

Original

FY 2021/2022 173/119-04590-616 \$1,652,888.69

FY 2021/2022 173/119-04590-615 \$2,119,456.02

Total: \$3,772,344.71



Purchase Order

Emergency Cleared
Oct 10 8/18/2021

Employment Development Dept
EMPLOYMENT DEVELOPMENT
DEPARTMENT
722 CAPITOL MALL
SACRAMENTO CA 95814
United States

		Dispatch Via Print
Purchase Order 7100-000010237	Date 07-01-2021	Revision
Payment Terms Net 45	Freight Terms FOB Origin-Freight FRT/PPD	Ship Via COMMON
Buyer Bryson Grant	Phone 916/654-5988	Currency USD
LPA Contract ID: SLP-21-70-0151D		

Supplier: 0000177264
KOVARUS INC
401 N MICHIGAN AVE STE
3400
CHICAGO IL 60611-4249
United States

Ship To: 7100000137
EMPLOYMENT
DEPARTMENT
DEPARTMENT
800 CAPITOL MALL
SACRAMENTO CA
95814-4807
United States

Attention: Not Specified
Bill Code: 023336

Bill To: EMPLOYMENT
DEVELOPMENT
DEPARTMENT
800 CAPITOL MALL
SACRAMENTO CA
95814-4807
United States

Certification#: Begin Date: Expiration: DVBE Begin Date: Expiration:

Tax Exempt? Y Tax Exempt ID: SERVICES


Line-Sch	Item/Description	Mfg ID	Quantity	UOM	PO Price	Extended Amt	Due Date
1 - 1	IT Service - Professional Services Emergency Okta Software Maintenance Services FY 21/22 Paid in Arrears		1.00	EA	1773862.65	1773862.65	08/17/2021

Contract ID: 000000000000000000068512	Version: 1 Contract Line: 2	Schedule Total Release: 8	<u>1773862.65</u>
Total Amount: 0.000	Amount Open: 0.000		Category Line: 0
Total Quantity: 0.00	Quantity Open: 0.0000	Item Total	<u>1773862.65</u>

2 - 1	IT Services - Support - Premier Plus Success Package. 25% of Total Annual License Cost 1 Year - FY 21/22 Paid in Advance Per SCM V3 9. A2.1		1.00	EA	345593.37	345593.37	08/17/2021
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Contract ID: 000000000000000000068512	Version: 1 Contract Line: 2	Schedule Total Release: 9	<u>345593.37</u>
Total Amount: 0.000	Amount Open: 0.000		Category Line: 0
Total Quantity: 0.00	Quantity Open: 0.0000	Item Total	<u>345593.37</u>

DGS Purchasing Authority 7760
Governor's State of Emergency Proclamation, effective March 4, 2020 (GC Section 8625-8629)

I HEREBY CERTIFY, on personal knowledge, that this order for purchasing the items specified above is issued in accordance with the procedure prescribed by law governing the purchase of such items for the State of California; and that all such legal requirements have been fully complied with	Authorizing Signature 
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Purchase Order

Employment Development Dept
EMPLOYMENT DEVELOPMENT
DEPARTMENT
722 CAPITOL MALL
SACRAMENTO CA 95814
United States

Table with 3 columns: Purchase Order, Date, Revision, Payment Terms, Freight Terms, Ship Via, Buyer, Phone, Currency, LPA Contract ID.

Supplier: 0000177264
KOVARUS INC
401 N MICHIGAN AVE STE
3400
CHICAGO IL 60611-4249
United States

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SACRAMENTO CA
95814-4807
United States

Certification#: Begin Date: Expiration: DVBE Begin Date: Expiration:

Tax Exempt? Y Tax Exempt ID: SERVICES

Table header for line items with columns: Line-Sch, Item/Description, Mfg ID, Quantity, UOM, PO Price, Extended Amt, Due Date.

Agreement #: M68512-7100

- The following Exhibits are attached as part of this Agreement: Exhibit A - Statement of Work, Exhibit B - Budget Detail and Payment Provisions, Attachment B-1 - Cost Table, Exhibit C - Terms and Conditions*, Exhibit D - Protection of Confidentiality, Attachment D-1 - Confidentiality Agreement, Attachment D-2 - Indemnity Agreement, Attachment D-3 - Statement of Responsibility, Exhibit E - Safeguarding Contract Language, Exhibit F - Safeguarding Contract Language for Technology Services, Exhibit G - Special Terms and Conditions

*This order is issued under a Department of General Services (DGS) Leveraged Procurement Agreement (LPA). Terms and conditions set forth in that Agreement (LPA number referenced above) are incorporated herein by reference as if set forth in full text.

Send invoices to: Software@edd.ca.gov

Total PO Amount 2119456.02

I HEREBY CERTIFY, on personal knowledge, that this order for purchasing the items specified above is issued in accordance with the procedure prescribed by law governing the purchase of such items for the State of California; and that all such legal requirements have been fully complied with

Authorizing Signature [Signature]



Purchase Order

Emergency Cleared Dist 8/18/2021

Employment Development Dept EMPLOYMENT DEVELOPMENT DEPARTMENT 722 CAPITOL MALL SACRAMENTO CA 95814 United States

Table with Purchase Order, Date, Payment Terms, Freight Terms, Buyer, and Phone details.

Supplier: 0000177264 KOVARUS INC 401 N MICHIGAN AVE STE 3400 CHICAGO IL 60611-4249 United States

Ship To: 7100000137 EMPLOYMENT DEVELOPMENT DEPARTMENT 800 CAPITOL MALL SACRAMENTO CA 95814-4807 United States

Certification#: Tax Exempt? Y Begin Date: Tax Exempt ID: SOFTWARE Expiration: DVBE Begin Date: Expiration:

Main table with columns: Line-Sch, Item/Description, Mfg ID, Quantity, UOM, PO Price, Extended Amt, Due Date. Includes 3 line items and summary rows.

I HEREBY CERTIFY, on personal knowledge, that this order for purchasing the items specified above is issued in accordance with the procedure prescribed by law governing the purchase of such items for the State of California; and that all such legal requirements have been fully complied with

Authorizing Signature: [Signature]



Purchase Order

Employment Development Dept
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 DEPARTMENT
 722 CAPITOL MALL
 SACRAMENTO CA 95814
 United States

		Dispatch Via Print
Purchase Order 7100-0000010234	Date 07-01-2021	Revision
Payment Terms Net 45	Freight Terms FOB Destination-Freight PP	Ship Via COMMON
Buyer Bryson Grant	Phone 916/654-5988	Currency USD
LPA Contract ID: SLP-21-70-0151D		

Supplier: 0000177264
 KOVARUS INC
 401 N MICHIGAN AVE STE
 3400
 CHICAGO IL 60611-4249
 United States

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Attention: Not Specified
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 SACRAMENTO CA
 95814-4807
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Certification#: _____ Begin Date: _____ Expiration: _____ DVBE Begin Date: _____ Expiration: _____
 Tax Exempt? Y Tax Exempt ID: SOFTWARE

Line-Sch	Item/Description	Mfg ID	Quantity	UOM	PO Price	Extended Amt	Due Date
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in Advance Per SCM 3
 9.A2.1

Contract ID: 00000000000000000000068512	Version: 1	Contract Line: 1	Schedule Total Release: 3	174675.55
Total Amount: 0.000			Amount Open: 0.000	Category Line: 0
Total Quantity: 0.000			Quantity Open: 0.0000	

Item Total 174675.55

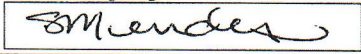
4 - 1	IT Goods - SKU #: G536-5X Dynamic Scale - Production, 5x RLM, Annual: 1 Year FY 21/22 - Paid in Advance Per SCM 3 9.A2.1	5.00	EA	22268.04	111340.20	08/17/2021
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Contract ID: 00000000000000000000068512	Version: 1	Contract Line: 1	Schedule Total Release: 4	111340.20
Total Amount: 0.000			Amount Open: 0.000	Category Line: 0
Total Quantity: 0.00			Quantity Open: 0.0000	

Item Total 111340.20

5 - 1	IT Goods - SKU #: G009 Sandbox - Preview Sandbox. 15% of total annual license cost : 1 Year FY 21/22 - Paid in Advance Per SCM 3 9.A2.1	1.00	EA	19069.81	19069.81	08/17/2021
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Contract ID: 00000000000000000000068512	Version: 1	Contract Line: 1	Schedule Total Release: 5	19069.81
Total Amount: 0.000			Amount Open: 0.000	Category Line: 0

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	Authorizing Signature 



Purchase Order

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SACRAMENTO CA 95814
United States

Table with 3 columns: Purchase Order, Date, Revision, Payment Terms, Freight Terms, Ship Via, Buyer, Phone, Currency, LPA Contract ID.

Supplier: 0000177264
KOVARUS INC
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3400
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Tax Exempt? Y Tax Exempt ID: SOFTWARE

Table with 8 columns: Line-Sch, Item/Description, Mfg ID, Quantity, UOM, PO Price, Extended Amt, Due Date

Total Quantity: 0.00

Quantity Open: 0.0000

Item Total 19069.81

Table row 6-1: IT Goods - SKU #: G085 OKTA Essentials... 4.00 EA 2292.03 9168.12 08/17/2021

Contract ID: 000000000000000000068512
Total Amount: 0.000
Total Quantity: 0.00

Version: 1 Contract Line: 1
Amount Open: 0.000
Quantity Open: 0.0000

Schedule Total 9168.12
Release: 6 Category Line: 0

Item Total 9168.12

Table row 7-1: IT Goods - SKU #: G085 Training Essentials... 1.00 EA 0.00 0.00 08/17/2021

Contract ID: 000000000000000000068512
Total Amount: 0.000
Total Quantity: 0.00

Version: 1 Contract Line: 1
Amount Open: 0.000
Quantity Open: 0.0000

Schedule Total 0.00
Release: 7 Category Line: 0

Item Total 0.00

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Purchase Order

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		Dispatch Via Print
Purchase Order 7100-000010234	Date 07-01-2021	Revision
Payment Terms Net 45	Freight Terms FOB Destination-Freight PP	Ship Via COMMON
Buyer Bryson Grant	Phone 916/654-5988	Currency USD
LPA Contract ID: SLP-21-70-0151D		

Supplier: 0000177264
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Certification#:	Begin Date:	Expiration:	DVBE Begin Date:	Expiration:			
Tax Exempt? Y	Tax Exempt ID: SOFTWARE						
Line-Sch	Item/Description	Mfg ID	Quantity	UOM	PO Price	Extended Amt	Due Date

DGS Purchasing Authority 7760

Governor's State of Emergency Proclamation, effective March 4, 2020 (GC Section 8625-8629)

Agreement #: M68512-7100

- The following Exhibits are attached as part of this Agreement:
- Exhibit A - Statement of Work
 - Exhibit B - Budget Detail and Payment Provisions
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 - Exhibit C - Terms and Conditions*
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 - Attachment D-3 - Statement of Responsibility
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 - Exhibit F - Safeguarding Contract Language for Technology Services
 - Exhibit G - Special Terms and Conditions

*This order is issued under a Department of General Services (DGS) Leveraged Procurement Agreement (LPA). Terms and conditions set forth in that Agreement (LPA number referenced above) are incorporated herein by reference as if set forth in full text.

Send invoices to: Sofware@edd.ca.gov

Total PO Amount 1652888.69

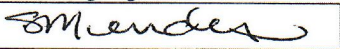
I HEREBY CERTIFY, on personal knowledge, that this order for purchasing the items specified above is issued in accordance with the procedure prescribed by law governing the purchase of such items for the State of California; and that all such legal requirements have been fully complied with	
:	Authorizing Signature <div style="border: 1px solid black; padding: 5px; display: inline-block;">  </div>

EXHIBIT A
(Standard Agreement)
STATEMENT OF WORK

This Statement of Work (“SOW”) between California (CA) Employment Development Department (“EDD” or “Client”) and Ahead, Inc. dba Kovarus, Inc. is effective on the date of the second signature below (“Effective Date”). This SOW is governed by the Software Licensing Program (SLP) contract (21-70-0151D). The SOW sets forth both Parties’ understanding of the project objectives, scope and approach, deliverables, staffing and responsibilities, assumptions, terms, and project fees and expenses.

1. Background

1.1. Background Story

Background

- The EDD is a department that provides a variety of services to businesses, workers, and job seekers. The EDD administers several multi-billion dollar benefit programs including the Unemployment Insurance (UI), Disability Insurance (DI), and Paid Family Leave (PFL) programs that provide financial stability to workers and their communities. EDD also provides critical employment service programs to Californians, collect the state's labor market information and employment data, and serves as one of the nation's largest tax agencies through the collection of payroll taxes.
- The EDD has identified the need to use a third-party partner to provide the platform needed to implement Identity and Access Management for a number of their existing applications. As part of this initiative, the EDD has decided to leverage the Okta Identity Cloud software suite to meet the organization’s strategic initiatives around cloud application adoption, compliance and security, reducing friction around employee application access, and reducing Information Technology (IT) management burden.

Objectives

- The EDD would like to leverage the Okta Identity Cloud software suite to meet the organization’s strategic initiatives around cloud application adoption, compliance and security, reducing friction around employee application access, reducing IT management burden, and improve public identity management and security.
- Vendor’s delivery methodology shall include significant Vendor Professional Services to develop an implementation approach and solution design that is mutually agreed upon as a critical part of the Planning phase. Vendor Professional Services must provide Okta subject matter experts (SME) as listed in section 2.1 to assist the EDD’s team in project governance, design and implementation services, and solution enablement.

**EXHIBIT A
(Standard Agreement)
STATEMENT OF WORK**

2. Service(s) Description

2.1. Okta Application Integration

Service Overview

The EDD requests the following resources on a time and materials basis:

- Technical Project Manager
- Cloud Enterprise Architect
- Technical Consultant(s)
- Application Developer(s)

Vendor will provide project leadership and oversight to support the implementation of the Okta platform for the EDD. In order to facilitate rapid deployment and migration of Identity and Access Management (IDAM) assets, multiple resources will be leveraged to collapse timeframes if and where applicable.

The Identity and Access Management project for the EDD will encompass four distinct phases:

1. Create high-level design of architecture and deployment roadmap
2. Configuration and Deployment of the Okta platform
3. Application Integration
4. Application and user migration

Scope of responsibilities by team

From a high-level, work will be

- Vendor will be responsible for overall program management, including:
 - Providing detailed project plans, resource plans
 - Status Reports
 - Schedule coordination between EDD and Vendor teams
 - Communication of risks, roadblocks, etc.
- Vendor will organize and lead discovery workshops via conferencing or on-site options depending on social distancing guidelines
- Vendor will provide documentation following each workshop that may include:
 - High-level architecture diagrams and other documentation
 - Roadmaps for application and user migration
 - User Acceptance Testing Criteria
 - Dependency maps

**EXHIBIT A
(Standard Agreement)
STATEMENT OF WORK**

- Requirements documents
- Vendor will provide Application Development support to assist with the integration of EDD applications into the Okta environment
- Vendor Professional Services will provide Subject Matter Experts (SMEs) as needed to support all workshops
- Vendor Professional Services will provide any Okta-Specific discovery templates and questionnaires prior to workshops
- Vendor will perform any hands-on keyboard work required to deploy the following:
 - Okta production tenant setup and configuration
 - Active Directory integration
 - Universal Directory
 - Single Sign-On (SSO)
 - Multi-Factor Authentication (MFA)
 - Lifecycle management (as required)
 - Okta Access Gateway including Cluster configuration
 - Export Logs to Client Centralized Logging system
- Vendor Professional Services will provide Okta-specific online training for EDD staff
- Vendor will provide go-live support during User Acceptance Testing (UAT) and for up to 30 days post UAT

Project Phases

Phase 1: Create high-level design of architecture and deployment roadmap

Services

Vendor will provide:

- Perform High-level design discovery workshops to include:
 - Comprehensive application list.
 - Application Dependency maps.
 - Determine Universal Directory requirements.
 - Determine application-specific requirements.
 - Determine privileged account requirements.
 - Determine applications requiring the Okta Application Gateway.
 - Review change control process.
- Map new user provisioning process for each application
- Perform Detailed Migration Planning workshops to include:
 - Review application migration dependencies.

**EXHIBIT A
(Standard Agreement)
STATEMENT OF WORK**

- Determine target application and applications to be excluded.
- Review scope of user migration for each target application.
- Review user migration options and requirements.
- Risk assessments, including data protection.
- Joint planning exercises for Phase 3
- Work with Client team to build initial backlog for Phase 4
- Provide overall program management
- High-Level Project Readiness and Project Management
- Architecture & Design Review Workshop (Virtual) to confirm requirements and review functionality for defined use cases including:
- Okta Tenant Deployment and Settings
- User Deployment (Workforce and External)
- Directory Integration
- Single Sign-on (SSO)
- Multi-Factor Authentication (MFA)
- Universal Directory
- Application Discovery for Integrations and application mapping including:
 - SAML Applications (5)
 - OIDC Applications (5)
 - On Prem OIDC and Oracle IDAM applications (2)
- High-Level Architecture Documentation in Microsoft Excel, Word, and Visio

Phase 2: Configuration and Deployment of the Okta platform

Services

Vendor will provide:

- Okta Tenant Setup and Configuration
 - Okta Production Tenant Deployment
 - Active Directory Integration
 - Universal Directory
 - Single Sign-On (SSO)
 - Multi-Factor Authentication (MFA)
- User Acceptance Testing

**EXHIBIT A
(Standard Agreement)
STATEMENT OF WORK**

- Knowledge transfer of the Okta Tenant Setup and Confirmation to the EDD Team
- Training for Administrators
- Documentation Transfer
- Provide overall program management

Vendor will provide:

Deploy: Platform Configuration and Application Integration

- Ongoing Project Management
- Okta Tenant Setup and Configuration:
 - Architecture Review
 - Lifecycle Management (as required)
 - Application Integration and Deployment
 - 2 On Prem applications (using Access Gateway)
 - 5 SAML applications
 - 5 OIDC applications
 - Overall support for other applications within available hours
- Knowledge transfer of the Okta Tenant Setup and Configuration to EDD team
- Change Management Strategy and Okta Application integration templated documentation for implementation and additional application integration
- User Acceptance Testing
- Go-Live Support

Deploy: Access Gateway Integration

- Review POC preliminary setup for applications as required
- Configure the following applications using available templates. This list is subject to change between the contract execution and the Go Live upon agreement between the Vendor and EDD:
 - **Benefit Programs Online (BPO)**
 - **UI Online (UIO)**
 - **UI Online Mobile (UIOM)**
 - **SDI Online (SDIO)**
 - **Benefit Overpayment Services (BOS)**
 - **Admin Utility (AdminUtil)**
 - **California Unemployment Benefits Services (CUBS)**

**EXHIBIT A
(Standard Agreement)
STATEMENT OF WORK**

- **Disability Insurance Application (DIA)**
- **UI Claim Status Tracker (CST)**
- Conduct application discovery / review session with application owner
- Configure application base settings
- Configure application header attributes (static, dynamic, datastore)
- Configure application authorization policies and access rules
- Review final integration configuration with the EDD's Okta Administrator.

Phase 3: Application Integration Support

Services

Vendor will provide:

- 2,500 contiguous hours of an Application Developer to provide Application Integration support leveraging an Agile framework. Because all applications that will require custom integration work have not been identified, there will be no fixed number of custom Application Integration points to be delivered.
- Expertise in Okta solutions coupled with deep knowledge, as defined in the roles requested in the Cost Worksheet, in Oracle IDAM portfolio will be incorporated to ensure rapid and successful migration integration of IDAM elements as well as dependencies such as middleware elements.
- In order to streamline future application onboarding, modernization efforts in an Agile framework will be evoked to smoothly transition from legacy to Okta solutions.
- Services to be provided
 - Review of applications to be integrated
 - Development of application integration plan
 - Assist the EDD team with application integration efforts
 - Provide knowledge transfer of the Agile application development and migration integration

Phase 4: Application and user migration

Services

Vendor will provide:

- 40 contiguous calendar days of Application and User Migration Support
 - Review of applications to be migrated
 - Development of application migration plan

**EXHIBIT A
(Standard Agreement)
STATEMENT OF WORK**

- Execution of migration plan
- Review user groups to be migrated
- Development of user migration plan
- Assist with execution of migration plan

Service Scope

This Service will be provided under the direction of the EDD's management. The following is a general description of job responsibilities; however, additional tasks maybe assigned, depending on business drivers, resource availability, and approval from both the Vendor and the EDD.

The following activities shall be within the scope of this SOW:

READINESS

The Readiness phase involves Vendor preparation and the EDD orientation activity. Vendor will provide a streamlined assessment of the EDD's ability to start the implementation and deployment, as well as recommended next steps to fortify project success. At the conclusion of the readiness phase, Vendor will provide a readiness assessment.

The EDD will be responsible for:

- Identifying points of contact for the EDD project sponsorship, project management, project team and SME.
- Identifying applications and systems related to implementation.
- Actively participating in readiness meetings with Vendor team.
- Timely completion of readiness tasks assigned.

PLAN

The Plan phase begins the detailed planning for the project kick-off meeting, establishing design phase agenda(s), identifying key project stakeholders and scheduling with the Vendor and the EDD project teams. Vendor will be on boarded to the required applications and systems. The Plan phase concludes with project kickoff meeting and completion of a high-level project schedule.

EDD will be responsible for:

- Ensuring all project stakeholders attend and actively participate in planning and project kick off meetings.
- Collaborate with Project Manager with development of a high level project schedule.
- Plan for access to applications and systems related to implementation, including third party services or providers.

**EXHIBIT A
(Standard Agreement)
STATEMENT OF WORK**

- Provide logistics support for onsite team members (e.g. conference rooms, networking access, whiteboards).
 - Wifi is not available at EDD offices

DESIGN

The Design phase involves design workshop(s) where knowledgeable business and technical SMEs are led through design discussions by the Vendor team. The Design phase ends with a review of the future state model and alignment on any scope modifications needed. At the conclusion of the Design phase, Vendor will conduct a build checkpoint and review the future state design and project schedule.

The EDD will be responsible for:

- Ensuring all project stakeholders and SMEs attend and actively participate in Design phase meetings.
- Timely coordination of third party application owners and to work collaboratively with Vendor.
- Provide access to applicable applications, systems and production mirrored data.
- All data quality for data sources managed by EDD.
- Timely review and approval of design recommendations within 14 calendar days.

BUILD

The Build phase may involve multiple iterations where Vendor and the EDD will work together to configure and implement items defined, as in scope, below. As part of the Build phase, configuration, development, and data migration activities are demonstrated to the EDD and activities focused on UAT planning and knowledge transfer begins. Scope dependent technical documentation is updated. The iterations of the Build phase will conclude with the review of the test plan and the start of UAT.

The below items have been identified as items included in the Build phase.

**EXHIBIT A
 (Standard Agreement)
 STATEMENT OF WORK**

Okta Base Configuration	
In Scope	<p>Vendor will work with the EDD to:</p> <ul style="list-style-type: none"> • Create and validate the EDD’s Okta org(s). • Review best practices for Okta Org administration and configuration. • Configure Global Org Settings. • Review best practices for Okta Groups and Application Assignments. • Install and configure Okta Directory Agents for one (1) domain. • Configure policies for import matching and account activations. • Extend the Okta Universal Directory user schema. • Review best practices and recommendations for handling matching conflicts. • Install and configure up to Okta Desktop Single Sign-On (SSO) Agents and Configure Failover and High Availability. • Import users into Okta using the CSV import tool. • Configure permission on Okta’s Active Directory service account to ensure the account can manage passwords for the Customer’s end users. • Configure up to three (3) password policies within Okta.
EDD Obligations	<ul style="list-style-type: none"> • Ensure the completeness and accuracy of data (Active Directory: Organizational Unit, Groups, User objects) being integrated with Okta and any manual remediation thereof. • Ensure that all Microsoft Windows Member Servers (joined to the Active Directory domain) are production ready for installation of Okta Directory Agents and Okta Desktop Single Sign-On (SSO) agents. Okta recommends two (2) servers, at a minimum, to provide server/agent redundancy.
Assumptions	<ul style="list-style-type: none"> • The EDD will plan the integration with an on premise Directory to meet department individual needs. Activities that are listed in the Planned Activities section may not apply to all customers. As such, we will review of your environment and functional requirements with you to determine changes. • Okta will assist the EDD with browser configuration for a single [model] workstation with a supported version of the following browsers (Safari, Firefox, Chrome, Internet Explorer, Edge, Major modern browsers). Customer will be responsible for deploying browser configurations to the remaining workstations, laptops, or mobile devices (e.g. via AD group policy for Internet Explorer).

**EXHIBIT A
 (Standard Agreement)
 STATEMENT OF WORK**

Okta Integration Network (OIN) Active Directory	
In Scope	<p>Okta will work with the EDD to:</p> <ul style="list-style-type: none"> Install and configure Okta Directory Agents as required: <ul style="list-style-type: none"> Configure policies for import matching and account activation. Extend the Okta Universal Directory user schema. Review best practices and recommendations for handling matching conflicts. Work collaboratively with Customer to configure Directory for users and groups. Review best practices and recommendations for optimizing Directory object imports.
EDD Obligations	<ul style="list-style-type: none"> Ensure the completeness and accuracy of data (OU, Groups, User objects) being integrated with Okta and any manual remediation thereof. Active Directory domain are production ready for installation of Okta Directory Agents and Okta Desktop Single Sign-On (SSO) agents. Okta recommends two (2) servers, at a minimum, to provide server/agent redundancy. Recommended installation will be determined on final architecture.
Assumptions	<ul style="list-style-type: none"> The EDD will plan the integration with their on premise Active Directory/Lightweight Directory Access Protocol (LDAP) to meet their individual needs. Activities that are listed above may not apply to all customers. As such, we will review your environment and functional requirements with you to determine changes.

OIN SAML Integration	
In Scope	<p>Okta will work with the EDD to:</p> <ul style="list-style-type: none"> Configure up to five (5) application(s) for SAML single sign-on. Review final integration configuration with the EDD's Okta Administrator.
EDD Obligations	<ul style="list-style-type: none"> Identify the applications to be integrated with Okta during the project readiness session, if not identified above. Identify application SME to work collaboratively with Okta on these integrations. Procure services or software with the appropriate license rights necessary to complete the integration.
Assumptions	<ul style="list-style-type: none"> Integrations not identified by name at the time this statement of work was executed will be identified by integration method or listed above. No custom single sign-on integrations will be built as part of this activity.

**EXHIBIT A
 (Standard Agreement)
 STATEMENT OF WORK**

OIN OIDC Integration	
In Scope	Okta will work with the EDD to: <ul style="list-style-type: none"> • Configure up to five (5) application(s) for OIDC single-sign on using the OIDC Template. • Review final integration configuration with the EDD's Okta Administrator.
EDD Obligations	<ul style="list-style-type: none"> • Identify the applications to be integrated with Okta during the project readiness session, if not identified above. • Identify application SME to work collaboratively with Okta on these integrations. • This contract will not acquire additional 3rd party software licenses that will be necessary to complete the integration.
Assumptions	<ul style="list-style-type: none"> • None.

Access Gateway Base	
In Scope	Vendor will work with the EDD to: <ul style="list-style-type: none"> • Deploy gateway appliance within supported virtualization environment. • Perform Network planning for Access Gateway (ex: IP, DNS, Firewall, Load Balancing). • Configure Static routing (if applicable). • Configure Administrative Gateway. • Configure log forwarding to Client Centralized Logging System. • Configure Okta as the identity provider. • Installation of commercial SSL Certificates.
EDD Obligations	<ul style="list-style-type: none"> • Provide suitable environment and associated systems for the virtual appliance. • Provide SME resources for deployment configuration items (Firewall, IP, DNS, and Load Balancing) at each site deploying the gateway.
Assumptions	<ul style="list-style-type: none"> • Vendor will be responsible for working with the EDD on one Development Environment. • Vendor will be responsible for working with the EDD on one Production Environment.

**EXHIBIT A
 (Standard Agreement)
 STATEMENT OF WORK**

Okta Access Gateway (OAG) Oracle Applications	
In Scope	Vendor will work with EDD to: <ul style="list-style-type: none"> • Configure application(s) for Okta Access Gateway using the Oracle Application Template(s) if required. • Conduct application discovery / review session with application owner. • Configure application base settings. • Configure application header attributes (static, dynamic, datastore). • Configure application authorization policies and access rules. • Review final integration configuration with the EDD's Okta Administrator.
EDD Obligations	<ul style="list-style-type: none"> • Identify the applications to be integrated during the Plan phase. • Identify application SME to work collaboratively with Vendor on the integration. • Procure services or software with the appropriate license rights.
Assumptions	<ul style="list-style-type: none"> • Does not include user provisioning or lifecycle management.

OAG Additional Node(s)	
In Scope	Okta will work with the EDD to: <ul style="list-style-type: none"> • Configure worker nodes for Okta Access Gateway, as required. • Review final integration configuration with the EDD's Okta Administrator.
EDD Obligations	<ul style="list-style-type: none"> • Provide suitable environment and associated systems for the virtual appliance. A suitable environment is defined in the Okta Access Gateway Support Matrix located at https://help.okta.com/en/prod/Content/Topics/Access-Gateway/support-matrix.htm. • Provide SME resources for deployment configuration items (Firewall, IP, DNS, Load Balancing) at each site deploying the gateway.
Assumptions	<ul style="list-style-type: none"> • None.

The EDD will be responsible for:

- Identifying any risks to systems or applications not directly provisioned with Okta.
- Timely coordination of third-party application owners and to work collaboratively with Vendor.
- Providing feedback following Build phase demonstrations.
- Creating test plans to be leveraged during unit testing and UAT, including a roll back plan, with Vendor team input.

**EXHIBIT A
(Standard Agreement)
STATEMENT OF WORK**

TEST

The Test phase assesses the quality of the Okta implementation and any and all integrated systems to ensure they meet required specifications. The Okta team will lead all test activities throughout the life of the project leveraging industry best practices. This includes:

- System integration testing (SIT)
- Regression testing
- Performance testing
- Functional testing
- Migration testing
- User acceptance testing (UAT)

Software testing tools may be deployed and used to facilitate testing activities, as required and approved by the EDD. Any defect discovered during the testing process will be remediated and resulting documentation shall be provided to the EDD.

The EDD team will lead and participate in final UAT with the Okta team providing best practice advisement, issue management and triage services. The Test phase concludes with creation of a deployment plan by the Okta and the EDD teams.

The EDD will be responsible for:

- Providing non-production environments/systems/accounts for testing.
- Identifying and managing users for UAT.
- Identifying test cases and success criteria for UAT.
- Facilitating UAT and capturing success criteria with users.

GO-LIVE

The Go-Live phase is when Vendor will assist the EDD with deploying to Production. Final knowledge transfer, support handover and project close activities will also take place. The Go Live Phase concludes with a customer survey being sent.

The EDD will be responsible for:

- Adherence to deployment plan, including post-production test plans and application regression testing.
- Identifying post-production support resources and ensuring availability for knowledge transfer from the Vendor project team.
- Participation in the project close process, which includes completion of the project survey and revocation of Vendor project team access to the EDD systems and applications.

**EXHIBIT A
 (Standard Agreement)
 STATEMENT OF WORK**

General Out of Scope Items

- Any activity not specifically included in the Project Scope Section of this SOW.
- User Management features not supported within the Okta Integration Network (OIN).
- Bi-directional password synchronization.
- Functionality that may have been demonstrated as Roadmap, Beta or Early Release programs.
- Customer staging, end user communication, and change management.
- Multiple Microsoft® Active Directory Domain environments (Change Control Process - Section 8).
- Secondary Go-Live events for additional populations.

This Service will be provided will be for the EDD’s existing infrastructure unless indicated otherwise in this Attachment.

Vendor shall work closely with the EDD staff to perform the Service within the Term specified. This Service is limited to existing installations only. The Service is delivered to one location on standard business days as agreed to by Okta and the EDD.

Any additions or changes to engagement scope must be stated in a separate Amendment.

QTY	SKU	Role
1243	G008	Professional Services - Technical Project Manager, Hourly
1247	G004	Professional Services - Cloud Enterprise Architect, Hourly
3667	G006	Professional Services - Technical Consultant, Hourly

3. Points of Contact

EDD Program Manager:	Contractor Representative:
Name: David Hoffman	Name: Ahead, Inc. dba Kovarus, Inc.
Title: AIM Group Manager	Title: Account Executive
Address: 800 Capitol Mall	Address: 401 Michigan Ave.
City, St, Zip: Sacramento, CA 95814	City, St, Zip: Chicago, IL 60611
Phone: 916-651-7594	Phone: 916-949-3442
Email: David.Hoffman@edd.ca.gov	Email: DMorris@kovarus.com

EXHIBIT B
(Standard Agreement)
BUDGET DETAIL AND PAYMENT PROVISIONS

1. Invoicing and Payment

In consideration of services performed, the EDD agrees to compensate the Contractor for services satisfactorily performed in accordance with the costs specified herein, which is attached hereto and made a part of this Agreement. Costs shall not exceed **\$3,772,344.71 Three Million Seven Hundred Seventy-Two Thousand Three Hundred Forty-Four Dollars and Seventy-One Cents.**

1. THE INVOICE(S)

- The EDD Agreement Number **M68512-7100**
- Identifies services provided, service period, unit price (i.e. hourly, monthly), and quantity applicable to the service
- Accurate billing address as stated on the purchase order or contract
- Supplier invoice date
- Company name and remittance address
- Enterprise Mandatory Contract Number
- Totals for each order
- Item and commodity code number
- Quantity purchased
- SLP Number

Implementation Services under this Purchase Order will be paid no more than monthly in arrears. **Software and Software Maintenance** will be paid in advance. Invoices shall include the Agreement Number **TBD** and shall be submitted in triplicate to:

Employment Development
Department Information
Technology Branch, TGD
800 Capitol Mall, MIC 58-1E / Sacramento, CA 95814
Attn: David Hoffman
And
Software@edd.ca.gov

2. Payment Withhold

If the EDD rejects all or part of the Contractor's work or work product, EDD shall withhold payment for the rejected work or work product and shall notify the Contractor in writing of the reason(s) why the work or work product was rejected. The Contractor shall take appropriate measures to correct the work and demonstrate to the EDD that the Contractor has successfully completed the work before payment can be made.

EXHIBIT B
(Standard Agreement)
BUDGET DETAIL AND PAYMENT PROVISIONS

3. Budget Contingency Clause

It is mutually understood between the parties that this Agreement may have been written before ascertaining the availability of congressional and legislative 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.

This Agreement is valid and enforceable only if (1) sufficient funds are made available by the State Budget Act of the appropriate State Fiscal Year(s) covered by this Agreement for the purposes of this program; and (2) sufficient funds are made available to the State by the United States Government or by the State of California for the Fiscal Year(s) covered by this Agreement for the purposes of this program. In addition, this Agreement is subject to any additional restrictions, limitations or conditions established by the United States Government and/or the State of California, or any statute enacted by the Congress and Legislature, which may affect the provisions, terms or funding of the Agreement in any manner.

The parties mutually agree that if the Congress and/or Legislature does not appropriate sufficient funds for the program, this agreement shall be amended to reflect any reduction in funds.

The EDD has the option to terminate the agreement under the 30-day termination clause or to amend the Agreement to reflect any reduction of funds.

**ATTACHMENT B-1
 (STANDARD AGREEMENT)
 COST TABLE**

The maximum amount of this Contract is Three Million Seven Hundred Seventy-Two Thousand Three Hundred Forty-Four Dollars and Seventy-One Cents (\$3,772,344.71).

Type	QTY	Part Number	Description	Unit Price	Extended Price
Software	1	G147-75M	API Products - Directory Integration. 75M aMAUs :1 Year	\$428,526.45	\$428,526.45
Software	1	G379-75M	API Products - Enterprise 75M aMAUs : 1 Year	\$910,108.56	\$910,108.56
Software	1	G527-75M	API Products - Okta Access Gateway. 75M aMAUs: 1 Year	\$174,675.55	\$174,675.55
Software	5	G536-5X	Dynamic Scale - Production, 5x RLM, Annual: 1 Year	\$22,268.04	\$111,340.20
Software	1	G009	Sandbox - Preview Sandbox. 15% of total annual license cost : 1 Year	\$19,069.81	\$19,069.81
Software	4	G085	OKTA Essentials is the foundational course that's a must for system Administrators and anyone responsible for setting up Okta to help ensure implementation success.	\$2,292.03	\$9,168.12
Software	4	G085	Training Okta Essentials	\$0.00	\$0.00
Maintenance-Software	1	G013	Support - Premier Plus Success Package. 25% of total annual license cost : 1 Year	\$345,593.37	\$345,593.37
Services	1247	G004	Professional Services - Cloud Enterprise Architect, Hourly	\$314.99	\$392,792.53
Services	1243	G008	Professional Services - Technical Project Manager, Hourly	\$288.85	\$359,040.55
Services	3667	G006	Professional Services - Technical Consultant, Hourly	\$278.71	\$1,022,029.57

Total: **\$3,772,344.71**

ATTACHMENT D1 CONFIDENTIALITY AGREEMENT

	EDD Contract No. EDD/Contractor ATTACHMENT NO. D-1 Page 1 of 1
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EMPLOYMENT DEVELOPMENT DEPARTMENT CONFIDENTIALITY AGREEMENT

Information resources maintained by the State of California Employment Development Department (EDD) and provided to your agency may be confidential or sensitive. Confidential and sensitive information are not open to the public and require special precautions to protect it from wrongful access, use, disclosure, modification, and destruction. The EDD strictly enforces information security. If you violate these provisions, you may be subject to administrative, civil, and/or criminal action.

Scott Wiele 1 employee of Ahead, Inc. d.b.a. Kovarus, Inc.

PRINT YOUR NAME Scott Wiele PRINT YOUR EMPLOYER'S NAME Ahead, Inc. d.b.a. Kovarus, Inc.

hereby acknowledge that the confidential and/or sensitive records of the Employment Development Department are subject to strict confidentiality requirements imposed by state and federal law include the California Unemployment Insurance Code (UIC) §§1094 and 2111, the California Civil Code (CC) §1798 et seq., the California Penal Code (PC) §502, Title 5, USC §552a, Code of Federal Regulations, Title 20 part 603, and Title 18 USC §1905.

INITIAL SW acknowledge that my supervisor and/or the Contract's Confidentiality and Data Security Monitor reviewed with me the confidentiality and security requirements, policies, and administrative processes of my organization and of the EDD.

INITIAL SW acknowledge responsibility for knowing the classification of the EDD information I work with and agree to refer questions about the classification of the EDD information (public, sensitive, confidential) to the person the Contract assigns responsibility for the security and confidentiality of the EDD's data.

INITIAL SW acknowledge responsibility for knowing the privacy, confidentiality, and data security laws that apply to the EDD information I have been granted access to by my employer, including UIC §§1094 and 2111, California Government Code § 15619, CC § 1798.53, and PC § 502.

INITIAL SW acknowledge that wrongful access, use, modification, or disclosure of confidential information may be punishable as a crime and/or result in disciplinary and/or civil action taken against me—including but not limited to: reprimand, suspension without pay, salary reduction, demotion, or dismissal—and/or fines and penalties resulting from criminal prosecution or civil lawsuits, and/or termination of contract.

INITIAL SW acknowledge that wrongful access, inspection, use, or disclosure of confidential information for personal gain, curiosity, or any non-business related reason is a crime under state and federal laws.

INITIAL SW acknowledge that wrongful access, use, modification, or disclosure of confidential information is grounds for immediate termination of my organization's Contract with the EDD.

INITIAL SW agree to protect the following types of the EDD confidential and sensitive information:

- Wage Information
- Employer Information
- Claimant Information
- Tax Payer Information
- Applicant Information
- Proprietary Information
- Operational Information (manuals, guidelines, procedures)

INITIAL SW hereby agree to protect the EDD's information on either paper or electronic form by:

- Accessing or using the EDD supplied information only as specified in the Contract for the performance of the specific work I am assigned.
- Never accessing information for curiosity or personal reasons.
- Never showing or discussing sensitive or confidential information to or with anyone who does not have the need to know.
- Placing sensitive or confidential information only in approved locations.
- Never removing sensitive or confidential information from the work site without authorization.
- Following encryption requirements for all personal, sensitive, or confidential information in any portable device or media.

"I certify that I have read and initialed the confidentiality statements printed above and will abide by them."

wiele, Scott, M.
Print Full Name (last, first, MI)

Ahead, Inc. d.b.a. Kovarus, Inc.
Print Name of Requesting Agency

DocuSigned by:
Scott Wiele
E34288D264F246A... Signature

5/25/2021
Date Signed

Check the appropriate box:

Employee Student

Subcontractor Volunteer

Other

Explain

**ATTACHMENT D2
INDEMNITY AGREEMENT**

	EDD Contract No. EDD/Contractor ATTACHMENT NO. D-2 Page 1 of 1
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**EMPLOYMENT DEVELOPMENT DEPARTMENT
INDEMNITY AGREEMENT**

In consideration of access to the EDD information which is personal, sensitive, or confidential,

Scott Wiele

(Enter name of Chief Financial Officer or authorized Management Representative)

agrees to indemnify the EDD against any and all liability costs, damages, attorney fees, and other expenses the EDD may incur by reason of or as a result of any unauthorized use of the personal, sensitive, or confidential information or any violation of the "Confidentiality Agreement" by any and all employees of:

Ahead, Inc. d.b.a. Kovarus, Inc.

(Enter Requesting Agency/Entity Name)

This obligation shall be continuous and may not be changed or modified unless agreed to in writing.

In addition, I understand that the following penalties may be incurred for any such misuse of the EDD Information:

1. Any individual who has access to returns, reports, or documents maintained by the EDD who fails to protect the confidential information from being published or open to the public may be punished by imprisonment in the county jail for up to one year or a fine of \$20,000.00 or both. (California Unemployment Insurance Code §§ 2111 and 2122).
2. Any person who intentionally discloses information, not otherwise public, which they knew or should have known was obtained from personal information maintained by a state agency, shall be subject to civil action for invasion of privacy by the individual to whom the information pertains. (California Civil Code §1798.53).
3. Any unauthorized access to the EDD computer data, computer systems, or unauthorized use of the EDD data is punishable by a fine or imprisonment in the county jail or both. (California Penal Code §502).

I certify that I have read, understand, and agree with the above terms.

SIGNED BY REQUESTING ENTITY REPRESENTATIVE

wiele, Scott, M.

Print Full Name (last, first, MI)

Managing Director

Print Title

Ahead, Inc. d.b.a. Kovarus, Inc.

Print Name of Requesting Entity

DocuSigned by:

Scott Wiele

E34288D261F246A...

Signature

5/25/2021

Date Signed

Enter Name Governmental Sponsor/Entity

**ATTACHMENT D3
STATEMENT OF RESPONSIBILITY**

	EDD Contract No. EDD Customer Code No. EDD/ ATTACHMENT NO. D3 Page 1 of 1
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**EMPLOYMENT DEVELOPMENT DEPARTMENT
STATEMENT OF RESPONSIBILITY**

INFORMATION SECURITY CERTIFICATION

We, the Information Security Officer and Managing Director – Public Sector hereby certify that Ahead, Inc. d.b.a. Kovarus, Inc. has in place the safeguards and security requirements stated in this Agreement. We therefore accept responsibility for ensuring compliance with these requirements, as set forth in Exhibit "D" of the EDD Contract No. SLP-21-70-0151D.

DocuSigned by:

C8D9B3537894417

INFORMATION SECURITY OFFICER SIGNATURE

Don Michie

PRINT NAME OF INFORMATION SECURITY OFFICER

Information Security Officer

PRINT TITLE

916-806-1668

TELEPHONE NUMBER

donald.michie@ahead.com

E-MAIL ADDRESS

5/25/2021

DATE SIGNED

DocuSigned by:

E34288D261F246A

PROGRAM DIRECTOR OR CHIEF INFORMATION OFFICER SIGNATURE

Scott Wiele

PRINT NAME

Managing Director – Public Sector

PRINT TITLE

415-828-8574

TELEPHONE NUMBER

scott.wiele@ahead.com

E-MAIL ADDRESS

5/25/2021

DATE SIGNED

NOTE: Return this Information Security Certification to the EDD Contract Manager with the signed copies of the Contract.

FOR THE EDD USE ONLY

1. Information Security Certification received by:

EDD CONTRACT MANAGER NAME

DATE RECEIVED

2. The EDD information asset access approved by:

CONTRACT MANAGER OR DISCLOSURE COORDINATOR

DATE APPROVED (AFF, EMAIL, ETC.)

NOTE: The EDD must have a signed "Information Security Certification" in its possession prior to disclosure of any personal, confidential, or sensitive information to the

EXHIBIT E
(Standard Agreement)
SAFEGUARDING CONTRACT LANGUAGE

The following administrative requirements must be completed before services are performed in accordance with the Contract. The Contractor is responsible for any costs or expenses related to time for completing these items. The Employment Development Department (EDD) may terminate the Contract and be relieved of any payments should the Contractor fail to perform the requirements of the Background Investigation at the time and in the manner described below:

a. Background Investigation

Pursuant to Government Code section 1044, the EDD shall conduct a background investigation of the Contractor, its employees, contractors, agents, volunteers, vendors, or subcontractors who will have access to Federal Tax Information (FTI) as part of their duties under this Agreement; and reserves the right to disapprove any individual from performing services under the scope of this Agreement. The Background Investigation will include fingerprinting and an inquiry to the California Department of Justice (DOJ) and the Federal Bureau of Investigations (FBI) to disclose Criminal Offender Record Information (CORI). Investigations are conducted to ascertain whether a Contractor, its employees, contractors, agents, volunteers, vendors, or subcontractors have any state or federal convictions, or are currently released from custody on bail or on their own recognizance pending trial.

Each Contractor, its employees, contractors, agents, volunteers, vendors, or subcontractors who are to perform services under this Agreement must voluntarily consent to a Background Investigation. Fingerprint rolling fees and Background Investigation costs will be borne by the EDD if the preferred fingerprint rolling vendor is utilized. If the Contractor, its employees, contractors, agents, volunteers, vendors, or subcontractors choose to go to a non-preferred Live Scan fingerprint vendor, the costs will be borne by the Contractor, payable at the time of fingerprinting and will not be reimbursed by the EDD. Previous clearances and/or investigations conducted by other agencies will not be accepted as an alternative to the EDD's Background Investigation.

Once this Contract is awarded, it is the responsibility of the Contractor to provide a list of names of individuals who will be working on site at an EDD location or working remotely with access to EDD information (data) and/or information assets (servers, workstations, routers, switches, printers, etc.) to the Contract Monitor. The Contractor will be provided BCIA 8016 forms for its employees, contractors, agents, volunteers, vendors, or subcontractors to utilize for their fingerprint rolling at an EDD preferred fingerprint rolling vendor. The EDD will receive the CORI reports from DOJ and evaluate the information provided against the EDD's established criteria. The Contractor, its employees, contractors, agents, volunteers, vendors, or subcontractors must successfully pass a background investigation pursuant to the EDD's criteria prior to the EDD issuing a badge or access to the EDD's data.

EXHIBIT E
(Standard Agreement)
SAFEGUARDING CONTRACT LANGUAGE

Within 5 business days, the Contractor shall notify the EDD Contract Monitor when its employee, contractor, agent, volunteer, vendor, or subcontractor, working under this Agreement is terminated, not hired, or reassigned to other work. Within 5 business days, the Contractor shall notify the EDD Contract Monitor when its new employee, contractor, agent, volunteer, vendor, or subcontractor is assigned to work under this Agreement in order for the EDD to commence conducting a background investigation of its new employee, contractor, agent, volunteer, vendor, or subcontractor.

b. Annual Information Security Awareness and Privacy Training

California state policy requires that the EDD must provide for the proper use and protection of its information assets and arrange for basic security and privacy awareness training (SAM sections 5305.1, 5320.1, 5320.2, 5320.3, SIMM 5330-B) for new users and annually thereafter. Therefore, the Contractor, its employees, contractors, agents, volunteers, vendors, or subcontractors who access state resources must complete the designated EDD online annual Information Security Awareness and Privacy Training prior to accessing EDD information assets and/or beginning work on a contract. The EDD University will set up a training account. While the training course is provided by the EDD, any expenses, including Contractor time, related to new and/or annual Information Security Awareness and Privacy Training will be the responsibility of the Contractor.

EXHIBIT F
(Standard Agreement)
SAFEGUARDING CONTRACT LANGUAGE FOR TECHNOLOGY SERVICES

I. -PERFORMANCE

In performance of this Contract, the Contractor agrees to comply with and assume responsibility for compliance by his or her employees with the following requirements:

- (1) All work will be done under the supervision of the Contractor or the Contractor's employees.
- (2) The Contractor and the Contractor's employees, Contractors, agents, volunteers, vendors, or subcontractors must meet the background check requirements provided in Exhibit F of this Contract.
- (3) Any return or return information made available in any format shall be used only for the purpose of carrying out the provisions of this Contract. Information contained in such material will be treated as confidential and will not be divulged or made known in any manner to any person except as may be necessary in the performance of this Contract. Disclosure to anyone other than an officer or employee of the Contractor will be prohibited.
- (4) All returns and return information will be accounted for upon receipt and properly stored before, during, and after processing. In addition, all related output will be given the same level of protection as required for the source material.
- (5) The Contractor certifies that the data processed during the performance of this Contract will be completely purged from all data storage components of his or her computer facility, and no output will be retained by the Contractor at the time the work is completed. If immediate purging of all data storage components is not possible, the Contractor certifies that any Internal Revenue Service (IRS) data remaining in any storage component will be safeguarded to prevent unauthorized disclosures.
- (6) Any spoilage or any intermediate hard copy printout that may result during the processing of IRS data will be given to the agency or his or her designee. When this is not possible, the Contractor will be responsible for the destruction of the spoilage or any intermediate hard copy printouts, and will provide the agency or his or her designee with a statement containing the date of destruction, description of material destroyed, and the method used.
- (7) All computer systems receiving, processing, storing or transmitting federal tax information (FTI) must meet the requirements defined in IRS Publication 1075. To meet functional and assurance requirements, the security features of the environment must provide for the managerial, operational, and technical controls. All security features must be available and activated to protect against unauthorized use of and access to FTI.
- (8) No work involving FTI furnished under this Contract will be subcontracted without prior written approval of the IRS.

EXHIBIT F
(Standard Agreement)
SAFEGUARDING CONTRACT LANGUAGE FOR TECHNOLOGY SERVICES

- (9) The Contractor will maintain a list of employees authorized access. Such list will be provided to the agency and, upon request, to the IRS reviewing office. (See [Section 10.0, Reporting Improper Inspections or Disclosures](#) of the [IRS Publication 1075](#).) The agency will have the right to void the Contract if the Contractor fails to provide the safeguards described above.

II. CRIMINAL/CIVIL SANCTIONS

- (1) Each officer or employee of any person to whom returns or return information is or may be disclosed will be notified in writing by such person that returns or return information disclosed to such officer or employee can be used only for a purpose and to the extent authorized herein, and that further disclosure of any such returns or return information for a purpose or to an extent unauthorized herein constitutes a felony punishable upon conviction by a fine of as much as \$5,000 or imprisonment for as long as 5 years, or both, together with the costs of prosecution. Such person shall also notify each such officer and employee that any such unauthorized further disclosure of returns or return information may also result in an award of civil damages against the officer or employee in an amount not less than \$1,000 with respect to each instance of unauthorized disclosure. These penalties are prescribed by IRCs 7213 and 7431 and set forth in 26 C.F.R. § 301.6103(n)-1.
- (2) Each officer or employee of any person to whom returns or return information is or may be disclosed shall be notified in writing by such person that any return or return information made available in any format shall be used only for the purpose of carrying out the provisions of this Contract. Information contained in such material shall be treated as confidential and shall not be divulged or made known in any manner to any person except as may be necessary in the performance of the Contract. Inspection by or disclosure to anyone without an official need-to-know constitutes a criminal misdemeanor punishable upon conviction by a fine of as much as \$1,000 or imprisonment for as long as 1 year, or both, together with the costs of prosecution. Such person shall also notify each such officer and employee that any such unauthorized inspection or disclosure of returns or return information may also result in an award of civil damages against the officer or employee [United States for Federal employees] in an amount equal to the sum of the greater of \$1,000 for each act of unauthorized inspection or disclosure with respect to which such defendant is found liable or the sum of the actual damages sustained by the plaintiff as a result of such unauthorized inspection or disclosure plus in the case of a willful inspection or disclosure which is the result of gross negligence, punitive damages, plus the costs of the action. These penalties are prescribed by IRC 7213A and 7431 and set forth in 26 C.F.R. § 301.6103(n)-1.

EXHIBIT F
(Standard Agreement)
SAFEGUARDING CONTRACT LANGUAGE FOR TECHNOLOGY SERVICES

- (3) Additionally, it is incumbent upon the Contractor to inform its officers and employees of the penalties for improper disclosure imposed by the Privacy Act of 1974, 5 U.S.C. § 552(a). Specifically, 5 U.S.C. § 552(a)(i)(1), which is made applicable to Contractors by 5 U.S.C. § 552(a)(m)(1), provides that any officer or employee of a Contractor, who by virtue of his/her employment or official position, has possession of or access to agency records which contain individually identifiable information, the disclosure of which is prohibited by the Privacy Act or regulations established thereunder, and who knowing that disclosure of the specific material is prohibited, willfully discloses the material in any manner to any person or agency not entitled to receive it, shall be guilty of a misdemeanor and fined not more than \$5,000.
- (4) Granting a Contractor access to FTI must be preceded by certifying that each individual understands the agency's security policy and procedures for safeguarding IRS information. Contractors must maintain their authorization to access FTI through annual recertification. The initial certification and recertification must be documented and placed in the agency's files for review. As part of the certification and at least annually afterwards, Contractors must be advised of the provisions of IRCs 7431, 7213, and 7213A. (See [Exhibit 4, Sanctions for Unauthorized Disclosure](#), and [Exhibit 5, Civil Damages for Unauthorized Disclosure of the IRS Publication 1075](#)). The training provided before the initial certification and annually thereafter must also cover the incident response policy and procedure for reporting unauthorized disclosures and data breaches. (See [Section 10.0, Reporting Improper Inspections or Disclosures of the IRS Publication 1075](#).) For both the initial certification and the annual certification, the Contractor must sign, either with ink or electronic signature, a confidentiality statement certifying their understanding of the security requirements.

III. INSPECTION

The IRS and the agency, with 24 hour notice, shall have the right to send its inspectors into the offices and plants of the Contractor to inspect facilities and operations performing any work with FTI under this Contract for compliance with requirements defined in IRS Publication 1075. The IRS' right of inspection shall include the use of manual and/or automated scanning tools to perform compliance and vulnerability assessments of information technology assets that access, store, process or transmit FTI. On the basis of such inspection, corrective actions may be required in cases where the Contractor is found to be noncompliant with Contract safeguards.

* Language used throughout Exhibit F is derived from [IRS Publication 1075](#)

**EXHIBIT G
(STANDARD AGREEMENT)
SPECIAL TERMS AND CONDITIONS**

1. CONTRACT APPROVAL

The Contract is not effective until it has been approved by the State. The Contractor may not commence performance under this Contract until it has been approved by the State.

Should the Contractor begin work prior to receiving a copy of the approved Contract, any work performed prior to execution of the contract shall be considered as having been done at the Contractor's own risk and as a volunteer.

2. LOBBYING RESTRICTIONS

The Contractor must certify lobbying activities and disclose lobbying activities by completing the Certification Regarding Lobbying and Disclosure of Lobbying Activities and submit it with the Offer. The forms shall be completed by the reporting entity, whether sub-awardee or prime Federal recipient, at the initiation or receipt of a covered Federal action, or a material change to a previous filing, pursuant to title 31 U.S.C. Section 1352.

3. CERTIFICATION REGARDING DEBARMENT

Debarment, suspension, ineligibility and voluntary exclusion of lower tier covered transaction certification is required for this procurement by the regulations implementing Executive Order 12549, Debarment and Suspension, 29 CFR Part 98, Section 98.510, participants' responsibilities. The regulations were published as Part VII of the May 26, 1988, Federal Register (Pages 19160-19211).

4. WORKFORCE INNOVATION AND OPPORTUNITY ACT

Contractor agrees to conform to the nondiscrimination provisions of the Workforce Innovation and Opportunity Act (WIOA) and other federal nondiscrimination requirements as referenced in 29 CFR, Part 37 and 38.

5. PUBLIC CONTRACT CODE

The Contractor is advised that he/she has certain duties, obligations, and rights under the Public Contract Code §§ 10335 – 10381 and 10410 - 10412, with which the Contractor should be familiar. These Public Contract Code sections can be viewed at:

http://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?lawCode=PCC§ionNum=10335

http://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?lawCode=PCC§ionNum=10381

http://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?lawCode=PCC§ionNum=10410

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6. NOTICES

All notices relating to this Contract shall be in writing and shall be sent to the respective Contract Managers set forth in this Contract. All such notices shall be deemed delivered if deposited, postage prepaid, in the United States mail and sent to the parties' last known address.

7. AVOIDANCE OF CONFLICTS OF INTEREST BY CONTRACTOR

- A. Consultants are advised that that Political Reform Act prohibits public officials, which include consultants, from making, participating in making, or in any way attempting to use his official position to influence a governmental decision in which he knows or has reason to know he has a financial interest. (Government Code § 87100; see Government Code § 81000 and Government Code § 1090 et seq.). For purposes of this contract, consultants are defined as any individual performing work under this contract.
- B. The Contractor shall make all reasonable efforts to ensure that no conflict of interest exists between its officers, agents, employees, consultants or members of its governing body.
- C. The Contractor shall prevent its officers, agents, employees, consultants or members of its governing body from using their positions for purposes that are, or give the appearance of being, motivated by a desire for private gain for themselves or others such as those with whom they have family, business, or other ties.
- D. During the performance of this contract, should the Contractor become aware of a financial conflict of interest that may foreseeably allow an individual or organization involved in this Contract to materially benefit from the State's adoption of an action(s) recommended as a result of this contract, the Contractor must inform the State in writing within 10 working days.
- E. Failure to disclose a relevant financial interest on the part of the consultant will be deemed grounds for termination of the Contract with all associated costs to be borne by the Contractor and, in addition, the Contractor may be excluded from participating in the State's bid processes for a period of up to 360 calendar days in accordance with the Public Contract Code section 12102(j).
- F. The EDD may request additional information regarding a consultant's economic interests. If the additional information is not provided to the satisfaction of the EDD, then the Contractor must provide a substitute consultant with similar credentials to resolve the potential conflict as provided in paragraph D.
- G. Consultants are advised that the Fair Political Practices Commission has jurisdiction to enforce the Political Reform Act and may seek civil and criminal prosecution for violations of the act, including failure to disclose financial interests. Other penalties for violating the Political Reform Act could include fines, conviction of a misdemeanor, disqualification from serving in public office or as a lobbyist, and being responsible for the costs of the litigation, including attorney's fees.

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- H. All consultants providing work under this Contract shall include a completed Statement of Economic Interests, Form 700 <http://www.fppc.ca.gov/content/dam/fppc/NS-Documents/TAD/Form%20700/2019-2020/Form%20700%202019.2020%20IA.pdf> at the time of award. In addition, consultants shall file a Form 700 annually by April 1, thereafter during the life of the contract. Each new and/or substitute consultant shall file a Form 700 prior to performing any work on the contract.
- I. Consultants are advised that they may amend their Form 700 at any time and that amending an incorrect or incomplete report may be considered evidence of good faith by the Fair Political Practices Commission.

8. DISPUTES

Any dispute concerning a question of fact arising under the term of this Contract which is not disposed of within a reasonable period of time (ten days) by the Contractor and State employees normally responsible for the administration of this contract shall be brought to the attention of the Chief Executive Officer (or designated representative) of each organization for joint resolution.

9. SUBCONTRACTOR LANGUAGE

Nothing contained in this Contract shall create any contractual relationship between the State and any subcontractor, and no subcontract shall relieve the Contractor of its responsibilities and obligations hereunder. The Contractor is fully responsible to the State for the act and omissions of its subcontractor and of persons either directly or indirectly employed by any of them.

The Contractor's obligation to pay its subcontractors is independent from the State's obligation to make payment to the Contractor. As a result, the State shall have no obligation to pay or to enforce the payment of any moneys to any subcontractor.

10. BACKGROUND INVESTIGATION

The EDD shall conduct a background investigation of the Contractor, its employees, contractors, agents, volunteers, vendors, or subcontractors, unless the EDD determines such individuals are not subject to a background investigation. Individuals must voluntarily consent to a background check and the EDD reserves the right to disapprove any individual from performing services under the scope of the Contract.

Investigations will be conducted to ascertain whether a Contractor, its employees, contractors, agents, volunteers, vendors, or subcontractors have any state or federal convictions, or are currently released from custody on bail or on their own recognizance pending trial. The background investigation will include fingerprinting and an inquiry to the California Department of Justice (DOJ) and the Federal Bureau of Investigations (FBI) to disclose Criminal Offender Record Information (CORI). The EDD will absorb the cost of the fingerprinting services.

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11. EVALUATION OF CONTRACT/CONTRACTOR

For IT Services over \$500,000, within sixty (60) days after the completion of the Contract, the Program Manager shall complete a written evaluation of Contractor's performance under the Contract. A copy of the STD 971 must be emailed to the State Department of Technology at form971@state.ca.gov and shall remain in the contract file for 36 months. If the Contractor did not satisfactorily perform the work, a copy of the evaluation form will be sent to the Contractor within fifteen (15) working days of the completion of the evaluation. (PCC 12102.3). You may view the form here: <https://www.documents.dgs.ca.gov/dgs/fmc/pdf/std971.pdf>

12. CONTRACTOR STAFF CHANGES

The Contractor reserves the sole right to determine the assignment of its employees. The Contractor agrees to notify EDD in writing of all changes in personnel assigned to this Contract as soon as is practicable.

The Contractor agrees that if EDD determines that Contractor personnel are failing to adequately perform services, the Contractor shall provide substitute personnel that meet or exceed all minimum qualifications as stated in this Contract.

The Contractor agrees that if Contractor personnel assigned to the project are unable to perform their duties due to illness, resignation, or other factors beyond the Contractor's control, the Contractor shall provide substitute personnel that meet or exceed all minimum qualifications as stated in this Contract.

13. OWNERSHIP RIGHTS

All data, documents, software and other artifacts produced under the contract become the sole property of EDD with an exception for preexisting materials to remain owned by the Contractor.

14. TERMINATION

This Agreement may be terminated by EDD by giving written notice to the Contract 30 days prior to the effective date of such termination.

15. Insurance Requirements

Contractor agrees the insurance herein provided for shall be in effect at all times during the term of this Contract. In the event said insurance coverage expires at any time during the term of this Contract, Contractor agrees to provide at least 30 days prior to said expiration date, a new certificate of insurance evidencing insurance coverage as outlined below for not less than the remainder of the term of this Contract, or for a period of not less than one year. New certificates of insurance are subject to the approval of the Department of General Services (DGS), and Contractor agrees that no work or services shall be performed prior to

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the giving of such approval. In the event Contractor fails to keep in effect at all times insurance coverage as herein provided, the State may, in addition to any other remedies it may have, terminate this Contract upon the occurrence of such event. The Contractor shall provide written notice to EDD within five (5) business days of any cancellation, non-renewal, or material change that affects required insurance coverage.

The Contractor shall display evidence of the following coverage on an ACORD certificate:

Commercial General Liability Insurance - Contractor shall furnish to EDD a certificate of insurance prior to commencement of work stating there is commercial general liability insurance in effect for the Contractor in an occurrence form with limits not less than \$1,000,000 per occurrence for bodily injury and property damage combined.

The certificate of insurance must include the following provision stating:

The State of California, its officers, agents, employees, and servants are included as additional insured, but only with respect to work performed for EDD under this Contract. The additional insured endorsement must accompany the certificate.

WORKERS' COMPENSATION INSURANCE:

Workers' Compensation and Employers Liability Insurance - The Contractor shall furnish to EDD a certificate of insurance evidencing Workers' Compensation and Employers Liability Insurance presently in effect with limits not less than \$1,000,000 by an insurance carrier licensed to write Workers' Compensation insurance in California. Such certificate shall include the name of the carrier and the policy inception and expiration dates. If the Contractor is self-insured for Workers' Compensation, a certificate must be presented evidencing Contractor is a qualified self-insurer in the State of California.