate Contractor’s obligations under the Agreement.
8. Use of Subcontractors - In the case of Contractor’s utilization of Subcontractors to complete the contracted scope of work, Contractor shall include all Subcontractors as insured under Contractor’s insurance or supply evidence of the Subcontractor’s insurance to the CDPH equal to policies, coverages, and limits required of Contractor.

B. Insurance Coverage Requirements

Exhibit E
Additional Provisions

Contractor shall display evidence of certificate of insurance evidencing the following coverage:

1. Commercial General Liability – Contractor shall maintain general liability with limits not less than \$1,000,000 per occurrence for bodily injury and property damage combined with a \$2,000,000 annual policy aggregate. The policy shall include coverage for liabilities arising out of premises, operations, independent Contractors, products, completed operations, personal and advertising injury, and liability assumed under an insured Agreement. This insurance shall apply separately to each insured against whom claim is made or suit is brought subject to Contractor's limit of liability. The policy shall be endorsed to include, "The State of California, its officers, agents and employees, are included as additional insured, but only with respect to work performed for the state of California under this agreement." This endorsement must be supplied under form acceptable to the Office of Risk and Insurance Management.
2. Automobile Liability (when required) – Contractor shall maintain motor vehicle liability insurance 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. Should the scope of the Agreement involve transportation of hazardous materials, evidence of an MCS-90 endorsement is required. The policy shall be endorsed to include, "The State of California, its officers, agents and employees, are included as additional insured, but only with respect to work performed for the state of California under this agreement." This endorsement must be supplied under form acceptable to the Office of Risk and Insurance Management.
3. Worker's Compensation and Employer's Liability (when required) – Contractor shall maintain statutory worker's compensation and employer's liability coverage for all its employees who will be engaged in the performance of the Agreement. Employer's liability limits of \$1,000,000 are required. When work is performed on State owned or controlled property the policy shall contain a waiver of subrogation endorsement in favor of the State. This endorsement must be supplied under form acceptable to the Office of Risk and Insurance Management.
4. Professional Liability (when required) – Contractor shall maintain professional liability covering any damages caused by a negligent error act or omission with limits not less than \$1,000,000 per occurrence and \$1,000,000 policy aggregate. The policy's retroactive date must be displayed on the certificate of insurance and must be before the date this Agreement was executed or before the beginning of Agreement work.
5. Environmental/Pollution Liability (when required) – Contractor shall maintain pollution liability for limits not less than \$1,000,000 per claim covering Contractor's liability for bodily injury, property damage and environmental damage resulting

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Additional Provisions

from pollution and related cleanup costs incurred arising out of the work or services to be performed under this Agreement. Coverage shall be provided for both work performed on site as well as transportation and proper disposal of hazardous materials. The policy shall be endorsed to include, "The State of California, its officers, agents and employees, are included as additional insured, but only with respect to work performed for the state of California under this agreement." This endorsement must be supplied under form acceptable to the Office of Risk and Insurance Management.

6. Aircraft Liability (when required) - Contractor shall maintain aircraft liability with a limit not less than \$3,000,000. The policy shall be endorsed to include, "The State of California, its officers, agents and employees, are included as additional insured, but only with respect to work performed for the state of California under this agreement." This endorsement must be supplied under form acceptable to the Office of Risk and Insurance Management.