

**SCO ID:**

STATE OF CALIFORNIA - DEPARTMENT OF GENERAL SERVICES

**STANDARD AGREEMENT**

STD 213 (Rev. 04/2020)

AGREEMENT NUMBER

5-22-70-29

PURCHASING AUTHORITY NUMBER (If Applicable)

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

CONTRACTING AGENCY NAME

Department of General Services

CONTRACTOR NAME

TALX Corporation

2. The term of this Agreement is:

START DATE

March 18, 2022, or upon State's Approval, whichever is earlier.

THROUGH END DATE

March 18, 2025, with two (2) optional (1) one-year extensions.

3. The maximum amount of this Agreement is:

\$0.00 (Zero dollars and no-cents, with no guarantee of contract expenditure)

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

Exhibits	Title	Pages
Exhibit A	Statement of Work	7
Exhibit B	Budget Detail and Payment Provisions	2
Exhibit C	General Provisions (as modified 3/18/2022)	10
Exhibit D	Insurance Requirements	2
Exhibit E	Special Terms and Conditions	3
Exhibit F	Terms and Conditions Applicable to The Work Number® Services	1
Attachment B.1	Rate Sheet	2
Attachment 1	Data Security	3
Attachment 2	User Agency Obligations	4
Attachment 3	Notice to Users of Consumer Reports: Obligations of Users Under the FCRA	7
Attachment 4	Vermont Fair Credit Reporting Contract Certification	2

Items shown with an asterisk (\*), are hereby incorporated by reference and made part of this agreement as if attached hereto.

These documents can be viewed at <https://www.dgs.ca.gov/OLS/Resources>

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

**CONTRACTOR**

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

TALX Corporation

CONTRACTOR BUSINESS ADDRESS

11432 Lackland Road

CITY

St. Louis

STATE

MO

ZIP

63146

PRINTED NAME OF PERSON SIGNING

Michael S. Bromley

TITLE

VP / GM, Equifax Government Solutions

CONTRACTOR AUTHORIZED SIGNATURE

member: 2E65A9C7-16D6-4E64-9AE3-55D31CB2A612  
E47753CA-DC14-4724-997F-1B0D05AAACE7F

Digitally signed by member: 2E65A9C7-16D6-4E64-9AE3-55D31CB2A612  
E47753CA-DC14-4724-997F-1B0D05AAACE7F  
Date: 2022.03.20 15:45:11 -04'00'

DATE SIGNED

March 20, 2022

**SCO ID:**

STATE OF CALIFORNIA - DEPARTMENT OF GENERAL SERVICES

**STANDARD AGREEMENT**

STD 213 (Rev. 04/2020)

AGREEMENT NUMBER <b>5-22-70-29</b>	PURCHASING AUTHORITY NUMBER (If Applicable)
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**STATE OF CALIFORNIA**

CONTRACTING AGENCY NAME

Department of General Services

CONTRACTING AGENCY ADDRESS

707 Third Street, 2nd Floor

CITY

West Sacramento

STATE

CA

ZIP

95605

PRINTED NAME OF PERSON SIGNING


Carol Bangs

TITLE

Branch Chief

CONTRACTING AGENCY AUTHORIZED SIGNATURE

**Carol Bangs**

 Digitally signed by Carol Bangs  
Date: 2022.03.21 08:34:40 -07'00'

DATE SIGNED

3/21/2022

CALIFORNIA DEPARTMENT OF GENERAL SERVICES APPROVAL

EXEMPTION (If Applicable)

## **EXHIBIT A: STATEMENT OF WORK**

### **1. Scope**

The Department of General Services (“DGS”), Procurement Division (“PD”), hereinafter referred to as the “State” or “DGS-PD,” is contracting for The Work Number® Express Social Service Verification and The Work Number® Employment Verification (Instant VOE) services State Agencies and Local Governmental Agency Users (defined as any city and/or county, district, or other local governmental body or corporation, including the California State Universities (“CSU”), University of California (“UC”) systems, and Californian K-12 schools and community colleges empowered to expend public funds) (hereinafter collectively referred to as “User Agencies” or a “User Agency” in the singular). The State and TALX Corporation (a provider of Equifax Verification Services) a Missouri corporation (hereinafter referred to as the “Contractor” or “EVS”), hereby agree that the Contractor will provide The Work Number® Express Social Service Verification and The Work Number® Employment Verification (Instant VOE) services to User Agencies in accordance with the terms and conditions of this Master Service Agreement (“MSA” or “Agreement”).

Prior to rendering services, User Agencies and Contractor must execute a separate User Agreement that incorporates all of the terms of this MSA by reference and may contain additional specific terms and conditions, none of which may alter, rescind, or be in conflict with the terms and conditions of this MSA. For State Agencies, such User Agreements shall be in the form of the “Standard Agreement, STD 213” (“STD 213”) and, for Local Governmental Agencies, shall be the appropriate equivalent contract form as determined by its procurement policies and regulations. All STD 213s, and Local Governmental Agency forms must include the MSA number and incorporate by reference all the terms and conditions of the MSA.

The duly executed agreement is herein referred to as the “User Agreement.”

### **2. Agreement Term**

The term of this MSA is for a three (3) year period, with the start and end date noted on the attached Standard Agreement, STD 213 (the “Effective” term). The State, at its sole discretion, may extend the agreement for two (2) additional one (1) year periods, or portions thereof, at the same rates, terms and conditions.

Contractor agrees to honor all User Agreements made prior to MSA expiration or termination at the same rates, terms and conditions. All User Agreements and orders issued against this MSA must be fulfilled/completed in its entirety within twelve (12) months following the MSA End Date.

In the event of a discrepancy and/or inconsistency between the articles, attachments, or provisions which constitute this Agreement, the order of precedence shall apply in the sequence stated below in Section 3.

### **3. Order of Precedence**

In the event of any inconsistency between articles, attachments, specifications or provisions which constitute this Agreement, the following order of precedence shall apply:

- a. All federal, state, local laws and regulations
- b. Exhibit A: Statement of Work
- c. Exhibit B: Budget Detail and Payment Provisions
- d. Exhibit C: General Provisions (As Modified)
- e. Exhibit D: Insurance Requirements
- f. Exhibit E: Special Terms and Conditions
- g. Exhibit F: Terms and Conditions Applicable to The Work Number® Services
- h. Attachment B.1: Rate Sheet
- i. Attachment 1: Data Security
- j. Attachment 2: User Agency Obligations
- k. Attachment 3: Notice to Users of Consumer Reports: Obligations of Users Under the FCRA
- l. Attachment 4: Vermont Fair Credit Reporting Contract Certification

#### **4. Contract Administration**

- a. The Contractor shall provide the DGS-PD State Contract Administrator the name, address, telephone number and e-mail address of its Contract Administrator directly responsible for managing this Agreement. Should the Contractor's Contract Administrator change or any of its contact information change, the Contractor shall provide the DGS-PD State Contract Administrator updated information no later than ten (10) business days after the date of such change. The Contractor is responsible for notifying all contracting User Agencies in writing of any changes to a contact person, address, telephone numbers, or any other information deemed important to the functionality of the Agreement.
- b. The DGS-PD State Contract Administrator will be identified in the MSA User Instructions.

#### **5. Responsibilities**

- a. Contractor is responsible for the following:
  - i. Agrees to perform and deliver the services in accordance with the terms of this Agreement and applicable User Agreements at the rates identified in Attachment B.1, Rate Sheet.
  - ii. Respond to orders from User Agencies.
  - iii. Shall not provide any services to User Agencies, except those services that are specifically identified in the MSA, and as not prohibited by applicable law.
- b. The User Agency is responsible for the following:
  - i. Developing User Agreements that include, but are not limited to:
    - a) Scope, budget, schedule, and term;
    - b) Services required;
    - c) Authorized User(s) information and locations.
  - ii. Designating individual(s) able to make decisions regarding the User Agency's program needs and requirements.
  - iii. Executing and administering the User Agreement in accordance with this Agreement.
- c. Department of General Services is responsible for the following:
  - i. DGS is responsible for executing and administering the MSA.

## 6. Purchasing

The following terms and conditions apply to purchases made under this MSA.

- a. User Instructions—User Agencies may purchase under this MSA by following the User Instructions published by Procurement Division at the Cal eProcure website:  
<https://www.caleprocure.ca.gov/pages/index.aspx>.
- b. Services
  - i. Contractor operates The Work Number (“TWN”), a service used to verify employment and income information about any individual (“Consumer”), and various other services (“EVS Services”) used to verify certain Consumer information (TWN and EVS Services are collectively referred to herein as the “Services”).
  - ii. Contractor will provide the relevant User Agency with automated access to certain employment and/or income data (“Data”) furnished to Contractor by employers, TWN and the Services will provide the User Agency with access to certain other information (“Information”) as described in the Schedule, Rate Sheet, Attachment, Exhibit, this Agreement, or relevant User Agreement.
  - iii. The Work Number® Express Social Service Verification and The Work Number® Employment Verification (Instant VOE), as mentioned herein, are part of TWN and the Contractor’s Services as defined herein.
  - iv. Contractor shall:
    - a) Provide access to Contractor’s digital verification services to User Agencies upon a User Agency’s registration and certification with Contractor.
    - b) Provide online access to User Agencies that shall include the ability to register, authenticate and monitor individuals and usage including monthly usage reports, the contents of which shall be agreed upon by the Contractor and User Agency, prior to a User Agreement being executed.
    - c) Provide search of employment and income status by Social Security Number and/or first name, last name, and date of birth and in real-time identify if the individual(s) searched has current, historical or no information on file.
    - d) At no additional cost, Contractor shall provide training, if necessary and requested by User Agency, to assist in utilizing the service. Training shall be provided, as agreed upon through virtual, pre-recorded training and/or over the phone based on availability of resources and as compatible with the User Agency’s operating environment.
- c. **Service Plans:**

Contractor shall provide access to its services for User Agencies to order and retrieve the following, if available, should include:

- i. **The Work Number® Express Social Service Verification.** A Social Service verification report provided via the Service (“Verification Report”) will include, without limitation and as available, the Consumer’s (i) employer name, (ii) employment status, (iii) employer address, (iv) employment dates, (v) position title, (vi) medical and dental insurance information, (vii) employer wage garnishment address, (viii) pay rate, (ix) up to three (3) years of year-to-date gross income details, and (x) up to three (3) years of pay period detail. Data provided may be from current or prior employers.
  - ii. **The Work Number® Employment Verification (Instant VOE).** An Employment Verification includes, where available, the Consumer’s (i) Information Current as of Date, (ii) Social Security Number, (iii) Employee Name, (iv) Original Hire Date, (v) Termination Date, (vi) Employer Name, (vii) Employer Address, (viii) Employment Status, (ix) Most Recent Hire Date, (x) Total Time with Employer, and (xi) Job Title. Instant VOE obtained pursuant to this Schedule B.1 may provide Data from current employers or prior employers.
  - iii. Additional services may be added upon request of the Contractor or User Agency, at the discretion of the State. Additional services may be added with an amendment in accordance with Exhibit C, Section 2 if pursued.
- d. **New Databases, Features, Services and Platforms**—Contractor may offer to DGS new databases, features, services, or platforms released during the term of this MSA. Prior to the Contractor making any new offerings available to the User Agencies, the State Contract Administrator will be notified of such offerings and will determine whether to utilize them and whether an MSA Amendment shall be executed.
- e. “Authorized Users” – Only users as authorized by the User Agency may access and use Contractor’s services under the terms of this Agreement, and such use must be solely for the permissible purpose(s) directly related to the User Agency’s work as represented in its User Agreement and in accordance with applicable law. This provision explicitly does not override or limit Contractor’s responsibilities, obligations, and procedures for credentialing, verifying, onboarding of, and monitoring use of the Services and Data by a User Agency and its Authorize User(s).

## 7. Technical Support

- a. Contractor shall provide technical and customer support 24/7 at no additional cost.
- b. Contractor shall provide Technical Support to User Agencies 24/7 via phone at 888-228-7783 or online at <https://theworknumber.com/contact>. If Technical Support information changes, Contractor shall notify the State and User Agencies online or in writing, as soon as practical or within five (5) business days.

## 8. Training

Web-based training, online self-training, or onsite training - in the event mutually agreed upon by the parties - modules will be provided at no charge for all authorized users.

## **9. Warranty**

Contractor warrants that the Service will be performed in all material respects in a reasonable and workmanlike manner and in compliance with laws and regulations applicable to Contractor's performance thereof. The State acknowledges that the ability of Contractor to provide accurate information is dependent upon receipt of accurate information from employers. Contractor does not warrant that the Service will be error free. EXCEPT FOR THE EXPRESS WARRANTIES SET FORTH HEREIN, CONTRACTOR MAKES NO OTHER WARRANTIES AS TO THE SERVICE OR THE DATA, EXPRESSED OR IMPLIED, INCLUDING ANY IMPLIED WARRANTY OF GOOD TITLE, MERCHANTABILITY, AND/OR FITNESS FOR A PARTICULAR PURPOSE EVEN IF CONTRACTOR KNOWS OF SUCH PURPOSE.

Any warranties in this subsection begin upon delivery of the goods or services in question and end one (1) year thereafter. The Contractor does not warrant and will have no responsibility for a claim to the extent that it arises directly from (A) a modification made by the State, unless such modification is approved or directed by the Contractor, (B) use of Software in combination with or on products other than as specified by the Contractor, or (C) misuse by the State. All warranties, including special warranties specified elsewhere herein, shall inure to the State, its successors, assigns, User Agencies, and governmental users of the Deliverables or services.

## **10. Rate Increases**

The rates specified in Attachment B.1: Rate Sheet are in effect for the agreement term; however, Contractor may request a price increase for Agreement extensions in accordance with the following procedure:

The State may authorize rate increases should the State decide to execute the option to extend the Agreement. The rate price increase shall in no case exceed the Consumer Price Index (CPI) for the previous calendar year, nor shall it exceed a maximum of 5% increase. A written request for the rate increase must be submitted to the DGS-PD Contract Administrator at least ninety (90) days prior to the effective date. Rate increase will not be effective until an amendment is fully executed and posted on Cal eProcure. Future rate increases will only be applicable to User Agreements executed after the rate increase becomes effective. The CPI is calculated according to the Consumer Annual Average for California which Contractor will find at the State of California, Department of Finance, Economic Research Section, Sacramento, California.

Contractor reserves the right to increase all Fees pursuant to the terms of the Agreement, after the initial three (3) year term.

## **11. Termination**

The State may terminate the MSA or cancel a portion of the service for any reason with thirty (30) days written notice. User Agencies may terminate their User Agreement(s) or cancel a portion of the service for any reason with thirty (30) days written notice.

## 12. Health and Safety

Contractors are required to, at their own expense, comply with all applicable health and safety laws and regulations. Upon notice, Contractors are also required to comply with the state agency's specific health and safety requirements and policies, as applicable. Contractors agree to include in any subcontract related to performance of this Agreement, a requirement that the subcontractor comply with all applicable health and safety laws and regulations, and upon notice, the state agency's specific health and safety requirements and policies.

## 13. Local Governmental Agency Incentive Fee

- a. For all Local Government Agency transactions invoiced against the MSA, the Contractor will be required to remit to the DGS-PD an Incentive Fee of an amount equal to 1.25 percent of the total purchase order amount excluding taxes, freight, returned products and credits. (Example, if the net Local Governmental Agency sales for a month totals \$100,000.00, the incentive fee due to DGS-PD would be \$1,250.00.) Local Government Agencies include cities, counties, and special districts empowered to expend public funds (PCC section 10298). Local Government Agencies also include government entities in other states, as well as California non-executive branch departments including the University of California and California State University.
- b. This Incentive Fee shall not be included in the User Agency's purchase price, nor invoiced or charged to the User Agency. All prices quoted to Local Governmental Agency customers shall reflect State contract pricing, including any and all applicable discounts, and shall include no other add-on fees. Payment by the Contractor shall be made quarterly to DGS-PD irrespective of whether each User Agency has paid Contractor for services.
- c. Failure to submit correct Usage Reports and payments on a timely basis shall constitute grounds for default of this Agreement. Usage Reports and payments are due quarterly for the reporting period in a format to be prescribed by the DGS-PD. (Note: If the due date is on a Saturday or Sunday, the due date will be the Monday following.)
- d. Payment may be made in the form of an electronic payment using PD EPAY or by submitting a check payable to the State of California, Department of General Services. Along with each payment, a Usage Report, filtered in Excel to include only Local Government Agency sales, shall be submitted to the State Contract Administrator. Usage Report requirements will be communicated in writing to the Contractor by the State Contract Administrator. The State reserves the right to change Usage Report requirements at any time throughout the term of the MSA.
- e. To submit Incentive Fees through PD EPAY, users must register on the DGS-PD [LPA Payment Portal](https://www.dgs.ca.gov/PD/Services/Page-Content/Procurement-Division-Services-List-Folder/Access-LPA-Payment-Portal) (<https://www.dgs.ca.gov/PD/Services/Page-Content/Procurement-Division-Services-List-Folder/Access-LPA-Payment-Portal>).

Incentive Fee payments made by check shall be submitted to the following address:

Department of General Services  
Procurement Division  
Multiple Award Programs Section  
Attn: MAPS Payment Processing  
707 Third Street, 2nd Floor  
West Sacramento, CA 95605



**14. Reporting**

- a. Contractor shall submit quarterly Usage Reports for all User Agencies to the State’s Contract Administrator no later than the end of the month following the quarterly period.
- b. Contractor shall provide a quarterly Usage Report on an Excel spreadsheet transmitted electronically to the DGS mailbox at [masters@dgs.ca.gov](mailto:masters@dgs.ca.gov).
- c. Contractor shall remit a quarterly Usage Report to the Department of General Services for services provided under this Agreement. The quarterly Usage Reports include, but are not limited to, the following information:
  - i. Date of each agency transaction
  - ii. User Agency name (department, agency, etc.)
  - iii. State or Local Agency
  - iv. Invoice number issued by the Contractor
  - v. Corresponding User Agency’s User Agreement, Purchase Order or Contract number
  - vi. Plan or option purchases
  - vii. Contract Price, and total amount of invoice
  - viii. Local Agency Incentive Fee

The State reserves the right to request additional reporting information or to change the reporting requirements and/or format at any time without an amendment to this Agreement.

- d. Usage Reports are due each quarter as follows:

<b>Reporting Period</b>	<b>Due Date</b>
JAN 1 to MAR 31	APR 30
APR 1 to JUN 30	JUL 31
JUL 1 to SEP 30	OCT 31
OCT 1 to DEC 31	JAN 31

## **EXHIBIT B: BUDGET DETAIL AND PAYMENT PROVISIONS**

### **1. Budget Contingency**

It is mutually agreed that if the State Budget Act of the current year and/or any subsequent years covered under this Agreement does not appropriate sufficient funds for the program, this Agreement shall be of no further force and effect, or shall be limited in use to reflect the relevant/applicable appropriate funds amount. In this event, the State shall have no liability to pay any funds whatsoever to the Contractor or to furnish any other considerations under this Agreement and the Contractor shall not be obligated to perform any provisions of this Agreement.

### **2. Invoices**

#### **A. Submission of Invoices**

- 1) The Contractor shall submit itemized invoices to the User Agency contact person at the address contained in the Requesting Agency's User Agreement. The following information should be included in all invoices:
  - a) DGS MSA Agreement Number
  - b) User Agency Agreement Number
  - c) User Agency Order Number
  - d) User Agency Billing Code
  - e) User Agency Name
  - f) User Agency Address
  - g) Description of services ordered
  - h) Pricing information, which shall not exceed rates listed on Attachment B.1, Rate Sheet.

B. The User Agency contact person will verify and approve, or dispute, the invoiced items. If the User Agency does not approve the invoiced items, the invoice will be disputed and returned to the Contractor for correction.

#### **C. Billing Options:**

The User Agency using this MSA may have unique billing needs. Contractor shall work with the User Agency to provide the User Agency with a billing system that meets the User Agency's needs.

### **3. Rates**

The maximum rates for Services to be provided in the MSA are listed in Attachment B.1, Rate Sheet.

### **4. Fees**

All Fees (except the one-time Setup Fee) shall apply during any Term.

### **5. Invoices**

User Agency may be invoiced electronically through Contractor's Electronic Invoice Presentation & Payment (EIPP) program if User Agency so designates, if not, a User Agency will be billed on paper.

If User Agency, in good faith, disputes any portion of an amount invoiced, User Agency shall pay the undisputed amount as it in good faith believes to be correct and provide written notice stating the reasons why the remaining disputed amount is incorrect, along with supporting documentation.

### **6. Invoice Disputes**

All disputes must be submitted to Contractor in writing.

In the event the Parties are unable to resolve such dispute, either party may pursue any remedy available at law or in equity to enforce its rights hereunder. For the avoidance of doubt, invoices issued which reflect a price change or pertain to fees for service description modifications that have been accepted according to the terms of this Schedule, shall be deemed correct invoices for purposes of this section.

**7. Payment**

Payment for services performed under this Agreement will be made upon satisfactory completion of services rendered. The Contractor shall invoice User Agencies in arrears upon successful completion of services.

**8. Prompt Payment Clause**

Payment will be made in accordance with, and within the forty-five (45) day time specified in Government Code Chapter 4.5, commencing with Section 927.

**EXHIBIT C: GENERAL PROVISIONS (AS MODIFIED (3/18/2022))**

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 Agreement 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 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 Pub. Contract Code §10353.
19. **Small Business Participation and DVBE Participation Reporting Requirements:**
- a. If for this Agreement Contractor made a commitment to achieve small business participation, then Contractor must within 60 days of receiving final payment under this Agreement (or within such other time period as may be specified elsewhere in this Agreement) report to the awarding department the actual percentage of small business participation that was achieved. (Govt. Code § 14841.)
  - b. If for this Agreement Contractor made a commitment to achieve disabled veteran business enterprise (DVBE) participation, then Contractor must within 60 days of receiving final payment under this Agreement (or within such other time period as may be specified elsewhere in this Agreement) certify in a report to the awarding department: (1) the total amount the prime Contractor received under the Agreement; (2) the name and address of the DVBE(s) that participated in the performance of the Agreement; (3) the amount each DVBE received from the prime Contractor; (4) that all payments under the Agreement 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 Agreement 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).)

21. **Complete Integration:** This Agreement, including any documents incorporated herein by express reference, is intended to be a complete integration and there are no prior or contemporaneous different or additional agreements pertaining to the subject matter of the Agreement.
22. **Compliance with Statutes and Regulations:**
- a) The State and the Contractor warrants and certifies that in the performance of this Agreement, it will comply with all applicable statutes, rules, regulations and orders of the United States and the State of California. The Contractor agrees to indemnify the State against any loss, cost, damage, or liability by reason of the Contractors violation of this provision.
  - b) The State will notify the Contractor of any such claim in writing and Contractor will tender the defense thereof within a reasonable time; and
  - c) The Contractor will have sole control of the defense of any action on such claim and all negotiations for its settlement or compromise; provided that (i) when substantial principles of government or public law are involved, when litigation might create precedent affecting future State operations or liability, or when involvement of the State is otherwise mandated by law, the State may participate in such action at its own expense with respect to attorneys' fees and costs (but not liability); (ii) where a settlement would impose liability on the State, affect principles of California government or public law, or impact the authority of the State, the Department of General Services will have the right to approve or disapprove any settlement or compromise, which approval will not unreasonably be withheld or delayed and (iii) the State will reasonably cooperate in the defense and in any related settlement negotiations.
  - d) To the extent that this Agreement falls within the scope of Government Code Section 11135, the Contractor hereby agrees to respond to and resolve any complaint brought to its attention, regarding accessibility of its products or services.
23. **Contractor's Power and Authority:** The Contractor warrants that it has full power and authority to grant the rights herein granted and will hold the State harmless from and against any loss, cost, liability, and expense (including reasonable attorney fees) arising out of any breach of this warranty. Further, the Contractor avers that it will not enter into any arrangement with any third party which might abridge any rights of the State under this Agreement.
- a. The State will notify the Contractor of any such claim in writing and Contractor will tender the defense thereof within a reasonable time; and
  - b. The Contractor will have sole control of the defense of any action on such claim and all negotiations for its settlement or compromise; provided that (i) when substantial principles of government or public law are involved, when litigation might create precedent affecting future State operations or liability, or when involvement of the State is otherwise mandated by law, the State may participate in such action at its own expense with respect to attorneys' fees and costs (but not liability); (ii) where a settlement would impose liability on the State, affect principles of California government or public law, or impact the authority of the State, the Department of General Services



will have the right to approve or disapprove any settlement or compromise, which approval will not unreasonably be withheld or delayed; and (iii) the State will reasonably cooperate in the defense and in any related settlement negotiations.

24. **Waiver of Rights:** Any action or inaction by the State or the failure of the State on any occasion, to enforce any right or provision of the Contract, shall not be construed to be a waiver by the State of its rights hereunder and shall not prevent the State from enforcing such provision or right on any future occasion. The rights and remedies of the State herein are cumulative and are in addition to any other rights or remedies that the State may have at law or in equity.
25. **Warranty:**
- a. The Contractor warrants that Deliverables furnished hereunder (i) will be free, at the time of delivery, of harmful code (i.e. computer viruses, worms, trap doors, time bombs, disabling code, or any similar malicious mechanism designed to interfere with the intended operation of, or cause damage to, computers, data, or Software); and (ii) will not infringe or violate any U.S. Intellectual Property Right. Without limiting the generality of the foregoing, if the State believes that harmful code may be present in any Commercial Software delivered hereunder, the Contractor will, upon the State's request, provide a new or clean install of the Software.
26. **Confidentiality of Data:** All financial statistical, personal, technical and other data and information relating to the State's operation which are designated confidential by the state and made available to the Contractor in order to carry out this Contract, or which become available to the Contractor in carrying out this Contract, shall be protected by the Contractor from unauthorized use and disclosure through the observance of the same or more effective procedural requirements as are applicable to the State. The identification of all such confidential data and information as well as the State's procedural requirements for protection of such data and information from unauthorized use and disclosure shall be provided by the State in writing to the Contractor. If the methods and procedures employed by the Contractor for the protection of the Contractor's data and information are deemed by the State to be adequate for the protection of the State's confidential information, such methods and procedures may be used, with the written consent of the State, to carry out the intent of this paragraph. The Contractor shall not be required under the provisions of this paragraph to keep confidential any data or information which is or becomes publicly available, is already rightfully in the Contractor's possession without obligation of confidentiality, is independently developed by the Contractor outside the scope of this Contract, or is rightfully obtained from third parties.
27. **News Releases:** Unless otherwise exempted, news releases, endorsements, advertising, and social media content pertaining to this Agreement shall not be made without prior written approval of the Department of General Services.
28. **Documentation:** The Contractor agrees to provide to the State, at no charge, all Documentation as described within the Statement of Work, and updated versions thereof, which are necessary or useful to the State in its use of the services provided.

29. **Rights to Service and Work Product:** The Service and the Data are proprietary to Contractor; and all rights to the Service and Data are proprietary to and reserved by Contractor. The State shall not have rights in the work product produced by Contractor as the Service and Data are shared services and not prepared solely for the State or this Agreement.
30. **Patent, Copyright and Trade Secret Indemnity:**
- a) Contractor will indemnify, defend, and save harmless the State, its officers, agents, and employees, from any and all third-party claims, subject to the requirements in (b) below, costs (including without limitation reasonable attorneys' fees), and losses for infringement or violation of any U.S. Intellectual Property Right by the Services, when used for their intended purposes provided hereunder. With respect to claims arising from computer services provided by a third-party and sold by Contractor as a reseller, Contractor will pass through to the State such indemnity rights as it receives from such third-party ("Third-Party Obligation") and will cooperate in enforcing them; provided that if the third-party provider fails to honor the Third-Party Obligation, Contractor will provide the State with indemnity protection equal to that called for by the Third-Party Obligation, but in no event greater than that called for in the first sentence of this Section). The provisions of the preceding sentence apply only to third-party services sold as a distinct unit and accepted by the State.

Unless a Third-Party Obligation provides otherwise, the defense and payment obligations set forth in this Section will be conditional upon the following:

- i. The State will notify the Contractor of any such claim in writing and Contractor shall tender the defense thereof within a reasonable time; and
  - ii. The Contractor will have sole control of the defense of any action on such claim and all negotiations for its settlement or compromise; provided that (a) when substantial principles of government or public law are involved, when litigation might create precedent affecting future State operations or liability, or when involvement of the State is otherwise mandated by law, the State may participate in such action at its own expense with respect to attorneys' fees and costs (but not liability); (b) where a settlement would impose liability on the State, affect principles of California government or public law, or impact the authority of the State, the Department of General Services will have the right to approve or disapprove any settlement or compromise which approval will not unreasonably be withheld or delayed; and (c) the State will reasonably cooperate in the defense and in any related settlement negotiations.
- b) Should the Deliverables, or the operation thereof, become the subject of a claim of infringement or violation of a U.S. Intellectual Property Right, the State shall permit the Contractor, at the State's option and expense, (i) to procure for the State the right to continue using the Deliverables, (ii) to replace or modify the same so that they become non-infringing, or (iii) terminate such Agreement, or applicable portions thereof, or the resulting User Agreements, without penalty or termination charge.
- c) The Contractor shall have no liability to the State under any provision of this clause with respect to any claim of patent, copyright or trade secret infringement which is based upon:
- i. The use of the Services in a manner other than as permitted in this Agreement or a User Agreement or as otherwise designed or intended; or
  - ii. Use of the Services in a manner other than as specified in the product guidelines or specifications, installation instructions, operating instructions, on-line help, or other

- similar items describing the capabilities of, or instructions for, the Services that Contract generally makes available to the State and User Agencies; or
- iii. The use, operation, or combination of the Services with equipment, software, data, or materials not provided by the Contractor; or
  - iv. The State's or a User Agency's continuance of allegedly infringing activity after being informed of the infringement and provided with modifications that would avoid the alleged infringement; or
  - v. Any unauthorized modification of, or connection to, the Services initiated by the State, a third-party at the State's direction, or a User Agency; or
  - vi. The combination or utilization of other Services furnished hereunder with non-Contractor supplied Services.

- d) The Contractor certifies that it has appropriate systems and controls in place to ensure that State funds will not be used in the performance of this Contract for the acquisition, operation, or maintenance of computer Software in violation of copyright laws.

31. **Limitation of Liability:**

- a) Contractor's liability for damages to the State for any cause whatsoever, and regardless of the form of action, whether in Contract or in tort, shall be limited to the Purchase Price. For purposes of this sub-section a), "Purchase Price" will mean the aggregate User Agreement price; except that, with respect to a Contract under which multiple purchase orders will be issued (e.g., a Master Agreement or Multiple Award Schedule contract), "Purchase Price" will mean the total price of the purchase order for the Deliverable(s) or Service(s) that gave rise to the loss, such that the Contractor will have a separate limitation of liability for each purchase order.
- b) The foregoing limitation of liability shall not apply (i) to any liability under the General Provisions entitled "Compliance with Statutes and Regulations" (ii) to liability under the General Provisions, entitled "Patent, Copyright, and Trade Secret Indemnity" or to any other liability (including without limitation indemnification obligations) for infringement of third party intellectual property rights; (iii) to claims arising under provisions herein calling for indemnification for third party claims against the State for death, bodily injury to persons or damage to real or tangible personal property caused by the Contractor's negligence, willful misconduct; or (iv) to costs or attorney's fees that the State becomes entitled to recover as a prevailing party in any action.
- c) The State's liability for damages for any cause whatsoever, and regardless of the form of action, whether in Contract or in tort, shall be limited to the Purchase Price, as that term is defined in subsection a) above. Nothing herein shall be construed to waive or limit the State's sovereign immunity or any other immunity from suit provided by law.
- d) In no event will either the Contractor or the State be liable for consequential, incidental, indirect, special, or punitive damages, even if notification has been given as to the possibility of such damages, except (i) to the extent that the Contractor's liability for such damages is specifically set forth in the Statement of Work or (ii) to the extent that the Contractor's liability for such damages arises out of sub- section b) (i), b) (ii), or b) (iv) above.

32. **Force Majeure:** Except for defaults of subcontractors at any tier, the Contractor shall not be liable for any excess costs if the failure to perform the Contract arises from causes beyond the control and without the fault or negligence of the Contractor. Examples of such causes include, but are not limited to:
- a) Acts of God or of the public enemy, and
  - b) Acts of the federal or State government in either its sovereign or contractual capacity.
- If the failure to perform is caused by the default of a subcontractor at any tier, and if the cause of the default is beyond the control of both the Contractor and subcontractor, and without the fault or negligence of either, the Contractor shall not be liable for any excess costs for failure to perform.
33. **Future Releases:** Unless otherwise specifically provided for in this Agreement, and/or a Statement of Work, Schedule, Purchase Order, or Rate Sheet as applicable, should Contractor offer improved versions (e.g., patches, bug fixes, updates, or releases) of the Services then contracted for, and such improved versions are made available to Contractor's general clientele, such versions will be made available to the State. The improved versions of the Services will be provided at no additional cost only if such improvements are offered to Contractor's general clientele clients at no additional cost. If the Contractor offers improved versions of the Services, such items shall be made available to the State at a price no greater than the then current Rate Sheet price plus an increase proportionate to the increase from the list price of the original version of the Services to that of the improved version of the Services, if any. If the improve to the Services has no list price, such price increase will be proportionate to the increase in average price from the original to the improved version, if any, as estimated by the Contractor in good faith. Contractor shall provide thirty (30) day written notice of such planned improvements that result in a price increase to the State and the relevant User Agencies. Absent written notice of termination from a User Agency and/or State within the thirty (30) day notice period to Contractor, the User Agency and State shall be deemed to have consented to the modification.
34. **Taxes:** Unless otherwise required by law, the State of California is exempt from Federal excise taxes. The State will only pay for any State or local sales or use taxes on the services rendered or Goods supplied to the State pursuant to this Contract. A relevant User Agency shall be treated as tax exempt upon the receipt of a tax-exempt certification, and any applicable renewed or updated certificates.
35. **Data Breach:** Unless otherwise stated in the Statement of Work,
- a) Upon discovery or reasonable belief of any Data Breach, Contractor shall notify the State by the fastest means available and also in writing, with additional notification provided to the Chief Information Security Officer or designee of the contracting agency. Contractor shall provide such notification within forty-eight (48) hours after Contractor reasonably believes there has been such a Data Breach. Contractor's notification shall identify:
    - 1) The nature of the Data Breach;
    - 2) The Data accessed, used or disclosed;
    - 3) The person(s) who accessed, used, disclosed and/or received Data (if known);
    - 4) What Contractor has done or will do to quarantine and mitigate the Data Breach; and

- 5) What corrective action Contractor has taken or will take to prevent future Data Breaches.
- b) Contractor will provide daily updates, or more frequently if required by the State, regarding findings and actions performed by Contractor until the Data Breach has been effectively resolved to the State's satisfaction.
  - c) Contractor shall quarantine the Data Breach, ensure secure access to Data, and repair SaaS as needed in accordance with the SLA. Failure to do so may result in the State exercising its options for assessing damages or other remedies under this Contract.
  - d) Notwithstanding anything to the contrary in the General Provisions - Information Technology, in performing services under this Contract, and to the extent authorized by the State in the Statement of Work, Contractor may be permitted by the State to use systems, or may be granted access to the State systems, which store, transmit or process State owned, licensed or maintained computerized Data consisting of personal information, as defined by Civil Code Section 1798.29 (g). If the Contractor causes or knowingly experiences a breach of the security of such Data, Contractor shall immediately report any breach of security of such system to the State following discovery or notification of the breach in the security of such Data. The State's Chief Information Security Officer, or designee, shall determine whether notification to the individuals whose Data has been lost or breached is appropriate. If personal information of any resident of California was, or is reasonably believed to have been acquired by an unauthorized person as a result of a security breach of such system and Data that is not due to the fault of the State or any person or entity under the control of the State, Contractor shall bear any and all costs associated with the State's notification obligations and other obligations set forth in Civil Code Section 1798.29 (d) as well as the cost of credit monitoring, subject to the dollar limitation, if any, agreed to by the State and Contractor in the applicable Statement of Work. These costs may include, but are not limited to staff time, material costs, postage, media announcements, and other identifiable costs associated with the breach of the security of such personal information.
  - e) Contractor shall conduct an investigation of the Data Breach and shall share the report of the investigation with the State. The State and/or its authorized agents shall have the right to lead (if required by law) or participate in the investigation. Contractor shall cooperate fully with the State, its agents and law enforcement.
36. **Applicable Law:** This Agreement shall be governed by and shall be interpreted in accordance with the laws of the State of California; venue of any action brought with regard to this Contract shall be in Sacramento County, Sacramento California. The United Nations Convention on Contracts for the International Sale of Goods shall not apply to this Contract.

## **EXHIBIT D: INSURANCE REQUIREMENTS**

### **1. Proof of Insurance**

Contractor shall provide proof of insurance, in the form of a certificate to the State. Insurance companies must have an AM Best rating of no less than A- and an AM Best financial size category of no less than VII.

### **2. General Provisions Applying to All Policies**

- I. **Coverage Term** – Coverage needs to be in force for the complete term of the Agreement. If insurance expires during the term of the Agreement, a new certificate shall be sent to the State within (30) days following the expiration of this insurance. Any new insurance must still comply with the original terms of the Agreement.
- II. **Policy Cancellation or Termination & Notice of Non-Renewal** – Contractor is responsible to notify the State within five (5) business days before the effective date of any cancellation or non-renewal that affects required insurance coverage. In the event Contractor fails to keep in effect at all times the specified insurance coverage, the State may, in addition to any other remedies it may have, suspend or terminate this Contract upon thirty (30) days' notice from the occurrence of such event in which Contractor may remedy the lapsed insurance coverage in question, subject to the provisions of this Contract.
- III. **Deductible** – Contractor is responsible for any deductible or self-insured retention contained within their insurance program.
- IV. **Primary Clause** – Any general liability, automobile liability, umbrella liability, and Workers' compensation coverages and limits required to be maintained by Contractor under this Agreement shall be primary, and non-contributory, to any insurance coverage, if any, maintained by the State, but only to the extent that Contractor is found to be solely liable.
- V. **Insurance Carrier Required Rating** – All insurance companies must carry an A.M. Best rating of at least A-VIII. If the Contractor is self-insured for a portion or all of its insurance, review of financial information including a letter of credit may be required.
- VI. **Endorsements** – Any special requests such as additional insured status, waiver of subrogation, or other requirements must be included in the request for a certificate of insurance. Certificates shall be mailed or emailed directly to the State, unless other instructions are so provided, to the contact name at the fax number, e-mail, and/or address listed in the relevant request for certificate of insurance.
- VII. **Inadequate Insurance** – Inadequate or lack of insurance does not negate the Contractor obligations under the Agreement.
- VIII. **Subcontractors** - In the case of Contractor utilization of subcontractors to complete the contracted scope of work, Contractor shall require from subcontractors, and share copies of the provided, evidence of insurance to the State, applicable to the work being done.

### **3. Commercial General Liability**

Contractor shall obtain, at Contractor's expense, and keep in effect during the term of this Agreement, Commercial General Liability Insurance covering bodily injury, and property damage in a form and with coverages that are satisfactory to the State. This insurance shall include personal and advertising injury liability, products, completed operations, and contractual liability coverage for the indemnity provided under this Agreement. Coverage shall be written on an occurrence basis in an amount not to be less than \$1,000,000 per occurrence.

Annual aggregate limit shall not be less than \$2,000,000. **The State of California, its officers, agents, officials, and employees are to be covered as additional insureds with respect to liability arising out of work or operations. This additional insured endorsement may be blanket or automatic and Contractor's insurance shall be primary and non-contributory.**

**4. Auto Liability**

If applicable to the Services rendered, Contractor shall maintain motor vehicle liability coverage with limits not less than \$1,000,000 combined single limit per accident. Such insurance shall cover liability arising out of a motor vehicle including owned, hired, and non-owned motor vehicles. The policy must name The State of California, its officers, agents, and employees as additional insured, but only with respect to work performed under the contract. If contractor will not have any commercially owned vehicles used during the life of this Agreement, by signing this Agreement, the Contractor certifies that the Contractor and any employees, subcontractors or servants possess valid automobile coverage on a personal vehicle. The Contractor and any employees, subcontractors, or servants operating a personal vehicle must maintain at least \$100,000 limit of personal auto insurance or state minimums (where garaged), whichever is higher. The Contractor will maintain excess insurance over an employee's personal coverage, in the event there is a claim that exceeds personal insurance limits. The State reserves the right to request proof at any time, if needed.

**5. Workers' Compensation and Employer's Liability**

Workers' Compensation insurance as required by the State of California, if applicable, shall require (A) Workers' Compensation Limit: Statutory and (B) Employer's Liability: (1) Bodily Injury by Accident, for Each Accident: \$1,000,000 (2) Bodily Injury for Each Employee by Disease: \$1,000,000 and (C) Policy Limit for Bodily Injury by Disease: \$1,000,000.

**6. Professional Liability (a/k/a Errors & Omissions Insurance) including Network Security & Privacy Liability (a/k/a Cyber)**

Policy will include coverage for actual or alleged breach of duty, act, error, omission, misstatement, misleading statement or neglect in the rendering of or failure to render the services under this Agreement. Coverage will include notification costs, privacy violations, information theft, damage to or destruction of electronic information, extortion, and network security. Policy will also include coverage for liability as a result of a data security breach or violation of consumer data protection laws. The professional liability insurance and network security and privacy liability insurance may be maintained under a combined policy or via separate policies. Aggregate Limit: \$10,000,000.00.

## **EXHIBIT E: SPECIAL TERMS AND CONDITIONS**

The following special terms and conditions shall apply due to the nature and heavily regulated status of the Services, Data, and Information received by the State in accordance with this Agreement:

### **1. Additional Incorporated Documents**

The following additional documents are attached, incorporated herein, and made a part of this Exhibit E and the Agreement and the applicable User Agreement hereof by this reference. The State will maintain on file, all documents referenced herein and any subsequent updates.

- A. Attachment 1 - Data Security
- B. Attachment 2 - User Agency Obligations
- C. Attachment 3 - Notice to Users of Consumer Reports: Obligations Of Users Under The FCRA
- D. Attachment 4 - Vermont Fair Credit Reporting

### **2. Assignment**

This Section 2 shall be read as a supplement to, and not contradictory with, Section 3 of Exhibit C pertaining to Assignment. The Agreement may not be assigned or transferred by the State without Contractor's prior written consent.

### **3. Disputes**

This Section 3 shall be read as a supplement to, and not contradictory with, Section 6 of Exhibit C pertaining to Disputes. The obligation of Contractor contained in Section 6 shall not require Contract to continue to provide Services to a relevant User Agency if such provision of Services to that User Agency would put Contractor, the State, and/or the User Agency at reasonable risk of violating applicable federal or state law regarding the provision of such Services. Some scenarios are contemplated within this Agreement, but others may arise.

### **4. Suspension for Cause**

This Section 4 shall be read as a supplement to, and not contradictory with, Section 7 of Exhibit C pertaining to Termination for Cause. If Contractor has a commercially reasonable belief that a relevant User Agency(ies) has breached an obligation under this Agreement, including its Attachments, Exhibits, Schedules, Rate Sheets, or the applicable User Agreement, including but not limited to those governing the security, use, and treatment of Data, Information and the Services as outlined herein and in accordance with applicable law, Contractor shall, at its option and reserving all other rights and remedies, suspend or limit the service to the applicable User Agreement(s), immediately upon twenty-four (24) hours' notice to the relevant User Agency(ies) with copy to the State. Unless reasonably required by the circumstances, and as permitted under applicable law, Contractor shall suspend or limit a User Agency's access to, and use of, the Service prior to resorting to indefinite suspension. Such suspension shall be for the relevant User Agency(ies) involved in the possible contract breach. To the extent permitted under applicable law, Contractor shall provide the relevant User Agency(ies), with copy to the State, with a cure notice, consisting of a thirty (30) day cure



window, detailing the believed breach, possible resolutions (if any), and anticipated future steps. If User Agency fails to take the needed actions to cure or the cure cannot be remedied within thirty (30) days, Contractor, in consultation with DGS may indefinitely suspend the participating entity's User Agreement. Contractor shall be permitted to continue the suspension of a User Agency's access to the Services during this thirty (30) day period, if Contractor reasonably believes it is permissible under applicable law. In the event that a User Agency is in indefinite suspension status, Contractor does not have to enter into a new User Agreement with that User Agency.

## **5. Audit**

This Section 5 shall be read as a supplement to, and not contradictory with, Section 4 of Exhibit C pertaining to audit terms and conditions. In order to determine the State and any User Agency(ies) compliance with this Agreement and the FCRA, Contractor or its designated representative shall have the right, from time to time, to: (1) upon reasonable notice to the State and/or relevant User Agency(ies), enter into the relevant entities' facilities during normal business hours and conduct on-site audits of the relevant entities' practices and procedures relating to the State or User Agency(ies)' request for and use of consumer reports; and (2) conduct audits by mail, email or similar electronic means that may require the State and/or relevant User Agency(ies) to provide documentation regarding permissible purposes for particular consumer reports ordered by relevant entity(ies). The State and/or relevant User Agency(ies) shall promptly provide Contractor with copies of or access to all requested documents and records and cooperate with Contractor in all such audits, Additionally, the State and/or applicable User Agency(ies) shall comply with the procedures, terms, and conditions regarding compliance audits as outlined in Attachment 2 Sections 1.N and 1.E which are incorporated in this Section 5 by reference Contractor's obligations in Section 3 of Exhibit C shall not require Contractor to breach applicable law restrictions, legal orders from a court with valid jurisdiction, contractual confidentiality obligations, consumer privacy and confidentiality obligations, or public disclosure rules related to its status as a publicly traded company.

## **6. Notices**

Every notice required under this Agreement, as it specifically relates to, or arises from, the administration of this Agreement, may be (i) sent by electronic delivery to the contract administrator's email address; (ii) mailed first class postage prepaid or by other courier or delivery service to the contract administrator; or (iii) sent through other electronic means, including but not limited to, through the State's online or integrated access to the Service. Every notice shall be effective upon the following as applicable: (i) day of email sent; (ii) delivery by an overnight or other courier or delivery service, or three (3) days after pre-paid deposit with the postal service; or (iii) date of electronic notification through the State's online or integrated access to the Service.

Each party's contract administrator in accordance with Section 4 of Exhibit A shall be the person to receive notices herein. Changes or updates to the contract administrator's information shall comply with Section 4 of Exhibit A. Such notice requirements shall equally apply between a User Agency and Contractor and be incorporated through the User Agency's

applicable User Agency Agreement. The State's and Contractor's contract administrator information shall be included in the then applicable User Instructions.

## **EXHIBIT F: Terms and Conditions Applicable to The Work Number® Services**

### **I. Terms and Conditions Applicable to The Work Number® Services**

#### **A. User Agency Representation**

User Agency represents that it has authorization from the Consumer authorizing User Agency to verify income Data. User Agency need not use any particular form of authorization for an income verification, provided the authorization is auditable and demonstrates to a reasonable degree of certainty that the Consumer has authorized User Agency to receive the income Data.

**B. Modification of Service Description.** Contractor may modify The Work Number® Service descriptions by notifying the State. Upon receipt of such notice, the State may execute an amendment, which would be signed by the State and Contractor. Modification of services under this Agreement can only be issued by an amendment.

#### **C. Input Requirements.**

1. **Online.** User Agency shall request access to Data and Service by inputting the Consumer's social security number at the relevant Contractor website.
2. **Batch.** User Agency, if exercising this option, shall request the Data and Service be delivered via batch by creating and delivering a request file of a minimum of fifty thousand (50,000) social security numbers to Contractor using Contractor's standard format and secure batch website. User Agency is required to specify desired date range for batch processing. Upon submission of a file, User Agency is obligated to pay all resultant Fees in accordance with the Agreement.

#### **D. Delivery.**

1. **Online.** The Service will be delivered online, providing automated access to requested Data.
2. **Batch.** Upon submission of a file, User Agency is obligated to pay all resultant Fees in accordance with Attachment B.1. Following a batch submission consistent with the input requirements, above, Contractor will deliver a return file of available Data via the secure batch website.
3. **Integration:** This Agreement must be amended if a User Agency wants to purchase The Work Number® Services through integration as a form of delivery.

**ATTACHMENT B.1: RATE SHEET**

See Attachment B.1: Rate Sheet

## **ATTACHMENT 1**

### **DATA SECURITY**

1. This Attachment 1 applies to any means, the MSA, and User Agreements, through which the User Agency orders or accesses the Services including, without limitation, system-to-system, personal computer or the Internet. For the purposes of this Attachment 1, the term “Authorized User” means a User Agency employee that User Agency has authorized to order or access the Services and who is trained on User Agency’s obligations under this Agreement with respect to the ordering and use of the Services, and the information provided through same, including User Agency’s FCRA and other obligations with respect to the access and use of Data.
2. User Agency will, with respect to handling any Data or Information provided through the Services:
  - A. ensure that only Authorized Users can order or have access to the Data,
  - B. ensure that Authorized Users do not order credit reports for personal reasons or provide them to any third party except as permitted by this Agreement,
  - C. inform Authorized Users that unauthorized access to consumer reports may subject them to civil and criminal liability under the FCRA punishable by fines and imprisonment,
  - D. ensure that all devices used by User Agency to order or access the Data are placed in a secure location and accessible only by Authorized Users, and that such devices are secured when not in use through such means as screen locks, shutting power controls off, or other commercially reasonable security procedures,
  - E. take all necessary measures to prevent unauthorized ordering of or access to the Data by any person other than an Authorized User for permissible purposes, including, without limitation, limiting the knowledge of the User Agency security codes, member numbers, User IDs, and any passwords User Agency may use, to those individuals with a need to know, changing User Agency’s user passwords at least every ninety (90) days, or sooner if an Authorized User is no longer responsible for accessing the Data, or if User Agency suspects an unauthorized person has learned the password, and using all security features in the software and hardware User Agency uses to order or access the Data. Additionally, perform at least quarterly entitlement reviews to recertify and validate authorized users access privileges,
  - F. in no event access the Data via any unsecured wireless hand-held communication device, including but not limited to, web enabled cell phones, interactive wireless pagers, personal digital assistants (PDAs), mobile data terminals and portable data terminals,
  - G. not use non-company owned assets such as personal computer hard drives or portable and/or removable data storage equipment or media (including but not limited to laptops, zip drives, tapes, disks, CDs, and DVDs) to store the Data. In addition, Data must be encrypted when not in use and all printed Data must be stored in a secure, locked container when not in use, and must be completely destroyed when no longer needed by cross-cut shredding machines (or other equally effective destruction method) such that the results are not readable or useable for any purpose,
  - H. if User Agency sends, transfers or ships any Data, encrypt the Data using the following minimum standards, which standards may be modified from time to time by Contractor: Advanced Encryption Standard (AES), minimum 128-bit key or Triple Data Encryption Standard (3DES), minimum 168-bit key, encrypted algorithms,

- I. not ship hardware or software between User Agency's locations or to third parties without deleting all Contractor User Agency number(s), security codes, User IDs, passwords, User Agency user passwords, and any consumer information,
  - J. monitor compliance with the obligations of this Attachment 1, and immediately notify Contractor if User Agency suspects or knows of any unauthorized access or attempt to access the Data, including, without limitation, a review of Contractor invoices for the purpose of detecting any unauthorized activity.
  - K. if, subject to the terms of this Agreement, User Agency uses a Service Provider to establish access to the Data, be responsible for the Service Provider's use of User Agency's member numbers, security access codes, or passwords, and User Agency will ensure the Service Provider safeguards User Agency's security access code(s), User IDs, and passwords through the use of security requirements that are no less stringent than those applicable to User Agency under this Attachment 1,
  - L. use commercially reasonable efforts to assure data security when disposing of any consumer report information or record obtained from Contractor. Such efforts must include the use of those procedures issued by the federal regulatory agency charged with oversight of User Agency's activities (e.g. the Federal Trade Commission, the applicable banking or credit union regulator) applicable to the disposal of consumer report information or records,
  - M. use commercially reasonable efforts to secure Data when stored on servers, subject to the following requirements: (i) servers storing Data must be separated from the Internet or other public networks by firewalls which are managed and configured to meet industry accepted best practices, (ii) protect Data through multiple layers of network security, including but not limited to, industry-recognized firewalls, routers, and intrusion detection/prevention devices (IDS/IPS), (iii) secure access (both physical and network) to systems storing Data, which must include authentication and passwords that are changed at least every 90 days; and (iv) all servers must be kept current and patched on a timely basis with appropriate security-specific system patches, as they are available,
  - N. not allow Data to be displayed via the Internet unless utilizing, at a minimum, a three-tier architecture configured in accordance with industry best practices, and
  - O. use commercially reasonable efforts to establish procedures and logging mechanisms for systems and networks that will allow tracking and analysis in the event there is a compromise, and maintain an audit trail history for at least three (3) months for review.
  - P. Adhere to all security features in the software and hardware User Agency uses to order or access the Services, including the use of IP restriction,
  - Q. Provide immediate notification to Contractor of any change in address or office location and are subject to an onsite visit of the new location by Contractor or its designated representative, and
  - R. In the event User Agency has a security incident involving Contractor Confidential Information, User Agency will fully cooperate with Contractor in a security assessment process and promptly remediate any finding.
3. A cloud service provider ("CSP") is a company that offers a component of cloud computing. CSPs generally offer Infrastructure as a Service (IaaS), Platform as a Service (PaaS), or Software as a Service (SaaS). User Agency may use a CSP to process, transmit, or store Data and Information, subject to the requirements below.

- A. User Agency may use Amazon Web Services, Google Cloud Platform, Microsoft Azure, or Salesforce exclusively as their CSP, so long as User Agency certifies its CSP has the following minimum requirements: (i) Data and Information at rest is encrypted at a minimum of AES-256; (ii) Data and Information shall be encrypted in transit both internally and externally at a minimum of TLS version 1.2 and/or AES-128; (iii) User Agency shall manage all encryption keys within the User Agency's CSP; (iv) an inventory shall be kept of all Data and Information within the cloud environment; (v) Data and Information shall be logically and/or physically separated in multi-tenant environments in accordance with industry standards; and (vi) access control standards that include: user provisioning, regular access reviews, password requirements, need to know permissions, and least privilege principles.
  - B. For all other CSPs, User Agency certifies that User Agency will, and will contractually obligate its CSP to, follow Contractor's minimum requirements: (i) Data and Information at rest is encrypted at a minimum of AES-256; (ii) Data and Information shall be encrypted in transit both internally and externally at a minimum of TLS version 1.2 and/or AES-128; (iii) User Agency shall manage all encryption keys within the User Agency's CSP; (iv) an inventory shall be kept of all Data and Information within the cloud environment; (v) Data and Information shall be logically and/or physically separated in multi-tenant environments in accordance with industry standards; (vi) access control standards that include: user provisioning, regular access reviews, password requirements, need to know permissions, and least privilege principles; (vii) utilization of secure data destruction techniques shall be used to destroy Data and Information in accordance with industry standards; (viii) assets that are no longer needed for legal purposes shall be destroyed in accordance with industry standard; (ix) incident handling and forensic support shall be provided in the event of an investigation or Security Incident; (x) cloud hosted systems shall be patched at the most current levels and have vulnerabilities addressed in accordance with industry standards; (xi) information systems and infrastructures shall follow industry security hardening standard such as DISA STIG or CIS guidance; (xii) CSP's application environment shall be certified by an independent third party (SOC 2 Type 2), if operating in a hybrid environment, a SOC 2 Type 2 or equivalent shall also be required for the User Agency; (xiii) Third parties providing support services to the User Agency or User Agency's CSP shall not have access to Data and Information without prior consent of Contractor; (xiv) CSP shall have network-based Intrusion Detection Systems (IDS) and/or Intrusion Prevention Systems (IPS) tools deployed in or around the cloud network infrastructure; (xv) centralized logging and monitoring of the CSP's infrastructure/environment; and (xvi) User Agency shall utilize multi-factor authentication (MFA) to remotely access CSP's infrastructure/environment.
4. If Contractor reasonably believes that User Agency has violated this Attachment 1, Contractor may, in addition to any other remedy authorized by this Agreement, with reasonable advance written notice to User Agency and at Contractor's sole expense, conduct, or have a third party conduct on its behalf, an audit of User Agency's network security systems, facilities, practices and procedures to the extent Contractor reasonably deems necessary, including an on-site inspection, to evaluate User Agency's compliance with the data security requirements of this Attachment 1.

## **ATTACHMENT 2**

### **USER AGENCY OBLIGATIONS**

#### **1. User Agency Obligations:**

- A. User Agency shall comply with the terms set forth in this Agreement, and each Schedule or Exhibit attached hereto.
- B. User Agency shall pay for the Services as set forth in each applicable Schedule or Rate Sheet.
- C. User Agency will comply with all applicable laws, statutes and regulations regarding the Services. Where applicable, User Agency will comply with Title V of the Gramm-Leach-Bliley Act, 15 U.S.C. Sec. 6801 et seq. ("GLB") and the implementing regulations issued thereunder and any other applicable statutes or federal laws, User Agency will not use or disclose any Information other than in accordance with Section 6802(c) or with one of the General Exceptions of Section 6802(e) of the GLB and applicable regulations and all other Privacy Laws.
- D. User Agency certifies that it will order Data from the Services only when User Agency intends to use the Data (in) in accordance with the Fair Credit Reporting Act ("FCRA") and all state law FCRA counterparts as though the Data is a consumer report, and (ii) for one of the following FCRA permissible purposes: (1) in connection with a credit transaction involving the Consumer on whom the Data is to be furnished and involving the extension of credit to, or review or collection of an account of, the consumer, (2) in connection with a determination of the consumer's eligibility for a license or other benefit granted by a governmental instrumentality required by law to consider an applicant's financial responsibility or status, or (3) when User Agency otherwise has a legitimate business need for the information either in connection with a business transaction that is initiated by the Consumer, or to review an account to determine whether the Consumer continues to meet the terms of the account; and for no other purpose.
- E. User Agency agrees to only use the Data consistent with the obligations of users of consumer reports as provided for in the Consumer Financial Protection Bureau (the "CFPB")'s Notice Form attached as Attachment 3.
- F. User Agency represents it has written authorization from the Consumer to verify income. User Agency need not use any particular form of authorization or obtain a separate signature for verifying income provided that the form is auditable and demonstrates to a reasonable degree of certainty that the Consumer has authorized the User Agency to receive the income Data. Notwithstanding the foregoing, in the event User Agency is using the Service to collect on defaulted child support obligations, User Agency is not required to obtain such authorization.
- G. User Agency certifies that it will comply with applicable provisions under Vermont law. In particular, User Agency certifies that it will order Data relating to Vermont residents only after Agency has received prior Consumer consent in accordance with VFCRA Section 2480e and applicable Vermont Rules. User Agency further certifies that the attached copy of VFCRA Section 2480e applicable Vermont Rules as referenced in Attachment 4 – Vermont Fair Credit Reporting was received from Contractor.



- H. Section 1785.14(a) of the California Civil Code imposes special requirements with respect to transactions in which a “retail seller” (as defined in Section 1802.3 of the California Civil Code) intends to issue credit to a California resident who appears in person on the basis of an application for credit submitted in person (“point of sale transactions”). User Agency certifies that these requirements do not apply to it because User Agency is NOT a “retail seller” (as defined in Section 1802.3 of the California Civil Code), and/or (b) User Agency does NOT issue credit to California residents who appear in person on the basis of applications for credit submitted in person. User Agency further certifies that it will notify Contractor in writing 30 days PRIOR to becoming a retail seller or engaging in point of sale transactions with respect to California residents.
- I. User Agency will comply with the provisions of the FCRA, the Federal Equal Credit Opportunity Act, as amended, all state law counterparts of them, and all applicable regulations promulgated under any of them, including, without limitation, any provisions requiring adverse action notification to the Consumer.
- J. User Agency may use the Data and Information provided through the Services only as described in this Agreement. User Agency may reproduce or store the Data obtained from the Services solely for its own use in accordance with this Agreement, and will hold all Data obtained from the Services under this Agreement in strict confidence and will not reproduce, reveal, or make it accessible in whole or in part, in any manner whatsoever, to any others unless required by law, or unless User Agency first obtains Contractor’s written consent; provided, however, that User Agency may discuss Consumer Data with the Data subject when User Agency has taken adverse action against the subject based on the Data. User Agency will not provide a copy of the Data to the Consumer, except as may be required or permitted by law or approved in writing by Contractor, except in any state where this contractual prohibition would be invalid. User Agency will refer the Consumer to Contractor whenever the Consumer disputes the Data disclosed by User Agency. User Agency will not interpret the failure of Contractor to return Data as a statement regarding that consumer’s credit worthiness, because the failure may result from one or more factors unrelated to credit worthiness.
- K. User Agency represents and warrants it (i) is administering a government funded benefit or program, (ii) has been given the legal authority to view the Data by the Consumer or by operation of law, and (iii) is requesting the Data in compliance with all laws.
- L. User Agency acknowledges it shall employ decision making processes appropriate to the nature of the transaction in accordance with commercially reasonable standards and will utilize the Data as part of its process.
- M. User Agency represents and warrants it has written authorization from the Consumer to verify income. User Agency need not use any particular form of authorization or obtain a separate signature for verifying income provided that the form constitutes Consumer authorization. Notwithstanding the foregoing, in the event User Agency is using the Services to collect on defaulted child support obligations, User Agency is not required to obtain such authorization. Upon request by Contractor at any time, User Agency shall provide Consumer authorizations to verify the Consumer’s information, including but not limited to the Consumer’s income, and the User Agency shall provide Contractor with records as Contractor may reasonably request to conduct such audit(s). User Agency’s failure to fully cooperate or to produce requested consumer authorizations may result in

immediate suspension of the Services until such time as User Agency corrects any discrepancy revealed by such audit.

- N. User Agency may not allow a third-party service provider (hereafter "Service Provider") to access, use, or store the Services or Data on its behalf without first obtaining Contractor's written permission and without the Service Provider first entering into an agreement with Contractor.
- O. In order to ensure compliance with this Agreement and the User Agreement, applicable law and Contractor policies Contractor may conduct reviews of User Agency activities, from time to time during normal business hours, at all locations containing relevant records, with respect to User Agency's requests for Data and/or its use of Data. User Agency shall provide documentation within a reasonable time to Contractor as reasonably requested for purposes of such review. User Agency (in) shall cooperate fully with any and all investigations by Contractor of allegations of abuse or misuse of the Services and allow Contractor to access its premises, records, and personnel for purposes of such investigations if Contractor deems such access is necessary to complete such investigation(s), (ii) agrees that any failure to cooperate fully and promptly in the conduct of any audit constitutes grounds for immediate suspension of the Services and/or termination of the User Agreement, and (iii) shall promptly correct any discrepancy revealed by such investigation(s), User Agency shall include the name and email address of the appropriate point of contact to whom such request should be made in the space provided below. User Agency may change its contact information upon written notice:

<b>Audit Contact Name</b>	<b>Audit Contact E-mail Address</b>

- P. User Agency may use the Data provided through the Services only as described in this Agreement. User Agency may reproduce or store the Data obtained from the Services solely for its own use in accordance with this Agreement, and will hold all Data obtained from the Services under this Agreement in strict confidence and will not reproduce, reveal, or make it accessible in whole or in part, in any manner whatsoever, to any others unless required by law, or unless User Agency first obtains Contractor's written consent; provided, however, that User Agency may discuss Consumer Data with the Data subject when User Agency has taken adverse action against the subject based on the Data. User Agency will not provide a copy of the Data to the Consumer, except as may be required or permitted by law or approved in writing by Contractor, except in any state where this contractual prohibition would be invalid. User Agency will refer the Consumer to Contractor whenever the Consumer disputes the Data disclosed by User Agency. User Agency will not interpret the failure of Contractor to return Data as a statement regarding that consumer's credit worthiness, because the failure may result from one or more factors unrelated to credit worthiness.
- Q. User Agency will comply with the provisions of the FCRA, the Federal Equal Credit Opportunity Act, as amended (the "ECOA"), all state law counterparts of them, and all applicable regulations promulgated under any of them, including, without limitation, any provisions requiring adverse action notification to the Consumer.

R. User Agency may access, use and store the Data only at or from locations within the territorial boundaries of the United States, Canada, and the United States territories of Puerto Rico, Guam and the Virgin Islands (the "Permitted Territory"). User Agency may not access, use or store the Data or Contractor's Confidential Information at or from, or send the Data or Confidential Information to, any location outside of the Permitted Territory without User Agency first obtaining Contractor's written permission.

2. **USER AGENCY USE OF SERVICE.** Data on the Services may be accessed by User Agency to verify Consumer's employment status ("Employment Verification") or income ("Income Verification") for the purposes of determining eligibility for receipt of public aid or assistance, prevention or identification of improper payments, overpayments associated with the receipt of public aid or assistance, or collecting on defaulted child support obligations that are in effect and valid.
3. **RIGHTS TO SERVICE.** The Services and the Data are proprietary to Contractor, and all rights to the Service and Data are proprietary to and reserved by Contractor.
4. **Exhibit Acknowledgment.** By signing the Standard Agreement, STD 213, or appropriate equivalent contract form for Local Government Agencies, User Agency acknowledges receipt of Attachment 3, "Notice to Users of Consumer Reports Obligations of Users Under the FCRA"; and User Agency represents that Agency has read "Notice to Users of Consumer Reports Obligations of Users Under the FCRA" which explains Agency's obligations under the FCRA as a user of consumer report information.

### **ATTACHMENT 3**

#### **NOTICE TO USERS OF CONSUMER REPORTS: OBLIGATIONS OF USERS UNDER THE FCRA**

All users of consumer reports must comply with all applicable regulations. Information about applicable regulations currently in effect can be found at the Consumer Financial Protection Bureau's website, [www.consumerfinance.gov/learnmore](http://www.consumerfinance.gov/learnmore).

#### **NOTICE TO USERS OF CONSUMER REPORTS: OBLIGATIONS OF USERS UNDER THE FCRA**

The Fair Credit Reporting Act (FCRA), 15 U.S.C. 1681-1681y, requires that this notice be provided to inform users of consumer reports of their legal obligations. State law may impose additional requirements. The text of the FCRA is set forth in full at the Consumer Financial Protection Bureau's (CFPB) Website at [www.consumerfinance.gov/learnmore](http://www.consumerfinance.gov/learnmore). At the end of this document is a list of United States Code citations for the FCRA. Other information about user duties is also available at the CFPB's website.

#### **Users must consult the relevant provisions of the FCRA for details about their obligations under the FCRA.**

The first section of this summary sets forth the responsibilities imposed by the FCRA on all users of consumer reports. The subsequent sections discuss the duties of users of reports that contain specific types of information, or that are used for certain purposes, and the legal consequences of violations. If you are a furnisher of information to a consumer reporting agency (CRA), you have additional obligations and will receive a separate notice from the CRA describing your duties as a furnisher.

#### **I. OBLIGATIONS OF ALL USERS OF CONSUMER REPORTS**

##### **A. Users Must Have a Permissible Purpose**

Congress has limited the use of consumer reports to protect consumers' privacy. All users must have a permissible purpose under the FCRA to obtain a consumer report. Section 604 contains a list of the permissible purposes under the law. These are:

- As ordered by a court or a federal grand jury subpoena. Section 604(a)(1)
- As instructed by the consumer in writing. Section 604(a)(2)
- For the extension of credit as a result of an application from a consumer, or the review or collection of a consumer's account. Section 604(a)(3)(A)
- For employment purposes, including hiring and promotion decisions, where the consumer has given written permission. Sections 604(a)(3)(B) and 604(b)
- For the underwriting of insurance as a result of an application from a consumer. Section 604(a)(3)(C)
- When there is a legitimate business need, in connection with a business transaction that is initiated by the consumer. Section 604(a)(3)(F)(i)
- To review a consumer's account to determine whether the consumer continues to meet the terms of the account. Section 604(a)(3)(F)(ii)
- To determine a consumer's eligibility for a license or other benefit granted by a governmental instrumentality required by law to consider an applicant's financial responsibility or status. Section 604(a)(3)(D)
- For use by a potential investor or servicer, or current insurer, in a valuation or assessment of the credit or prepayment risks associated with an existing credit obligation. Section 604(a)(3)(E)

For use by state and local officials in connection with the determination of child support payments, or modifications and enforcement thereof. Sections 604(a)(4) and 604(a)(5) In addition, creditors and insurers may obtain certain consumer report information for the purpose of making “prescreened” unsolicited offers of credit or insurance. Section 604(c). The particular obligations of users of “prescreened” information are described in Section VII below.

#### B. Users Must Provide Certifications

Section 604(f) prohibits any person from obtaining a consumer report from a consumer reporting agency (CRA) unless the person has certified to the CRA the permissible purpose(s) for which the report is being obtained and certifies that the report will not be used for any other purpose.

#### C. Users Must Notify Consumers When Adverse Actions Are Taken

The term “adverse action” is defined very broadly by Section 603. “Adverse actions” include all business, credit, and employment actions affecting consumers that can be considered to have a negative impact as defined by Section 603(k) of the FCRA – such as denying or canceling credit or insurance, or denying employment or promotion. No adverse action occurs in a credit transaction where the creditor makes a counteroffer that is accepted by the consumer.

##### 1. Adverse Actions Based on Information Obtained From a CRA

If a user takes any type of adverse action as defined by the FCRA that is based at least in part on information contained in a consumer report, Section 615(a) requires the user to notify the consumer. The notification may be done in writing, orally, or by electronic means. It must include the following:

- The name, address, and telephone number of the CRA (including a toll-free telephone number, if it is a nationwide CRA) that provided the report.
- A statement that the CRA did not make the adverse decision and is not able to explain why the decision was made.
- A statement setting forth the consumer’s right to obtain a free disclosure of the consumer’s file from the CRA if the consumer makes a request within 60 days.
- A statement setting forth the consumer’s right to dispute directly with the CRA the accuracy or completeness of any information provided by the CRA.

##### 2. Adverse Actions Based on Information Obtained From Third Parties Who Are Not Consumer Reporting Agencies

If a person denies (or increases the charge for) credit for personal, family, or household purposes based either wholly or partly upon information from a person other than a CRA, and the information is the type of consumer information covered by the FCRA, Section 615(b)(1) requires that the user clearly and accurately disclose to the consumer his or her right to be told the nature of the information that was relied upon if the consumer makes a written request within 60 days of notification. The user must provide the disclosure within a reasonable period of time following the consumer’s written request.

##### 3. Adverse Actions Based on Information Obtained From Affiliates

If a person takes an adverse action involving insurance, employment, or a credit transaction initiated by the consumer, based on information of the type covered by the FCRA, and this information was obtained from an entity affiliated with the user of the information by common ownership or control, Section 615(b)(2) requires the user to notify the consumer of the adverse action. The notice must inform the consumer that he or she may obtain a disclosure of the nature of the information relied upon by making a written request within 60 days of receiving the adverse action notice. If the consumer makes such a request, the user must disclose the nature of the information not later than 30 days after receiving the request. If consumer report information is shared among affiliates and

then used for an adverse action, the user must make an adverse action disclosure as set forth in I.C. 1 above.

**D. Users Have Obligations When Fraud and Active Duty Military Alerts are in Files**

When a consumer has placed a fraud alert, including one relating to identity theft, or an active duty military alert with a nationwide consumer reporting agency as defined in Section 603(p) and resellers, Section 605A(h) imposes limitations on users of reports obtained from the consumer reporting agency in certain circumstances, including the establishment of a new credit plan and the issuance of additional credit cards. For initial fraud alerts and active duty alerts, the user must have reasonable policies and procedures in place to form a belief that the user knows the identity of the applicant or contact the consumer at a telephone number specified by the consumer; in the case of extended fraud alerts, the user must contact the consumer in accordance with the contact information provided in the consumer's alert.

**E. Users Have Obligations When Notified of an Address Discrepancy**

Section 605(h) requires nationwide CRAs, as defined in Section 603(p), to notify users that request reports when the address for a consumer provided by the user in requesting the report is substantially different from the addresses in the consumer's file. When this occurs, users must comply with regulations specifying the procedures to be followed. Federal regulations are available at [www.consumerfinance.gov/learnmore](http://www.consumerfinance.gov/learnmore).

**F. Users Have Obligations When Disposing of Records**

Section 628 requires that all users of consumer report information have in place procedures to properly dispose of records containing this information. Federal regulations have been issued that cover disposal.

**II. CREDITORS MUST MAKE ADDITIONAL DISCLOSURES**

If a person uses a consumer report in connection with an application for, or a grant, extension, or provision of, credit to a consumer on material terms that are materially less favorable than the most favorable terms available to a substantial proportion of consumers from or through that person, based in whole or in part on a consumer report, the person must provide a risk-based pricing notice to the consumer in accordance with regulations prescribed by the CFPB .

Section 609(g) requires a disclosure by all persons that make or arrange loans secured by residential real property (one to four units) and that use credit scores.

These persons must provide credit scores and other information about credit scores to applicants, including the disclosure set forth in Section 609(g)(1)(D) ("Notice to the Home Loan Applicant").

**III. OBLIGATIONS OF USERS WHEN CONSUMER REPORTS ARE OBTAINED FOR EMPLOYMENT PURPOSES**

**A. Employment Other Than in the Trucking Industry**

If information from a CRA is used for employment purposes, the user has specific duties, which are set forth in Section 604(b) of the FCRA. The user must:

- Make a clear and conspicuous written disclosure to the consumer before the report is obtained, in a document that consists solely of the disclosure, that a consumer report may be obtained.
- Obtain from the consumer prior written authorization. Authorization to access reports during the term of employment may be obtained at the time of employment.
- Certify to the CRA that the above steps have been followed, that the information being obtained will not be used in violation of any federal or state equal opportunity law or regulation, and that, if any adverse action is to be taken based on the consumer report, a copy of the report and a summary of the consumer's rights will be provided to the consumer.

- Before taking an adverse action, the user must provide a copy of the report to the consumer as well as the summary of consumer's rights. (The user should receive this summary from the CRA.) A Section 615(a) adverse action notice should be sent after the adverse action is taken.

An adverse action notice also is required in employment situations if credit information (other than transactions and experience data) obtained from an affiliate is used to deny employment. Section 615(b)(2)

The procedures for investigative consumer reports and employee misconduct investigations are set forth below.

#### B. Employment in the Trucking Industry

Special rules apply for truck drivers where the only interaction between the consumer and the potential employer is by mail, telephone, or computer. In this case, the consumer may provide consent orally or electronically, and an adverse action may be made orally, in writing, or electronically. The consumer may obtain a copy of any report relied upon by the trucking company by contacting the company.

### **IV. OBLIGATIONS WHEN INVESTIGATIVE CONSUMER REPORTS ARE USED**

Investigative consumer reports are a special type of consumer report in which information about a consumer's character, general reputation, personal characteristics, and mode of living is obtained through personal interviews by an entity or person that is a consumer reporting agency.

Consumers who are the subjects of such reports are given special rights under the FCRA. If a user intends to obtain an investigative consumer report, Section 606 requires the following:

- The user must disclose to the consumer that an investigative consumer report may be obtained. This must be done in a written disclosure that is mailed, or otherwise delivered, to the consumer at some time before or not later than three days after the date on which the report was first requested. The disclosure must include a statement informing the consumer of his or her right to request additional disclosures of the nature and scope of the investigation as described below, and the summary of consumer rights required by Section 609 of the FCRA. (The summary of consumer rights will be provided by the CRA that conducts the investigation.)
- The user must certify to the CRA that the disclosures set forth above have been made and that the user will make the disclosure described below.
- Upon the written request of a consumer made within a reasonable period of time after the disclosures required above, the user must make a complete disclosure of the nature and scope of the investigation. This must be made in a written statement that is mailed, or otherwise delivered, to the consumer no later than five days after the date on which the request was received from the consumer or the report was first requested, whichever is later in time.

### **V. SPECIAL PROCEDURES FOR EMPLOYEE INVESTIGATIONS**

Section 603(x) provides special procedures for investigations of suspected misconduct by an employee or for compliance with Federal, state or local laws and regulations or the rules of a self-regulatory organization, and compliance with written policies of the employer. These investigations are not treated as consumer reports so long as the employer or its agent complies with the procedures set forth in Section 603(x), and a summary describing the nature and scope of the inquiry is made to the employee if an adverse action is taken based on the investigation.

### **VI. OBLIGATIONS OF USERS OF MEDICAL INFORMATION**

Section 604(g) limits the use of medical information obtained from consumer reporting agencies (other than payment information that appears in a coded form that does not identify the medical provider). If the information is to be used for an insurance transaction, the consumer must give consent to the user of the report or the information must be coded. If the report is to be used for employment purposes – or in connection with a credit transaction (except as provided in regulations issued by the banking and credit union regulators) – the consumer must provide specific written consent and the medical information must be relevant. Any user who receives medical information shall not disclose the information to any other person (except where necessary to carry out the purpose for which the information was disclosed, or as permitted by statute, regulation, or order).

#### **VII. OBLIGATIONS OF USERS OF “PRESCREENED” LISTS**

The FCRA permits creditors and insurers to obtain limited consumer report information for use in connection with unsolicited offers of credit or insurance under certain circumstances. Sections 603(l), 604(c), 604(e), and 615(d). This practice is known as “prescreening” and typically involves obtaining from a CRA a list of consumers who meet certain pre-established criteria. If any person intends to use prescreened lists, that person must (1) before the offer is made, establish the criteria that will be relied upon to make the offer and to grant credit or insurance, and (2) maintain such criteria on file for a three-year period beginning on the date on which the offer is made to each consumer. In addition, any user must provide with each written solicitation a clear and conspicuous statement that:

- Information contained in a consumer’s CRA file was used in connection with the transaction.
- The consumer received the offer because he or she satisfied the criteria for credit worthiness or insurability used to screen for the offer.
- Credit or insurance may not be extended if, after the consumer responds, it is determined that the consumer does not meet the criteria used for screening or any applicable criteria bearing on credit worthiness or insurability, or the consumer does not furnish required collateral.
- The consumer may prohibit the use of information in his or her file in connection with future prescreened offers of credit or insurance by contacting the notification system established by the CRA that provided the report. The statement must include the address and toll-free telephone number of the appropriate notification system.

In addition, the CFPB has established the format, type size, and manner of the disclosure required by Section 615(d), with which users must comply. The relevant regulation is 12 CFR 1022.54.

#### **VIII. OBLIGATIONS OF RESELLERS**

##### **A. Disclosure and Certification Requirements**

Section 607(e) requires any person who obtains a consumer report for resale to take the following steps:

- Disclose the identity of the end-user to the source CRA.
- Identify to the source CRA each permissible purpose for which the report will be furnished to the end- user.
- Establish and follow reasonable procedures to ensure that reports are resold only for permissible purposes, including procedures to obtain:
  - (1) the identity of all end-users;
  - (2) certifications from all users of each purpose for which reports will be used; and
  - (3) certifications that reports will not be used for any purpose other than the purpose(s) specified to the reseller. Resellers must make reasonable efforts to verify this information before selling the report.

##### **B. Reinvestigations by Resellers**



Under Section 611(f), if a consumer disputes the accuracy or completeness of information in a report prepared by a reseller, the reseller must determine whether this is a result of an action or omission on its part and, if so, correct or delete the information. If not, the reseller must send the dispute to the source CRA for reinvestigation. When any CRA notifies the reseller of the results of an investigation, the reseller must immediately convey the information to the consumer.

C. Fraud Alerts and Resellers

Section 605A(f) requires resellers who receive fraud alerts or active duty alerts from another consumer reporting agency to include these in their reports.

## IX. LIABILITY FOR VIOLATIONS OF THE FCRA

Failure to comply with the FCRA can result in state government or federal government enforcement actions, as well as private lawsuits. Sections 616, 617, and 621. In addition, any person who knowingly and willfully obtains a consumer report under false pretenses may face criminal prosecution. Section 619.

**The CFPB's website, [www.consumerfinance.gov/learnmore](http://www.consumerfinance.gov/learnmore), has more information about the FCRA, including publications for businesses and the full text of the FCRA.**

**Citations for FCRA sections in the U.S. Code, 15 U.S.C. § 1681 et seq.:**

Section 602 15 U.S.C. 1681

Section 603 15 U.S.C. 1681a

Section 604 15 U.S.C. 1681b

Section 605 15 U.S.C. 1681c Section 605A 15 U.S.C. 1681cA Section 605B 15 U.S.C. 1681cB

Section 606 15 U.S.C. 1681d

Section 607 15 U.S.C. 1681e

Section 608 15 U.S.C. 1681f

Section 609 15 U.S.C. 1681g

Section 610 15 U.S.C. 1681h

Section 611 15 U.S.C. 1681i

Section 612 15 U.S.C. 1681j

Section 613 15 U.S.C. 1681k

Section 614 15 U.S.C. 1681l

Section 615 15 U.S.C. 1681m

Section 616 15 U.S.C. 1681n

Section 617 15 U.S.C. 1681o

Section 618 15 U.S.C. 1681p

Section 619 15 U.S.C. 1681q

Section 620 15 U.S.C. 1681r

Section 621 15 U.S.C. 1681s

Section 622 15 U.S.C. 1681s-1

Section 623 15 U.S.C. 1681s-2

Section 624 15 U.S.C. 1681t

Section 625 15 U.S.C. 1681u

Section 626 15 U.S.C. 1681v

Section 627 15 U.S.C. 1681w

Section 628 15 U.S.C. 1681x

Section 629 15 U.S.C. 1681y

**ATTACHMENT 4**

**VERMONT FAIR CREDIT REPORTING CONTRACT CERTIFICATION**

The undersigned, (“User Agency”), acknowledges that it subscribes to receive various information services from TALX Corporation, provider of Equifax Verification Services (“EVS”), in accordance with the Vermont Fair Credit Reporting Statute, 9 V.S.A. § 2480e (1999), as amended (the “VFCRA”), and the federal Fair Credit Reporting Act, 15, U.S.C. 1681 et. seq., as amended (the “FCRA”), and its other state law counterparts. In connection with User Agency’s continued use of EVS services in relation to Vermont consumers, User Agency hereby certifies as follows:

Vermont Certification. User Agency certifies that it will comply with applicable provisions under Vermont law. In particular, User Agency certifies that it will order Data relating to Vermont residents, that are credit reports as defined by the VFCRA, only after User Agency has received prior consumer consent in accordance with VFCRA § 2480e and applicable Vermont Rules. User Agency further certifies that the attached copy of VFCRA § 2480e applicable Vermont Rules were received from EVS.

**User Agency:** \_\_\_\_\_

Signed By: \_\_\_\_\_

Printed Name and Title: \_\_\_\_\_

Account Number: \_\_\_\_\_

Date: \_\_\_\_\_

**Please also include the following information:**

Compliance Officer or Person Responsible for Credit Reporting Compliance

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

E-Mail Address: \_\_\_\_\_

Phone: \_\_\_\_\_ Fax: \_\_\_\_\_

**Vermont Fair Credit Reporting Statute, 9 V.S.A. § 2480e (1999)**

**§ 2480e. Consumer consent**

- (a) A person shall not obtain the credit report of a consumer unless:
- (1) the report is obtained in response to the order of a court having jurisdiction to issue such an order; or
  - (2) the person has secured the consent of the consumer, and the report is used for the purpose consented to by the consumer.
- (b) Credit reporting agencies shall adopt reasonable procedures to assure maximum possible compliance with subsection (a) of this section.
- (c) Nothing in this section shall be construed to affect:
- (1) the ability of a person who has secured the consent of the consumer pursuant to subdivision (a)(2) of this section to include in his or her request to the consumer permission to also obtain credit reports, in connection with the same transaction or extension of credit, for the purpose of reviewing the account, increasing the credit line on the account, for the purpose of taking collection action on the account, or for other legitimate purposes associated with the account; and
  - (2) the use of credit information for the purpose of prescreening, as defined and permitted from time to time by the Federal Trade Commission.

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**VERMONT RULES \*\*\* CURRENT THROUGH JUNE 1999 \*\*\***  
**AGENCY 06. OFFICE OF THE ATTORNEY GENERAL**  
**SUB-AGENCY 031. CONSUMER PROTECTION DIVISION**  
**CHAPTER 012. Consumer Fraud--Fair Credit Reporting**  
**RULE CF 112 FAIR CREDIT REPORTING**  
**CVR 06-031-012, CF 112.03 (1999)**  
**CF 112.03 CONSUMER CONSENT**

- (a) A person required to obtain consumer consent pursuant to 9 V.S.A. §§ 2480e and 2480g shall obtain said consent in writing if the consumer has made a written application or written request for credit, insurance, employment, housing or governmental benefit. If the consumer has applied for or requested credit, insurance, employment, housing or governmental benefit in a manner other than in writing, then the person required to obtain consumer consent pursuant to 9 V.S.A. §§ 2480e and 2480g shall obtain said consent in writing or in the same manner in which the consumer made the application or request. The terms of this rule apply whether the consumer or the person required to obtain consumer consent initiates the transaction.
- (b) Consumer consent required pursuant to 9 V.S.A. §§ 2480e and 2480g shall be deemed to have been obtained in writing if, after a clear and adequate written disclosure of the circumstances under which a credit report or credit reports may be obtained and the purposes for which the credit report or credit reports may be obtained, the consumer indicates his or her consent by providing his or her signature.
- (c) The fact that a clear and adequate written consent form is signed by the consumer after the consumer's credit report has been obtained pursuant to some other form of consent shall not affect the validity of the earlier consent.



**Pricing Proposal**

**State of California**  
Master Services Agreement

**Proposal Date:** 3/18/2022  
*Proposal valid through:* 6/16/2022  
**Contract Term:** As noted below

**PRODUCT: THE WORK NUMBER EXPRESS SOCIAL SERVICE**

**USE-CASE: VERIFICATION OF INCOME FOR BENEFITS ELIGIBILITY**

**WEB, BATCH, & INTEGRATION - PRICE PER TRANSACTION**

<b>Contract Term</b>	<b>Rate Per Transaction</b>
<i>Year 1 Pricing (2021 - 2022)</i>	\$10.30
<i>Year 2 Pricing (2022 - 2023)</i>	\$11.33
<i>Year 3 Pricing (2023 - 2024)</i>	\$12.46
<i>Year 4 Pricing (2025 - 2026)</i>	\$13.70
<i>Year 5 Pricing (2026 - 2027)</i>	\$15.08

*\*Above pricing is applicable for "Select All" filter configuration, and is applicable to agencies buying 3,000 annual transactions or more. Additional date range filters can be quoted upon request.*  
*\*Additional discounts are available to be negotiated based on volume, annual minimum commitment length and the scope of records to be requested, as agreed upon in writing by the user agency and contractor"*  
*\*Minimum batch submission file is 50,000 SSNs.*

**PRODUCT: THE WORK NUMBER EXPRESS SOCIAL SERVICE**

**USE-CASE: VERIFICATION OF EMPLOYMENT FOR BENEFITS ELIGIBILITY**

**WEB, BATCH, & INTEGRATION - PRICE PER TRANSACTION**

<b>Contract Term</b>	<b>Rate Per Transaction</b>
<i>Year 1 Pricing (2021 - 2022)</i>	\$10.30
<i>Year 2 Pricing (2022 - 2023)</i>	\$11.33
<i>Year 3 Pricing (2023 - 2024)</i>	\$12.46
<i>Year 4 Pricing (2025 - 2026)</i>	\$13.70
<i>Year 5 Pricing (2026 - 2027)</i>	\$15.08

*\*Above pricing is applicable for "Select All" filter configuration, and is applicable to agencies buying 3,000 annual transactions or more. Additional date range filters can be quoted upon request.*  
*\*Additional discounts are available to be negotiated based on volume, annual minimum commitment length and the scope of records to be requested, as agreed upon in writing by the user agency and contractor"*  
*\*Minimum batch submission file is 50,000 SSNs.*



**Pricing Proposal**

**State of California**  
Master Services Agreement

**Proposal Date:** 3/18/2022  
*Proposal valid through:* 6/16/2022  
**Contract Term:** As noted below

**PRODUCT: THE WORK NUMBER EXPRESS SOCIAL SERVICE - INTEGRATION SERVICES**

**USE-CASE: VERIFICATION OF EMPLOYMENT AND INCOME FOR BENEFITS ELIGIBILITY**

**ONE TIME INTEGRATION FEE**

<b>START UP FEE</b>	\$150,000
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**OTHER CHARGES**

<b>Account Service Fee (Monthly Charge based on volume &amp; Pricing Structure)</b>		
<b>Annual Transaction Volume</b>		<b>Monthly Fee</b>
<b>Min</b>	<b>Max</b>	
<b>3,000</b>	<b>10,000</b>	\$250
<b>10,001</b>	<b>200,000</b>	\$500
<b>200,001</b>	<b>600,000</b>	\$2,500
<b>600,001</b>	<b>+</b>	\$5,000

**Pricing Terms & Conditions:**

The above pricing reflects the rate for each successful hit and is based on one use/decision per hit. A hit is defined by a database search which successfully returns data. Each employer returned in a Verification Report constitutes a separate "Transaction". For example, two (2) employers returned in a Verification Report will count as two (2) separate Transactions.

Empty rectangular box for additional terms or conditions.

State of California  
**MASTER SERVICE AGREEMENT**  
**USER INSTRUCTIONS**  
NON-MANDATORY

Effective Date: 3/24/2022

<b>TITLE/DESCRIPTION:</b>	Employment and Income Verification Services
<b>CONTRACT NUMBERS:</b>	5-22-70-29 TALX Corporation
<b>CONTRACT TERM:</b>	03/18/2022 through 03/18/2025
<b>FOR USE BY:</b>	State and Local Governmental Agencies
<b>STATE CONTRACT ADMINISTRATOR:</b>	Kush Kishor (279) 946-8161 <a href="mailto:Kush.Kishor@dgs.ca.gov">Kush.Kishor@dgs.ca.gov</a>

User Agencies are instructed to carefully review these User Instructions in their entirety. For questions, please contact the State Contract Administrator and reference the "Title/Description" and/or Contract Number listed above. Changes to this document will be issued through a User Instructions Supplement.

ORIGINAL ON FILE

**Kush Kishor, State Contract Administrator**

## SUMMARY OF CHANGES

Supplement Number	Description/Sections	Effective Date
N/A	Original User Instructions posted.	03/24/2022

All changes to most recent Supplement are in ***bold red italic***. Additions are enclosed in asterisks; deletions are enclosed in brackets.



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## **USER INSTRUCTIONS**

### **1. SCOPE AND OVERVIEW**

The Department of General Services, Procurement Division (DGS-PD) has established this California Master Service Agreement (MSA) for The Work Number® Express Social Service Verification and The Work Number® Employment Verification with TALX Corporation, pursuant to Public Contract Code (PCC) §10298. The use of this MSA is optional for all State Agencies and local governmental agency users, hereinafter collectively referred to as “User Agency(ies)”.

The MSA provides User Agencies the opportunity to acquire products and services in accordance with the instructions provided herein and the terms and conditions outlined in the MSA.

Contractor shall provide the following products and services in accordance with the MSA terms and conditions:

Contractor operates The Work Number (“TWN”), a service used to verify employment and income information about any individual (“Consumer”), and various other services (“EVS Services”) used to verify certain Consumer information (TWN and EVS Services are collectively referred to herein as the “Services”).

Employment and income verification services may be procured individually or bundled together in a customized service package.

Services may be available to User Agencies in multiple returns (e.g., 3-month, 6-month, 1-year, etc.)

MSA information and pricing are posted in Cal eProcure at the links below:

<b>MSA Number</b>	<b>Contractor Name</b>
<a href="#">5-22-70-29</a>	TALX Corporation

Note: Throughout this document, “MSA” may be used interchangeably with “Agreement.” “User Agreements” shall refer to Contracts or Purchase Orders established under the MSA between User Agencies and the Contractor. Ordering and usage instructions exclusive to State departments or political subdivisions/local government agencies shall be identified within each section.

#### **A. Contract Pricing**

- 1) The maximum rates for Services to be provided in the MSA are listed in Attachment B.1, Rate Sheet.
- 2) Contractor may offer greater discounts and/or lower prices than those published in Attachment B.1: Rate Sheet, based on available promotions, existing contracts, the quantity purchased, or a multi-year commitment.

- 3) User Agencies are encouraged to negotiate lower pricing with Contractor, based on their needs.

## **2. AGREEMENT TERM**

- A. MSA term is for three (3) years through March 18, 2025. The DGS, at its sole discretion, may extend the MSAs for two (2) additional one (1) year periods or portion thereof at the same rates, terms, and conditions. Refer to Cal eProcure for current individual MSA term dates.
- B. User Agencies' User Agreements must be executed on or before the expiration date of the MSA. The term of the User Agreement may extend for up to twelve (12) months beyond the MSA expiration date.
- C. User Agencies may terminate their User Agreement(s) or cancel a portion of the service for any reason with thirty (30) days written notice.

## **3. CONTRACT USAGE/RULES**

### **A. Adherence to Applicable Laws**

State Agencies must adhere to all applicable State laws, regulations, policies, best practices, and purchase authority requirements (e.g. California Codes, Code of Regulations, State Administrative Manual, Management Memos, and State Contracting Manuals).

### **B. Purchasing Authority**

For this MSA the acquisition method, type and category are:

<b>Acquisition Method</b>	Leveraged Procurement Agreements (no further competition required)
<b>Acquisition Type</b>	Master Agreements
<b>Acquisition Category</b>	IT Services

Prior to executing User Agreements under this MSA, State Agencies must have been granted purchasing authority by DGS-PD for the use of the method, type, and categories listed above. The State Agency's current Purchasing Authority Number must be entered in the appropriate location on each purchase document. State Agencies may contact the DGS-PD Purchasing Authority Management Section for information at [pams@dgs.ca.gov](mailto:pams@dgs.ca.gov).

### C. Order Limits/Dollar Thresholds

State Agencies may execute User Agreements/Purchase Orders up to the maximum order limit as specified by their approved delegated purchasing authority. Each State Agency's purchasing authority is listed by acquisition method, type, and category on their Purchasing Authority Approval Letter (PAAL). Please refer to this web [link](#) and for information regarding Departments with Approved Purchasing Authority.

### D. Agreement Summary (STD 215)

State Agencies using the MSA must complete and retain an Agreement Summary (STD 215) within their contract file.

## 4. CONTRACT ADMINISTRATION

The State and Contractor contract administrators, assigned as single points of contact for problem resolution and related contract issues, are listed below.

### A. State Contact

State Contract Administrator	
<b>Name:</b>	Kush Kishor
<b>Phone:</b>	(279) 946-8161
<b>E-Mail:</b>	Kush.Kishor@dgs.ca.gov
<b>Address:</b>	Department of General Services Procurement Division 707 Third Street, 2 <sup>nd</sup> Floor, MS 2-202 West Sacramento, CA 95605

### B. Contractor Contact

TALX Contract Administrator	
<b>Name:</b>	Rick Keene
<b>Phone:</b>	(530) 354-5711
<b>Email:</b>	Rick.Keene@equifax.com
<b>Address:</b>	TALX Corporation 11432 Lackland Rd St. Louis, MO 63146

**C. Problem Resolution/Contractor Performance**

User Agencies should first attempt to resolve complaints, issues or disputes informally with the Contractor. If the issue or dispute cannot be resolved by the User Agency, the issue may be elevated to the DGS-PD State Contract Administrator.

**5. ORDERING PROCESS**

**A. Contractor Selection Process**

User Agencies are not required to complete a Request for Offer (RFO) or to solicit multiple offers when executing contracts under this MSA. However, User Agencies are encouraged to negotiate the best cost and best value from the MSA contractor. The costs can always be lower than those provided under the MSA, however, they shall NOT exceed the agreed upon rates.

**B. Services Selection Process**

The recommended services selection steps are as follows:

Step	Description
1	User Agency determines which services are needed.  Areas to consider include, but are not limited to, the following: <ul style="list-style-type: none"> <li>➤ Required services (Review MSA’s Exhibit A: Statement of Work)</li> <li>➤ Type of verifications needed                             <ul style="list-style-type: none"> <li>• Verifications can procure individually (employment verification or income verification) or as a combination of both verifications</li> </ul> </li> <li>➤ Anticipated number of verifications (monthly/annually)</li> <li>➤ Purpose of the verifications</li> <li>➤ Anticipated term of User Agreement</li> <li>➤ Anticipated form of payment (check, Cal-Card)</li> </ul>
2	User Agency meets with Contractor to discuss the User Agency’s intended services and the Contractor’s product/service offerings. Contractor will determine what information is required from the User Agency.
3	Contractor provides the User Agency proposed pricing for the services that the User Agency is seeking.
4	User Agency reviews proposed pricing to determine if Contractor meets the User Agency’s specific business needs.

Step	Description
5	User Agency executes a User Agreement with the Contractor. (Refer Section 5.C of these User Instructions for User Agreement requirements and execution).

### C. User Agreement Requirements

Prior to rendering services, the User Agency and the Contractor must execute a User Agreement that:

- Incorporates all of the terms and conditions of the MSA by reference (i.e. *“Master Service Agreement <MSA Number> and its amendments are hereby incorporated by reference and made a part of this agreement.”*)
- Includes specific User Agency terms and requirements (i.e. scope of work, agency contact, and payment provisions, as applicable) none of which may alter, rescind, or be in conflict with the terms and conditions of the MSA.

Note: While there is no need to duplicate the MSA contract language, User Agencies should include details specific to the User Agreement between the User Agency and the Contractor.

#### 1) State Agency - Contract Form

State Agency User Agreements must contain the following:

- State Agencies not transacting in FI\$Cal must use the Standard Agreement (STD 213) for User Agreements.
- State Agencies transacting in FI\$Cal will follow the FI\$Cal procurement and contracting procedures.
- Scope of Work (SOW) – Including the specific services being ordered and the agency contract manager contact information. Include SOW as Exhibit A of the User Agreement.
- Agency specific terms and conditions – Including budget, invoice and payment provisions (e.g. mailing address/contact for invoices) as applicable.
- The contract language for the MSA contract executed with DGS is not to be attached to the User Agency’s User Agreement. Do not change or repeat the terms and conditions of the MSA.
- **DARFUR CONTRACTING ACT CERTIFICATION**  
 Contractor has a signed Darfur Contracting Act Certification on file with the DGS-PD.

- **CALIFORNIA CIVIL RIGHTS LAWS CERTIFICATION**  
Contractor has a signed California Civil Rights Law Certification on file with the DGS-PD.
- **IRAN CONTRACTING ACT CERTIFICATION**  
Contractor has a signed Iran Contracting Act Certification on file with the DGS-PD.

## 2) Local Agency - Contract Form

Local governmental agency User Agreements must contain the following:

- Local Agency's contract form/document (equivalent to the State's STD 213 form)
- Scope of Work – Including the specific services being ordered and the agency contract manager contact information. Include SOW as Exhibit A of the User Agreement.
- Agency specific terms and conditions – Including, budget, invoice and payment provisions (e.g. mailing address/contact for invoices) as applicable.
- The contract language for the MSA contract executed with DGS is not to be attached to the User Agency's User Agreement. Do not change or repeat the terms and conditions of the MSA.

## **D. User Agreement Execution and Distribution**

User Agencies must submit executed User Agreements as follows:

### Contractor Copies

User Agency shall provide a copy of the executed User Agreement to the MSA Contractor Contract Administrator.

## **6. SMALL BUSINESS/DISABLED VETERAN BUSINESS ENTERPRISE PARTICIPATION**

Contractor is not a California-certified Small Business (SB) or Disabled Veteran Business Enterprise (DVBE).

## **7. DGS ADMINISTRATIVE FEE**

### **A. DGS Administrative Fee**

#### 1) State Agencies

The DGS will bill each State Agency an administrative fee for use of this statewide MSA. The administrative fee should NOT be included in the order total, nor remitted before an invoice is received from DGS.

Current fees are available online in the DGS Price Book located at:  
<https://www.dgs.ca.gov/OFS/Price-Book>. (Click on the link under “Current Price Book.”)

2) Political Subdivisions/Local Government Agencies

For all Local Government Agency transactions invoiced against the MSA, the Contractor will be required to remit to the DGS-PD an Incentive Fee of an amount equal to 1.25 percent of the total purchase order amount excluding taxes, freight, returned products and credits.

**8. FREE ON BOARD (F.O.B.) DESTINATION**

All prices are F.O.B. destination; freight prepaid by the contractor, to the ordering organization’s receiving point. Responsibility and liability for loss or damage for all orders will remain with the contractor until final inspection and acceptance, when all responsibility will pass to the ordering organization, except the responsibility for latent defects, fraud, and the warranty obligations.

**9. INVOICING AND PAYMENT**

**A. Payment Terms**

Refer to Exhibit B of the MSA for payment terms and provisions.

**B. Payee Data Record (State Agencies Only)**

Each State accounting office must have a Payee Data Record (Std. 204) in order to process payment of invoices. Agencies should request a Std. 204 from the contractor and forward a copy of the Std. 204 to their accounting office(s). Without the Std. 204, payment to the contractor may be unnecessarily delayed.

**C. CAL-Card Use**

State departments may use the CAL-Card for the payment of invoices. Use of the CAL-Card requires the execution of a Standard Agreement (STD 213) and/or Purchasing Authority Purchase Order (STD 65) and must include all required documentation applicable to the purchase.

CAL-Card is a payment mechanism, not a procurement approach and, therefore, does not relieve departments from adhering to all procurement laws, regulations, policies, procedures, and best practices, including those discussed in the State Contracting Manuals. This includes but is not limited to the application of all sales and use tax laws, rules and policies as applicable to the purchase.