

**REQUEST FOR QUALIFICATIONS
AUDITING SERVICES**

February 23, 2024



**California Infrastructure and Economic Development Bank
1325 J Street, Suite 1300
Sacramento, CA 95814**

**Responses shall be submitted via electronic mail (email) to ibank@ibank.ca.gov
no later than 11:59 p.m. (Pacific Daylight Time)
April 02, 2024**

CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK

REQUEST FOR QUALIFICATIONS FOR PROFESSIONAL AUDITING SERVICE

February 23, 2024

I. INTRODUCTION

The California Infrastructure and Economic Development Bank (IBank) is requesting statements of qualifications from interested and qualified certified public accountant firms to provide annual financial auditing services to IBank, a component unit of the State of California, as required by applicable statutes. These auditing services will result in completion of IBank's Annual Comprehensive Financial Report (ACFR) that includes audited basic financial statements beginning with the 2023-2024 fiscal year. The audited financial statements are required to meet disclosure obligations arising from IBank's issuance of tax-exempt and taxable bonds for its Infrastructure State Revolving Fund Program.

The scope of services and the information to be submitted are outlined in this Request for Qualifications (RFQ). IBank intends to select a firm or auditor (Auditor) and to enter into a five-year agreement with the selected Auditor to perform auditing services as described in this RFQ.

II. NATURE OF SERVICES REQUIRED

A. Scope of Services. IBank is seeking a qualified independently licensed Certified Public Accountant Firm having sufficient governmental accounting knowledge and auditing experience to prepare and express an opinion on IBank's basic financial statements for a business-type activity, each fund, and the combined fund information of IBank, and to fairly present its basic financial statements in conformity with the accounting principles generally accepted in the United States. The selected Auditor will perform the following tasks:

- a. Establish an audit schedule prior to the commencement of work in each year which shall be mutually agreeable to the Auditor and IBank, provided that the final audit reports shall be made available to IBank by no later than December 31 of each year.
- b. Conduct five consecutive annual audits of all IBank funds beginning with the 2023-2024 fiscal year financial statements, and annually conduct an audit during the term of the engagement. The contract term will be from July 1, 2024 through June 30, 2029. The Auditor will also review and apply limited audit procedures to the required supplementary information, including the Management Discussion and Analysis (MD&A).
- c. Issue a separate "management letter" that includes recommendations for improvements in internal control, accounting procedures and other significant observations that are considered to be non-reportable conditions. Management letters shall be addressed to the Executive Director of IBank.

- d. Assist IBank to ensure that its Annual Comprehensive Financial Report complies with GASB standards.
- e. Respond to the reasonable inquiries of successor auditors and allow successor auditors to review working papers relating to matters of continuing accounting significance.
- f. Respond to the reasonable inquiries of the State Auditor's Office, the auditor of the State of California's financial statements and allow the State Auditor's Office to review working papers as needed.

B. Auditing Standards. The audit will be conducted in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, used by the Comptroller General of the United States of America, and shall include such tests of the accounting records and such other auditing procedures as shall enable the auditors to express an opinion as to the accounts and financial statements. Any revisions to these standards must be followed.

C. Working Paper Retention. All working papers and reports must be retained at the auditor's expense for a minimum of seven (7) years, unless the Auditor is notified in writing by IBank of the need to extend the retention period. The auditor will be required to make working papers available to IBank or any other entity authorized by IBank, including the State Auditor's Office.

D. Irregularities and Illegal Acts. The Auditor shall be required to make an immediate written report of all irregularities and illegal acts or indications of illegal acts of which they become aware to the following parties: IBank Executive Director, Chief Deputy Executive Director and General Counsel.

III. MINIMUM QUALIFICATIONS

Each of the following qualifications shall be met in order for an Auditor to be considered qualified for the purposes of this RFQ. IBank deems the following qualifications necessary to ensure the credibility, acceptance and confidence of the investors of IBank's Infrastructure State Revolving Fund (ISRF) Program Bonds and any other bonds IBank may issue during the period of performance and that of other interested parties. Failure to satisfy the following qualifications shall result in the immediate rejection of the Auditor's proposal. The Auditor shall meet the following minimum qualifications:

- A.** The Auditor must be a professional public accounting firm whose shareholders, members, and/or partners are each validly licensed as a Certified Public Accountant in the State of California (State), recognized within the accounting and tax industry and by the American Institute of Certified Public Accountants (AICPA), and must maintain an office within the State.
- B.** The Auditor must have been engaged to audit financial statements for the State of California or at least one State agency, department, board or authority in the last three years.
- C.** The Auditor must have been engaged to audit financial statements for at least three California local government entities in the last three years, and the financial audit performed must have covered revenue bonds or general obligation bonds issued by the local government entity.
- D.** The Auditor must possess sufficient staffing, financial and physical resources to annually perform the scope of services of this RFQ by December 30 of each year. The Auditor must provide the name of a primary contact for the engagement.
- E.** The Auditor must have continuous errors and omissions insurance coverage of at least \$1 million.
- F.** The auditors must meet the independence requirements of the AICPA and Government Auditing Standards.
- G.** The Auditor must be willing to enter into an agreement for audit services with IBank consistent with the General Terms and Conditions contained in Attachment A.
- H.** The Auditor's proposal to this RFQ shall be signed by an individual authorized to bind the Auditor and contain the certification required in Section VII - Submission Requirements, Subsection N of this RFQ.

IV. DESCRIPTION OF IBANK

IBank Background. The California Infrastructure and Economic Development Bank (IBank), a component unit of the State of California (State), is a public instrumentality of the State, organized and existing pursuant to the Bergeson-Peace Infrastructure and Economic Development Bank Act, constituting Division 1 of Title 6.7 of the California Government Code commencing with Section 63000 (Act). IBank is the state's only general-purpose financing authority, offering an extensive array of programs to serve Californians. IBank's current programs include:

Infrastructure loans for municipalities — IBank provides loans to state and local governments and nonprofits for public infrastructure and economic development projects including loans for green projects.

Credit support for small businesses — IBank offers a number of programs to help small businesses and startups gain access to capital.

- Small Business Loan Guarantee program
- Disaster Relief Loan Guarantee program
- COVID Micro Loan Guarantee initiative
- Climate Tech loan guarantees
- Jump Start program
- Farm Loan program

Climate financing — Flexible debt financing to help meet the state's greenhouse gas reduction goals.

- Climate Catalyst Revolving Loan Fund
- Lead entity for state application to the federal Greenhouse Gas Reduction Fund

Capital to create a more-inclusive venture capital ecosystem

- Expanding Venture Capital Access Program
 - Inclusive managers fund
 - Emerging managers fund
 - Direct co-investment fund

Bond financing for nonprofits, public agencies, green bonds, and more — IBank has broad statutory authority to issue tax-exempt and taxable revenue bonds.

- Bond Financing Program offerings
 - 501(c)(3) Bonds
 - Industrial Development Bonds
 - Exempt Facility Bonds
 - Public Agency Revenue Bonds

Below is information on each of the five programs.

A. Infrastructure State Revolving Fund (ISRF) Program. The ISRF Program provides low-cost public financing to state and local government entities, including municipalities and

publicly sponsored nonprofit organizations for a wide variety of public infrastructure and economic development projects.

ISRF financing is available in amounts ranging from \$1,000,000 to \$65,000,000 with loan terms for the useful life of the project up to a maximum of 30 years. ISRF-financed projects include water and wastewater treatment plants, solid waste projects related to Senate Bill 1383 (Lara, 2016), police and fire stations, parks, community centers, venues, airports, streetlights, street repair and upgrades, and many other community needs.

Eligible applicants must be located in California and include any subdivision of a state or local government, including departments, agencies, commissions, cities, counties, nonprofit corporations formed on behalf of an applicant, special districts, assessment districts, and joint powers authorities within the state or any combination of these subdivisions. With appropriate sponsorship from a public agency, an eligible applicant may also be a company, nonprofit organization, or other eligible entity engaged in business or operations within the state.

In connection with the sale of the ISRF Program Bonds, IBank has agreed to annually file copies of its audited financial statements, through a dissemination agent, with certain nationally recognized municipal securities information repositories recognized by the United States Securities and Exchange Commission. IBank anticipates that it will issue additional series of ISRF Program Bonds every 12-24 months, and that these bonds are anticipated to also require continuing disclosure of audited financial statements.

B. Bond Programs. IBank serves as a conduit issuer of revenue bonds, the proceeds of which are loaned to and repaid by participating parties for the purpose of financing economic development facilities within California. IBank serves as a conduit issuer for industrial development bonds, qualified 501(c)(3) bonds, exempt facility bonds, bonds for other public agencies and an assortment of other types of tax-exempt revenue bonds. IBank receives fee revenue from the sale of conduit revenue bonds, which is accounted for in its audited financial statements. Responsibility for the repayment of conduit bonds rests with the conduit borrower. As such, the financial activity related to the conduit bonds issued by IBank does not appear on IBank's audited financial statements.

C. Small Business Loan Guarantee Program. Effective October 4, 2013, the Small Business Financial Assistance Act of 2013 transferred the Small Business Finance Center to IBank (i.e. a merger as defined by GASB 69). There are five active programs under the SBFC, the Small Business Loan Guarantee Program (SBLGP), the Disaster Relief Loan Guarantee Program, Climate Teach loan guarantees, the Farm Loan Program, and the Jump Start Loan Program. The SBLGP provides guarantees to lenders of loans to small businesses having difficulty-securing financing on their own. The guarantees are administered by non-profit Financial Development Corporations (FDCs). The FDCs partner with banks, credit unions and federal community development financial institutions to help small businesses expand operations, purchase equipment and inventory and obtain working capital. The Farm Loan Program supports direct loans to small farms through the participating FDCs. The Farm Loans are 90% guaranteed by the U.S. Department of Agriculture, Farm Serviced Agency. The Jump Start Loan Program provides micro-loan and technical assistance to small businesses in low-wealth communities. The Disaster Relief Loan Guarantee Program provides

necessary financial assistance to eligible small businesses in Disaster Areas. The Climate Tech guarantees are for certain climate related small businesses that also receive a technical evaluation by the Bay Area Air Quality Management District.

- D. Expanding Venture Capital Access Program** provides a more inclusive venture capital ecosystem by supporting the underrepresented venture capital managers, entrepreneurs, and business owners; investing in socio-economically disadvantaged geographic areas; and promoting climate equity and climate justice.
- E. Climate Catalyst Revolving Loan Program.** The Climate Catalyst Revolving Loan Fund Program was established to fill an important gap in the state's robust response to climate change. The program provides jumpstart critical climate solutions through flexible, affordable credit and credit support; helps bridge the financing gap that currently prevents these advanced technologies and practices from scaling into the marketplace; mobilizes public and private finance for shovel-ready projects that are stuck in the deployment phase; and accelerates the speed and scale at which technologically proven, critical climate solutions are deployed.
- F. IBank Funds.** IBank's financial records are organized into four funds, the California Infrastructure and Economic Development Bank Fund (CIEDB Fund), the California Infrastructure Guarantee Trust Fund (Guarantee Trust Fund), the California Small Business Expansion Fund (Expansion Fund), and the Climate Catalyst Revolving Loan Fund (Climate Catalyst Fund). (The CIEDB Fund, the Guarantee Trust Fund, the Expansion Fund, and the Climate Catalyst Fund are collectively IBank Funds.)

The money in the CIEDB Fund is held within the State's centralized treasury system and in a trustee account held at US Bank, the trustees for the ISRF Program Bonds. Money in the Guarantee Trust Fund is held solely within the State's centralized treasury system. The money in the Expansion Fund and the Climate Catalyst Fund are held within the State's centralized treasury system and in trustee accounts held at Fiduciary Trust International of CA. (US Bank and Fiduciary Trust International of CA are collectively, the Trustees).

The operating activity for the ISRF Program and the Conduit Bond Program is accounted for in the CIEDB Fund. The operating activity for the SBFC and VC is accounted for in the Expansion Fund. The operating activity for the CCF is accounted for in the Climate Catalyst Fund. As an entity within the State of California, IBank's fiscal year-end is June 30th.

- G. Source Documentation and Accounting System Applications.** IBank staff utilizes QuickBooks to maintain stand-alone financial records for IBank Funds on the partial accrual basis of accounting. IBank staff internally compiles fiscal data and prepares unaudited year-end financial statements for the CIEDB Fund, the Guarantee Trust Fund, the Expansion Fund, and the Climate Catalyst Fund.

Loan accounting information is maintained on proprietary software known as Benedict Group, Inc. IBank staff enters all loan origination data, loan disbursements, and loan payment data into Benedict loan system and uses the application to calculate principal

and interest on outstanding loans, generate loan payment invoices, and prepare management reports.

The Contracted Fiscal Services Unit of the California Department of General Services (DGS), an entity within the State of California, provides cash receipt, cash disbursement, and budgetary-basis financial reporting services to IBank for all activity in IBank Funds within the State's centralized treasury system. DGS utilizes the Financial Information System for California (FI\$Cal) accounting system. Additional source documentation will include accounting data and statements prepared by DGS and reconciliations between FI\$Cal and QuickBooks prepared by IBank staff.

Source documents will also include accounting data and statements prepared by the Trustees for the Trustee-held money related to the ISRF Program Bonds, CLEEN Center, the SBFC, and CCF.

Thus, accounting records from DGS, the Trustees, and IBank will need to be examined in relation to any audit of IBank Funds.

H. Availability of Prior Audits and Work Papers. Copies of prior years' audits are available on IBank's website at: <https://www.ibank.ca.gov/news-publications/publications/>.

Macias, Gini and O'Connell, LLP in Sacramento, California conducted IBank's audit for the seven fiscal years—from 2011-2012 through 2017-2018. Clifton, Larson, Allen, LLP in Sacramento, California conducted IBank's audit for the prior five fiscal years—from 2018-2019 through 2022-2023. The work papers of the previous audits are the property of the previous auditor and can be reviewed by the successful Auditor.

I. Staffing Assistance to the Auditor. IBank staff will be available during the audit to assist the Auditor by providing information, documentation, and explanations. Mei Kwee, Fiscal Unit Manager, will be responsible for the liaison between the Auditor and the IBank accounting personnel.

J. Location/Facilities for Performance of Work. Work will be performed at IBank's office located at 1325 J Street, Sacramento, California 95814 and, if necessary, at the DGS Headquarters located at 707 3rd Street, 10th Floor, West Sacramento, California 95605.

V. FEE PROPOSAL

- A. Fee Proposal.** Provide your fee proposal on an all-in per report basis and fees and expenses for performing the scope of services described in this RFQ for each applicable year inclusive of a five-year agreement. This bid shall include indirect and direct costs, start-up costs and expected out-of-pocket costs (parking, copying, postage, etc.).
- B. Manner of Payment.** Progress payments will be made on the basis of work completed not to exceed 75% of the fee proposed prior to receipt of a completed audit. Interim billings shall cover a period of not less than a calendar month. The final payment shall be made after receipt and acceptance of the complete and final audit.
- C. Bound and Electronic Copies of the Audit.** The fee proposal should include the delivery of an electronic copy of each Annual Comprehensive Financial Report to the Contract Manager that includes IBank prepared introductory and statistical sections.

VI. CONTRACT TERM, TIME REQUIREMENTS AND SUBMISSION OF RESPONSES

- A. **Contract Term.** IBank intends to select an Auditor and to enter into an agreement not to exceed a term of five years with the selected Auditor to perform auditing services as described in this RFQ to audit IBank Funds financial activity for fiscal years 2023-2024 through 2027-2028

IBank anticipates a contract start date of no later than June 15, 2024.

- B. **RFQ Timeline.** The following is a list of key dates up to and including the date proposals are to be submitted:

Event	Time	Date
RFQ available to prospective bidders		3/11/2024
Written questions to be sent via e-mail to ibank@ibank.ca.gov no later than	3:00pm	3/18/2024
Questions and responses to questions posted to IBank's website at www.ibank.ca.gov by	5:00pm	3/25/2024
Final date for submission of RFQ Proposal via e-mail to ibank@ibank.ca.gov	11:59pm	4/2/2024
Selection recommendation to IBank Board projected to be on <i>(IBank reserves the right to make a selection at a later meeting or to not make a selection at all.)</i>		4/10/2024

- C. **Submission of Proposal.** Submission of proposal in response to this RFQ shall be by **e-mail only** and must be provided in a PDF format. Proposals will be accepted until 11:59 p.m. (Pacific Daylight Time) on April 02, 2024 at the following e-mail address: ibank@ibank.ca.gov .

Please call (916) 341-6600 if you do not receive an e-mail confirming the receipt of your RFQ proposal. Auditors that do not receive confirmations from IBank accept the risk that any proposal not received on a timely basis will not be considered.

VII. SUBMISSION REQUIREMENTS

Auditors interested in providing audit services to IBank are requested to submit the following information, in the order and sections specified below. Failure to answer all questions or provide the requested information asked in the RFQ may result in the proposal being deemed non-responsive. Please limit the total length of your response to 10 pages or less, including the Executive Summary and any attachments. (Label and attach all submittals with the letter and title of each requirement below.)

A. Executive Summary

Provide an executive summary describing the highlights of the statement of qualifications in response to this RFQ (2-page maximum).

B. RFQ Contact Person

Provide the name, title, address, e-mail address, telephone and fax number of the person who will serve as the Auditor's primary contact regarding this RFQ.

C. Minimum Qualifications

Discuss how you or your firm meets the minimum qualifications described in Section III of this RFQ.

D. Auditor Overview

Provide a brief description of your practice or the firm and its organizational structure, including the location(s) of the office(s) in California from which the primary work on this contract is to be performed. Describe your staffing levels or the staffing levels of your firm's operations. Explain any significant changes in staffing and/or organization during the previous three years. Please also state whether your or the practice of your firm is a certified small business, as established by the California Department of General Services.

E. Auditor Experience

1. Describe and provide a listing of the Auditor's experience in providing audit services for the State of California or at least one State agency, department, board or authority in the last three years. Provide the contact information for the State staff responsible for the engagement(s) who may be contacted by IBank. If available, provide the website link to the audit on the State entity's website.
2. Describe and provide a listing of your or your firm's experience in providing audit services for at least three California municipal entities in the last three years in which the financial audit covered revenue bonds or general obligation bonds issued by the public entity. Provide a listing of the bonds that were included in the audit. Provide contact information for the public entities staff responsible for the engagement(s) who may be contacted by IBank. If available, provide the website link to the audits on the public entities' websites.

F. Staff Qualifications

Provide brief resumes for each partner, manager, supervisory and other staff member assigned to perform the auditing services identified in this RFQ. At a minimum, the resumes should cover the relevant experience and educational background, professional licenses, relevant recent training, and any specialized training, skills or

background in public finance. The resumes may also include information regarding the individual's participation in State or national professional organizations, speaker or instructor roles in conferences or seminars or authorship of articles and books.

Engagement partners, managers, supervisory and other staff may be changed if those personnel leave the Auditor, are promoted or are assigned to another office. These personnel may also be changed for other reasons with the express prior written permission of IBank. However, in either case, IBank retains the right to approve or reject replacements.

G. Commitment to Provide Audit Services in the State

Please describe the Auditor's commitment to provide audit services in California. Include answers to the following questions in your response:

1. How many employees do you have in California?
2. Has the Auditor opened or closed offices in California or otherwise changed its operations within the State during the last three years?
3. What are the Auditor's plans for its government accounting practice in California during the next three years?

H. Conflict of Interest

Will the selection of the Auditor result in any current or potential conflicts of interest regarding a contractual arrangement between IBank and the Auditor for the services requested in this RFQ? Should the Auditor know of any existing or potential conflicts of interest, please describe the nature of the conflict.

I. Legal Proceedings

Please indicate whether the Auditor, any related entity, any principal of the Auditor, or any individual identified in the response to this RFQ is or has been within the last five years:

1. The subject of any criminal or regulatory investigation or action;
2. the defendant in any civil litigation; or
3. the debtor in a bankruptcy proceeding.

If so, include a full description of the matter and resolution. Limit the response to matters relating to the provision of audit or accounting services which could or have had a material effect on the Auditor's ability to perform the services requested in this RFQ.

J. References

Please provide the contact name, address and telephone number of five references from governmental agencies for which you or your firm has provided audit services (contacts can duplicate contacts identified in Subsection E above).

K. Insurance

Describe your or your firm's level of insurance for errors and omissions and other relevant insurance coverage and provide the name of the insurer and the scope of coverage, including any deductible or self-insured retention.

L. Additional Information

Provide any other information that may be relevant to IBank's selection process including but not limited to samples of reports and other deliverables applicable to the Scope of Services requested in this RFQ (additional information may be attached as an appendix or appendices or may be provided as website links).

M. Fee Proposal

Auditors must submit a fee proposal consistent with the requirements contained in Section V - Fee Proposal above.

N. Cover Letter Certification

As required in Section III. H., the cover letter to the proposal must contain the following certification:

I, the undersigned, an authorized representative of _____ (Auditor), have read and thoroughly understand the specifications, instructions, and all other conditions of the RFQ for Professional Auditing Services issued by the California Infrastructure and Economic Development Bank (IBank) for the reporting fiscal years ended June 30, 2024, 2025, 2026, 2027, and 2028.

Acting on behalf of the Auditor, I do attest that the services offered by us meet IBank's specifications in every respect (check one) ___ without exception/___ with exception.

[If "with exception" is checked, please briefly describe.]

We, therefore, offer and make this proposal to furnish IBank the auditing services detailed in this proposal at the prices indicated.

O. Method of Submission of Proposal.

Submission of proposal in response to this RFQ shall be by **email only** and must be provided in a PDF format. Proposals will be accepted until 11:59 p.m. (Pacific Daylight Time) on April 02, 2024 at the following e-mail address: ibank@ibank.ca.gov.

Please call (916) 341-6600 if you or your Firm's contact person does not receive an email confirming the receipt of the RFQ proposal. Auditors that do not receive confirmation from IBank accept the risk that their proposal has not been received. Any proposal not received on a timely basis will not be considered.

VIII. RULES AND CONDITIONS

- A. IBank is not responsible for any expense incurred in preparing and submitting a response to this RFQ or taking any action in connection with the selection process, or for the costs of any services performed by any Auditor prior to the execution of a contract with IBank.
- B. All materials submitted in response to this RFQ become property of IBank and will not be returned. The materials will be a public record subject to disclosure under the California Public Records Act (Government Code Section 7920, et seq.) and any applicable civil litigation discovery act or procedure.
- C. IBank retains the discretion to decide not to utilize the services of any selected Auditor or to terminate the selection without cause and without penalty, and selection of an Auditor does not assure that any services will ultimately be requested.
- D. IBank reserves the right to modify and/or suspend any and all aspects of this RFQ, obtain further information from any Auditor responding to this RFQ, waive any defect as to form or content of this RFQ or any response thereto, and reject any and all responses to this RFQ.
- E. No Auditor responding to this RFQ shall obtain any claim or right of action against IBank by reason of any aspect of this RFQ process, including but not limited to the following: defects or abnormalities contained herein, defects or abnormalities in the selection process, the rejection of any proposal, the acceptance of any proposal, any statements, representation, acts or omissions of IBank, the exercise of any IBank discretion set forth in or with respect to any of the foregoing, and any and all other matters arising out of all or any of the foregoing.
- F. Oral communications with IBank officers and employees shall be non-binding on IBank and shall in no way exempt the applicant from obligations as set forth in this RFQ.
- G. IBank reserves the right to select an Auditor that will best meet IBank's needs, regardless of differences in fees and expenses among proposers. IBank retains the right to waive irregularities in a proposal.

IX. RFQ SELECTION PROCESS

A selection committee made up of certain members of IBank's executive staff will review and score all responses to this RFQ received by the deadline. Those responses complying with Section III - Minimum Qualifications will be evaluated based on the following criteria:

- A. Auditor's Qualifications and Experience. The quality and depth of the staff's expertise, capability and prior experience in providing auditing services including, but not limited to, past performance on audits of comparable magnitude and complexity in California. Client references may be contacted to further understand the Auditor's qualifications, experience and performance.
- B. Competitiveness of proposed fees.
- C. Overall quality of the written response to this RFQ.

Oral interviews may be scheduled by phone and notice of the interview schedule, if any, will be provided to the primary contact designated by the Auditor.

ATTACHMENT A

GENERAL TERMS AND CONDITIONS

1. APPROVAL: This Agreement is of no force or effect until signed by both parties and approved by the Department of General Services, if required. Contractor may not commence performance until such approval has been obtained.
2. AMENDMENT: No amendment or variation of the terms of this Agreement shall be valid unless made in writing, signed by the parties and approved as required. No oral understanding or Agreement not incorporated in the Agreement is binding on any of the parties.
3. 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.
4. AUDIT: Contractor agrees that the awarding department, the Department of General Services, the Bureau of State Audits, or their designated representative shall have the right to review and to copy any records and supporting documentation pertaining to the performance of this Agreement. Contractor agrees to maintain such records for possible audit for a minimum of three (3) 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 a similar right of the State to audit records and interview staff in any subcontract related to performance of this Agreement. (Gov. Code §8546.7, Pub. Contract Code §10115 et seq., CCR Title 2, Section 1896).
5. INDEMNIFICATION: Contractor agrees to indemnify, defend and save harmless the State, its officers, agents and employees from any and all claims and losses accruing or resulting to any and all contractors, subcontractors, suppliers, laborers, and any other person, firm or corporation furnishing or supplying work services, materials, or supplies in connection with the performance of this Agreement, and from any and all claims and losses accruing or resulting to any person, firm or corporation who may be injured or damaged by Contractor in the performance of this Agreement.
6. DISPUTES: Contractor shall continue with the responsibilities under this Agreement during any dispute.
7. 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. In the event of such termination the State may proceed with the work in any manner deemed proper by the State. All costs to the State shall be deducted from any sum due the Contractor under this Agreement and the balance, if any, shall be paid to the Contractor upon demand.

8. 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.
9. RECYCLING CERTIFICATION: The Contractor shall certify in writing under penalty of perjury, the minimum, if not exact, percentage of post-consumer material as defined in the Public Contract Code Section 12200, in products, materials, goods, or supplies offered or sold to the State regardless of whether the product meets the requirements of Public Contract Code Section 12209. With respect to printer or duplication cartridges that comply with the requirements of Section 12156(e), the certification required by this subdivision shall specify that the cartridges so comply (Pub. Contract Code §12205).
10. NON-DISCRIMINATION CLAUSE: During the performance of this Agreement, Contractor and its subcontractors shall not deny the contract's benefits to any person on the basis of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, or military and veteran status, nor shall they discriminate unlawfully against any employee or applicant for employment because of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, or military and veteran status. Contractor shall insure that the evaluation and treatment of employees and applicants for employment are free of such discrimination. Contractor and subcontractors shall comply with the provisions of the Fair Employment and Housing Act (Gov. Code §12900 et seq.), the regulations promulgated thereunder (Cal. Code Regs., tit. 2, §11000 et seq.), the provisions of Article 9.5, Chapter 1, Part 1, Division 3, Title 2 of the Government Code (Gov. Code §§11135-11139.5), and the regulations or standards adopted by the awarding state agency to implement such article. Contractor shall permit access by representatives of the Department of Fair Employment and Housing and the awarding state agency upon reasonable notice at any time during the normal business hours, but in no case less than 24 hours' notice, to such of its books, records, accounts, and all other sources of information and its facilities as said Department or Agency shall require to ascertain compliance with this clause. 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. (See Cal. Code Regs., tit. 2, §11105.)

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

11. CERTIFICATION CLAUSES: The CONTRACTOR CERTIFICATION CLAUSES contained in the document CCC 04/2017 are hereby incorporated by reference and made a part of this Agreement by this reference as if attached hereto.
12. TIMELINESS: Time is of the essence in this Agreement.

13. 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.
14. GOVERNING LAW: This contract is governed by and shall be interpreted in accordance with the laws of the State of California.
15. ANTITRUST CLAIMS: The Contractor by signing this agreement 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 Codes Sections set out below.
 - a. The Government Code Chapter on Antitrust claims contains the following definitions:
 - 1) "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.
 - 2) "Public purchasing body" means the State or the subdivision or agency making a public purchase. Government Code Section 4550.
 - b. 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 Section 16700) of Part 2 of Division 7 of the Business and Professions 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. Government Code Section 4552.
 - c. 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. Government Code Section 4553.
 - d. 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. See Government Code Section 4554.

16. CHILD SUPPORT COMPLIANCE ACT: For any Agreement in excess of \$100,000, the contractor acknowledges in accordance with Public Contract Code 7110, that:

- a. The contractor recognizes 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 section 5200) of Part 5 of Division 9 of the Family Code; and
- b. 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.

17. UNENFORCEABLE PROVISION: In the event that any provision of this Agreement is unenforceable or held to be unenforceable, then the parties agree that all other provisions of this Agreement have force and effect and shall not be affected thereby.

18. PRIORITY HIRING CONSIDERATIONS: If this Contract includes services in excess of \$200,000, the Contractor shall give priority consideration in filling vacancies in positions funded by the Contract to qualified recipients of aid under Welfare and Institutions Code Section 11200 in accordance with Pub. Contract Code §10353.

19. SMALL BUSINESS PARTICIPATION AND DVBE PARTICIPATION REPORTING REQUIREMENTS:

- a. If for this Contract Contractor made a commitment to achieve small business participation, then Contractor must within 60 days of receiving final payment under this Contract (or within such other time period as may be specified elsewhere in this Contract) report to the awarding department the actual percentage of small business participation that was achieved. (Govt. Code § 14841.)
- b. If for this Contract Contractor made a commitment to achieve disabled veteran business enterprise (DVBE) participation, then Contractor must within 60 days of receiving final payment under this Contract (or within such other time period as may be specified elsewhere in this Contract) certify in a report to the awarding department: (1) the total amount the prime Contractor received under the Contract; (2) the name and address of the DVBE(s) that participated in the performance of the Contract; (3) the amount each DVBE received from the prime Contractor; (4) that all payments under the Contract have been made to the DVBE; and (5) the actual percentage of DVBE participation that was achieved. A person or entity that knowingly provides false information shall be subject to a civil penalty for each violation. (Mil. & Vets. Code § 999.5(d); Govt. Code § 14841.)

20. LOSS LEADER: If this contract involves the furnishing of equipment, materials, or supplies then the following statement is incorporated: It is unlawful for any person engaged in business within this state to sell or use any article or product as a “loss leader” as defined in Section 17030 of the Business and Professions Code. (PCC 10344(e).)