

EXHIBIT C
(Standard Agreement)

GENERAL TERMS AND CONDITIONS

A. APPROVAL:

This Agreement is of no force or effect until signed by both parties.

B. AMENDMENT:

This Agreement may be amended by mutual consent of the parties. No alteration or variation of the terms of this Agreement shall be valid unless made in writing and signed by the parties. No oral understanding or agreement not incorporated in the Agreement is binding on any of the parties.

C. ASSIGNMENT:

This Agreement is not assignable by the Contractor, either in whole or in part, without the consent of the State in the form of a formal written amendment.

D. AUDIT:

Contractor agrees that the awarding department ("the State") and the Bureau of State Audits, Health and Human Services, or their designated representatives, shall have the right to review and to copy any records and supporting documentation directly pertaining to the performance of this Agreement. Contractor agrees to maintain such records for possible audit for a minimum of ten years after final payment, unless a longer period of records retention is stipulated. Contractor agrees to allow the auditor(s) access to such records during normal business hours and to allow interviews of any employees who might reasonably have information related to such records. Further, Contractor agrees to include the same right of the State to audit records and interview staff in any subcontract related to performance of this Agreement (45 C.F.R. sec. 155.1210, Gov. Code sec. 8546.7, Pub. Contract Code sec. 10115 et seq., Cal. Code Regs, Title 2, sec. 1896).

E. INDEMNIFICATION:

Contractor agrees to indemnify, defend and save harmless the State, its officers, trustees, agents and employees from any and all claims, losses, costs, liabilities, damages or deficiencies, including interest, penalties and attorneys' fees, which:

1. Arise out of or are due to, or are alleged to arise out of or be due to, a breach by the Contractor of any of its representations, warranties, covenants or other obligations contained in this Agreement, or
2. Are caused by or result from, or are alleged to arise out of or result from, the Contractor's acts or omissions constituting bad faith, willful

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misfeasance, negligence or reckless disregard of its duties under this Agreement, or

3. Accrue or result, or are alleged to accrue or result, to any and all contractors, subcontractors, suppliers, laborers, and any other person, firm or corporation furnishing or supplying work, services, materials, or supplies in connection with the performance of this Agreement, and from any and all claims and losses accruing or resulting to any person, firm or corporation who may be injured or damaged by Contractor in the performance of this Agreement, or
4. Arise out of or are due to, or are alleged to arise out of or be due to, any claim or allegation of infringement, misappropriation or violation of any patent, copyright, trademark, trade secret, domain name or other intellectual property right comprising or involving any of the subject inventions, prior inventions or other inventions provided in any way by Contractor and used, reproduced or otherwise exploited by the State in connection with any of the Agreement programs or any turnover thereof; or
5. Arise out of or are due to, or are alleged to arise out of or be due to, any violation of applicable security or privacy laws, or any other applicable laws, by Contractor or any subcontractor or agent under Contractor's control.

If and to the extent that the Contractor has knowledge of a claim that it believes may develop into an action that would be subject to this Agreement, the Contractor shall promptly notify the State of the claim.

Right to Tender or Undertake Defense. If the State is named a party in any judicial, administrative, or other proceeding arising out of or in connection with a breach of this Agreement or a matter for which the Contractor is obligated to indemnify the State under this Agreement, then the State will have the option at any time to either (i) tender its defense to Contractor, in which case Contractor will provide qualified attorneys, consultants, and other appropriate professionals to represent the State's interests at Contractor's expense, or (ii) undertake its own defense, choosing the attorneys, consultants, and other appropriate professionals to represent its interests, in which case Contractor will be responsible for and shall pay reasonable fees and expenses of such attorneys, consultants, and other appropriate professionals. If the State elects option (ii), above, the Contractor shall be afforded a reasonable opportunity to participate in the defense and attend the legal proceedings at its own expense. However, the State shall have sole control of the defense.

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Right to Control Resolution. Notwithstanding that the State may have tendered its defense to the Contractor, neither party shall settle, compromise or resolve any claims, causes of action, liabilities or damages against the State without the consent of the other party, which consent shall not be unreasonably withheld. Any such resolution will not relieve the Contractor of its obligation to indemnify the State.

F. DISPUTES:

Disputes shall be administered in accordance with paragraph A of Exhibit D of this Agreement. During any dispute, Contractor shall continue with the responsibilities under this Agreement, unless directed otherwise by the State in writing.

G. TERMINATION FOR CAUSE:

The State may terminate this Agreement and be relieved of any payments should the Contractor fail to perform the requirements of this Agreement at the time and in the manner herein provided, unless otherwise agreed to by the State in writing. Such right of termination shall be without prejudice to any other remedies available to the State. Upon receipt of any notice terminating this Agreement, the Contractor shall immediately discontinue all activities affected, unless the notice directs otherwise, and the State may proceed with the work in any manner deemed proper by the State. In such event, the State shall pay the Contractor only the reasonable value of the services rendered, and all costs to the State shall be deducted from any sum due the Contractor. The State may, at its sole discretion, offer an opportunity to cure any breach prior to terminating for default.

H. INDEPENDENT CONTRACTOR:

Contractor, and the agents and employees of Contractor, in the performance of this Agreement, shall act in an independent capacity and not as officers or employees or agents of the State except for purposes of Civil Code section 1798.24.

I. RECYCLING CERTIFICATION:

The Contractor shall certify in writing under penalty of perjury the minimum, if not exact, percentage of recycled content, both post-consumer waste and secondary waste, as defined in the Public Contract Code section 12200, in materials, goods, or supplies offered or products used in the performance of this Agreement, regardless of whether the product meets the required recycled product percentage as defined in the Public Contract Code section 12209. Contractor may certify that the product contains zero recycled content.

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J. NON-DISCRIMINATION CLAUSE:

During the performance of this Agreement, Contractor and its subcontractors, as well as their agents and employees, shall not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of sex, sexual orientation, race, color, ancestry, religious creed, national origin, physical disability (including HIV and AIDS), mental disability, medical condition (including health impairments related to or associated with a diagnosis of cancer for which a person has been rehabilitated or cured), age (over 40), marital status, and use of family and medical care leave pursuant to State or federal law.

Contractor and subcontractors, as well as their agents and employees, shall ensure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment. The Contractor and subcontractors, as well as their agents and employees, shall comply with the provisions of the Fair Employment and Housing Act (Gov. Code sec. 12990(a-f) et seq.) and the applicable regulations promulgated thereunder (Title 2, Cal. Code of Regs. sec. 7285 et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code section 12990(a-f), set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations, are incorporated into this Agreement by reference and made a part hereof as if set forth in full. Contractor and its subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement.

Contractor shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under the Agreement.

K. CONTRACTOR CERTIFICATION CLAUSES:

1. STATEMENT OF COMPLIANCE:

Contractor has, unless exempted, complied with the nondiscrimination program requirements. (Gov. Code sec. 12990(a-f) and Cal. Code Regs., Title 2, sec. 8103.) (Not applicable to public entities.)

2. DRUG-FREE WORKPLACE REQUIREMENTS:

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

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

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- b. Establish a drug-free awareness program to inform employees about:
 - 1) The dangers of drug abuse in the workplace;
 - 2) The person's or organization's policy of maintaining a drug-free workplace;
 - 3) Any available counseling, rehabilitation and employee assistance programs; and
 - 4) Penalties that may be imposed upon employees for drug abuse violations.
- c. Every employee who works on the proposed Agreement will:
 - 1) Receive a copy of the company's drug-free workplace policy statement; and
 - 2) Agree to abide by the terms of the company's statement as a condition of employment on the Agreement.

Failure to comply with these requirements may result in suspension of payments under the Agreement or termination of the Agreement or both and Contractor may be ineligible for award of any future State agreements if the State determines that any of the following has occurred: (1) the Contractor has made false certification, or (2) violated the certification by failing to carry out the requirements as noted above. (Gov. Code sec. 8350 et seq.)

3. NATIONAL LABOR RELATIONS BOARD CERTIFICATION:

Contractor certifies that no more than one final un-appealable finding of contempt of court by a federal court has been issued against Contractor within the immediately preceding two-year period because of Contractor's failure to comply with an order of a federal court which orders Contractor to comply with an order of the National Labor Relations Board. (Pub. Contract Code sec. 10296.) (Not applicable to public entities.)

4. DOING BUSINESS WITH THE STATE OF CALIFORNIA:

a. CONFLICT OF INTEREST:

Contractor acknowledges the following provisions regarding current or former State employees. If Contractor has any questions on the

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status of any person rendering services or involved with the Agreement, the Contractor shall contact the State immediately for clarification.

- 1) Current State Employees (Pub. Contract Code sec. 10410):
 - a) No officer or employee shall engage in any employment, activity or enterprise from which the officer or employee receives compensation or has a financial interest and which is sponsored or funded by any State agency, unless the employment, activity or enterprise is required as a condition of regular State employment.
 - b) No officer or employee shall contract on his or her own behalf as an independent contractor with any State agency to provide goods or services.
- 2) Former State Employees (Pub. Contract Code sec. 10411):
 - a) For the two-year period from the date he or she left State employment, no former State officer or employee may enter into a contract in which he or she engaged in any of the negotiations, transaction, planning, arrangements or any part of the decision-making process relevant to the contract while employed in any capacity by any State agency.
 - b) For the twelve-month period from the date he or she left State employment, no former State officer or employee may enter into a contract with any State agency if he or she was employed by that State agency in a policy-making position in the same general subject area as the proposed contract.
- 3) If Contractor violates any provisions of the above paragraphs, such action by Contractor shall render this Agreement void. (Pub. Contract Code sec. 10420.)
- 4) Members of boards and commissions are exempt from this section if they do not receive payment other than payment of each meeting of the board or commission, payment for preparatory time and payment for per diem. (Pub. Contract Code sec. 10430(e).)

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b. LABOR CODE/WORKERS' COMPENSATION:

Contractor acknowledges the provisions of law which require every employer to be insured against liability for worker's compensation or to undertake self-insurance in accordance with the provisions, and Contractor agrees to comply with such provisions before commencing the performance of the work of this Agreement. (Lab. Code sec. 3700.)

c. AMERICANS WITH DISABILITIES ACT:

Contractor certifies that it complies with the Americans with Disabilities Act (ADA) of 1990, as amended, which prohibits discrimination on the basis of disability, as well as all applicable regulations and guidelines issued pursuant to the ADA. (42 U.S.C. sec.12101 et seq.)

d. CONTRACTOR NAME CHANGE:

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

e. CORPORATE QUALIFICATIONS TO DO BUSINESS IN CALIFORNIA:

- 1) Contractor acknowledges that when agreements are to be performed in the State by corporations, the State will verify that the Contractor is currently qualified to do business in California in order to ensure that all obligations due to the State are fulfilled.
- 2) "Doing business" is defined in Revenue and Taxation Code section 23101 as actively engaging in any transaction for the purpose of financial or pecuniary gain or profit. Although there are some statutory exceptions to taxation, rarely will a corporate contractor performing within the State not be subject to the franchise tax.
- 3) Both domestic and foreign corporations (those incorporated outside of California) must be in good standing in order to be qualified to do business in California. Agencies will determine whether a corporation is in good standing by calling the Office of the Secretary of State.

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f. **RESOLUTION:**

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

g. **AIR OR WATER POLLUTION VIOLATION:**

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

h. **PAYEE DATA RECORD FORM STD. 204:**

Contractor acknowledges that this form must be completed by all contractors that are not another State agency or other government entity.

L. TIMELINESS:

Time is of the essence in this Agreement.

M. COMPENSATION:

The consideration to be paid Contractor, as provided herein, shall be in compensation for all of Contractor's expenses incurred in the performance hereof, including travel, per diem, and taxes, unless otherwise expressly so provided.

N. GOVERNING LAW:

This Agreement shall be administered, construed, and enforced according to the laws of the State of California without regard to any conflict of law provisions to the extent such laws have not been preempted by applicable federal law. Any suit brought hereunder, including any action to compel arbitration or to enforce any award or judgment rendered thereby, shall be brought in the State or federal courts sitting in Sacramento, California, the parties hereby waiving any claim or defense that such forum is not convenient or proper. Each party agrees that any such court shall have in personam jurisdiction over it and consents to service of process in any manner authorized by California law.

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O. ANTITRUST CLAIMS:

By signing this Agreement, the Contractor hereby certifies that if these services or goods are obtained by means of a competitive bid, the Contractor shall comply with the requirements of the Government Code sections set out below.

1. The Government Code chapter on antitrust claims contains the following definitions:
 - a. "Public purchase" means a purchase by means of competitive bids of goods, services, or materials by the State or any of its political subdivisions or public agencies on whose behalf the attorney general may bring an action pursuant to subdivision (c) of section 16750 of the Business and Professions Code.
 - b. "Public purchasing body" means the State or the subdivision or agency making a public purchase. (Gov. Code sec. 4550.)
2. In submitting a bid to a public purchasing body, the bidder offers and agrees that if the bid is accepted, it will assign to the purchasing body all rights, title, and interest in and to all causes of action it may have under section 4 of the Clayton Act (15 U.S.C. sec. 15) or under the Cartwright Act, Chapter 2 (commencing with sec. 16700) of Part 2 of Division 7 of the Bus. & Prof. Code), arising from purchases of goods, materials, or services by the bidder for sale to the purchasing body pursuant to the bid. Such assignment shall be made and become effective at the time the purchasing body tenders final payment to the bidder. (Gov. Code sec. 4552.)
3. If an awarding body or public purchasing body receives, either through judgment or settlement, a monetary recovery for a cause of action assigned under this chapter, the assignor shall be entitled to receive reimbursement for actual legal costs incurred and may, upon demand, recover from the public body any portion of the recovery, including treble damages, attributable to overcharges that were paid by the assignor but were not paid by the public body as part of the bid price, less the expenses incurred in obtaining that portion of the recovery. (Gov. Code sec. 4553.)
4. Upon demand in writing by the assignor, the assignee shall, within one year from such demand, reassign the cause of action assigned under this part if the assignor has been or may have been injured by the violation of law for which the cause of action arose and (a) the assignee has not been injured thereby, or (b) the assignee declines to file a court action for the cause of action. (Gov. Code sec. 4554.)

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P. CHILD SUPPORT COMPLIANCE ACT:

In accordance with the Child Support Compliance Act:

1. The Contractor acknowledges the importance of child and family support obligations and shall fully comply with all applicable State and federal laws relating to child and family support enforcement, including, but not limited to, disclosure of information and compliance with earnings assignment orders, as provided in Chapter 8 (commencing with sec. 5200) of Part 5 of Division 9 of the Family Code; and
2. The Contractor, to the best of its knowledge, is fully complying with the earnings assignment orders of all employees and is providing the names of all new employees to the New Hire Registry maintained by the California Employment Development Department.

Q. UNENFORCEABLE PROVISION:

Should one or more provisions of this contract be held by any court to be invalid, void or unenforceable, the remaining shall nevertheless remain and continue in full force and effect.

R. UNION ORGANIZING:

By signing this Agreement, Contractor hereby acknowledges the applicability of Government Code sections 16645 through 16649 to this Agreement and agrees to the following:

1. Contractor will not assist, promote or deter union organizing by employees performing work on a State service contract, including a public works contract.
2. No State funds received under this Agreement will be used to assist, promote or deter union organizing.
3. Contractor will not, for any business conducted under this Agreement, use any State property to hold meetings with employees or supervisors, if the purpose of such meetings is to assist, promote or deter union organizing, unless the State property is equally available to the general public for holding meetings.
4. If Contractor incurs costs, or makes expenditures to assist, promote or deter union organizing, Contractor will maintain records sufficient to show that no reimbursement from State funds has been sought for these costs, and Contractor shall provide those records to the attorney general upon request.

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5. Contractor will be liable to the State for the amount of any funds expended in violation of the requirements of government.

S. DOMESTIC PARTNERS:

Notwithstanding any other provision of law, no State agency may enter into any contract for the acquisition of goods or services in the amount of \$100,000 or more with a contractor who, in the provision of benefits, discriminates between employees with spouses and employees with domestic partners, or discriminates between employees with spouses or domestic partners of a different sex and employees with spouses or domestic partners of the same sex, or discriminates between same-sex and different-sex domestic partners of employees or between same-sex and different-sex spouses of employees.

T. LEGAL SERVICES REQUIREMENTS:

For all contracts that provide legal services:

1. The Contractor shall agree to adhere to legal cost and billing guidelines designated by the State agency.
2. The Contractor shall adhere to litigation plans designated by the State agency.
3. The Contractor shall adhere to case phasing of activities designated by the State agency.
4. The Contractor shall submit and adhere to legal budgets as designated by the State agency.
5. The Contractor shall maintain legal malpractice insurance in an amount not less than the amount designated by the State agency.
6. The Contractor shall submit to legal bill audits and law firm audits if requested by the State agency. The audits may be conducted by employees or designees of the State agency or by any legal cost control providers retained by the State agency for that purpose.

U. MINIMUM PRO-BONO CERTIFICATION:

For all contracts over \$50,000 that provide legal services, the Contractor agrees to make a good faith effort to provide a minimum number of hours of pro bono legal services during each year of the contract equal to the less of 30 multiplied by the number of full time attorneys in the firm's offices in the State, with the number of hours prorated on an actual day basis for any contract period of less

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than a full year or 10 percent of its contract with the State. Failure to make a good faith effort may be cause for non-renewal of a State contract for legal services, and may be taken into account when determining the award of future contracts with the State for legal services.

V. PRIORITY HIRING CONSIDERATIONS FOR RECIPIENTS OF AID:

If this Agreement includes services in excess of \$200,000, the Contractor shall give priority consideration in filling vacancies in positions funded by the Agreement to qualified recipients of aid under Welfare and Institutions Code section 11200 in accordance with Public Contract Code section 10353. This requirement shall not interfere with or require a violation of a collective bargaining agreement, a federal affirmative action obligation for hiring disabled veterans of the Vietnam era, or nondiscrimination compliance laws of California, and does not require the employment of unqualified recipients of aid.