



ATTACHMENT F B

SUBORDINATE CONTRACT AGREEMENT
MA-063-18010245 15010941
WITH
BIT CALIFORNIA LLC DBA DOCUMENT FULFILLMENT SERVICES
FOR
CALWIN CLIENT CORRESPONDENCE PRINTING, POSTAGE & MAILING SERVICES

This Subordinate Contract Agreement MA-063-18010245 15010941 (referred to as "Contract") is made and entered into, upon execution of all necessary signatures between the County of Orange, Social Services Agency (SSA), a political subdivision of the State of California, with a place of business at 500 N. State College Blvd., Orange, CA 888 N. Main St., Santa Ana, CA 92701 (referred to as "County"), and BIT California LLC dba Document Fulfillment Services, having a place of business at 910 Riverside Pkwy, STE 40 West Sacramento, CA 95605-1510 (referred to as "Contractor"), for CalWIN Client Correspondence Printing, Postage & Mailing Services. County and Contractor may be individually referred to as "Party", or collectively as "Parties".

ATTACHMENTS

~~This Contract is entered into pursuant to the County of Sacramento Contract # WA00025381 revision #2 and its scope of work, terms, conditions and pricing which are attached herein and incorporated by this reference.~~

~~Attachment A1—County of Sacramento Contract # WA00025381 revision #2~~

This Contract is comprised of this document and the following Attachment I and all exhibits which are incorporated herein into this Contract:

Attachment I – County of Sacramento Contract # DHA-DFS-01-18 and the following Exhibits:

- A – Scope of Services
- B – Insurance Requirements
- C – Budget Requirements
- D – Additional Provisions
- E – Audit Requirements
- F – Schedule of Federal Funds

RECITALS

~~WHEREAS, County, SSA desires to enter into a Contract for CalWIN Client Correspondence Printing, Postage & Mailing Services for SSA; and~~

~~WHEREAS, County and Contractor agree that Contract MA-063-15010941 is executed upon mutual agreement of both parties and County of Orange Board of Supervisors approval; and~~

~~WHEREAS, Contractor is willing to provide the CalWIN Client Correspondence Printing, Postage & Mailing Services for SSA specified in this Master Agreement to SSA;~~

~~NOW, THEREFORE, the parties mutually agree:~~

WHEREAS, the County of Sacramento entered into Contract # DHA-DFS-01-18 with Contractor, effective September 1, 2017 through June 30, 2022 for CalWIN Client Correspondence Printing, Postage & Mailing Services (referred to as "Services") with the possibility of one five-year extension; and

WHEREAS, County desires to enter into this Contract for the Services per the County of Sacramento Contract # DHA-DFS-01-18; and

WHEREAS, Contractor is willing to provide the Services per the County of Sacramento Contract # DHA-DFS-01-18; and

WHEREAS, County and Contractor agree that this Contract is effective upon execution of both Parties and will commence on November 1, 2017; and



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**SUBORDINATE CONTRACT AGREEMENT
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NOW, THEREFORE, the Parties mutually agree:

ARTICLES

- ~~1. **Scope of Contract:** This Contract specifies the terms and conditions by which SSA will procure CalWIN Client Correspondence Printing, Postage & Mailing Services for SSA from the Contractor, referred to as "Services" as more fully detailed in the Attachment A.~~
- ~~2. **Term of Contract:** This Contract shall commence on March 1, 2015 and continue through and including February 28, 2017, unless otherwise terminated by the County.~~
- ~~3. **Compensation & Payment:** Contractor agrees to provide CalWIN Client Correspondence Printing, Postage & Mailing Services for SSA as set forth in the Attachment A. The total cost of this Contract shall not exceed \$7,200,000.~~
- ~~4. **Invoicing:** Invoices are to be submitted electronically as a PDF file attachment with the supporting documents to: Yan.Wang@ssa.ocgov.com with cc to Pam.Miller@ssa.ocgov.com and Brigitte.McLellan@ssa.ocgov.com or they are to be submitted to the following address: Social Services Agency Attn: Payment Processing Desk 888 N. Main St., Santa Ana, CA 92701. Vendor shall reference Master Agreement **MA 063 15010941** on all invoices.~~

~~SSA department utilizing these services shall monitor the Contract expenditure to ensure the monetary limit is not exceeded.~~

~~Payment will be net 30 days after receipt of an invoice in a format acceptable to the County and verified and approved by the agency/department and subject to routine processing requirements. The responsibility for providing an acceptable invoice rests with the contractor.~~

~~An acceptable invoice format shall minimally include:~~

- ~~A. Contractor's name and address;~~
- ~~B. Invoice number and date;~~
- ~~C. Name of County agency/department ordering services/goods;~~
- ~~D. Description of services/goods and date ordered;~~
- ~~E. Contract MA-063-15010941;~~
- ~~F. Total Invoice Amount;~~
- ~~G. Contractor's federal taxpayer's ID number and~~
- ~~H. Contractor's remittance address (if different from line A)~~

- ~~5. **Notices:** Any and all notices, requests demands and other communications contemplated, called for, permitted, or required to be given hereunder shall be in writing, except through the course of the parties' project managers' routine exchange of information and cooperation during the terms of the work and services. Any written communications shall be deemed to have been duly given upon actual in-person delivery, if delivery is by direct hand, or upon delivery on the actual day of receipt or no greater than four calendar days after being mailed by US certified or registered mail, return receipt requested, postage prepaid, whichever occurs first. The date of mailing shall count as the first day. All communications shall be addressed to the appropriate party at the address stated herein or such other address as the parties hereto may designate by written notice from time to time in the manner aforesaid.~~

~~**FOR COUNTY:**~~

~~County of Orange
SSA/Procurement Services
888 N. Main St., 1st Floor
Santa Ana, CA 92701
Attn: Angie Villalpando
Telephone: (714) 541-7768
Fax: (714) 541-7772~~

~~**FOR CONTRACTOR:**~~

~~BIT California LLC dba Document Fulfillment
Services
910 Riverside Pkwy STE 40
West Sacramento, CA 95605-1510
Attn: Steve Shill
Telephone: (916) 374-9002~~

~~**COPY TO:**~~



ATTACHMENT F B

**SUBORDINATE CONTRACT AGREEMENT
MA-063-18010245 45040941**

~~County of Orange
SSA/IT
Attn: Pam Miller
888 N. Main St., 1st floor
Telephone: (714) 541-7713~~

~~6. **Recognition:** Wherever the County of Sacramento is referenced in the Contract No. WA00025381, Contractor will recognize the County of Orange and extend to County the same rights and remedies granted to the County of Sacramento during the entire term of this Contract.~~

~~7. **Contingency of Funds:** Contractor acknowledges that funding or portions of funding for this Contract may be contingent upon state budget approval, receipt of funds from, and/or obligation of funds by, the State of California to County; and inclusion of sufficient funding for the services hereunder in the budget approved by County's Board of Supervisors for each fiscal year covered by this contract. If such approval funding or appropriations are not forthcoming, or are otherwise limited, County may immediately terminate or modify this contract without penalty.~~

1. **Scope of Contract:** The County procures the Services as stated in the County of Sacramento Contract # DHA-DFS-01-18 from Contractor. To the extent that the County of Sacramento Contract #DHA-DFS-01-18 and this Contract conflict, this Contract shall prevail.

2. **Term of Contract:** This Contract shall commence on November 1, 2017 and continue through and including October 31, 2020, unless otherwise terminated by the County. This Contract may be renewed thereafter for two additional one-year terms upon mutual agreement of both Parties. The County does not have to give a reason if it elects not to renew this Contract.

3. **Compensation & Payment:** Contractor agrees to provide the Services at the fixed rates specified and set forth in Exhibit C – Budget Requirements of this Contract and in accordance with the terms and conditions specified in the County of Sacramento Contract # DHA-DFS-01-18. The total amount of this Contract shall not exceed \$18,131,675.00, provided, however, that in the event County desire to procure Services in excess of the stated amount, the Parties shall enter into an amendment to this Contract for such additional expenditure. Amendment to increase the Contract shall be executed in accordance to the County of Orange, Contract Policy Manual, Section 3.3-112 (2).

Invoicing: Invoices are to be submitted to:

SSA/Procurement Services
Attn: Processing Desk (MA)
500 State College Blvd., 5th Floor
Orange, CA 92868-1673

Payment will be net 30 days after receipt of an invoice in a format acceptable to the County and verified and approved by the agency/department and subject to routine processing requirements. The responsibility for providing an acceptable invoice rests with the contractor.

An acceptable invoice format shall minimally include:

- A. Contractor's name and address;
- B. Invoice number and date;
- E. Name of County agency/department ordering services/goods;
- F. Description of services/goods and date ordered;
- E. Contract MA-063-18010245;
- F. Total Invoice Amount;
- I. Contractor's federal taxpayer's ID number and
- J. Contractor's remittance address (if different from line A)

Contractor has the option of receiving payment directly to their bank account via an Electronic Fund Transfer (EFT) process in lieu of a check payment. Payment made via EFT will also receive Electronic Remittance Advice with the payment details via email. An email address will need to be provided to the County via EFT Authorization Form. To request a form, please contact the DPA.



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4. **Notices:** Any and all notices, requests demands and other communications contemplated, called for, permitted, or required to be given hereunder shall be in writing, except through the course of the Parties' project managers' routine exchange of information and cooperation during the terms of the work and services. Any written communications shall be deemed to have been duly given upon actual in-person delivery, if delivery is by direct hand, or upon delivery on the actual day of receipt or no greater than four calendar days after being mailed by US certified or registered mail, return receipt requested, postage prepaid, whichever occurs first. The date of mailing shall count as the first day. All communications shall be addressed to the appropriate Party at the address stated herein or such other address as the Parties hereto may designate by written notice from time to time in the manner aforesaid.

FOR COUNTY:	COPY TO:
County of Orange	County Of Orange
SSA/Procurement Services	SSA/ IT
500 N. State College Blvd., 5th Floor	500 N. State College Blvd.
Orange, CA 92868-1673	Orange, CA 92868-1673
Attn: Angie Villalpando	Attn: Grady Howe
Telephone: (714) 541-7768	Telephone: (714) 541-7469
Email: Angie.Villalpando@ssa.ocgov.com	Fax: (714) 245-6040
Fax: (714) 541-7772	

FOR CONTRACTOR:
BIT CA LLC dba Document Fulfillment Services
910 Riverside Pkwy., Suite 40
West Sacramento, CA 95605-1510
Attn: Eric Bambury
Telephone: (916) 266-7960
Email: ebambury@dfsml.com

5. **Applicable Laws:** This Contract shall be governed by and shall be interpreted in accordance with the laws of the State of California. In the event of any legal action to enforce or interpret this Contract, the sole and exclusive venue shall be a court of competent jurisdiction located in Orange County, California, and the Parties hereto agree to and do hereby submit to the jurisdiction of such court, notwithstanding Code of Civil Procedure Section 394. The United Nations Convention on Contracts for the International Sale of Goods shall not apply to this contract.
6. **Contingency of Funds:** Contractor acknowledges that funding or portions of funding for this contract may be contingent upon state budget approval, receipt of funds from, and/or obligation of funds by, the State of California to County; and inclusion of sufficient funding for the services hereunder in the budget approved by County's Board of Supervisors for each fiscal year covered by this contract. If such approval funding or appropriations are not forthcoming, or are otherwise limited, County may immediately terminate or modify this contract without penalty.
7. **Debarment:** Contractor shall certify that neither contractor nor its principals are presently debarred, proposed for debarment, declared ineligible or voluntarily excluded from participation in the transaction by any federal department or agency. Where Contractor as the recipient of federal funds, is unable to certify to any of the statements in the certification, Contractor must include an explanation with their bid/proposal. Debarment, pending debarment, declared ineligibility or voluntary exclusion from participation by any federal department or agency may result in the bid/proposal being deemed non-responsible.
8. **Usage:** No guarantee is given by the County to the Contractor regarding usage of this Contract. Usage figures, if provided, are approximate, based upon the last usage. The Contractor agrees to supply services requested, as needed by the County of Orange, at prices listed in the Contract, regardless of quantity requested.



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9. **Indemnification:** Contractor agrees to indemnify, defend with counsel approved in writing by County, and hold County, its elected and appointed officials, officers, employees, agents and those special districts and agencies which County's Board of Supervisors acts as the governing Board ("County Indemnitees") harmless from any claims, demands or liability of any kind or nature, including but not limited to personal injury or property damage, arising from or related to the services, products or other performance provided by Contractor pursuant to this Contract. If judgment is entered against Contractor and County by a court of competent jurisdiction because of the concurrent active negligence of County or County Indemnitees, Contractor and County agree that liability will be apportioned as determined by the court. Neither party shall request a jury apportionment.

- Signature Page follows -



**SUBORDINATE CONTRACT AGREEMENT
MA-063-18010245 45010941**

SIGNATURE PAGE

The Parties hereto have executed this Contract on the dates shown opposite their respective signatures below.

BIT CALIFORNIA LLC DBA DOCUMENT FULFILLMENT SERVICES*

By _____	By _____
Print _____	Print _____
Name _____	Name _____
Title _____	Title _____
_____ Corporate Officer	_____ Corporate Officer
Date _____	Date _____

*If the contracting party is a corporation, (2) two signatures are required: one (1) signature by the Chairman of the Board, the President or any Vice President; and one (1) signature by the Secretary, any Assistant Secretary, the Chief Financial Officer or any Assistant Treasurer. In the alternative, a single corporate signature is acceptable when accompanied by a corporate resolution demonstrating the legal authority of the signator to bind the corporation.

COUNTY OF ORANGE

a political subdivision of the State of California

By _____	Date _____
Print _____	_____
Name _____	Title _____

COUNTY OF ORANGE

COUNTY COUNSEL

Approved as to Form:

By _____	Date _____
Deputy County Counsel	_____

~~ATTACHMENT 1~~

**AGREEMENT
MA-063-15010941**

ATTACHMENT I

~~COUNTY OF SACRAMENTO CONTRACT NO. WA00025381~~

COUNTY OF SACRAMENTO CONTRACT # DHA-DFS-01-18 AND ALL EXHIBITS



~~County of Sacramento~~
Change to Open Item Contract

Contract and Purchasing
 Services Division
 9660 Ecology Ln.
 Sacramento CA 95827
 (916) 876-6360

~~Your Vendor number with~~

~~us~~
~~626309~~

~~DOCUMENT FULFILLMENT SERVICES~~
~~910 RIVERSIDE PKWY STE 40~~
~~WEST SACRAMENTO CA 95605-1510~~

~~Vendors Contact Person: Steve Shill, Gen'l Mgr Vendors~~
~~Phono Number: 916-266-7959~~

Reprint of
Change to WA00025381 / 11/02/2009
Open Item Contract

~~.Afftiber must app ea~~ ~~=MA 'On On ce to tha~~

~~Purchasing Division.~~

~~Contract number/date~~

~~**WA00025381 / 11/02/2009**~~

~~Issuing Officer/Telephone~~

~~**Lee, Tom/916 876-6373**~~

~~Signature: _____~~

~~Contract Period~~

~~Valid from: 02/23/2010~~

~~Valid to: 02/28/2017~~

~~F.O.B. Dest., Freight Prepaid~~

~~**Payment Terms:** Due in 30 Days~~

~~**Contractual maximum value:** 11,075,000.00~~

~~You are hereby notified that the goods and/or services listed have been awarded to you subject to terms and conditions referenced and to the general conditions listed on the reverse.~~

~~Before supplying any goods or services to the County, the vendor must obtain a CSO (Contract Shipping Order) number from the ordering department. A CSO is an authorized release (Purchase Order) against the contract and shall be provided in written form. "Verbal" orders are not acceptable. For a CSO to be considered valid, it must be within the scope of this contract and be consistent with its pricing, terms and conditions. The CSO number must be referenced on all documents related to the order (packing slips, invoices, etc.). Failure to obtain a CSO and reference its number may result in the delay or non-payment of the invoice.~~

~~Attention: Steve Shill, General Manager~~
~~Office (916) 374-9002, Fax (916) 374-9011~~

~~Principal Process Contacts:~~
~~Steve Shill, General Manager~~
~~Direct: (916) 266-7959~~
~~Cell: (916) 529-2009~~
~~[e-mail: steve.shill@dfsmail.com](mailto:steve.shill@dfsmail.com)~~

~~Eric Bambury, Lead Developer~~

~~Direct: (916) 266-7960
Cell: (925) 570-5318
e-mail: eric.bambury@dfsmail.com~~

~~Daniel Chavez, Director of Operations
Direct: (916) 266-7961
cell: (916) 204-1203
e-mail: daniel.chavez@dfsmail.com~~



~~Revision No. 3: (Issued on 10/16/2014 by Tom Lee)~~

- ~~1. Extends the contract period from 3/1/2015 to 2/28/2017 per Board Resolution 2014-0692; and,~~
- ~~2. Keeps all else the same.~~

~~Revision No. 2: (Issued on 5/6/2014 by Tom Lee)~~

- ~~3. Amends the contract to automatically reflect the current or future USPS Automation 3-Digit postage rate increases as implemented per its updated Price List (Notice 123) for First-Class Mail Letters & Cards, such as the latest price increase that became effective 1/26/2014 (regarding line item 00020; see attachment);~~
- ~~4. Amends the contract to add First-Class Mail Commercial Flats per the current USPS Automation 3-Digit postage rates, for 1 to 13 ounces, and to automatically reflect any future USPS postage rate increases for this category per its then Price List (Notice 123) (regarding line item 00020; see attachment); and,~~
- ~~5. Keeps all else the same.~~

~~Revision No. 1: (Issued on 1/21/2010 by Tom Lee)~~

- ~~6. Adds line item 00030 to cover metered postage prepayment; and,~~
- ~~7. Keeps all else the same.~~

~~****Open Item Contract Award****~~

~~Board Resolution Nos.: 2009-0983 & 2014-0692~~

~~-----
Material Group: CalWIN Client Correspondence Printing & Mailing
-----~~

~~Reference: For complete description of service requirements, terms and conditions, refer to Request for Proposal No. 7434 (RFP7434), which is incorporated herein by reference.~~

~~Prepare invoices in duplicate; Sacramento County (SacCounty) requires an original and a copy for each separate invoicing. For this contract, send invoices to:~~

~~Department of Human Assistance
County of Sacramento
Attn: Accounts Payable
1725 28th St
Sacramento CA 95816-6919~~

~~Each invoice shall contain, at a minimum, the following information: invoice number and date; vendor remittance address; "bill-to" and "ship-to" addresses; contract number; contract shipping order number (CSO#); item description; unit prices and extensions; sales tax if applicable; and, an invoice total.~~

~~Contract Period: The contract period will be for five (5) years, from March 1, 2010 to February 28, 2015.~~

~~3. REQUIREMENTS~~

~~Contractor must be able to operate and meet the following requirements as a minimum.~~

~~3.1 CalWIN is the primary business application utilized by the Sacramento County Department of Human Assistance and seventeen (17) additional California counties. The processing for all of the CalWIN counties is integrated and run at the HP Enterprise Services (formerly known as Electronic Data System) 10888 White Rock Rd, Rancho Cordova, California.~~

~~Sacramento County is the lead county with a competitively bid and Board approved contract for the provision of CalWIN Client Correspondence Printing and Mailing Services. The other seventeen counties in the California CalWIN consortium may opt to reference SacCounty Contract VA00025381 (this contract) and RFP7434 to establish their own contracts directly with your firm.~~

~~Under the contract, there are several types of client correspondence that will be printed and mailed out to clients. Documents may: 1) be single or double sided, 2) require a duplicate copy to be sent, 3) require the data to be scanned and barcodes printed on the output, and 4) require that return envelopes or other items be included with them. The different types of output are described in more detail in the sections below.~~


~~3.2 A daily batch cycle process is normally run five nights a week, Monday - Friday, and a merged output file for each county is produced the following day on DVDs and available for pick up by 6:00 am. An additional batch process may occasionally be run on a weekend to process special jobs. A separate DVD will be created for these jobs. In addition to the daily process jobs, a monthly job is run approximately the third week of the month to produce periodic reports. A separate DVD(s) is prepared for this job. See Appendix A for a list of the anticipated output.~~

~~Currently, the print vendor picks up the DVDs, processes the print job for mailing, and delivers the mail to the United States Postal Service (USPS) in time for next day delivery to the addressee, unless other timeframes are agreed to by the individual counties and the Contractor. (The standard for Sacramento County is delivery to the Bulk Mail Entry Unit at 3775 Industrial Blvd., West Sacramento, CA, by 8:00 PM.)~~

~~3.3 Client correspondence created by the batch process is contained in~~

14**APPROVED****COUNTY OF SACRAMENTO
CALIFORNIA**

Board of SUPERVISORS _____

~~ATTU-71-"//7 (v/i
fi OUT 2014~~By _____ Wat 
Clerk of the BoardFor the Agenda of:
October 7, 2014

To: _____ Board of Supervisors

From: _____ Department of Human Assistance

Subject: _____ Two Year Extension Of The Contract With Document Fulfillment Services For
CalWIN Client Correspondence Printing And Mailing Services In The Amount Of
\$3,500,000

Supervisorial

District: _____ All

Contact: _____ Mary Sabillo, Human Services Division Manager, 875-3512
Brenda Griffin, Human Services Program Planner, 875-0955**Overview**

The Department of Human Assistance (DHA) has a contract with Document Fulfillment Services (DFS) to provide CalWORKs Information Network (CalWIN) client correspondence printing and mailing services. Client correspondences are notices or forms that are mailed to Public Assistance customers to provide or request information about their case. The existing contract with Document Fulfillment Services (DFS) will expire on February 28, 2015.

There are 18 counties that are members of the CalWIN consortium. The counties all use CalWIN as their benefits issuance and data system. Hewlett Packard (HP) provides oversight and maintenance of the CalWIN system. All but two of the consortium counties contract with DFS. Sacramento County is the lead CalWIN consortium county for the 16 counties contracting for printing and mailing services. However, the County of Sacramento has no financial responsibility for other public agency contracts with DFS. The other fifteen consortium counties may reference this board letter when they seek their Board's approval to extend their individual contracts with DFS. The processing of client correspondence for all consortium counties is integrated and run at the HP Enterprise services facility in Rancho Cordova. DFS has worked extensively with HP on a process for data delivery from CalWIN. The process works quite well and DFS is doing an exemplary job in execution of its contract with DHA.

DHA is recommending that the board approve a two year extension from March 1, 2015 to February 28, 2017 of the CalWIN Client Correspondence Printing and Mailing Services contract.

Recommendation

1. Approve the extension of the contract with DFS for two years from March 1, 2015 to February 28, 2017.
2. Adopt the attached resolution directing the Purchasing Agent or Designee to execute the two year extension, and other actions as necessary to uphold the contract.

Two Year Extension Of The Contract With Document Fulfillment Services For CalWIN Client Correspondence Printing And Mailing Services In The Amount Of \$3,500,000.

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Measures/Evaluation

The contract will benefit the County by providing all necessary materials, equipment and labor to process and mail CalWIN client correspondence on a timely basis. DHA and General Services staff will continue to monitor, inspect, and evaluate the vendor's performance throughout the new contract period.

Fiscal Impact

~~DFS has agreed to keep all pricing the same for the duration of the extended contract. The first year funding for this recommendation is included in the Department's Fiscal Year 2014-15 Final Budget. An estimated \$1,688,750 is funded by State and Federal funding, with a \$61,250 General Fund cost. Funding for the second year of the extension will be included in the Department's Fiscal Year 2015-16 Budget. The total expenditure to extend the contract for two years is \$3,500,000.~~

BACKGROUND

On March 1, 2010, DHA awarded a five year \$7,560,000 contract to DFS for the provision of CalWIN client correspondence printing and mailing services (Board Resolution 2009-0983). DFS is a company located in West Sacramento that manages high volume printing and mailing for their customers. When their contract expires on February 28th of 2015 they will have processed and mailed a minimum of 4,060,000 pieces of correspondence for DHA.

DFS provides similar services to the other consortium counties of Alameda, Fresno, Orange, Placer, San Diego, San Francisco, San Luis Obispo, San Mateo, Santa Barbara, Santa Clara, Santa Cruz, Solano, Sonoma, Ventura and Yolo.

DISCUSSION

DFS is doing an exemplary job for DHA; however, our county must perform due diligence in complying with all federal, state and local laws by seeking and stimulating competition and providing an opportunity for businesses to bid on publicly funded contracts. Therefore we are requesting an extension of the contract with DFS while our county prepares an RFP for spring of 2015. An extension will also give other consortium counties the time they will need to obtain their Board's approval to extend their individual contracts with DFS.

The CalWIN correspondence printing and mail service RFP and resulting contract award is a complex project. Other counties in the consortium will need to review the specifications and evaluation criteria and may request to be part of the evaluation team. RFP evaluations may take longer because county Contract and Purchasing Services Division posts it's RFP on a third party e-procurement site. The posting of this RFP electronically will attract more interested bidders. Consequently, there is potential for receiving a high number of bids. Some of these bids are likely to be from other states and other counties within California.

In addition to the complex bid and evaluation process there are also new data integration technical issues. For example, with the advent of the Affordable Care Act (ACA) and California Health Eligibility, Enrollment and Retention System (CalHEERS) need to interface with CalWIN there are new technical upgrades that will impact client correspondence and information

~~Two Year Extension Of The Contract With Document Fulfillment Services For CalWIN Client Correspondence Printing And Mailing Services In The Amount Of \$3,500,000.~~

~~Page 3~~

~~technology requirements. The volume of printing and mailing has also increased as a result of ACA and CalHEERS implementation.~~

~~The transition from DFS to a new vendor must be timed just right to prevent any lapses in printing and mailing of client correspondence. If a new vendor is chosen they will need at least three months to set up their processes. There will also be a testing period of at least two months.~~

MEASURES/EVALUATION

~~The contract will benefit the County by providing all necessary materials, equipment and labor to process and mail CalWIN client correspondence on a timely basis. DHA and General Services staff will continue to monitor, inspect, and evaluate the vendor's performance throughout the new contract period.~~

FINANCIAL ANALYSIS

~~DFS has agreed to keep all pricing the same for the duration of the extended contract. The first year funding for this recommendation is included in the Department's Fiscal Year 2014-15 Final Budget. An estimated \$1,688,750 is funded by State and Federal funding, with a \$61,250 General Fund cost. Funding for the second year of the extension will be included in the Department's Fiscal Year 2015-16 Budget. The total expenditure to extend the contract for two years is \$3,500,000.~~

Respectfully submitted, _____

APPROVED:
BRADLEY J. HUDSON
County Executive

ANN EDWARDS, Director
Department of Human Assistance

By: _____
PAUL G. LAKE
Chief Deputy County Executive

Concur as to purchasing procedures:

MICHAEL M. MORSE, Director
Department of General Services

~~Attachment: Resolution~~

RESOLUTION NO. 2014-0692**~~TWO YEAR EXTENSION OF THE CONTRACT WITH DOCUMENT FULFILLMENT SERVICES FOR CALWIN CLIENT CORRESPONDENCE PRINTING AND MAILING SERVICES IN THE AMOUNT OF \$3,500,000~~**

~~WHEREAS, The Department of Human Assistance (DHA) has a contract with Document Fulfillment Services (DFS) to provide CalWORKs Information Network (CALWIN) client correspondence printing and mailing services; and the contract with DFS will expire on February 28, 2015. Sacramento County is the lead CalWIN Consortium county for contracting these printing and mailing services. The other 15 Consortium counties of Alameda, Fresno, Orange, Placer, San Diego, San Francisco, San Luis Obispo, San Mateo, Santa Barbara, Santa Clara, Santa Cruz, Solano, Sonoma, Ventura and Yolo leverage DHA's request for proposal process to contract with the same vendor. However, each of these counties is financially responsible for their own contracts with DFS.~~

~~WHEREAS, The CalWIN correspondence printing and mailing service Request for Proposal (RFP) and contract award is a complex project. The other Consortium counties will need to review the specifications and evaluation criteria and may request to be part of the RFP evaluation team. Also, because the RFP is posted on a third party e-procurement site there will potentially be a large number of bids; and In addition to the complexity of the RFP and evaluations process there are new data integration technical issues that will impact correspondence and information technology requirements.~~

~~**BE IT RESOLVED AND ORDERED** that the Purchasing Agent, or his designee be and is hereby authorized to execute the amendment for the Contract for Client Correspondence Printing and Mailing Services on behalf of the COUNTY OF SACRAMENTO, a political subdivision of the State of California, with Document Fulfillment Services and to do and perform everything necessary to carry out the purpose of this Resolution; and~~

~~**BE IT FURTHER RESOLVED** that the Purchasing Agent, or his designee is authorized to approve an extension of this contract for two additional years from March 1, 2015 to February 28, 2017, and to increase the contract authority by \$3,500,000; and to execute amendments to such agreement for non-monetary changes and monetary decreases, to execute amendments not to exceed ten percent (10%) and to do and perform those duties necessary to carry out this resolution.~~

~~TWO YEAR EXTENSION OF THE CONTRACT WITH DOCUMENT FULFILLMENT SERVICES FOR CALWIN CLIENT CORRESPONDENCE PRINTING AND MAILING SERVICES IN THE AMOUNT OF \$3,500,000~~

~~On a motion by Supervisor Serna, seconded by Supervisor Nottoli, the foregoing Resolution was passed and adopted by the Board of Supervisors of the County of Sacramento this 7th day of October, 2014, by the following vote, to wit:~~

~~AYES: Supervisors, MacGlashan, Nottoli, Serna, Peters, Yee~~

~~NOES: Supervisors, None~~

~~ABSENT: Supervisors, None~~

~~ABSTAIN: Supervisors, None~~



Glenne R. Yee

Chair of the Board of Supervisors
of Sacramento County, California

In accordance with the Government Code of the State of California a copy of the document has been delivered to the Chair of the Board of Supervisors, County of Sacramento on 10/7/14.

ESS _____
Dim _____, Board of Supervisors _____

ATTEST: *C. M.*
Clerk of Board of Supervisors

FILED
BOARD OF SUPERVISORS

OCT 7 2014

By *W. J. Lee*
CLERK OF THE BOARD

Reprint of
Change to WA00025381 / 11/02/2009
Open Item Contract
This number must appear on all correspondence to the



County of Sacramento
Change to Open Item Contract

Contract and Purchasing
Services Division 9660
Ecology Ln. Sacramento,
CA 95827 (916) 876-
6360

Your Vendor number with us
~~626309~~

~~DOCUMENT FULFILLMENT SERVICES
910 RIVERSIDE PKWY STE 40
WEST SACRAMENTO CA 95605-1510~~

Purchasing Division:
Contract number/date
WA00025381 / ~~11/02/2009~~
Issuing Officer/Telephone
~~Lee, Tom/916 876-6373~~

Signature: Tom Lee

Vendors Contact Person: Steve Shill, Gen'l Mgr
Vendors Phone Number: 916-266-7959

~~Contract Period
Valid from: 02/23/2010
Valid to: 02/28/2015~~

~~F.O.B. Dest., Freight Prepaid
Payment Terms: Due in 30 Days
Contractual maximum value: 7,635,000.00~~

~~You are hereby notified that the goods and/or services listed have
been awarded to you subject to terms and conditions referenced and to
the general conditions listed on the reverse.~~

~~Before supplying any goods or services to the County, the vendor must
obtain a CSO (Contract Shipping Order) number from the ordering
department. A CSO is an authorized release (Purchase Order) against
the contract and shall be provided in written form. "Verbal" orders
are not acceptable. For a CSO to be considered valid, it must be
within the scope of this contract and be consistent with its pricing,
terms and conditions. The CSO number must be referenced on all
documents related to the order (packing slips, invoices, etc.).
Failure to obtain a CSO and reference its number may result in
the delay or non-payment of the invoice.~~

~~Attention: Steve Shill, General Manager
Office (916) 374-9002, Fax (916) 374-9011~~

~~Principal Process Contacts:
Steve Shill, General Manager
Direct: (916) 266-7959
Cell: (916) 529-2009
[e-mail: steve.shill@dfsmaail.com](mailto:steve.shill@dfsmaail.com)~~

~~Eric Bambury, Lead Developer~~

Direct: ~~(916) 266-7960~~
 Cell: ~~(925) 570-5318~~
[e-mail: eric.bambury@dfsmail.com](mailto:eric.bambury@dfsmail.com)

Daniel Chavez, Director of Operations
 Direct: ~~(916) 266-7961~~
 cell: ~~(916) 204-1203~~
[e-mail: daniel.chavez@dfsmail.com](mailto:daniel.chavez@dfsmail.com)

~~Revision No. 2: (Issued on 5/6/2014 by Tom Lee)~~

- ~~1. Amends the contract to automatically reflect the current or future USPS Automation 3-Digit postage rate increases as implemented per its updated Price List (Notice 123) for First-Class Mail Letters & Cards, such as the latest price increase that became effective 1/26/2014 (regarding line item 00020; see attachment);~~
- ~~2. Amends the contract to add First-Class Mail Commercial Flats per the current USPS Automation 3-Digit postage rates, for 1 to 13 ounces, and to automatically reflect any future USPS postage rate increases for this category per its then Price List (Notice 123) (regarding line item 00020; see attachment); and,~~
- ~~3. Keeps all else the same.~~

~~Revision No. 1: (Issued on 1/21/2010 by Tom Lee)~~

- ~~4. Adds line item 00030 to cover metered postage prepayment; and,~~
- ~~5. Keeps all else the same.~~

~~****Open Item Contract Award****~~

~~Board Resolution No.: 2009-0983~~

~~-----
 Material Group: CalWIN Client Correspondence Printing & Mailing
 -----~~

~~Reference: For complete description of service requirements, terms and conditions, refer to Request for Proposal No. 7434 (RFP7434), which is incorporated herein by reference.~~

~~Prepare invoices in duplicate; Sacramento County (SacCounty) requires an original and a copy for each separate invoicing. For this contract, send invoices to:~~

~~Department of Human Assistance
 County of Sacramento
 Attn: Accounts Payable
 1725 28th St
 Sacramento CA 95816-6919~~

~~Each invoice shall contain, at a minimum, the following information: invoice number and date; vendor remittance address; "bill-to" and "ship-to" addresses; contract number; contract shipping order number (CSO#); item description; unit prices and extensions; sales tax if applicable; and, an invoice total.~~

Item	Tgt. qty.	Unit	Price	Unit of
Mat Num		Description	/	Unit Measure
00020	3,500,000	Each		
		Metered Postage Reimbursement	1.00 / 1 EA	3,500,000.00

....sx_i

Postage rate charge shall be equal to the USPS First-Class 3-Digit Rate for Commercial Letters & Cards and Commercial Flats (Large Envelopes) per the current USPS Price List (Notice 123) in effect at the time.

~~Charge for postage shall be at the USPS Commercial First-Class Mail 3-Digit Rate, as follows: (Per USPS Price List Notice 123 Effective January 27, 2013)~~

Ounces	3-Digit
1	\$0.384
2	\$0.384
3	\$0.634
3.5	\$0.759

~~Charge for postage shall be at the USPS Commercial First-Class Mail 3-Digit Rate, as follows: (Per USPS Price List Notice 123 Effective January 22, 2012)~~

Ounces	3-Digit
1	\$0.374
2	\$0.374
3	\$0.624
3.5	\$0.749

~~Charge for postage shall be at the USPS Commercial First-Class Mail 3-Digit Rate, as follows: (Per USPS Price List Notice 123 Effective April 17, 2011)~~

Ounces	3-Digit
1	\$0.365
2	\$0.49
3	\$0.615
3.5	\$0.74

~~Charge for postage shall be at the USPS Commercial First-Class Mail 3-Digit Rate, as follows: (Per USPS Price List Notice 123 Effective May 11, 2009)~~

Ounces	3-Digit
1	\$0.357
2	\$0.482
3	\$0.607
3.5	\$0.732

~~*** Text changed ***~~

~~3-3~~

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First-Class Mail

COMMERCIAL LETTERS & CARDS

Weight Not Over (ounces)	Automation ²				Machinable	Nonmachinable
	5-Digit	3-Digit	AADC	Mixed AADC	Presorted ² (83, 89, D5)	(Broken out separately on Postage Statement)
1	\$0.394	\$0.406	\$0.406	\$0.435	\$0.460	\$0.668
2	0.384	0.406	0.406	0.435	0.460	0.668
3	0.644	0.666	0.666	0.695	0.720	0.928
3.5	0.774	0.798	0.796	0.825	0.850 ³	1.058
Postcard ⁴	0.254	0.265	0.265	0.278	0.293	-

1. Subtract \$0.003 for each automation letter/card that complies with the Full-Service Intelligent Mail option requirements.
2. Letters that meet one or more of the nonmachinable characteristics in DMM 204.2.1 are subject to the nonmachinable prices.
3. The maximum weight for machinable letter preparation is 3.3 ounces.
4. The card price applies to each single or double postcard when originally mailed; reply half of double postcard-sized mailpiece must be designed for reply mail purposes only.

Residual Single-Piece Letters Single-Piece Letter Prices

Weight Not Over (Ounces)	(B5 or 67)	Cross reference to PS Form 3600-FCM	Weight Not Over (Ounces)	Cross reference to PS Form 3600-FCM	Pieces from STD Mail ¹	
					Weight Not Over (Ounces)	(88 and 1311)
1	\$0.50	B5	1	\$0.48	B4, B7, B10, B18, D6, D13	1 \$0.49
2	0.50	B5	2	0.69	86, 87, e10, 1319, DO	2 0.70
3	0.90	B7	3	0.90	B7, 810, 1319, 06	3 0.91
3.5	1.11	B7	3.5	1.11	07, B10, B19, 06	3.5 1.12

- ¹B12 Should be completed each time there are prices claimed in line B0. Nonmachinable Surcharge \$0.208 (B12)
²013 Should be completed each time there are prices claimed in lines B10 or B11. Nonmachinable Surcharge \$0.210 (B13)
 Note: All references to B and D lines are cross references to PS Form 3600-FCM.

First-Class Mail

COMMERCIAL FLATS (LARGE ENVELOPES)¹

Weight Not Over (ounces)	Automation ²				Machinable
	5-Digit	3-Digit	ADC	Mixed ADC	Presorted
	\$0.451	\$0.634	\$0.591	\$0.782	\$0.815
2	0.659	0.842	0.899	0.990	1.023
3	0.867	1.050	1.107	1.198	1.231
4	1.076	1.258	1.316	1.406	1.439
5	1.283	1.466	1.523	1.614	1.647
	1.491	1.674	1.731	1.822	1.855
6	1.699	1.882	1.939	2.030	2.063
8	1.907	2.090	2.147	2.238	2.271
9	2.115	2.298	2.355	2.446	2.479
10	2.531	2.714	2.771	2.862	2.895
11	2.739	2.922	2.979	3.070	3.103
12	2.947	3.130	3.187	3.278	3.311

5. Large envelopes (flats) with certain characteristics (see DMM 304.14) are subject to parcel prices.
6. Subtract \$0.003 for each automation flat that complies with the Full-Service Intelligent Mail option requirements.



~~County of Sacramento~~
Open Item Contract

~~Contract and
Purchasing Services
Division 10545
Armstrong Avenue Suite
202A Mather CA 95655
(916) 876-6360~~

Your Vendor number with us
626309

~~DOCUMENT FULFILLMENT SERVICES
910 RIVERSIDE PKWY STE 40
WEST SACRAMENTO CA 95605-1510~~

Vendors Contact Person: Steve Shill, Gen'l Mgr
Vendors Phone Number: 916-266-7959

This number must appear on all correspondence to the
Purchasing Division.

Contract number/date

WA00026381 / 11 / 0 2 / 2 00 9

Issuing Officer/Telephone

Lee, Tom / 916 876-6373

Signature: _____

Tom Lee

**Reprint of
Open Item Contract WA00025381 /
11/02/2009**

Contract Period

Valid from: 03/01/2010

Valid to: 02/28/2015

~~F.O.B. Dest., Freight Prepaid~~

~~**Payment Terms:** Payable Within 30 Days~~

~~**Contractual maximum value:** 7,560,000.00~~

~~You are hereby notified that the goods and/or services listed have been
awarded to you subject to terms and conditions referenced and to the
general conditions listed on the reverse.~~

~~Before supplying any goods or services to the County, the vendor must
obtain a CSO (Contract Shipping Order) number from the ordering
department. A CSO is an authorized release (Purchase Order) against
the contract and shall be provided in written form. "Verbal" orders
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~~Cell: (916) 529-2009~~

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~~****Open Item Contract Award****~~

Board Resolution No.: ~~200? 0-78.3~~

Material Group: ~~CalWIN Client Correspondence Printing & Mailing~~

Reference: ~~For complete description of service requirements, terms and conditions, refer to Request for Proposal No. 7434 (RFP7434), which is incorporated herein by reference.~~

~~Prepare invoices in duplicate; Sacramento County (SacCounty) requires an original and a copy for each separate invoicing. For this contract, send invoices to:~~

~~Department of Human Assistance
County of Sacramento
Attn: Accounts Payable
2433 Marconi Ave
Sacramento CA 95821-4807~~

~~Each invoice shall contain, at a minimum, the following information: invoice number and date; vendor remittance address; "bill-to" and "ship-to" addresses; contract number; contract shipping order number (CSO#); item description; unit prices and extensions; sales tax if applicable; and, an invoice total.~~

~~Contract Period: The contract period will be for five (5) years, from March 1, 2010 to February 28, 2015.~~

~~3. REQUIREMENTS~~

~~Contractor must be able to operate and meet the following requirements as a minimum.~~

~~3.1 CalWIN is the primary business application utilized by the Sacramento County Department of Human Assistance and seventeen (17) additional California counties. The processing for all of the CalWIN counties is integrated and run at the HP Enterprise Services (formerly known as Electronic Data System) 10888 White Rock Rd, Rancho Cordova, California.~~

~~Sacramento County is the lead county with a competitively bid and Board~~

~~approved contract for the provision of CalWIN Client Correspondence Printing and Mailing Services. The other seventeen counties in the California CalWIN consortium may opt to reference SacCounty Contract WA00025381 (this contract) and RFP7434 to establish their own contracts directly with your firm.~~

~~Under the contract, there are several types of client correspondence that will be printed and mailed out to clients. Documents may: 1) be single or double sided, 2) require a duplicate copy to be sent, 3) require the data to be scanned and barcodes printed on the output, and 4) require that return envelopes or other items be included with them. The different types of output are described in more detail in the sections below.~~

~~3.2 A daily batch cycle process is normally run five nights a week, Monday - Friday, and a merged output file for each county is produced the following day on DVDs and available for pick up by 6:00 am. An additional batch process may occasionally be run on a weekend to process special jobs. A separate DVD will be created for these jobs. In addition to the daily process jobs, a monthly job is run approximately the third week of the month to produce periodic reports. A separate DVD(s) is prepared for this job. See Appendix A for a list of the anticipated output.~~

~~Currently, the print vendor picks up the DVDs, processes the print job for mailing, and delivers the mail to the United States Postal Service (USPS) in time for next day delivery to the addressee, unless other timeframes are agreed to by the individual counties and the Contractor. (The standard for Sacramento County is delivery to the Bulk Mail Entry Unit at 3775 Industrial Blvd., West Sacramento, CA, by 8:00 PM.).~~

~~3.3 Client correspondence created by the batch process is contained in multiple files of Printer Control Language 5 (PCL5) images. Each document contains a header section. The header section contains PCL 5 "non op". The non op section is a part of the PCL stream in each set of client correspondence - not a separate record. This header section identifies the information regarding each correspondence. A full description of this non-op layout is contained in Appendix E of RFP7434. These files are stored on up to 5 data DVD disks. PCL5 images are used because the client correspondence is printed in up to the twenty-one (21) different languages, as shown in Appendix D of RFP7434. The PCL5 images are sorted by client household address order by based on case serial number. Each county's data is on a separate set of DVDs. Contractor may be able, at Contractor's cost, to secure the data delivered on DVDs by other means.~~

~~3.4 Services include material (paper, envelopes, etc.), processing (receiving and batching data, printing, folding, inserting, presorting, delivery to USPS, etc.), and use of a postage meter. A postal permit supplied by the county is used for all return envelopes. The Contractor is reimbursed for metered mail at the agreed USPS Commercial 3-Digit Rate.~~

~~3.5 For most client correspondence, a single page, 2-sided language insert must be included and dependent on the type of document, a return~~

~~envelope may also be required. Any additional charge for inserts must be billed separately to the organization supplying the insert. Inserts must be approved and scheduled by the individual counties.~~

~~3.6 Most correspondence will be printed on either 8.5" X 11" or 8.5" X 14" paper. The text may be of varying length, printed on both sides of the paper, and possibly ten or more pages. Page size can be no smaller than 8.5" X 11", and no larger than 8.5" by 14". A standard piece (two pages, mailing and return envelopes), without additional inserts, should weigh only slightly more than 1/2-ounce. Documents of varying sizes may need to be inserted into the same envelope. Paper should be close to 20# stock, OCR readable with recycled content. "Printed on recycled paper" shall be printed on all recycled-content paper and envelopes. Mailing envelopes should include pre-printed return address, necessary postal indicia, County specified TDD/TTY phone number, and glassine address windows. Return envelopes are inserted based on Office ID (9 for Sacramento and 52 for other counties.)~~

~~MAIL PIECE SPECIFICATIONS~~

- ~~• All correspondence is printed on paper with a size no smaller than 8.5" by 11" and no larger than 8.5" by 14".~~
- ~~• Outgoing mail is placed in size #10M envelopes and measure 4 1/2" by 9 1/4".~~
- ~~• Postage paid return envelopes are size #9 1/4, measure 4 1/2" by 8 1/2", and have a custom 2 1/2" by 1 1/2" by Mu window on the back for barcode scanning.~~

~~POSTAGE~~

~~> Contractor shall apply postage with a meter showing the date of mailing; Contractor shall be reimbursed for metered mail at the USPS Commercial 3 Digit Rate. Postal permit numbers supplied by the individual counties are used for all return envelopes.~~

~~3.7 Barcodes are required and added to documents for several purposes.~~

~~3.7.1 To facilitate the addition of inserts and return envelopes.~~

~~3.7.2 To allow the USPS to deliver the pieces (Post Net Barcode).~~

~~3.7.3 To facilitate handling of return mail (when return envelopes are enclosed). The barcode is included in the PCL5 image for Periodic Reporting (PR) forms: QR2, QR7, MC 176 s, and MC 176 TMC. The barcode contains a unique number generated by the CalWIN application to track the PR forms.~~

~~3.8 Documents produced in monthly cycles may need to be held for later mailing.~~

~~3.9 Other informational notices may need to be mailed to the clients, which are separate and apart from the correspondence produced by CalWIN. The document and mailing labels will be provided to the vendor by the individual counties in either electronic or paper format.~~

~~3.10 The price per image for printing and mailing shall include the~~

~~cost of materials (paper, envelopes, etc.) and cost of processing (pickup/courier service, receiving and batching data, printing, folding, inserting, presorting, delivery to the USPS, etc.). The price per image shall equal one-side of printed page and shall include all applicable sales tax. The price for the initial setup charge shall include all costs associated with letter design/layout, fine tuning, programming, and testing.~~

~~Additionally, the price per image to produce DVDs or other media of letter images shall include a quick search and locate mechanism, e.g., software and viewer to do look-ups and searches by certain criteria. The price per image shall equal one-side of printed page and shall include all applicable sales tax.~~

~~Contractor shall provide quarterly print volume reports at no additional charge to the County. Such reports shall be provided within two weeks following the end of each quarter (Quarter - January-March, April-June, July-September & October-December).~~

~~3.11 Invoices submitted for payment must be monthly in arrears. Each county participating in the contract shall be invoiced separately for the work completed for that county. Charges shall be itemized on invoices, e.g., initial setup charge, price per image for printing and mailing, additional inserts by machine and/or by hand, price per image to produce image on DVDs, postage not covered by a county permit and IT changes/enhancement. For Sacramento County, the invoices shall also reference a County-issued unique Contract Shipping Order (CSO) number that may be different each month. The other counties may have similar requirements. (For Sacramento County, a CSO number is another term for a purchase order number; the only difference is that CSO numbers are issued from established contract.)~~

~~3.12 Quality control measures must be inherent in the process. Duplicated, missing and misprinted documents and inserts and other errors must be identified and remedied before mailing. Mail must be in the hands of the USPS as described in 3.2 above. Items must be mailed so that they are received in California within 48 hours of mailing under normal circumstances. Any errors or variation must be reported to the counties immediately. A report including the date and time items were mailed, the unique batch identifier, the number of documents printed, items mailed, inserts included, and postage used will be sent to each county daily at the completion of the process.~~

~~3.13 Errors not remedied by Contractor's quality control, involving 100 or more pieces from a single mailing, will incur a penalty credit in favor of the county or counties affected in the amount of \$.04 per piece. This will include client correspondence mailed after the target mailing date.~~

~~3.14 Responding Contractors must be USPS CASS certified to ensure address cleansing and correction capability and comply with the Intelligent Mail Barcode requirements. Letters shall be bar-coded and sorted for the best carrier route and delivery point available to maximize postage rate discounts.~~

~~3.16 READ AND PROCESS — Contractor shall be able to read and process PCL5 files, combine separate images, add or remove slip pages, add variable logos, insert into envelope of appropriate size and type of mailing, and mail to like addresses. (Refer to 3.3 above for a PCL file description.)~~

~~5. SPECIAL PROVISIONS, TERMS AND CONDITIONS~~

~~5.1 Public Agency Clause — It is intended that any other public agency including those identified in the solicitation (i.e., city, district, public authority, public agency, municipality and other political subdivision or public corporation of California) located in California shall have the option to participate in any award made as a result of this solicitation. The County of Sacramento shall incur no financial responsibility in connection with orders issued or delivered by another public agency. Each public agency using this contract shall accept sole and full responsibility for placing of orders and making payments to the contractor. In addition to the above, the contractor shall provide the same level of indemnification and insurance protection to each of the participating agencies ordering products and/or services under any award made as a result of this solicitation.~~

~~5.4 Data Privacy and Security Safeguards — Contractor must comply with the same privacy and security safeguards required by State and Federal rules, regulations, and law as the County regarding the confidentiality, physical security, encryption, transmission, transport and disposal of electronic and printed data. Confidential data is defined as: name, date of birth, address, social security number, driver's license or other identification numbers or any information that can be used to identify or locate an individual.~~

~~5.4.1 Contractor shall not capture or retain any information from the County's mail. All information and processes made available to the Contractor by the County shall be kept confidential.~~

~~5.4.2 Contractor must ensure:~~

- ~~> All data is used and stored in an area that is physically safe from access by unauthorized persons during work and non-work hours.~~
- ~~> Access to secure areas is permitted only with properly coded key cards, authorized door keys or access authorization.~~

~~5.4.3 Contractor must ensure that there is a monitored alarm system with or without security cameras or security guards twenty-four (24) hours a day, seven (7) days a week.~~

~~5.4.4 Contractor must ensure:~~

- ~~> All portable computer devices (laptops, notebooks, etc.), workstations, and electronic files (thumb drives, floppies, CD/DVD, etc.) that process and/or store data are encrypted using a vendor product that is recognized as an industry leader for the intended solution, such as a product specified on the California Strategic Sourced Initiative (CSSI) located at the following link: www.pd.dgs.ca.gov/masters/EncryptionSoftware.html.~~
- ~~> All workstations, laptops and other systems that process and/or store data have current security patches applied and are up-to-date.~~

- > ~~All data is wiped from systems when the data is not longer required.~~
- > ~~All remote access to data is established over an encrypted session protocol using a vendor product that is recognized as an industry leader in meeting the needs for the intended solution, such as products specified on the CSSI.~~

~~5.4.5 Contractor must ensure that disks and other transportable media sent through the mail are encrypted using a vendor product that is recognized as an industry leader in meeting the needs for the intended solution, such as products specified on the CSSI.~~

~~5.4.6 Contractor must ensure that all data transmissions are encrypted end-to-end using a vendor product that is recognized as an industry leader in meeting the needs for the intended solution, such as products specified on the CSSI. The data shall be encrypted at the minimum of 128 bit AES or 3DES (Triple DES) if AES is unavailable.~~

~~5.4.7 Contractor must ensure that a bonded courier, with signature receipt, is used for the transport of paper documents and electronic media.~~

~~5.4.8 Contractor must ensure that paper documents are disposed of through confidential means, such as cross cut shredding and pulverizing.~~

~~5.4.9 If a breach of data security occurs, the Contractor must:~~

- > ~~Ensure that the County is notified immediately by telephone call or Email upon the discovery of a breach of data security.~~
- > ~~Ensure that the notification includes contact information, a description of the breach or loss with scope, time and location of the breach or loss, and a description of how the data was physically stored, contained or packaged (password protected, encrypted, locked container, etc.).~~
- > ~~Take prompt corrective action to mitigate any risks or damages involved with the breach.~~
- > ~~Investigate the breach and produce a written report within five (5) working days of the incident, detailing what data elements were involved. The report must include a description of:~~
 - >> ~~The unauthorized persons known or believed to have improperly used or disclosed the data.~~

~~Where the data is believed to have been improperly transmitted, sent or used.~~

~~» The probable cause(s) of the breach and a detailed action plan including steps taken to stop or contain the breach.~~

~~5.5 Timely Delivery - Time is of the essence and Contractor shall complete all deliveries as required.~~

~~5.7 Liquidated Damages - Failure on the part of the Contractor to provide satisfactory service on a timely manner will subject Contractor to liquidated damages as follows:~~

~~In event Contractor fails to perform the service as specified in this RFP, the parties to the Contract shall agree that County will sustain damages. Furthermore, since it is and will be extremely difficult and~~

~~impractical to determine actual damage that may be sustained by County, it shall be agreed that the amount of liquidated damages to be paid by Contractor to County will be \$.04 per letter. For this Contract, liquidated damage shall apply when there is an error involving 100 or more letters from a single mailing and/or when the letters are mailed after the targeted mailing date. Liquidated damages shall include the amount of any fines that the County may be assessed from regulatory bodies. Such amount shall be the actual cash value agreed upon as the loss to the County resulting from the Contractor's default.~~

~~5.11 Estimated Quantities - Quantities and/or expenditures shown are merely estimates. The County does not guarantee to purchase a minimum quantity or to purchase any remaining stock that Contractor may have acquired in support of this contract.~~

~~5.12 Terms of Sale - Terms of sale may include a cash discount; however, a minimum of "Net 30 days" will be required for this RFP/award.~~

~~5.14 FOB Point - The FOB point shall be FOB destination, freight allowed.~~

~~5.16 Licenses and Permits - Contractor shall obtain and keep in effect at all times during the duration of the contract, any licenses and permits necessary for the Contractor's operations. All such costs shall be at the Contractor's expense.~~

~~5.17 Health and Safety - Contractor shall plan and conduct work in a manner that will safeguard all persons from injury and shall take all precautions as required by California Department of Industrial Relations and Cal-OSHA (California Occupational Safety and Health Administration).~~

~~5.18 Hazardous Materials - All materials subject to the requirements of the State of California, Code of Regulations, Title 8, Article 110, Section 5194 must be identified.~~

~~5.19 Material Safety Data Sheet - It is required by law that all hazardous materials be accompanied with a "material safety data sheet" (MSDS) at time of delivery.~~

~~5.20 Correspondence - Contractor or his/her designated officer shall respond to all inquiries and complaints expeditiously in a professional manner. Correspondence shall be made on the Contractor's official stationary. The contract buyer shall receive a copy of all correspondence.~~

~~5.21 Termination Upon Unsatisfactory Performance - Whenever, in the opinion of the County, the said service is not satisfactory, the Contractor shall be advised of the reasons in writing. If the Contractor fails to correct the unsatisfactory condition(s) immediately, the County may declare the contract in default, terminate the contract, and replace the contract with a different contractor.~~

~~Notwithstanding any provision to the contrary, County shall have no~~

~~obligation to give the Contractor more than two (2) notices of unsatisfactory performance during the contract period. Should Contractor fail again to perform the services pursuant to the contract, County may declare the contract in default, terminate the contract, and replace the contract with a different contractor. Additionally, Contractor and/or surety may be held liable and may be assessed any and all costs for the re-procurement of the contracted services.~~

~~5.22 Termination and Non-Appropriation~~

~~5.22.1 County may terminate the contract without cause upon ninety (90) days written notice to the other party. Notice shall be deemed served on the date of mailing. If notice of termination for cause is given by County to Contractor and it is later determined that Contractor was not in default or the default was excusable, then the notice of termination shall be deemed to have been given without cause pursuant to this paragraph.~~

~~5.22.2 County may terminate the contract for cause immediately upon giving written notice to Contractor should Contractor materially fail to perform any of the covenants contained in the contract in the time and/or manner specified. In the event of such termination, County may proceed with the work in any manner deemed proper by County. If notice of termination for cause is given by County to Contractor and it is later determined that Contractor was not in default or the default was excusable, then the notice of termination shall be deemed to have been given without cause pursuant to 5.22.1 above.~~

~~5.22.3 County may terminate or amend this Agreement immediately upon giving written notice to Contractor, 1) if advised that funds are not available from external sources for this Agreement or any portion thereof, including if distribution of such funds to the County is suspended or delayed; 2) if funds for the services and/or programs provided pursuant to this Agreement are not appropriated by the State; 3) if funds in County's yearly proposed and/or final budget are not appropriated by County for this Agreement or any portion thereof; or 4) if funds that were previously appropriated for this Agreement are reduced, eliminated, and/or re-allocated by County as a result of mid-year budget reductions.~~

~~5.22.4 If the contract is terminated under 5.22.1 or 5.22.3 above, Contractor shall only be paid for any services completed and provided prior to notice of termination. In the event of termination under 5.22.1 or 5.22.3 above, Contractor shall be paid an amount which bears the same ratio to the total compensation authorized by the contract as the services actually performed bear to the total services of Contractor covered by the contract, less payments of compensation previously made. In no event, however, shall County pay Contractor an amount, which exceeds a pro rata portion of the contract total based on the portion of the contract term that has elapsed on the effective date of termination.~~

~~5.22.5 Contractor shall not incur any expenses under the contract after notice of termination and shall cancel any outstanding expenses obligations to a third party that Contractor can legally cancel.~~

~~5.23 Force Majeure - Contractor will not be held liable for failure or delay in the fulfillment of conditions of purchase if hindered or prevented by flood, fire, strikes, or a force beyond the control of Contractor.~~

~~5.24 Payment of Damages - In event Contractor becomes liable for liquidated damages, County, in addition to all other remedies provided by law, shall have the right to withhold any and all payments from which would otherwise be or become due to the Contractor until the liability of Contractor is finally determined.. County shall have the right to use and apply such payments, in whole or in part, to reimburse County for all liquidated damages due or to become due to County. Any remaining balance of such payments shall be paid to Contractor only after discharge in full of all liability incurred by Contractor under this section or otherwise. If the sum retained by County is not sufficient to discharge all such liabilities of Contractor, Contractor shall remain liable to County until all such liabilities are satisfied in full. No failure by County to withhold any payment as specified shall in any manner be construed to constitute a waiver to any right of liquidated damages or any right to any such sum.~~

~~5.25 Changes - Should County request any deviations, additions or deletions of the items specified on the contract, it shall be at liberty to do so. Such alterations shall not make void the contract, but shall be added to or be deducted from the agreed amount, as the case may be, by a fair and reasonable valuation - subject to the mutual agreement of the parties.~~

~~5.26 Unrestricted Quantities - The County is not limited to purchase all of its requirements from any contract resulting from this RFP/award.~~

~~5.27 Subcontracting - The performance of the work may not be subcontracted except upon consent of the County; and, no such subcontracting will be permitted if it would relieve the original contractor or his surety of their responsibilities under the contract.~~

~~5.28 Non-recognition of Subcontractors - No subcontractor will be recognized as such, and all persons engaged in the work under the contract will be considered as employees of the Contractor, and their work shall be subject to all provisions of the contract. The County and its representatives will deal only with the Contractor, who shall be responsible for the proper execution of the work.~~

~~5.31 Toll-free Telephone Number - In the event the successful Contractor's place of business is located out of the local telephone dialing area of 916, a toll-free telephone number shall be provided or Contractor shall agree to accept collect calls from the County.~~

~~5.32 Indemnification~~

~~For work or services provided under the contract that are not professional services, CONTRACTOR shall indemnify, defend, and hold harmless COUNTY, its officers, directors, officials, employees and volunteers from and against any and all claims, demands, actions, losses, liabilities, damages, and costs, including reasonable attorneys' fees, arising out of or resulting from the performance of~~

~~the contract, regardless of whether caused in part by a party indemnified hereunder, except for loss caused by the sole negligence of COUNTY, its officers, directors, officials, employees and volunteers.~~

~~For professional services provided under the contract, CONTRACTOR shall defend, indemnify and hold harmless COUNTY, its officers, directors, officials, employees and volunteers from and against any and all demands, claims, actions, losses, liabilities, damages, and costs, including reasonable attorneys' fees, arising out of or resulting from the negligent performance of professional services provided under the contract.~~

~~5.33 Audits and Records - Upon County's request, County or its designee shall have the right at reasonable times and intervals to audit, at Contractor's premises, Contractor's financial and program records as County deems necessary to determine Contractor's compliance with legal and contractual requirements and the correctness of claims submitted by Contractor. Contractor shall maintain such records for a period of four years following termination of contract, and shall make them available for copying upon County's request at County's expense.~~

~~5.34 Drug-free Workplace - In submitting a Request for Quotation/Bid/Proposal, Contractor certifies that its place of business provides a drug free workplace and has:~~

~~5.34.1 Published a "Drug-free Workplace" statement notifying employees that the manufacture, distribution, dispensing, possession or use of a controlled substance or other unlawful drug or alcohol is prohibited in the Contractor's workplace and specified the actions that will be taken against employees for violations of such prohibition.~~

~~5.34.2 Established a Drug-free Awareness Program to inform employees about:~~

- ~~> The dangers of drug and alcohol abuse in the workplace.~~
- ~~> The Contractor's policy of maintaining a drug free workplace.~~
- ~~> Any available drug counseling, rehabilitation, and employee assistance program.~~
- ~~> Penalties that may be imposed upon employees for drug and alcohol abuse violations occurring in the workplace.~~

~~5.34.3 Notified employees that as a condition of employment, employees will be expected to abide by terms of the statement and be given an individual copy of the Contractor's "Drug-free Workplace" statement.~~

~~5.35 Nondiscrimination - Contractor shall not discriminate in the provision of services because of color, race, creed, national origin, religion, sex, sexual orientation, age, physical or mental handicap in accordance with Title VI of the Civil Rights Act of 1964 (42 U.S.C. Section 2000d), American with Disabilities Act (42 U.S.C. Section 12131 et seq.), and other applicable laws requiring no discrimination.~~

~~5.36 Non-assignment - Contractor shall neither assign nor subcontract any part of the services under the contract without prior written consent of the County.~~

~~5.37 Unrestricted Quantities - The County is not limited to purchase all of its requirements from any contract resulting from this RFP/award.~~

~~5.38 Contractor Not an Agent - Except as the County may specify in writing, Contractor shall have no authority, express or implied, to act on behalf of County in any capacity whatsoever as an agent. Contractor shall have no authority, express or implied pursuant to the contract to bind the County to any obligation whatsoever.~~

~~5.39 Compliance with all Laws - Contractor shall observe and comply with all applicable Federal, State and County laws, regulations and ordinances.~~

~~5.40 Governing Laws and Jurisdiction - This contract shall be deemed to have been executed and to be performed within the State of California and shall be construed and governed by the internal laws of the State of California. Any legal proceedings arising out of or relating to this contract shall be brought in Sacramento County, California.~~

~~5.42 Prior Agreements - This contract constitutes the entire agreement between County and Contractor regarding the subject matter of this contract. Any prior agreements, whether oral or written, between County and Contractor regarding the subject matter of this contract are hereby terminated effective immediately upon full execution of this contract. No modification or amendment to this contract shall be valid unless it is set forth in writing between the parties hereto.~~

~~5.43 Invoicing: (Instructions for Sacramento County Only)~~

~~5.43.1 Prepare invoices in duplicates (an original and a Send copy). invoices to:~~

~~Department of Human Assistance
County of Sacramento
Attention: Michael Prayter
2433 Marconi.Ame
Sacramento CA 95821-4807~~

~~5.43.2 Each invoice shall contain a minimum of the following information: invoice number and date; remittance address; "bill to" and "ship to" addresses; contract shipping order number (CS014); quantities; item descriptions, unit prices and extensions; applicable sales/use tax; and an invoice total.~~

~~5.43.3 Before supplying any goods or services to the County, the vendor must obtain a Contract Shipping Order (CSO) Number from the ordering department. A CSO is an authorized release (Purchase Order) against the contract and shall be provided in written form. "Verbal" orders are not acceptable. For a CSO to be considered valid, it must be within the scope of this contract and be consistent with its pricing, terms and conditions. The CSO number must be referenced on all documents related to the order (packing slips, invoices, etc.). Failure to obtain a CSO and reference its number may result in the delay or non-payment of the invoice.~~

~~5.43.4 Invoices shall be rendered monthly in arrears. It is preferred that the Contractor submits a summary invoice monthly. Summary invoices shall contain supporting data and documentation such as attaching individual work orders (See sample work order, Appendix C.) for that billing period.~~

~~5.43.5 Invoice discrepancies shall be handled in a professional, courteous, and expeditious manner.~~

~~5.43.6 In the State of California, government agencies are not allowed to pay excess interest and late charges. Pursuant to Government Code Section 926.10, interest or late charges shall not exceed six percent per annum. Such charges commence the 61st day from the receipt date of the original undisputed invoice.~~

~~5.44 Independent Contractor~~

~~544.1 It is understood and agreed that Contractor (including Contractor's employees) is an independent Contractor and that no relationship of employer-employee exists between the parties hereto. Contractor's assigned personnel shall not be entitled to any benefits payable to employees of County. County is not required to make any deductions or withholdings from the compensation payable to Contractor under the contract; and, as an independent Contractor, Contractor hereby indemnifies and holds County harmless from any and all claims that may be made against County based upon any contention by any third party that an employer-employee relationship exists due to the contract.~~

~~544.2 It is further understood and agreed by the parties hereto that Contractor in the performance of its obligation hereunder is subject to the control or direction of County as to the designation of tasks to be performed, the results to be accomplished by the services hereunder agreed to be rendered and performed, and not the means, methods, or sequence used by Contractor for accomplishing the results.~~

~~544.3 If, in the performance of the contract, Contractor employs any third persons, such person shall be entirely and exclusively under the direction, supervision, and control of Contractor. Contractor shall determine all terms of employment; this includes hours, wages, working conditions, discipline, hiring, discharging, and any other terms of employment and/or requirements of law.~~

~~544.4 It is further understood and agreed that as an independent Contractor and not an employee of County, neither the Contractor nor Contractor's assigned personnel shall have any entitlement as a County employee, right to act on behalf of County in any capacity whatsoever as agent, nor to bind County to any obligation whatsoever.~~

~~544.5 It is further understood and agreed that Contractor must issue W-2 and 941 Forms for income and employment tax purposes, for all of Contractor's assigned personnel under the contract.~~

~~5.45 Responsibility of Independent Contractor~~

~~Contractor as an independent contractor, shall be liable and hereby expressly assumes and accepts exclusive liability as an employer under the Federal Insurance Contribution Act, the Federal Unemployment Tax Act, Federal Social Security Act, the Unemployment Compensation Act, or any other Federal or State laws or acts which in any way affect or relate to the relationship of employer and employee, and shall be liable for Social Security or Unemployment Compensation or other taxes or penalties arising or levied by reason of the employment of such persons, and shall be responsible for the collection and remittance of any taxes so levied, upon Contractor, on account of the persons employed by Contractor.~~

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Note: Before starting any work, vendor must first submit a certificate of insurance and a separate endorsement naming the County of Sacramento, its officers, directors, officials, employees, and volunteers as additional insured and a separate endorsement for Waiver of Subrogation on the Workers' Compensation policy to the issuing officer indicated above. (If you acquire your Workers' Compensation insurance through the State of California Compensation Insurance Fund, it is Endorsement No. 2570 for the Waiver of Subrogation.)~~

~~Actual certificate(s) of insurance shall be submitted within fourteen (14) days from notice of award or renewal.~~

~~Certificate holder shall be shown as:~~

~~County of Sacramento
c/o DCS Contract & Purchasing Services Division
Attention: Tom Lee
10545 Armstrong Ave Ste 202A
Mather CA 95655-4102~~

~~6. INSURANCE REQUIREMENTS FOR CONTRACTORS
(As required by Sacramento County)~~

~~Without limiting Contractor's indemnification, Contractor shall procure and maintain for the duration of the contract, insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the contract by the Contractor, its agents, representatives or employees. County shall retain the right at any time to review the coverage, form, and amount of the insurance required hereby. If in the opinion of the County Risk Manager, insurance provisions in these requirements do not provide adequate protection for County and for members of the public, County may require Contractor to obtain insurance sufficient in coverage, form and amount to provide adequate protection. County's requirements shall be reasonable but shall be imposed to assure protection from and against the kind and extent of risks that exist at the time a change in insurance is required.~~

~~6.1 Verification of Coverage~~

~~Contractor shall furnish the County with certificates evidencing~~

~~coverage required below. Copies of required endorsements must be attached to provided certificates. The County Risk Manager may approve self-insurance programs in lieu of required policies of insurance if, in the opinion of the Risk Manager, the interests of the County and the general public are adequately protected. All certificates, evidences of self-insurance, and additional insured endorsements are to be received and approved by the County before performance commences. The County reserves the right to require that Contractor provide complete, certified copies of any policy of insurance including endorsements offered in compliance with these specifications.~~

~~6.2 Minimum Scope of Insurance - Coverage shall be at least as broad as:~~

~~6.2.1 General Liability - Insurance Services Office's Commercial General Liability occurrence coverage form CG 0001. Including, but not limited to Premises/Operations, Products/Completed Operations, Contractual, and Personal & Advertising Injury, without additional exclusions or limitations, unless approved by the County Risk Manager.~~

~~6.2.2 Automobile Liability - Insurance Services Office's Commercial Automobile Liability coverage form CA 0001.~~

~~Commercial Automobile Liability: auto coverage symbol "1" (any auto) for corporate/business owned vehicles. If there are no owned or leased vehicles, symbols 8 and 9 for non-owned and hired autos shall apply.~~

~~Personal Lines automobile insurance shall apply if vehicles are individually owned.~~

~~6.2.3 Workers' Compensation - Statutory requirements of the State of California and Employer's Liability Insurance.~~

~~6.2.4 Professional Liability or Errors and Omissions Liability insurance appropriate to the Contractor's profession.~~

~~6.2.5 Umbrella or Excess Liability policies are acceptable where the need for higher liability limits is noted in the Minimum Limits of Insurance and shall provide liability coverage that at least follow form over the underlying insurance requirements where necessary for Commercial General Liability, Commercial Automobile Liability, Employers' Liability, and any other liability coverage (other than Professional Liability) designated under the Minimum Scope of Insurance.~~

~~6.3 Minimum Limits of Insurance - Contractor shall maintain limits no less than:~~

~~6.3.1 General Liability shall be on an Occurrence basis (as opposed to Claims Made basis). Minimum limits and structure are listed below.~~

General Aggregate:	\$2,000,000
Products Comp/Op Aggregate:	\$2,000,000
Personal & Adv. Injury:	\$1,000,000
Each Occurrence:	\$1,000,000
Fire Damage:	\$ 100,000

~~Building Trades Contractors and Contractors engaged in other projects of construction shall have their general liability Aggregate Limit of Insurance endorsed to apply separately to each job site or project, as provided for by Insurance Services Office form CG-2503 Amendment- Aggregate Limits of Insurance (Per Project).~~

~~6.3.2 Automobile Liability~~

~~> Commercial Automobile Liability for Corporate/business owned vehicles including non-owned and hired, \$1,000,000 Combined Single Limit.
> Personal Lines Automobile Liability for Individually owned vehicles, \$250,000 per person, \$500,000 each accident, \$100,000 property damage.~~

~~6.3.3 Workers' Compensation - Statutory.~~

~~6.3.4 Employer's Liability - \$1,000,000 per accident for bodily injury or disease.~~

~~6.3.5 Professional Liability, Printer's Errors and Omissions Liability - \$1,000,000 per claim and aggregate.~~

~~6.4 Deductibles and Self-Insured Retention~~

~~Any deductibles or self-insured retention that applies to any insurance required by the contract must be declared and approved by the County.~~

~~6.5 Claims Made Professional Liability Insurance~~

~~If professional liability coverage is written on a Claims Made form:~~

~~6.5.1 The "Retro Date" must be shown, and must be on or before the date of the contract or the beginning of contract performance by Contractor.~~

~~6.5.2 Insurance must be maintained and evidence of insurance must be provided for at least one (1) year after completion of the contract.~~

~~6.5.3 If coverage is cancelled or non-renewed, and not replaced with another claims made policy form with a "Retro Date" prior to the contract effective date, the Contractor must purchase "extended reporting" coverage for a minimum of one (1) year after completion of the contract.~~

~~6.6 Other Insurance Provisions~~

~~The insurance policies required in this contract are to contain, or be endorsed to contain, as applicable, the following provisions:~~

~~6.6.1 All Policies~~

~~> Acceptability Of Insurers - Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A-: VII. The County Risk Manager may waive or alter this requirement, or accept self-insurance in lieu of any required policy of insurance if, in the opinion of the Risk Manager, the interests of the County and the general public are adequately protected.~~

~~> Maintenance Of Insurance Coverage - Contractor shall maintain all insurance coverage in place at all times and provide the County with evidence of each policy's renewal ten (10) days in advance of its anniversary date. Each insurance policy required by this contract shall be endorsed to state that coverage shall not be canceled by either party except after thirty (30) days' written notice for cancellation or sixty (60) days' written notice for non-renewal has been given to the County. For non-payment of premium 10 days prior written notice of cancellation is required.~~

~~6.6.2 Commercial General Liability and/or Commercial Automobile Liability~~

~~• Additional Insured Status - The County, its officers, directors, officials, employees, and volunteers are to be endorsed as additional insureds as respects: liability arising out of activities performed by or on behalf of the Contractor; products and completed operations of the Contractor; premises owned, occupied or used by the Contractor; or automobiles owned, leased, hired or borrowed by the Contractor. The coverage shall contain no endorsed limitations on the scope of protection afforded to the County, its officers, directors, officials, employees, or volunteers.~~

~~> Civil Code Provision - Coverage shall not extend to any indemnity coverage for the active negligence of the additional insured in any case where an agreement to indemnify the additional insured would be invalid under Subdivision (b) of Section 2782 of the Civil Code.~~

~~> Primary Insurance - For any claims related to this contract, the Contractor's insurance coverage shall be endorsed to be primary insurance as respects the County, its officers, officials, employees and volunteers. Any insurance or self-insurance maintained by the County, its officers, directors, officials, employees, or volunteers shall be excess of the Contractor's insurance and shall not contribute with the Contractor's insurance.~~

~~> Severability Of Interest - The Contractor's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.~~

~~> Subcontractors - Contractor shall be responsible for the acts and omissions of all its subcontractors and shall require all its subcontractors to maintain adequate insurance.~~

~~6.6.3 Professional Liability~~

~~Professional and Liability Provision - Any professional liability or errors and omissions policy required hereunder shall apply to any claims, losses, liabilities, or damages, demands and actions arising out of or resulting from professional services provided under this contract.~~

~~6.6.4 Workers' Compensation~~

~~Workers' Compensation Waiver of Subrogation - The workers' compensation~~

~~policy required hereunder shall be endorsed to state that the workers' compensation carrier waives its right of subrogation against the County, its officers, directors, officials, employees, agents or volunteers, which might arise by reason of payment under such policy in connection with performance under this contract by the Contractor.~~

~~6.6.5 Property~~

~~> Course Of Construction Waiver Of Subrogation — Any Course of Construction (COC) policies maintained by the Contractor in performance of the contract shall contain the provisions below.~~

~~» The County shall be named as loss payee.~~

~~» The insurer shall waive all rights of subrogation against the County.~~

~~> Inland Marine Waiver Of Subrogation — Any Inland Marine insurance policies maintained by the Contractor in performance of the contract shall be endorsed to state that the insurer shall waive all rights of subrogation against the County.~~

~~6.7 Notification of Claim~~

~~If any claim for damages is filed with Contractor or if any lawsuit is instituted against Contractor, that arise out of or are in any way connected with Contractor's performance under this contract and that in any way, directly or indirectly, contingently or otherwise, affect or might reasonably affect County, Contractor shall give prompt and timely notice thereof to County. Notice shall be deemed prompt and timely if given within thirty (30) days following the date of receipt of a claim or ten (10) days following the date of service of process of a lawsuit.~~

Item	Tgt. qty.	Unit	Price	Unit of	Extended
Mat Num		Description	/ Unit Measure		Value

00010	4,060,000	Each	1.00	/ 1 EA	4,060,000.00
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~~Mailing Services~~

~~Price Schedule: (For all five years)~~

~~Initial Set Up* (First Year only) No Charge~~

~~Price Per Image** \$0.0426~~

~~Additional Inserts by Machine per 1,000 includes folding
..... \$5.00~~

~~Additional Inserts by Hand per 1,000 includes folding
..... \$10.00~~

~~Price Per Image*** to produce DVD or other media of letter image
..... \$0.003~~

~~IT Changes/Enhancement Per Hour \$85.00~~

~~Initial set-up charge includes all costs associated with
letter design/layout, fine tuning, programming, and
testing.~~

~~** The price per image shall include cost of materials (paper,
envelopes, etc.) and cost of processing (pickup/courier
service, receiving and hatching data, printing, folding,
inserting, presorting, delivery to the LISPS, etc.)
Moreover, the price per image shall equal one-side of
printed page and shall include all applicable sales tax.~~

~~*** The price per image to produce DVDs or other media of letter
image shall include a quick search and locate mechanism,
e.g., software and viewer to do look-ups and searches by
certain criteria. Moreover, the price per image shall equal
one-side of printed page and shall include all applicable
sales tax.~~

Item	Tgt. qty.	Unit	Price	Unit of	Extended
Mat Num		Description	/ Unit Measure		Value
00020	3,500,000	Each			
		Metered Postage Reimbursement			
			1.00 / 1 EA		3,500,000.00

~~Charge for postage shall be at the USPS Commercial First-Class Mail 3-Digit Rate, as follows: (Per USPS Price List Notice 123 Effective May 11, 2009)~~

<u>Ounces</u>	<u>3-Digit</u>
1	\$0.357
2	\$0.482
3	\$0.607
3.5	\$0.732

Distribution:

~~103-01 DHA, Dan Kalamaras, 875-3793~~
~~103-01 DHA, Jamie Roose, 875-4473~~
~~103-01 DHA, Diane Waite, 875-3586~~
~~80-001 DHA, Jill Cochran, 875-3633~~
~~80-001 DHA, Kimberly Wills Lee, 876-7376~~
~~80-001 DHA, Michael Prayter, 875-3572~~
~~80-001 DHA, Sheila Nelson, 875-3629~~

PURCHASE ORDER/CONTRACT GENERAL CONDITIONS

1. ~~BID/QUOTE/PROPOSAL/GENERAL CONDITIONS: All of the terms 13. and conditions of the bid, quote, or proposal against which this purchase document is applied, are hereby incorporated.~~
 2. ~~SALES TAX NOT INCLUDED: Unless otherwise definitely specified, the unit prices do not include California sales and use tax or 14. Sacramento County sales and use tax.~~
 3. ~~CASH DISCOUNTS: In connection with any cash discount specified on this quote, time will be computed from the date of complete delivery of the supplies or equipment as specified, or from date correct invoices are received in the County Auditors Office if the latter date is later than the date of delivery. For the purpose of earning the discount, payment is deemed to be made on the date of mailing of the 15. County warrant or check.~~
 4. ~~AMERICANS WITH DISABILITIES ACT: As a condition of accepting a purchase order from the County of Sacramento, the vendor 16. certifies that their business entity is in compliance with the Americans With Disabilities Act of 1990, as amended. Failure to certify shall prohibit the award of a purchase order to the vendor.~~
 5. ~~HOLD HARMLESS: The vendor shall hold the County of Sacramento, its officers, agents, servants and employees harmless from liability of any nature or kind because of use of any copyrighted, or 17. uncopyrighted composition, secret process, patented or unpatented invention, articles or appliances furnished or used under this order, and agrees to defend, at his own expense, any and all actions brought against the County of Sacramento or himself because of the unauthorized use of such articles.~~
 6. ~~DEFAULT BY VENDOR: In case of default by vendor, the County of Sacramento may procure the articles or services from other sources and may deduct from any monies due, or that may thereafter become due to the vendor, the difference between the price named in the contract or purchase order and actual cost thereof to the County of Sacramento. Prices paid by the County shall be considered the prevailing market price at the time such purchase is made. Periods of performance may be extended if the facts as to the cause of delay justify such extension in the opinion of the Purchasing Agent.~~
 7. ~~RIGHT TO AUDIT: The County of Sacramento reserves the right to verify, by examination of vendors records, all invoiced amounts when firm prices are not set forth in the purchase agreement.~~
 9. ~~ASSIGNMENT: (a) This award is not assignable by contractor either in whole or in part, without the prior written approval of the Purchasing Agent of the County of Sacramento. (b) In submitting a quote to a public purchasing body, the quoter offers and agrees that if the quote 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 19. Section 4 of the Clayton Act (15 U.S.C. Sec. 15) the Cartwright Act (Chapter 2 [commencing with Section 16700] of part 2 of Division 7 of the Business and Professions Code), arising from the purchases of goods, materials, or services by the quoter for sale to the purchasing body pursuant to the quote. Such assignment shall be made and become effective at the time the purchasing body tenders final payment to the quoter.~~
 9. ~~APPLICABILITY TO HEIRS: Time is of the essence of each and all the provisions of this agreement, and, subject to the limitations of Paragraph 8, the provisions of this agreement shall extend to and be binding upon and inure to the benefits of the heirs, executors, administrators, successors, and assigns of the respective parties hereto.~~
 8. ~~F.E.T. EXEMPTION: Sacramento County is exempted from payment of Federal Excise Tax. No federal tax shall be included in price.~~
 9. ~~CHARGES NOT INCLUDED ON FACE NOT ACCEPTABLE: No charge will be accepted for packing, boxing, or cartage, except as specified in the Notice of Award. Freight collect shipments will not be accepted. Merchandise will not be accepted if payment is to be made at the time of delivery.~~
 10. ~~TITLE: Except as otherwise expressly provided herein, title to and risk of loss on all items shipped by seller to buyer shall pass to the buyer upon buyers inspection and acceptance of such items at buyers building.~~
- ~~CHANGES WITHOUT NOTICE PROHIBITED: No changes in price, quantity or merchandise will be recognized by the County of Sacramento without written notice of acceptance thereof prior to shipment.~~
- ~~ALL UNDERSTANDINGS IN WRITING: It is mutually understood and agreed that no alteration or variation of terms of this award shall be valid unless made in writing and signed by the parties hereto, and that no oral understandings or, agreements not incorporated herein, and no alterations or variations of the terms hereof unless made in writing between the parties hereto shall be binding on any of the parties hereto.~~
- ~~FORCE MAJEURE: The vendor will not be held liable for failure or delay in the fulfillment of conditions of purchase order/contract if hindered or prevented by fire, strikes, or Acts of God.~~
- ~~INVOICING: Upon submission of itemized invoices, in duplicate, payment shall be made of the prices stipulated herein for supplies delivered and accepted or services rendered and accepted, less deductions, if any, as herein provided. Payment on partial deliveries may be made whenever amounts due so warrant or when requested by the vendor and approved by the Purchasing Agent.~~
- ~~SPECIAL CONDITIONS: Buyers standard terms and conditions shall govern any contract awarded. If, after award of contract, vendor provides additional terms or conditions, they shall be considered void. To the extent not otherwise stated in the contract, the California Commercial code shall apply.~~
- ~~'YEAR 2000 WARRANTY AND INDEMNITY: Vendor agrees that it is Vendors responsibility to ensure that all products furnished pursuant to this Agreement are and will continue to be Year 2000 compliant. Vendor further agrees that any hardware, software, and/or embedded chip devices used by Vendor in the performance of services under this Agreement, or contained within products furnished by Vendor under this Agreement, other than those owned or provided by County, shall accurately process without error date/time data (including, but not limited to, calculating, comparing, and sequencing) from, into, and between the twentieth and twenty-first centuries, and the years 1999 and 2000, and leap year calculations. Vendors indemnification obligations to County under this Agreement shall apply to claims, liability, loss, injury, or damage resulting from the failure of any such hardware, software, and/or embedded chip devices to perform in compliance with this standard. Nothing in this warranty shall be construed to limit any rights or remedies otherwise available to the County under this Agreement. This warranty shall survive beyond the termination or expiration of this Agreement.~~
- ~~CHILD, FAMILY, AND SPOUSAL SUPPORT: Contractor hereby certifies that: (a) The following information has been provided to the Sacramento County Child Support Department and/or the District Attorney for each of Contractors Principal Owners (any individual owning 25% or more in Contractor entity) who is subject to a court-ordered child, family or spousal support order: (1) name, title, last known residence address and social security number; (2) all earnings paid to or payable to such principal owner pursuant to any contract with Sacramento County; and (3) whether dependent health insurance coverage is available to or provided to such Principal Owner. (b) Contractors Principal Owners are currently in substantial compliance with any court-ordered child, family and spousal support order, or, in the alternative, has made a good faith effort to become current or arrange a payment schedule with the Child Support Department, District Attorney or the court. (c) Contractor has fully complied with all applicable state and federal reporting requirements relating to employment reporting for its employees. (d) Contractor has fully complied with all lawfully served wage and earnings assignment orders and notices of assignment and will continue to maintain compliance.~~
- ~~NOTE: Failure to comply with state and federal reporting requirements regarding Contractors employees or failure to implement lawfully served wage and earnings assignment orders or notices of assignment constitutes a default under any contract with the County. Failure to cure such default within 90 days of notice by the County shall be grounds for termination of contract.~~

~~its uppeR ZE-owI-~~ **COUNTY OF SACRAMENTO**
CALIFORNIA

~~D 1 5 2 0 0 9~~

By

W a i t

Cie — f the Board

For the Agenda of:
December 15, 2009

To: — Board of Supervisors

From: — Department of Human Assistance

Subject: — Contract Award For CalWIN Client Correspondence Printing And Mailing
Services

Supervisorial

District: — All

Contact: — Colleene Miller, Human Services Division Manager, 875 4481
Dan Kalamaras, Information Technology Manager, 875 3793

Overview

The Sacramento Department of Human Assistance (DHA) contracts with Document Fulfillment Services to provide the CalWORKs Welfare and Information Network (CalWIN) client correspondence printing and mailing services. Client correspondences are notices or forms that are mailed to welfare clients to provide or request information about their case. The existing contract with Document Fulfillment Services (DFS) expires on February 28, 2010. On June 1, 2009, the County issued a Request for Proposal (RFP) to establish a new contract for the processing of CalWIN client correspondence effective March 1, 2010. Sacramento is the lead CalWIN consortium county for this RFP. The other seventeen consortium counties may opt to reference this RFP and Board approved contract when establishing their own contract for CalWIN printing services. On July 21, 2009, the County received nine proposals, and DFS emerged as the most responsive, responsible bidder with the most points. Exhibits A and B provide the Total Points Summary and Price Abstract. DHA recommends that the Board approve the award of the CalWIN Client Correspondence Printing and Mailing Services contract to DFS commencing March 1, 2010,

Recommendations

1. Approve the award of the contract to Document Fulfillment Services for CalWIN Client Correspondence Printing and Mailing Services for a period of five years commencing March 1, 2010, through February 28, 2015.
2. Adopt the attached resolution directing the Purchasing Agent to execute the contract award, annual extensions, and other actions as necessary to uphold the contract.

Measures/Evaluation

The contract will benefit the County by providing all necessary materials, equipment and labor to process and mail the CalWIN client correspondence on a timely basis. DHA staff will continue to monitor, inspect, and evaluate the vendor's performance throughout the new contract period.

Contract Award For CalWIN Client Correspondence Printing And Mailing Services
Page 2

Fiscal Impact

It is anticipated that DHA will spend approximately \$812,000 on the contracted services during the first year. With postage, the annual expenditure is estimated to cost approximately \$1,512,000. Ninety percent of the funding will be from Federal and State revenues and the remaining ten percent will be from the County General Fund. These costs were included in DNA's Fiscal Year 2009-10 Adopted Final Budget.

BACKGROUND

On March 3, 2005, DHA went live with a new statewide automated welfare system called CalWIN. It replaced the Welfare Case Data System for determining public assistance eligibility, computing and issuing benefits, and tracking the provision of social services. On November 30, 2004, the Board approved the award of the contract to Document Fulfillment Services (DFS) to provide the CalWIN client correspondence printing and mailing services. The processing of CalWIN client correspondence includes printing in 13 languages, folding, inserting, presorting, and mailing within 24 hours. (Refer to Exhibit C, CalWIN Languages.)

CalWIN is the primary business application utilized by the Sacramento County Department of Human Assistance and seventeen additional California counties. The processing for all the CalWIN counties is integrated and run at Hewlett Packard (HP) Enterprise Services (formerly Electronic Data Systems).

Sacramento County is the lead county for the CalWIN Client Correspondence Printing and Mailing Services RFP. The other seventeen counties may opt to reference this RFP and the resultant Board approved contract with DFS, without issuing their own formal competitive bidding processes. Presently, thirteen other California counties in the consortium utilize DFS by referencing the RFP and contract previously approved by the Sacramento County Board of Supervisors. For the new subject contract award, it is anticipated that fourteen other California counties from the consortium (original thirteen plus Santa Clara) will participate by referencing this RFP and the pending Board approval action. (Refer to Exhibit C, Original Thirteen Counties.)

Additionally, DHA requires the outgoing mail to be dated due to State and County hearings regulations. Thus, DFS will meter the outgoing mail rather than utilizing a USPS permit number that does not show the date of mailing. As such, DFS has agreed to charge DHA the 3 digit commercial first class automation rate, as follows:

<p>3" x 5" Coimime165 \$0.357</p>	<p>4" x 6" Ott'Rote \$0.482</p>
--	--

The actual metered postage cost will be billed separately and is not included in the annual cost of \$812,000 estimated for the CalWIN client correspondence printing and mailing services.

Contract Award For CalWIN Client Correspondence Printing And Mailing Services
Page 3

DISCUSSION:

Section 714

~~This contract is not subject to Section 71 J of the Sacramento County Charter. Based on the fact that specialized equipment is required in order to perform the functions and that the county does not have the equipment to provide the services under this contract, County Counsel concurs that this contract is not subject to Section 71 J.~~

Purchasing Action

~~The Request for Proposal was issued on June 1, 2009, to establish a new contract for the CalWIN Client Correspondence Printing and Mailing Services to replace the existing contract that will end on February 28, 2010. The County solicited 65 firms and a search of the State of California database determined that 14 of those firms are certified by the State of California as Small or Micro businesses. On July 21, 2009, the County received proposals from nine vendors of which two are State certified Small Businesses.~~

~~The Contract and Purchasing Services Division and a selection committee comprised of participants from the CalWIN consortium Sacramento, San Diego and Santa Clara counties evaluated the nine vendor proposals based on how well they met the technical requirements and the county's risk analysis associated with their approach to the requirements and the price proposal. The vendors with the two highest scores, DFS and Standard Register were then additionally scored, on their references and a site visit. Exhibits A and B provide the Total Points Summary and Price Abstract.~~

~~On October 8, 2009, the vendors were notified of the county's Intent to Award the CalWIN Client Correspondence Printing and Mailing Services Contract to DFS. Subsequently, Standard Register submitted an Email protesting the pending award. In response to Standard Register's protest, staff conducted a thorough review and, for the items where the County accepted Standard Register's reasons for objection, recalculated the scores.~~

~~The reference checks and site visits concluded that DFS and Standard Register were capable of providing quality service to Sacramento County and other California counties in the CalWIN consortium. However, DFS was chosen over Standard Register because DFS had the highest overall score,~~

Contract Award For CalWIN Client Correspondence Printing And Mailing Services Page 4

For the new contract with DFS, the county negotiated a reduced postage rate, as follows:

	Postage Rate	Average Number Of Mail Pieces Per Month	Estimated Postage Cost Per Month	Estimated Postage Cost Per Year
USPS Retail	1 ounce = \$0.440	132,260	\$58,194.40	\$698,332.80
	2 ounce = \$0.610	19,940	\$12,163.40	\$145,960.08
Existing Contract	1 ounce = \$0.382	132,260	\$50,523.32	\$606,279.84
	2 ounce = \$0.507	19,940	\$10,109.58	\$121,314.96
New Contract	1 ounce = \$0.357	132,260	\$47,216.82	\$566,601.84
	2 ounce = \$0.482	19,940	\$9,611.08	\$115,332.96
POSTage COST Saving Between:				
NOW ContraCt.andUSPS:RetaitRates			\$13,529.90 per Month	\$162,358.08 per Year
New:COttract.and ExiSting Contract.Rates			\$3,805.00 per Month	\$45,660.00 per Year

The evaluation team concluded that it is in the County's best interest to award the contract to Document Fulfillment Services. The recommendation is based on a thorough review of each proposal in terms of cost and qualifications, all in accordance with the criteria published in the RFP specifications. The final ranking is listed below.

Vendor Name	Total Pts
Standard Register*	377.10
Metro Mailing Services	310.80
K/P Corporation	306.30
Global Document Solutions	295.20
Central Valley Presort	272.50
Mailing Systems Inc.	244.50
National Data Services	242.70
PIN Presort	228.60

*Reference check and site visit was completed for *only* the two vendors with the highest average score.

DFS is not a State-certified Small or Micro business.

In accordance with the previous County of Sacramento's Procurement Opportunities Program policy, adopted by the County Board of Supervisors under Resolution 2002-0670 on June 4, 2002, certain business may be eligible for a 5 percent price preference. However, because the

~~Contract Award For CalWIN Client Correspondence Printing And Mailing Services
Page 5~~

~~recommended contracts are for services, the Procurement Opportunities Program preference provision is not applicable in this situation. RFP7434 was released prior to the effective date of the updated Procurement Opportunities Program policy, adopted by the County Board of Supervisors under Ordinance SCC 1439 on September 15, 2009.~~

Contract Period

~~If approved, the contract term will be from March 1, 2010, to February 28, 2015.~~

~~To promote efficiency and economy, DHA is requesting a five year contract rather than the standard one year with the option to extend for additional *years* for the reasons described below.~~

- ~~• Simplifies the process for the other 14 counties to participate and reference Sacramento's contract as they will no longer be required to wait for Sacramento's yearly Board Letter procedure and approval before requesting approval from their local Board of Supervisors.~~
- ~~• DMA is confident DFS will continue to provide excellent service based upon the prior DFS print contract.~~

~~County Counsel opinion: There is no legal prohibition from extending the term of the contract or the notice required for termination. The decision to change the term is a policy decision to be approved by the Board of Supervisors.~~

~~The County may terminate the contract without cause upon ninety (90) days written notice to the other party. Additionally, the County may terminate or amend the agreement immediately upon giving written notice to Contractor, 1) if advised that funds are not available from external sources for this Agreement or any portion thereof, including if distribution of such funds to the County is suspended or delayed; 2) if funds for the services and/or programs provided pursuant to this Agreement are not appropriated by the State; 3) if funds in County's yearly proposed and/or final budget are not appropriated by County for this Agreement or any portion thereof; or 4) if funds that were previously appropriated for this Agreement are reduced, eliminated, and/or re-allocated by County as a result of mid-year budget reductions.~~

MEASURES/EVALUATION

~~The contract will benefit the County by providing all necessary materials, equipment and labor to process and mail the CalWIN client correspondence on a timely basis. DHA staff will continue to monitor, inspect, and evaluate the vendor's performance throughout the new contract period.~~

FINANCIAL ANALYSIS

~~It is anticipated that DHA will spend approximately \$812,000 on the contracted services during the first year. With postage, the annual expenditure is estimated to cost approximately \$1,512,000. Ninety percent of the funding will be from Federal and State revenues and the remaining ten percent will be from the County General Fund. Future expenditures may increase if additional printing needs are required. These costs were included in DHA's Fiscal Year 200910 Adopted Final Budget.~~

~~Contract Award For CalWIN Client Correspondence Printing And Mailing Services
Page 6~~

Respectfully submitted, _____

APPROVED:

~~TERRY SCHUTTEN
County Executive~~

~~BRUCE WAGSTAFF, Director
Department of Human Assistance~~

By: _____
~~JAMES W. HUNT, Acting Administrator
Countywide Services Agency~~

Concurrence as to require purchasing procedures:

~~MICHAEL M. MORSE, Director
Department of General Services~~

~~Attachments: Resolution~~

- ~~Exhibit A — RFP7434 Points Summary~~
- ~~Exhibit B — RFP7434 Price Abstract~~
- ~~Exhibit C CalWIN Languages And Original Thirteen Counties
Proposed Contract Award~~

RESOLUTION NO. 2009-0983

~~CONTRACT AWARD FOR CALWIN CLIENT CORRESPONDENCE
PRINTING AND MAILING SERVICES~~

~~BE IT RESOLVED that the Chair of the Board of Supervisors be and is hereby authorized and directed to authorize the County Purchasing Agent or designee to execute the award of Contract Number WA00025381, for the provision of CalWIN Client Correspondence Printing and Mailing Services, in the form hereto attached, on behalf of the COUNTY OF SACRAMENTO, a political subdivision of the State of California, with Document Fulfillment Services of West Sacramento, California, and to do and perform everything necessary to carry out the purpose of this Resolution.~~

~~On a motion by Supervisor Dickinson, seconded by Supervisor Yee the foregoing Resolution was passed and adopted by the Board of Supervisors of the County of Sacramento, State of California, this 15th day of December, 2009, by the following vote, to wit:~~

AYES	Supervisors,	Dickinson, MacGlashan,
NOES :	Supervisors,	None
ABSENT :	Supervisors,	None.
ABSTAIN :	Supervisors,	None



to accordance with Section 25103 of the Government
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Chair of the Board of Supervisors,
of Sacramento County, California

FILED

BOARD OF SUPERVISORS

DEC 15 2009

BY

Lyndi Lee
CLERK OF THE BOARD

ATTEST:

Lyndi Lee
Clerk, Board of Supervisors

SW

EXHIBIT A

CALWIN PRINTED PER 7/24/04 VENDOR EVALUATION SCORE SUMMARY

	Central Valley Presort	Document Fulfillment Services	Global Document Solutions	KIP Corporation	Mailing Systems, Inc	Metro Mailing Services	National Data Services	PIN Presort	Standard Register Company
Requirements	195.40	219.40	176.20	211.60	203.00	201.60	211.20	151.40	200.40
Price	45.60	79.60	87.50	63.20	10.00	77.70	0.00	45.70	90.00
Addendum	31.50	31.50	31.50	31.50	31.50	31.50	31.50	31.50	28.50
References & Site Visit		63.00							58.20
	272.50	393.30	295.20	306.30	244.50	310.80	242.70	228.60	377.10

Note: Reference check and site visit was completed only for the two vendors with the highest score.

EXHIBIT B- RFP7434 PRICE ABSTRACT

Section 4.1 - Printing and Mailing

	Document Global							Standard	
	Central Valley Presort	Fulfillment Services	Document Solutions	KIP Corporation	Mailing Systems Inc	Metro Mailing Services	National Data Services	PIN	Register Presort Company
Setup	\$7,000	\$0	\$2,500	\$0	\$10,000	\$10,000	\$13,500	\$3,000	\$12,500
Year 1	\$864,539	\$808,351	\$721,053	\$860,331	\$1,165,053	\$783,806	\$1,220,402	\$916,947	\$733,146
Year 2	\$879,414	\$808,351	\$744,853	\$881,624	\$1,210,103	\$802,506	\$1,220,402	\$957,984	\$733,146
Year 3	\$879,414	\$808,351	\$752,503	\$903,639	\$1,216,903	\$821,206	\$1,257,186	\$1,001,653	\$766,821
Year 4	\$879,414	\$808,351	\$768,653	\$926,291	\$1,223,278	\$837,781	\$1,294,990	\$1,048,402	\$766,821
Year 5	\$879,414	\$808,351	\$785,653	\$949,581	\$1,230,503	\$844,751	\$1,334,135	\$1,098,201	\$766,821
5 Year Total	\$4,379,614	\$4,021,944	\$3,712,117	\$4,511,670	\$6,165,847	\$4,106,049	\$6,106,049	\$5,049,049	\$4,021,944
Price Points*	0.00	2.58	2.75	2.06	3.00	2.13	0.33	2.62	0.00

Section 4.2 - Data Line Transmission in Lieu of DVD Delivery

	\$0	\$0	\$3,000	\$0	\$0	\$1,000	\$1,600	\$1,000	\$1,000
Setup									
Year 1		\$3,000	\$24,820	\$24,820	\$0	\$0	\$550		\$525
Year 2		\$3,000			\$0	\$0			\$900
Year 3									(\$19,400)
Year 4									\$927
Year 5							\$3,478		(\$20,400)
5 Year Total		\$3,000	\$24,820	\$24,820	\$0	\$0	\$575	\$3,478	\$983
		\$3,000	\$24,820	\$24,820	\$0	\$0	\$600		(\$20,400)
Price Points*	0.00	2.58	2.75	2.06	0.34	2.53	0.00	1.49	3.00

Notes:
 *The bid prices were scored using the Price Point Ratio Method in which the vendor with the lowest overall price received 3 points and the highest overall price received zero points. The other seven vendors received scores based on the price differential between the lowest and highest overall price.
 Central Valley Presort - declined to bid the data line.
 KIP Corporation and Mailing Systems, Inc. - confirmed there is no additional cost for a data line.
 Standard Register - data line bid indicates a cost savings.

**The adjusted total for the data line is the 5 year total cost of the DVD plus the additional 5 year total cost or savings, if any, for the data line transmission.

EXHIBIT C

CalWIN Languages	
1	English
2	Spanish
3	Russian
4	Chinese
5	Vietnamese
6	Hmong
7	Laotian
8	Farsi
9	Arabic
10	Armenian
11	Cambodian
12	Korean
13	Tagalog
14	Cushite*
15	"Formosan"
16	Japanese*
17	Mein*
18	Punjabi*
19	Portuguese*
20	Syriac*
21	Ukrainian*

***To be added per ACL 08-16**

Original Thirteen Counties
Fresno
Orange
Placer
San Diego
San Francisco
San Luis Obispo
San Mateo
Santa Barbara
Santa Cruz
Solano
Sonoma
Ventura
Yolo

AGREEMENT NO. DHA-DFS-01-18**AGREEMENT**

THIS AGREEMENT is made and entered into as of this ___ day of _____ 2017, by and between the COUNTY OF SACRAMENTO, a political subdivision of the State of California, hereinafter referred to as "COUNTY", and BIT CALIFORNIA LLC dba DOCUMENT FULFILLMENT SERVICES (DFS), a corporation, hereinafter referred to as "CONTRACTOR".

RECITALS

WHEREAS, the Department of Human Assistance, hereinafter referred to as "DHA", is the COUNTY's welfare department; and

WHEREAS, Document Fulfillment Services was the awarded proposer under Sacramento County Department of General Services Request for Proposal #8352; and

WHEREAS, COUNTY desires to extend certain services to Sacramento County recipients participating in the CalWIN program by contracting with CONTRACTOR; and

WHEREAS, CONTRACTOR is equipped, staffed and prepared to provide such services on the terms and conditions set forth in this Agreement and the exhibits which are part of this Agreement; and

WHEREAS, the Board of Supervisors authorized the DIRECTOR of DHA to enter into the AGREEMENT on behalf of COUNTY by Resolution No. 2017-0402, and Sacramento County Code Section 2.61.100(a)(1); and

WHEREAS, COUNTY and CONTRACTOR desire to enter into this Agreement on the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual promises hereinafter set forth, COUNTY and CONTRACTOR agree as follows:

I. SCOPE OF SERVICES

CONTRACTOR shall provide services in the amount, type and manner described in Exhibit A, which is attached hereto and incorporated herein.

II. TERM

This Agreement shall be effective as of the period commencing September 1, 2017 and shall end on June 30, 2022, with the possibility of one five year extension.

III. NOTICE

Any notice, demand, request, consent, or approval that either party hereto may or is required to give the other pursuant to this Agreement shall be in writing and shall be either personally delivered or sent by certified mail, addressed as follows:

TO COUNTY

DIRECTOR
Department of Human Assistance
1825 Bell Street, Suite #200
Sacramento, California 95825

TO CONTRACTOR

Eric Bambury, President/CEO
Document Fulfillment Services
2930 Ramona Avenue, Suite 100
Sacramento, CA 95826

Either party may change the address to which subsequent notice and/or other communications can be sent by giving written notice designating a change of address to the other party, which shall be effective upon receipt. Notice can be provided by either email or USPS.

All administrative and program site address changes must be reported in writing to the Contracts Unit Manager at 1825 Bell Street, Suite #200, Sacramento, CA 95825 at least 90 days prior to the change.

IV. COMPLIANCE WITH LAWS

CONTRACTOR shall observe and comply with all applicable Federal, State, and County laws, regulations and ordinances.

V. GOVERNING LAWS AND JURISDICTION

This Agreement shall be deemed to have been executed and to be performed within the State of California and shall be construed and governed by the internal laws of the State of California. Any legal proceedings arising out of or relating to this Agreement shall be brought in Sacramento County, California.

VI. LICENSES, PERMITS AND CONTRACTUAL GOOD STANDING

A. CONTRACTOR shall possess and maintain all necessary licenses, permits, certificates and credentials required by the laws of the United States, the State of California, County of Sacramento and all other appropriate governmental agencies, including any certification and credentials required by COUNTY. Failure to maintain the licenses permits, certificates, and credentials shall be deemed a breach of this Agreement and constitutes grounds for the termination of this Agreement by COUNTY.

B. CONTRACTOR further certifies to COUNTY that it and its principals are not debarred, suspended, or otherwise excluded from or ineligible for, participation in federal, State or county government contracts. CONTRACTOR certifies that it shall not contract with a Subcontractor that is so debarred or suspended.

VII. PERFORMANCE STANDARDS

CONTRACTOR shall perform its services under this Agreement in accordance with the industry and/or professional standards applicable to CONTRACTOR's services.

VIII. OWNERSHIP OF WORK PRODUCT

If applicable, all technical data, evaluations, plans, specifications, reports, documents, or other work products developed by CONTRACTOR hereunder shall be the exclusive property of COUNTY and shall be delivered to COUNTY upon completion of the services authorized hereunder. CONTRACTOR may retain copies thereof for its files and internal use. Publication of the information directly derived from work performed or data obtained in connection with services rendered under this Agreement must first be approved in writing by COUNTY. COUNTY recognizes that all technical data, evaluations, plans, specifications, reports, and other work products are instruments of CONTRACTOR's services and are not designed for use other than what is intended by this Agreement.

IX. STATUS OF CONTRACTOR

A. It is understood and agreed that CONTRACTOR (including CONTRACTOR's employees) is an independent contractor and that no relationship of employer-employee exists between the parties hereto. CONTRACTOR's assigned personnel shall not be entitled to any benefits payable to employees of COUNTY. COUNTY is not required to make any deductions or withholdings from the compensation payable to CONTRACTOR under the provisions of this Agreement; and as an independent contractor, CONTRACTOR hereby indemnifies and holds COUNTY harmless from any and all claims that may be made against COUNTY based upon any contention by any third party that an employer-employee relationship exists by reason of this Agreement.

- B. It is further understood and agreed by the parties hereto that CONTRACTOR in the performance of its obligation hereunder is subject to the control or direction of COUNTY as to the designation of tasks to be performed, the results to be accomplished by the services hereunder agreed to be rendered and performed, and not the means, methods, or sequence used by CONTRACTOR for accomplishing the results.
- C. If, in the performance of this Agreement, any third persons are employed by CONTRACTOR, such person shall be entirely and exclusively under the direction, supervision, and control of CONTRACTOR. All terms of employment, including hours, wages, working conditions, discipline, hiring, and discharging, or any other terms of employment or requirements of law, shall be determined by CONTRACTOR, and the COUNTY shall have no right or authority over such persons or the terms of such employment.
- D. It is further understood and agreed that as an independent contractor and not an employee of COUNTY, neither the CONTRACTOR nor CONTRACTOR's assigned personnel shall have any entitlement as a COUNTY employee, right to act on behalf of COUNTY in any capacity whatsoever as agent, nor to bind COUNTY to any obligation whatsoever. CONTRACTOR shall not be covered by worker's compensation; nor shall CONTRACTOR be entitled to compensated sick leave, vacation leave, retirement entitlement, participation in group health, dental, life and other insurance programs, or entitled to other fringe benefits payable by the COUNTY to employees of the COUNTY.
- E. It is further understood and agreed that CONTRACTOR must issue W-2 and 941 Forms for income and employment tax purposes, for all of CONTRACTOR's assigned personnel under the terms and conditions of this Agreement.

X. CONTRACTOR IDENTIFICATION

CONTRACTOR shall provide the COUNTY with the following information for the purpose of compliance with California Unemployment Insurance Code section 1088.8 and Sacramento County Code Chapter 2.160: CONTRACTOR's name, address, telephone number, social security number or Tax Identification Number and whether dependent health insurance coverage is available to CONTRACTOR.

XI. COMPLIANCE WITH CHILD, FAMILY AND SPOUSAL SUPPORT REPORTING OBLIGATIONS

- A. CONTRACTOR's failure to comply with state and federal child, family and spousal support reporting requirements regarding a contractor's employees or failure to implement lawfully served wage and earnings assignment orders or notices of assignment relating to child, family and spousal support obligations shall constitute a default under this Agreement.
- B. CONTRACTOR's failure to cure such default within 90 days of notice by COUNTY shall be grounds for termination of this Agreement.

XII. DEBARMENT OR SUSPENSION

45 CFR Part 76.100 (Code of Federal Regulations), which applies to any contract that receives Federal funding, provides that Federal funds may not be used if the contractor is debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency. If 45 CFR Part 76.100 applies to this Agreement, then CONTRACTOR shall execute the Certification Regarding Debarment And Suspension and shall comply with its provisions.

XIII. BENEFITS WAIVER

If CONTRACTOR is unincorporated, CONTRACTOR acknowledges and agrees that CONTRACTOR is not entitled to receive the following benefits and/or compensation from

COUNTY: medical, dental, vision and retirement benefits, life and disability insurance, sick leave, bereavement leave, jury duty leave, parental leave, or any other similar benefits or compensation otherwise provided to permanent civil service employees pursuant to the County Charter, the County Code, the Civil Service Rule, the Sacramento County Employees' Retirement System and/or any and all memoranda of understanding between COUNTY and its employee organizations. Should CONTRACTOR or any employee or agent of CONTRACTOR seek to obtain such benefits from COUNTY, CONTRACTOR agrees to indemnify and hold harmless COUNTY from any and all claims that may be made against COUNTY for such benefits.

XIV. RETIREMENT BENEFITS/STATUS

CONTRACTOR acknowledges and agrees that COUNTY has not made any representations regarding entitlement, eligibility for and/or right to receive ongoing Sacramento County Employee Retirement System (SCERS) retirement benefits during the term of this Agreement. By entering into this Agreement, CONTRACTOR assumes sole and exclusive responsibility for any consequences, impacts or action relating to such retirement benefits that is or will be occasioned as a result of the services provided by CONTRACTOR under this Agreement. CONTRACTOR waives any rights to proceed against COUNTY should SCERS modify or terminate retirement benefits based on CONTRACTOR's provision of services under this Agreement.

XV. CONFLICT OF INTEREST

CONTRACTOR and CONTRACTOR's officers and employees shall not have a financial interest, or acquire any financial interest, direct or indirect, in any business, property, or source of income which could be financially affected by or otherwise conflict in any manner or degree with the performance of services required under this Agreement.

XVI. LOBBYING AND UNION ORGANIZATION ACTIVITIES

A. CONTRACTOR shall comply with all certification and disclosure requirements prescribed by Section 319, Public Law 101-121 (31 U.S.C. § 1352) and any implementing regulations.

B. If services under this Agreement are funded with state funds granted to COUNTY, CONTRACTOR shall not utilize any such funds to assist, promote or deter union organization by employees performing work under this Agreement and shall comply with the provisions of Government Code Sections 16645 through 16649.

XVII. NONDISCRIMINATION IN EMPLOYMENT, SERVICE, BENEFITS AND FACILITIES

A. CONTRACTOR agrees and assures COUNTY that CONTRACTOR and any subcontractors shall comply with all applicable federal, state, and local anti-discrimination laws, regulations, and ordinances and to not unlawfully discriminate, harass, or allow harassment against any employee, applicant for employment, employee or agent of COUNTY, or recipient of services contemplated to be provided or provided under this Agreement, because of race, ancestry, marital status, color, religious creed, political belief, national origin, ethnic group identification, sex, sexual orientation, age (over 40), medical condition (including HIV and AIDS), or physical or mental disability. CONTRACTOR shall ensure that the evaluation and treatment of its employees and applicants for employment, the treatment of COUNTY employees and agents, and recipients of services are free from such discrimination and harassment.

B. CONTRACTOR represents that it is in compliance with and agrees that it will continue to comply with the Americans with Disabilities Act of 1990 (42 U.S.C. § 12101 et seq.), the Fair Employment and Housing Act (Government Code § 12900 et seq.), and regulations and guidelines issued pursuant thereto.

C. CONTRACTOR agrees to compile data, maintain records and submit reports to permit effective enforcement of all applicable anti-discrimination laws and this provision.

- D. CONTRACTOR shall include this nondiscrimination provision in all subcontracts related to this Agreement.
- E. CONTRACTOR shall provide all eligible activities under this Agreement in a manner that is free from religious influences. CONTRACTOR shall not discriminate against any employee or applicant for employment on the basis of religion and will not limit employment or give preference in employment to persons based on religion. CONTRACTOR shall not discriminate against any person applying for shelter or any of the activities under this Agreement on the basis of religion and will not limit such housing or other eligible activities or give preference to persons on the basis of religion.

XVIII. INDEMNIFICATION

To the fullest extent permitted by law, Contractor shall indemnify, defend, and hold harmless County, its governing Board, officers, directors, officials, employees, and authorized volunteers and agents, (collectively "Indemnified Parties") from and against any and all claims, demands, actions, losses, liabilities, damages, and all expenses and costs incidental thereto (collectively "Claims") including cost of defense, settlement, arbitration, and reasonable attorneys' fees, resulting from injuries to or death of persons, including but not limited to employees of either Party hereto, and damage to or destruction of property or loss of use thereof, including but not limited to the property of either Party hereto, arising out of, pertaining to, or resulting from the acts or omissions of the Contractor, its officers, employees, or agents, or the acts or omissions of anyone else directly or indirectly acting on behalf of the Contractor, or for which the Contractor is legally liable under law regardless of whether caused in part by an Indemnified Party. Contractor shall not be liable for any Claims arising from the sole negligence or willful misconduct of an Indemnified Party where such indemnification would be invalid under Section 2782 of the Civil Code.

This indemnity shall not be limited by the types and amounts of insurance or self-insurance maintained by the Contractor or the Contractor's Subcontractors.

Nothing in this Indemnity shall be construed to create any duty to, any standard of care with reference to, or any liability or obligation, contractual or otherwise, to any third party.

The provisions of this Indemnity shall survive the expiration or termination of the Agreement.

XIX. INSURANCE

Without limiting CONTRACTOR's indemnification, CONTRACTOR shall maintain in force at all times during the term of this Agreement and any extensions or modifications thereto, insurance as specified in Exhibit B. It is the responsibility of CONTRACTOR to notify its insurance advisor or insurance carrier(s) regarding coverage, limits, forms, and other insurance requirements specified in Exhibit B. It is understood and agreed that COUNTY shall not pay any sum to CONTRACTOR under this Agreement unless and until COUNTY is satisfied that all insurance required by this Agreement is in force at the time services hereunder are rendered. Failure to maintain insurance as required in this Agreement may be grounds for material breach of contract.

XX. INFORMATION TECHNOLOGY ASSURANCES

CONTRACTOR shall take all reasonable precautions to ensure that any hardware, software, and/or embedded chip devices used by CONTRACTOR in the performance of services under this Agreement, other than those owned or provided by COUNTY, shall be free from viruses. Nothing in this provision shall be construed to limit any rights or remedies otherwise available to COUNTY under this Agreement.

XXI. WEB ACCESSIBILITY (IF APPLICABLE)

CONTRACTOR shall ensure that all web sites and web applications provided by CONTRACTOR pursuant to this Agreement shall comply with COUNTY's Web Accessibility Policy adopted by the Board of Supervisors on February 18, 2003, as well as any approved amendment thereto.

XXII. COMPENSATION AND PAYMENT OF INVOICES LIMITATIONS

- A. Compensation under this Agreement shall be limited to the Maximum Total Payment Amount set forth in Exhibit C, or Exhibit C as modified by COUNTY in accordance with express provisions in this Agreement.
- B. CONTRACTOR shall submit an invoice on the forms and in accordance with the procedures prescribed by COUNTY on a monthly basis for services rendered during the preceding month. Invoices shall be submitted to COUNTY no later than the 15th day of the month following month in which the services were performed with the exception of those months addressed in D below. COUNTY shall pay CONTRACTOR within 30 days after receipt of an appropriate and correct invoice.
- C. COUNTY operates on a July through June fiscal year. Invoices submitted after July 10th for the prior fiscal year shall not be honored by COUNTY unless CONTRACTOR has obtained prior written COUNTY approval to the contrary.
- D. CONTRACTOR shall assure that expenditures are proper and in accordance with the terms and conditions of the Federal award and approved project budgets. The annual and final fiscal reports or vouchers requesting payment under the agreements must include a certification, signed by an official who is authorized to legally bind the non-Federal entity, which reads as follows: “By signing this report, I certify to the best of my knowledge and belief that the report is true, complete, and accurate, and the expenditures, disbursements and cash receipts are for the purposes and objectives set forth in the terms and conditions of the Federal award. I am aware that any false, fictitious, or fraudulent information, or the omission of any material fact, may subject me to criminal, civil or administrative penalties for fraud, false statements, false claims or otherwise. (U.S. Code Title 18, Section 1001 and Title 31, Sections 3729–3730 and 3801–3812).”
- E. CONTRACTOR shall maintain for five years following termination of this Agreement full and complete documentation of all services and expenditures associated with performing the services covered under this Agreement. Expense documentation shall include: time sheets or payroll records for each employee; receipts for supplies; applicable subcontract expenditures; applicable overhead and indirect expenditures.
- F. It is understood that the validity of such monthly billings in terms of their daily compliance with State regulations is subject to the review of the State of California and that COUNTY will be making payment on said billings in advance of the reimbursement by the State to COUNTY for sums expended thereunder. In the event that COUNTY is not reimbursed by the State for any amount it has paid CONTRACTOR hereunder on the basis of or as a result of the failure of CONTRACTOR to comply with any terms of this Agreement, CONTRACTOR shall reimburse COUNTY in the amount of such overpayment within 30 days, or in the sole discretion of DIRECTOR, COUNTY may withhold such amounts from any payments due under this Agreement or any successor Agreement.
- G. It is understood that any records of revenue or expenditures under this Agreement may be subject to compliance with State or Federal regulations and may be audited by the appropriate Federal, State or county agency. In the event of audit disallowance of any claim amount which is subject to compliance with State or Federal regulations, COUNTY shall not be liable for any lost revenue resulting therefrom. CONTRACTOR shall reimburse COUNTY in the amount of such disallowance within 30 days, or in the sole discretion of DIRECTOR, COUNTY may withhold such amounts from any payments due under this Agreement or any successor Agreement.

- H. If a post-agreement audit, conducted in accordance with generally accepted auditing standards, finds that the actual aggregate costs for services furnished pursuant to this Agreement are lower than the payments made by COUNTY, the difference shall be repaid by CONTRACTOR forthwith by cash payment, or, at the sole discretion of DIRECTOR, as a credit on future billings. If such post-agreement audit finds that the actual costs of services furnished hereunder are higher than the payments made by COUNTY, then the difference shall be paid to CONTRACTOR, up to the maximum obligation of this Agreement.
- I. In the event CONTRACTOR fails to comply with any provisions of this Agreement, COUNTY may withhold payment until such non-compliance has been corrected. This includes but is not limited to:
1. Submission of any required Personally Identifiable Information (PII) documentation electronically that is not encrypted;
 2. Submission of any required documentation as outlined in this Agreement, including monthly reports, insurance verification, and the agency's annual audit report, if applicable;
 3. Repayment schedule as outlined in the contract monitoring report, if applicable; or
 4. Any other instance of not fulfilling the duties of the scope of services for this Agreement.

XXIII. SUBCONTRACTS, ASSIGNMENT

- A. CONTRACTOR shall obtain prior written approval from COUNTY before subcontracting any of the services delivered under this Agreement. CONTRACTOR remains legally responsible for the performance of all Agreement terms including work performed by third parties under subcontracts. Any subcontracting will be subject to all applicable provisions of this Agreement. CONTRACTOR shall be held responsible by COUNTY for the performance of any subcontractor whether approved by COUNTY or not.
- B. CONTRACTOR must provide COUNTY with a copy of the executed agreements between CONTRACTOR and all subcontractors used to provide services for this Agreement, outlining responsibilities, budget, and all other terms of the Agreement to which the subcontractor must conform. CONTRACTOR and subcontractor(s) shall comply with the Provisions of Office of Management and Budget Circular "2 CFR Chapter I, Chapter II, Part 200, et al" and language advising of such compliance shall be included in any Agreement between CONTRACTOR and subcontractor.
- C. This Agreement is not assignable by CONTRACTOR in whole or in part, without the prior written consent of COUNTY.

XXIV. AMENDMENT AND WAIVER

Except as provided herein, no alteration, amendment, variation, or waiver of the terms of this Agreement shall be valid unless made in writing and signed by both parties. Waiver by either party of any default, breach or condition precedent shall not be construed as a waiver of any other default, breach or condition precedent, or any other right hereunder. No interpretation of any provision of this Agreement shall be binding upon COUNTY unless agreed in writing by DIRECTOR and counsel for COUNTY.

This Agreement may be amended by the DHA Director to increase the maximum payment amount; provided, however, that such increase shall not exceed the lesser of ten percent (10%) of the annual payment amount under this Agreement or \$25,000.

XXV. SUCCESSORS

This Agreement shall bind the successors of COUNTY and CONTRACTOR in the same manner as if they were expressly named.

XXVI. TIME

Time is of the essence of this Agreement.

XXVII. INTERPRETATION

This Agreement shall be deemed to have been prepared equally by both of the parties, and the Agreement and its individual provisions shall not be construed or interpreted more favorably for one party on the basis that the other party prepared it.

XXVIII. DIRECTOR

As used in this Agreement, "DIRECTOR" shall mean the Director of the Department of Human Assistance or his/her designee.

XXIX. DISPUTES

In the event of any dispute arising out of or relating to this Agreement, the parties shall attempt, in good faith, to promptly resolve the dispute mutually between themselves. Pending resolution of any such dispute, CONTRACTOR shall continue without delay to carry out all its responsibilities under this Agreement unless the Agreement is otherwise terminated in accordance with the Termination provisions herein. COUNTY shall not be required to make payments for any services that are the subject of this dispute resolution process until such dispute has been mutually resolved by the parties. If the dispute cannot be resolved within 15 calendar days of initiating such negotiations or such other time period as may be mutually agreed to by the parties in writing, either party may pursue its available legal and equitable remedies, pursuant to the laws of the State of California. Nothing in this Agreement or provision shall constitute a waiver of any of the government claim filing requirements set forth in Title 1, Division 3.6, of the California Government Code or as otherwise set forth in local, state and federal law.

XXX. TERMINATION

A. COUNTY may terminate this Agreement without cause upon 60 days written notice to the other party. Notice shall be deemed served on the date of mailing. If notice of termination for cause is given by COUNTY to CONTRACTOR and it is later determined that CONTRACTOR was not in default or the default was excusable, then the notice of termination shall be deemed to have been given without cause pursuant to this paragraph (A).

B. COUNTY may terminate this Agreement for cause immediately upon giving written notice to CONTRACTOR should CONTRACTOR materially fail to perform any of the covenants contained in this Agreement in the time and/or manner specified. In the event of such termination, COUNTY may proceed with the work in any manner deemed proper by COUNTY. If notice of termination for cause is given by COUNTY to CONTRACTOR and it is later determined that CONTRACTOR was not in default or the default was excusable, then the notice of termination shall be deemed to have been given without cause pursuant to paragraph (A) above.

C. COUNTY may terminate or amend this Agreement immediately upon giving written notice to CONTRACTOR, if:

1. advised that funds are not available from external sources for this Agreement or any portion thereof, including if distribution of such funds to the County is suspended or delayed;
2. funds for the services and/or programs provided pursuant to this Agreement are not appropriated by the State;
3. funds in COUNTY's yearly proposed and/or final budget are not appropriated by COUNTY for this Agreement or any portion thereof; or
4. funds that were previously appropriated for this Agreement are reduced, eliminated, and/or re-allocated by COUNTY as a result of mid-year budget reductions.

- D. If this Agreement is terminated under paragraph A or C above, CONTRACTOR shall only be paid for any services completed and provided prior to notice of termination. In the event of termination under paragraph A or C above, CONTRACTOR shall be paid an amount which bears the same ratio to the total compensation authorized by the Agreement as the services actually performed bear to the total services of CONTRACTOR covered by this Agreement, less payments of compensation previously made. In no event, however, shall COUNTY pay CONTRACTOR an amount which exceeds a pro rata portion of the Agreement total based on the portion of the Agreement term that has elapsed on the effective date of the termination.
- E. CONTRACTOR shall not incur any expenses under this Agreement after notice of termination and shall cancel any outstanding expense obligations to a third party that CONTRACTOR can legally cancel.

XXXI. REPORTS

CONTRACTOR shall, without additional compensation therefore, make fiscal, program evaluation, progress, and such other reports as may be reasonably required by DIRECTOR concerning CONTRACTOR's activities as they affect the Agreement duties and purposes herein. COUNTY shall explain procedures for reporting the required information.

XXXII. AUDITS AND RECORDS

Upon COUNTY's request, COUNTY or its designee shall have the right at reasonable times and intervals to audit, at CONTRACTOR's premises, CONTRACTOR's financial and program records as COUNTY deems necessary to determine CONTRACTOR's compliance with legal and contractual requirements and the correctness of claims submitted by CONTRACTOR. CONTRACTOR shall maintain such records for a period of five years following termination of the Agreement, and shall make them available for copying upon COUNTY's request at COUNTY's expense. COUNTY shall have the right to withhold any payment under this Agreement until CONTRACTOR has provided access to CONTRACTOR's financial and program records related to this Agreement.

- A. CONTRACTOR shall submit to the Contracts Manager an electronic copy of any annual financial and compliance audit in its entirety prepared by an independent accounting firm. The audit shall be conducted in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States, and the Provisions of Office of Management and Budget Circular "2 CFR Chapter I, Chapter II, Part 200, et al, Audits of Institutions of Higher Education and other non-profit institutions if a non-profit organization, or a government agency, if there is a receipt of federal funds.
- B. The CONTRACTOR will submit the audit report to the Contracts Manager at DHA-Contracts@saccounty.net. DHA staff shall review the audit for completeness and findings. The COUNTY shall be allowed access to all financial and program records, as COUNTY deems necessary to determine that funding was spent in compliance with applicable guidelines and this Agreement.
- C. If the Agreement is terminated for any reason during the contract period, the independent audit shall cover the entire period of the Agreement for which services were provided.
- D. The annual audit shall be submitted electronically to the Contracts Manager within six months of the end of each fiscal year of this Agreement.
- E. Should any findings be noted in the audit report, CONTRACTOR must submit an action plan with the audit report detailing how the finding will be addressed. Federal regulations require all findings to be corrected within six months after receipt of the audit report.

XXXIII. PRIOR AGREEMENTS

This Agreement constitutes the entire Agreement between COUNTY and CONTRACTOR regarding the subject matter of this Agreement. Any prior Agreements, whether oral or written, between COUNTY and CONTRACTOR regarding the subject matter of this Agreement are hereby terminated effective immediately upon full execution of this Agreement.

XXXIV. SEVERABILITY

If any term or condition of this Agreement or the application thereof to any person(s) or circumstance is held invalid or unenforceable, such invalidity or unenforceability shall not affect other terms, conditions, or applications which can be given effect without the invalid term, condition, or application; to this end the terms and conditions of this Agreement are declared severable.

XXXV. FORCE MAJEURE

Neither CONTRACTOR nor COUNTY shall be liable or responsible for delays or failures in performance resulting from events beyond the reasonable control of such party and without fault or negligence of such party. Such events shall include but not be limited to acts of God, strikes, lockouts, riots, acts of war, epidemics, acts of government, fire, power failures, nuclear accidents, earthquakes, unusually severe weather, acts of terrorism, or other disasters, whether or not similar to the foregoing, and acts or omissions or failure to cooperate of the other party or third parties (except as otherwise specifically provided herein).

XXXVI. SURVIVAL OF TERMS

All services performed and deliverables provided pursuant to this Agreement are subject to all of the terms, conditions, price discounts and rates set forth herein, notwithstanding the expiration of the initial term of this Agreement or any extension thereof. Further, the terms, conditions and warranties contained in this Agreement that by their sense and context are intended to survive the completion of the performance, cancellation or termination of this Agreement shall so survive.

XXXVII. DUPLICATE COUNTERPARTS

This Agreement may be executed in duplicate counterparts. The Agreement shall be deemed executed when it has been signed by both parties.

XXXVIII. ADDITIONAL PROVISIONS

The additional provisions contained in Exhibits A, B, C, D, E and F, attached hereto are part of this Agreement and are incorporated herein by reference.

XXXIX. AUTHORITY TO EXECUTE

Each person executing this Agreement represents and warrants that he or she is duly authorized and has legal authority to execute and deliver this Agreement for or on behalf of the parties to this Agreement. Each party represents and warrants to the other that the execution and delivery of the Agreement and the performance of such party's obligations hereunder have been duly authorized.

AGREEMENT NO. DHA-DFS-01-18

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the day and year first written above.

COUNTY OF SACRAMENTO
a political subdivision of the State of California

**BIT CALIFORNIA LLC dba DOCUMENT
FULFILLMENT SERVICES**
a California Corporation

By _____
Ann Edwards, Director
Department of Human Assistance or
Designee as per S.C.C. 2.61.012(h)

By _____

Title _____

Date _____

Date _____

Federal Tax Identification Number

“COUNTY”

“CONTRACTOR”

CONTRACT AND CONTRACTOR TAX STATUS REVIEWED AND APPROVED BY COUNTY COUNSEL

By: _____ Date: _____

AGREEMENT NO. DHA-DFS-01-18

**EXHIBIT "A" to Agreement
between the County of Sacramento,
hereinafter Referred to as "COUNTY", and
BIT California LLC dba Document Fulfillment Services,
hereinafter referred to as "CONTRACTOR"**

SCOPE OF SERVICES**I. SERVICE LOCATION**

Street Address: 2930 Ramona Avenue, Suite 100
City & Zip Code: Sacramento 95826

All site address changes must be reported to COUNTY 90 days prior to the change.

II. PROGRAM DESCRIPTION

The CONTRACTOR will provide CalWIN client correspondence printing and mailing services for the Sacramento County Department of Human Assistance, as well as miscellaneous jobs as requested by the COUNTY.

III. DESCRIPTION OF SERVICES

The Welfare Client Data System (WCDS) is a consortium of eighteen (18) California counties that share an automated system that determines public assistance eligibility, computes and issues benefits, and tracks the provision of public social services. WCDS developed the primary business application, CalWIN, for the member counties.

Sacramento County Department of Human Assistance (DHA) and fifteen (15) of the eighteen (18) counties currently contract with the same print vendor. Two counties presently act as their own print vendor.

CalWIN is the primary business application utilized by the Sacramento County Department of Human Assistance and seventeen (17) additional California counties. The processing for all of the CalWIN counties is integrated and run by the current CalWIN vendor.

There are various types of periodic client correspondence that will be printed and mailed out to clients, under the agreement. CONTRACTOR is to use the most economic and efficient process to print and mail correspondence.

A daily batch cycle process is normally run five nights a week, Monday – Friday, and a merged output file for each county is produced the following day. Current CalWIN vendor transmits the data electronically by 6:00 am to the CONTRACTOR by secure Shell File Transfer Protocol (SFTP). An additional batch process may occasionally be run on a weekend to process special jobs. These special jobs are also sent by SFTP. In addition to the daily process jobs, a monthly job is run approximately the third week of the month to produce periodic reports and sent by secure SFTP.

Requirements

- A. File types received as source files for the duration of this contract include, but are not limited to, PCL5 and PDF. If a file format is requested outside those mentioned prior, COUNTY will work with CONTRACTOR to determine a mutually appropriate implementation timeline.
- B. The files CONTRACTOR receives are typically pre-formatted. COUNTY understands that CONTRACTOR needs to modify each piece to insert objects on the document to automate the mailing process. For example, adding barcodes for tracking, key line information for internal quality control.
- C. Documents may be submitted to CONTRACTOR as either simplex (printing on one side) or duplex (printing on both sides). Duplex is defined as laser printing (imaging) done to both sides of a sheet. Duplex printing implies two images per sheet passing through the printer, even if toner is only applied to one side of the sheet. Duplex and simplex printing cannot be mixed. Simplex is defined as laser printing (imaging) done on the front side of a sheet. Simplex and duplex printing cannot be mixed.
- D. CONTRACTOR will utilize materials that are most efficient for mail automation and postage discounts based on job type. CONTRACTOR will create a daily summary file of printed correspondence. The file shall contain information as selected by the COUNTY from the metadata in the batch print file. The file shall be in a mutually agreed upon file format and be sent to the COUNTY via SFTP or placed on CONTRACTOR's secure SFTP site for pickup by the COUNTY.
- E. CONTRACTOR or COUNTY may update transmission methods with updates in technology during the contract period. These changes must be communicated with the CONTRACTOR or COUNTY as quickly as possible, preferably prior to, but no later than 10 business days after changes occur.
- F. CONTRACTOR shall charge the correct postage amount and also apply the date of mailing to each mail piece based on the weight and agreed upon USPS automation rate category. USPS will periodically change postage amounts and automation rate categories; upon USPS implementation dates, Contractor shall apply the new postage amounts to each mail piece based on the weight and agreed upon USPS automation rate categories.

CONTRACTOR shall apply postage using a meter or permit and apply the date of mailing on the envelope; CONTRACTOR shall be reimbursed for meter or permit postage mail at the 3-digit, AADC automation rate, or similar rate. If USPS postage rate categories change in the future, CONTRACTOR and COUNTY will work together to determine the closest postage rate category to the current category. Postal permit numbers supplied by the individual COUNTY are used for all return envelopes.

The most current automation postage rates are located at <https://pe.usps.com>. It is understood that as USPS postal rates change, the postage rates for this contract will also change and will be located at the referenced website.

G. Inserts

- i. **Offline Inserts** shall be defined as correspondence previously printed and folded with the intention of being placed in an envelope as the completed product is being inserted. This will be charged as an insert by machine charge.

- ii. **Offline Pre-Printed Inserts** shall be defined where CONTRACTOR performs the printing of the insert prior, and separately inserts the document into the completed product. This will be charged at the per image pricing for printing, plus the "insert by machine" fee as referenced in Exhibit C.
- iii. **Inline Inserts** shall be defined as correspondence that is printed Inline with, and as a part of, the CalWIN documents. This will be charged the per image pricing for printing only.
- iv. **Minimum Requirement for Inserts**
Most correspondence will be printed on 8.5" X 11" plain white 20# paper stock. The text may be of varying length, printed on both sides of the paper, and possibly ten or more pages. Page size can be no smaller than 8.5" X 11" and no larger than 8.5" by 14". A standard piece (two pages, mailing and return envelopes), without additional inserts, should weigh only slightly more than 1/2-ounce. Documents of varying sizes may need to be inserted into the same envelope. Paper should be close to 20# stock, OCR readable with recycled content. "Printed on recycled paper" shall be printed on all recycled-content paper and envelopes. Mailing envelopes should include pre-printed return address, postal indicia and glassine address windows. County specified TDD/TTY phone number shall be visible on the front side of the outgoing envelope whether it is printed on the envelope itself or shows through the glassine address window.

There are also once monthly print jobs that create renewal packets for several Social Services programs. These packets may contain between 50 and 100 images each. These are usually mailed in a 9"x12" envelope with a 6.5"x 9.5" return envelope.

- H. The price per image for printing and mailing for each year must include the cost of materials (paper, envelopes, etc.) and cost of processing (pickup/courier service, receiving and batching data, printing, folding, inserting, presorting, delivery to the United States Postal Service [USPS], etc.). The price per image will equal to processing and printing one-side of a printed page, and one (1) each outgoing and remit envelope per completed mail piece. The price per image will be subjected to sales tax at the rate where it is produced.
- I. **Service Levels - Jobs are to be broken into three (3) Service Level Categories**
 - a. **Daily** – Files of this type must be received for mailing services by CONTRACTOR no later than 6 AM Pacific Time for same day mailing.
 - b. **Monthly or Periodic** – The COUNTY may, from time to time, submit print files for processing but expect CONTRACTOR to refrain from mailing until a date in the future.
 - c. **Special** – These jobs are for any type of mailing not defined above. The requests for this type of job will be made in writing from the COUNTY to CONTRACTOR. CONTRACTOR will attach the request as source documentation when invoicing.
 - d. COUNTY understands that mailing does not occur when the United States Post Office is closed, nor is mailing performed on any Federal holidays.
- J. **Quality control measures**
Quality Control must be inherent in the process. Duplicated, missing and misprinted documents and inserts and other errors must be identified and remedied before mailing. Mail must be in the hands of the USPS that night for next day mailing. Any errors or variation must be reported to the COUNTY immediately. A report including the date and time items were mailed, the unique batch identifier, the number of

documents printed, items mailed, inserts included, and postage used will be sent to each county daily at the completion of the process.

K. Automated Processes and Tracking

Errors not remedied by Contractor's quality control, involving 100 or more pieces from a single mailing, will incur a penalty credit in favor of the COUNTY in the amount of \$.05 per letter plus reimbursement of any printing and postage paid by the COUNTY for the subject pieces. This will include client correspondence mailed after the target mailing date.

Contractor must be USPS CASS certified to ensure address cleansing and correction capability, and comply with the Intelligent Mail Barcode requirements. Letters shall be bar-coded and sorted for the best carrier route and delivery point available to maximize postage rate discounts.

L. P.O. Box 1532

CONTRACTOR will process all batch file processes related to P.O. Box 1532 electronically so that no physical printing and mailing products, and associated costs, are created. CONTRACTOR will charge a per PDF page cost to create PDF copies of P.O. Box 1532-related client correspondence and collateral documents with corresponding indexing data by day and by addressee.

M. Miscellaneous

There will be circumstances in which special print, mailing, and document processing jobs will be needed by COUNTY that are not defined in this scope of services. These requests will be made in writing by the COUNTY to the CONTRACTOR. The CONTRACTOR will include these written requests when invoicing for the services, based on agreed upon costs.

N. Meeting Industry Standards

CONTRACTOR shall meet related industry standards when providing services outlined in this scope of services in the following areas, but not limited to, receiving data and processing for USPS, mail piece specifications, letter size and weight of standard letter with envelopes, and reading and processing of the current CalWIN vendor original source files.

IV. RECORD-KEEPING AND REPORTING

A. DHA uses an Electronic Claim Form (ECF) for invoicing; DHA will email the ECF to the CONTRACTOR once the contract is executed. CONTRACTOR shall email the approved ECF to DHA-Contracts@saccounty.net by the 15th of each month, except for the month of June, in which the June ECF must be received by the 10th of July. Additionally when submitting the ECF, CONTRACTOR will provide Attachment 1 – Mailing Report - as back-up information to support the billing in the ECF. Prior to the initial ECF submission, CONTRACTOR shall provide COUNTY with who is authorized to submit the approved ECF.

i. Additional documentation supporting all expenses to DHA are required to be presented in a mutually agreed upon file format and shall include, but is not limited to, reconciled counts of the following by work order, by day, and by month:

- a. Printed images
- b. Mail pieces mailed
- c. Electronically processed documents (e.g., P.O. Box 1532)
- d. Added materials

1. Medi-Cal recertification (RRR) packets
 2. CalWORKS recertification (RRR) packets
 3. CalFresh recertification (RRR) packets
- e. Voter registration forms
- f. Other collateral material such as Notice of Language inserts, color flyers, etc.
- ii. Additional documentation supporting all postage-related expenses to DHA are required to be presented in a mutually agreed upon file format and shall include, but is not limited to, the following detail for each mail piece by work order, by day, and by month:
- a. Type of postage as indicated by the current United States Postal Service Price List
 - b. Rate per piece
 - c. Weight
 - d. Pieces/Quantity
 - e. Total Charged Amount.
- B. CONTRACTOR's records relating to this agreement will be made available upon request for inspection by the COUNTY.
- C. CONTRACTOR shall maintain five years of back up material for all expenses submitted for reimbursement on the electronic claim form.
- D. CONTRACTOR shall retain source files and output data for 90 days from file submission from the current CalWIN vendor.

V. EVALUATION

COUNTY may at any time, evaluate this program. Adequate notice shall be given to CONTRACTOR of such action, and CONTRACTOR shall be given opportunities to participate and respond in the evaluation process.

AGREEMENT NO. DHA-DFS-01-18

**EXHIBIT "B" to Agreement
between COUNTY OF SACRAMENTO,
hereinafter referred to as "COUNTY", and
BIT California, LLC dba Document Fulfillment Services (DFS),
hereinafter referred to as "CONTRACTOR"**

**COUNTY OF SACRAMENTO
INSURANCE REQUIREMENTS FOR CONTRACTORS**

Without limiting CONTRACTOR's indemnification, CONTRACTOR shall procure and maintain for the duration of the Agreement, insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the Agreement by the CONTRACTOR, its agents, representatives or employees. COUNTY shall retain the right at any time to review the coverage, form, and amount of the insurance required hereby. If in the opinion of COUNTY Risk Manager, insurance provisions in these requirements do not provide adequate protection for COUNTY and for members of the public, COUNTY may require CONTRACTOR to obtain insurance sufficient in coverage, form, and amount to provide adequate protection. COUNTY's requirements shall be reasonable but shall be imposed to assure protection from and against the kind and extent of risks that exist at the time a change in insurance is required.

I. VERIFICATION OF COVERAGE

CONTRACTOR shall furnish COUNTY with certificates evidencing coverage required below. **Copies of required endorsements must be attached to provided certificates.** The COUNTY Risk Manager may approve self-insurance programs in lieu of required policies of insurance if, in the opinion of the Risk Manager, the interests of the COUNTY and the general public are adequately protected. All certificates, evidences of self-insurance, and additional insured endorsements are to be received and approved by COUNTY before performance commences. COUNTY reserves the right to require that CONTRACTOR provide complete, certified copies of any policy of insurance including endorsements offered in compliance with these specifications.

II. MINIMUM SCOPE OF INSURANCE

Coverage shall be at least as broad as:

- A. **GENERAL LIABILITY:** Insurance Services Office's Commercial General Liability occurrence coverage form CG 0001. Including, but not limited to Premises/Operations, Products/Completed Operations, Contractual, and Personal & Advertising Injury, without additional exclusions or limitations unless approved by the County Risk Manager.
- B. **AUTOMOBILE LIABILITY:** Insurance Services Office's Commercial Automobile Liability coverage form CA 0001.
 - 1. Commercial Automobile Liability: auto coverage symbol "1" (any auto) for corporate/business owned vehicles. If there are no owned or leased vehicles, symbols 8 and 9 for non-owned and hired autos shall apply.
 - 2. Personal Lines automobile insurance shall apply if vehicles are individually owned.
- C. **WORKERS' COMPENSATION:** Statutory requirements of the State of California and Employer's Liability Insurance.
- D. **PROFESSIONAL LIABILITY or Errors and Omissions Liability** insurance appropriate to the CONTRACTOR's profession.

- E. UMBRELLA or Excess Liability policies are acceptable where the need for higher liability limits is noted in the Minimum Limits of Insurance and shall provide liability coverage that at least follow form over the underlying insurance requirements where necessary for Commercial General Liability, Commercial Automobile Liability, Employers' Liability, and any other liability coverage (other than Professional Liability) designated under the Minimum Scope of Insurance.
- F. CYBER LIABILITY INCLUDING ERRORS AND OMISSIONS, IDENTIFY THEFT, INFORMATION SECURITY and PRIVACY INJURY LIABILITY. Coverage shall include but is not limited to:
1. Third party injury or damage (including loss or corruption of data) arising from a negligent act, error or omission or a data breach.
 2. Defense, indemnity and legal costs associated with regulatory breach (including HIPAA), negligence or breach of contract.
 3. Administrative expenses for forensic expenses and legal services.
 4. Crisis management expenses for printing, advertising, mailing of materials and travel costs of crisis management firm, including notification expenses.
 5. Identify event service expenses for identity theft education, assistance, credit file monitoring to mitigate effects of personal identity event, post event services.

III. MINIMUM LIMITS OF INSURANCE

CONTRACTOR shall maintain limits no less than:

- A. General Liability shall be on an Occurrence basis (as opposed to Claims Made basis). Minimum limits and structure shall be:

General Aggregate:	\$2,000,000
Products Comp/Op Aggregate:	\$2,000,000
Personal & Adv. Injury:	\$1,000,000
Each Occurrence:	\$1,000,000
Fire Damage:	\$ 100,000
Sexual Molestation and Abuse	\$250,000/\$1,000,000

(Per person or occurrence/annual aggregate)

Building Trades Contractors and Contractors engaged in other projects of construction shall have their general liability Aggregate Limit of Insurance endorsed to apply separately to each job site or project, as provided for by Insurance Services Office form CG-2503 Amendment-Aggregate Limits of Insurance (Per Project).

- B. Automobile Liability:
1. Commercial Automobile Liability for Corporate/business owned vehicles including non-owned and hired, \$1,000,000 Combined Single Limit.
 2. Personal Lines Automobile Liability for Individually owned vehicles, \$250,000 per person, \$500,000 each accident, \$100,000 property damage.
- C. Workers' Compensation: Statutory
- D. Employer's Liability: \$1,000,000 per accident for bodily injury or disease
- E. Professional Liability or Errors and Omissions Liability: \$1,000,000 per claim and aggregate, Including Sexual Molestation or Abuse (unless coverage provided by Commercial General Liability Policy.) Sexual Molestation or Abuse may be included under Professional Liability with a sublimit not less than \$250,000 per person or occurrence and \$1,000,000 annual aggregate.

- F. Cyber Liability including Identity Theft, Information Security and Privacy Injury Liability; \$1,000,000 per claim or incident and \$1,000,000 aggregate.

IV. DEDUCTIBLES AND SELF-INSURED RETENTION

Any deductibles or self-insured retention that apply to any insurance required by this Agreement must be declared and approved by COUNTY.

V. CLAIMS MADE PROFESSIONAL LIABILITY INSURANCE

If professional liability coverage is written on a Claims Made form:

- A. The "Retro Date" must be shown, and must be on or before the date of the Agreement or the beginning of Agreement performance by CONTRACTOR.
- B. Insurance must be maintained and evidence of insurance must be provided for at least one (1) year after completion of the Agreement.
- C. If coverage is cancelled or non-renewed, and not replaced with another claims made policy form with a "Retro Date" prior to the contract effective date, CONTRACTOR must purchase "extended reporting" coverage for a minimum of one (1) year after completion of the Agreement.

VI. OTHER INSURANCE PROVISIONS

The insurance policies required in this Agreement are to contain, or be endorsed to contain, as applicable, the following provisions:

ALL POLICIES:

1. **Acceptability Of Insurers:**

Insurance is to be placed with insurers with a current A.M. Best's rating of no less than **A-:VII**. The County Risk Manager may waive or alter this requirement, or accept self-insurance in lieu of any required policy of insurance if, in the opinion of the Risk Manager, the interest of the COUNTY and the general public are adequately protected.

2. **Maintenance Of Insurance Coverage:**

The CONTRACTOR shall maintain all insurance coverages and limits in place at all times and provide the COUNTY with evidence of each policy's renewal ten (10) days in advance of its anniversary date.

CONTRACTOR is required by this Agreement to immediately notify COUNTY if they receive a communication from their insurance carrier or agent that any required insurance is to be canceled, non-renewed, reduced in scope or limits or otherwise materially changed. CONTRACTOR shall provide evidence that such cancelled or non-renewed or otherwise materially changed insurance has been replaced or its cancellation notice withdrawn without any interruption in coverage, scope or limits. Failure to maintain required insurance in force shall be considered a material breach of the Agreement.

VII. COMMERCIAL GENERAL LIABILITY AND/OR COMMERCIAL AUTOMOBILE LIABILITY:

A. **Additional Insured Status**

The COUNTY, its officers, directors, officials, employees, and volunteers are to be endorsed as additional insureds as respects: liability arising out of activities performed by or on behalf of the CONTRACTOR; products and completed operations of the CONTRACTOR; premises owned, occupied or used by the CONTRACTOR; or automobiles owned, leased, hired or borrowed by the CONTRACTOR. The coverage shall contain no endorsed limitations on the scope of protection afforded to the COUNTY, its officers, directors, officials, employees, or volunteers.

B. Civil Code Provision:

Coverage shall not extend to any indemnity coverage for the active negligence of the additional insured in any case where an agreement to indemnify the additional insured would be invalid under Subdivision (b) of Section 2782 of the Civil Code.

C. Primary Insurance:

For any claims related to this Agreement, the CONTRACTOR's insurance coverage shall be endorsed to be primary insurance as respects the COUNTY, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by the COUNTY, its officers, directors, officials, employees, or volunteers shall be excess of the CONTRACTOR's insurance and shall not contribute with it.

D. Severability Of Interest:

The CONTRACTOR's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

E. Subcontractors:

CONTRACTOR shall be responsible for the acts and omissions of all its subcontractors and additional insured endorsements as provided by CONTRACTOR's subcontractor.

VIII. PROFESSIONAL LIABILITY:**Professional Liability Provision:**

Any professional liability or errors and omissions policy required hereunder shall apply to any claims, losses, liabilities, or damages, demands and actions arising out of or resulting from professional services provided under this Agreement.

IX. WORKERS' COMPENSATION:**Workers' Compensation Waiver Of Subrogation:**

The workers' compensation policy required hereunder shall be endorsed to state that the workers' compensation carrier waives its right of subrogation against the COUNTY, its officers, directors, officials, employees, agents or volunteers, which might arise by reason of payment under such policy in connection with performance under this Agreement by the CONTRACTOR. Should CONTRACTOR be self-insured for workers' compensation, CONTRACTOR hereby agrees to waive its right of subrogation against COUNTY, its officers, directors, officials, employees, agents or volunteers.

X. NOTIFICATION OF CLAIM:

If any claim for damages is filed with CONTRACTOR or if any lawsuit is instituted against CONTRACTOR, that arise out of or are in any way connected with CONTRACTOR's performance under this Agreement and that in any way, directly or indirectly, contingently or otherwise, affect or might reasonably affect COUNTY, CONTRACTOR shall give prompt and timely notice thereof to COUNTY. Notice shall be deemed prompt and timely if given within thirty (30) days following the date of receipt of a claim or ten (10) days following the date of service of process of a lawsuit.

AGREEMENT NO. DHA-DFS-01-18

**EXHIBIT "C" to Agreement
between the County of Sacramento,
hereinafter referred to as "COUNTY", and
BIT California, LLC dba Document Fulfillment Services,
hereinafter referred to as "CONTRACTOR"**

BUDGET REQUIREMENTS**I. MAXIMUM PAYMENT TO CONTRACTOR**

The Maximum Total Payment Amount under this Agreement is: \$9,440,694.

II. CONTRACT REIMBURSEMENTS

CONTRACTOR shall be paid on a reimbursement basis in accordance with the Budget. In the event that CONTRACTOR fails to comply with any provisions of this Agreement, COUNTY may withhold payment until such non-compliance has been corrected.

III. CLAIMS/REPORTING

- A. All claims/monthly reports must be submitted by the fifteenth (15th) day of the month following the month in which the services were provided. Any that are submitted electronically and contain Personally Identifiable Information (PII) must be encrypted.
- B. The COUNTY uses an electronic claiming process. CONTRACTOR is required to use the Electronic Claim Form (ECF) to submit all claims. By submitting the ECF via e-mail, the preparer and approver each attest that he or she is authorized to either prepare, submit or both prepare and submit, the ECF on behalf of CONTRACTOR and that all the information submitted is true and accurate.
- C. Electronic Claims and supporting documentation must be submitted to: DHA-Contracts@saccounty.net
- D. Agreement number **DHA-DFS-01-18** must be identified on every claim and back-up documentation submitted for reimbursement. Reports submitted electronically must include the contract number, be in a font no smaller than ten, formatted and ready to print.
- E. All claims must include:
- The Electronic Claim form.
 - The month of service.
 - Attachment 1 – Mailing Report
 - Balance Sheet for Postage Deposit Account
 - Written request(s) for any miscellaneous jobs requested by DHA
- F. ECF's and supporting documentation will be initially reviewed and approved by Program Planner for payment. Supporting documentation will be reviewed in more detail by line staff. If a discrepancy is found after payment has been made between what is billed and what is reconciled by staff the difference will either be paid to CONTRACTOR or, if money is owed by CONTRACTOR, will be deducted from the next month's payment.

IV. POSTAGE DEPOSIT ACCOUNT

COUNTY will provide funds to CONTRACTOR in the amount of \$200,000 (the approximate equivalent of two months postage) of upon execution of this contract to maintain a Postage Deposit Account. CONTRACTOR will maintain a running balance of postage used and postage reimbursed and provide reporting with each invoice to COUNTY. If at any time during the month, the balance of the Postage Deposit Account drops below \$10,000 CONTRACTOR will advise COUNTY and supply COUNTY with an invoice for postage expended to date for that month as well as all appropriate back up documentation. COUNTY will expedite the processing of the postage invoice. If this should occur two months in a row, COUNTY will amend this contract to increase the amount of the Postage Deposit Account by amount agreed upon by COUNTY and CONTRACTOR. CONTRACTOR will be under no obligation to perform mailing services without a positive postage balance at the time of mailing.

Upon completion of this contract, to include any amendments or extensions, CONTRACTOR will make COUNTY whole by returning any unused funds in the Postage Deposit Account and not billing for postage for the final month of the contract.

IV. BUDGET

The Budget for this Agreement is outlined below and on the following page. The Electronic Claim Form (ECF) and Monthly Report are to be used by CONTRACTOR for the monthly claim for payment for services provided.

CalWIN Printing & Mailing

Agency: BIT California, LLC dba Document Fulfillment Services

Program: CalWin Printing & Mailing

Funding Source:

Term of Contract: 9/1/17 - 6/30/22

Allocation: \$ 9,440,694

Budget Items	Unit Price	Unit of Measure	Estimate Annual Quantity	Estimated Annual Cost	Estimated 5 Year Cost
BW Printing PCL5 Files	\$ 0.03195	Image	-	\$ -	\$ -
BW Printing PDF Files	\$ 0.03195	Image	11,000,000	\$ 388,192.50	\$ 1,940,962.50
Collateral Material Printing	\$ 0.03195	Image	7,000,000	\$ 258,795.00	\$ 1,293,975.00
Full Color Printing	\$ 0.03960	Image	500,000	\$ 99,000.00	\$ 495,000.00
Inserting by Machine per 1,000	\$ 7.00	Per 1000	1,000,000	\$ 17,500.00	\$ 87,500.00
Inserting by Hand per 1,000	\$ 20.00	Per 1000	100,000	\$ 10,000.00	\$ 50,000.00
Folding Supplied Material	\$ 0.01	Each	100,000	\$ 1,000.00	\$ 5,000.00
IT Changes - Enhancements per hour	\$ 85.00	Hour	100	\$ 8,500.00	\$ 42,500.00
PO Box 1532 extract, index and FTP	\$ 0.02200	Image	575,000	\$ 13,200.00	\$ 66,000.00
CASS/NCOA Processing Fee per Record	\$ 0.00600	Record	-		
Letter Size Postage (AADC)	0.403	Mail Piece	2,300,000	\$ 926,900.00	\$ 4,634,500.00
Flat Size Postage (3 digit)	1.65	Mail Piece	100,000	\$ 100,000.00	\$ 825,000.00
Total				\$ 1,888,087.50	\$ 9,440,437.50

AGREEMENT NO. DHA-DFS-01-18

**EXHIBIT "D" to Agreement
between the County of Sacramento,
hereinafter Referred to as "COUNTY", and
BIT California, LLC dba Document Fulfillment Services (DFS),
hereinafter referred to as "CONTRACTOR"**

ADDITIONAL PROVISIONS**I. MONITORING**

- A. COUNTY shall monitor the Program and the adequacy of CONTRACTOR's performance in the manner which COUNTY deems most effective. CONTRACTOR shall cooperate with COUNTY in such monitoring.
- B. CONTRACTOR shall prepare and submit to COUNTY reports in the form and manner prescribed by COUNTY. Such reports may be subject to audit by COUNTY or COUNTY's designated auditors as required by federal regulation or local requirements.

II. AMENDMENTS

- A. The Budget attached to this Agreement as Exhibit "C" is subject to revision upon notice by COUNTY to CONTRACTOR as provided in this Agreement. Upon notice, CONTRACTOR shall adjust services accordingly and shall within 30 days submit to DIRECTOR a revised Budget. Said Budget revision shall be in the form and manner prescribed by DIRECTOR and, when approved, shall constitute an amendment to this Agreement.
- B. DIRECTOR, or his/her designee, is authorized to execute amendments to increase the amount of the contract provided that the increase does not exceed ten percent of the maximum amount of the original contract, or \$25,000, whichever is less, and funding for the increased contract obligation is available within the Department's allocated budget for the fiscal year. Subject to the above ten percent/\$25,000 maximum, amendments may include changes to any or all of the elements set forth in Exhibit "C".

III. CONFIDENTIALITY

- A. PII is Personally Identifiable Information, information directly obtained in the course of performing an administrative function on behalf of a welfare program, such as determining eligibility, that can be used alone, or in conjunction with any other information, to identify a specific individual. PII includes any information that can be used to search for or identify individuals, or can be used to access their files, such as name, address, social security number, date of birth, driver's license number or identification number. PII may be electronic or on paper.
- B. As required by State and Federal laws and regulations, including California Welfare and Institutions Code Section 10850 and Division 19-000 of the State Department of Social Services manual of Policies and Procedures, CONTRACTOR is required to safeguard PII and not publish or disclose, use or permit, or cause to be published, disclosed, or used, any PII pertaining to an applicant or recipient for any purpose not directly connected with the administration of public social services. Access to this PII is restricted to only those staff who need the PII to perform their official duties as specified in this contract.
- C. CONTRACTOR must use all reasonable measures to prevent non-authorized personnel and visitors from accessing, controlling, or viewing this PII.

- D. CONTRACTOR staff are not to access their own public assistance records, nor the records of friends, family, acquaintances, co-workers, or tenants for any reason.
- E. CONTRACTOR agrees to inform all of its employees, agents, subcontractors and partners of the above provisions and that knowing and intentional violation of the provisions of said state law is a misdemeanor.
- F. CONTRACTOR will have employees, subcontractors and partners who will have access to PII complete the required DHA security training, read and sign the Sacramento County, Department of Human Assistance, Security and Confidentiality Agreement for Outside Agency Staff (DHA Form 1311 Contracts) before allowing such persons access to PII. This must be done upon execution of this contract and upon the hiring of new employees, agents, subcontractors and partners. The completed form is to be returned to Sacramento County at DHA-Contracts@saccounty.net. The County of Sacramento Department of Human Assistance Contracts Unit (DHA-Contracts@saccounty.net) is to be notified within 15 days of the end of employment of any employee who has previously completed and submitted the SC 1311. In addition, the form will need to be completed annually for multi-year contracts.

IV. SECURITY

- A. CONTRACTOR staff for whom CalWIN accounts, other DHA accounts, and/or unescorted access to any DHA buildings are requested must be 18 years or older and must first comply with the following:
- Pass a California State Department of Justice and FBI security clearance;
 - Complete the DHA security training;
 - Sign the DHA Security and Confidentiality Agreement for Outside Agency Staff (DHA form SC1311 Contracts);
 - If CalWIN access is needed, have staff's supervisor complete (DHA form SC918). These forms must be submitted annually for multi-year contracts. CONTRACTOR must notify DHA-Contracts@saccounty.net within 15 days of the end of employment for all employees who had CalWIN access, access to other DHA Accounts and/or unescorted access to any DHA buildings.
- B. CONTRACTOR shall ensure that data containing PII is used and stored in an area that is physically safe from access by unauthorized persons during working hours and non-working hours. PII in paper form shall not be left unattended at any time, unless it is locked in a file cabinet, file room, desk, office or other secured area. Unattended means that information is not being observed by a person authorized to access the information. Such data must not be removed from the premises except for routine business purposes. Such data shall not be left unattended at any time in vehicles or airplanes and in checked baggage on commercial airplanes.
- C. CONTRACTOR shall dispose of paper documents containing PII through confidential means, such as cross cut shredding and pulverizing.
- D. CONTRACTOR shall ensure that faxes containing PII shall not be left unattended and fax machines shall be in secure areas. Faxes shall contain a confidentiality statement notifying persons receiving faxes in error to destroy them. Fax numbers shall be verified with the intended recipient before sending the fax.
- E. CONTRACTOR shall ensure that mailings containing PII shall be sealed and secured from damage or inappropriate viewing of PII to the extent possible. Mailings that include 500 or more individually identifiable records containing PII in a single package shall be sent using a tracked mailing method that includes verification of delivery and receipt.

- F. CONTRACTOR shall ensure that only the minimum amount of PII is downloaded onto systems, electronic equipment, and media, such as computers, laptops, notebooks, hard drives, flash drives, CDs/DVDs, when absolutely necessary for current business purposes.
- G. CONTRACTOR shall ensure that when data containing PII is no longer legally needed, it must be wiped using the Gutmann or U.S. Department of Defense (DoD) 5220.22-M (7 Pass) standard or by degaussing. Media may also be physically destroyed in accordance with NIST Special Publication 800-88.
- H. CONTRACTOR shall ensure that if PII is stored in a system under CONTRACTOR's control, the system must provide an automatic timeout, requiring re-authentication of the user session after no more than 20 minutes of inactivity.
- I. CONTRACTOR shall ensure that if PII is stored in a system under CONTRACTOR's control, the system must display a warning banner stating that data is confidential, systems are logged, and system use is for business purposes only by authorized users. User must be directed to log off the system if they do not agree with these requirements.
- J. CONTRACTOR shall ensure that all data transmissions of PII outside its secure internal network must be encrypted using a FIPS 140-2 certified algorithm that is 128bit or higher, such as AES. Encryption can be end to end at the network level, or the data files containing PII can be encrypted. This requirement pertains to any type of PII in motion such as website access, file transfer, and E-Mail.
- K. CONTRACTOR shall ensure that all e-mails that include PII that are sent outside of its e-mail environment must be encrypted using a FIPS 140-2 certified algorithm 128bit or higher, such as AES.
- L. CONTRACTOR shall ensure that any data centers with servers, data storage devices, and critical network infrastructure involved in the use or storage of PII must include sufficient environmental protection such as cooling, power, and fire prevention, detection, and suppression.
- M. CONTRACTOR shall ensure that all workstations, laptops and other systems that process and/or store PII must have critical security patches applied, with system reboot if necessary. There must be a documented patch management process that determines installation timeframe based on risk assessment and vendor recommendations. At a maximum, all applicable patches deemed as high risk must be installed within 30 days of vendor release. Applications and systems that cannot be patched within this time frame, due to significant operational reasons, must have compensatory controls implemented to minimize risk.
- N. CONTRACTOR shall ensure that all computers, laptops, notebooks, and other systems that process and/or store PII have commercial third-party anti-virus software installed and that such software is updated when new anti-virus definitions or software releases are available.
- O. CONTRACTOR shall ensure that all electronic equipment and media, such as computers, laptops, notebooks, hard drives, flash drives, CDs/DVDs, that contain PII are encrypted using a FIPS 140-2 certified algorithm 128bit or higher, such as AES.
- P. CONTRACTOR shall ensure that if PII is stored in a system under CONTRACTOR's control, the system must have User IDs and password controls. All users must be issued a unique user name for accessing PII. Each username must be promptly disabled, deleted, or the password changed upon the transfer or termination of an employee with knowledge of the password, at maximum within 24 hours. Passwords are not to be shared. Passwords must be at least eight characters and must be a non-dictionary word. Passwords must not be stored in readable format.

on the computer. Passwords must be changed every 90 days, preferably every 60 days. Passwords must be changed if revealed or compromised.

V. IN THE EVENT OF PII INCIDENTS

- A. Incidents include actual or suspected intrusion, loss or unauthorized use or disclosure of PII.
- B. In the event of an incident, CONTRACTOR shall immediately, no later than within 24 hours, notify the COUNTY by telephone call or e-mail. Telephone 916 875-3768 or e-mail DHA-ISO@saccounty.net. CONTRACTOR shall provide a description of the incident, including date, time, and location; numbers of documents, files, and records; names of all clients affected; description of the PII and its source; type of system, equipment, or media affected; description of how the data was physically stored, contained, or packaged; names of persons involved; probable causes; corrective actions taken or planned; if the incident was reported to law enforcement, the law enforcement report number; and any other details about the incident as requested by COUNTY.
- C. In the event of an incident, if requested by COUNTY, CONTRACTOR shall immediately, for the purpose of reviewing compromised PII:
 - Allow COUNTY to access and review the content of CONTRACTOR's systems, equipment, and media affected by the incident.
 - Provide to the COUNTY copies of electronic documents and records containing PII that resided on CONTRACTOR's systems, equipment, or media at the time of the incident.
- D. If a breach of security has occurred in the CONTRACTOR's use of PII provided by the COUNTY, the CONTRACTOR is responsible for any and all breach notifications and associated costs to the extent the breach of security was caused in whole or part by the negligence, recklessness or intentional error or omission of CONTRACTOR. The means and contents of any breach notifications must first be approved by the COUNTY.

VI. QUALITY ASSURANCE AND PROGRAM REVIEW

CONTRACTOR shall permit, at any reasonable time, personnel designated by DIRECTOR to come on CONTRACTOR's premises for the purpose of making periodic inspections to evaluate the effectiveness of the services rendered pursuant to this Agreement.

At reasonable times during normal business hours, COUNTY or DIRECTOR, and/or their appropriate audit agency or designee shall have the right to inspect or otherwise evaluate the cost, quality, appropriateness and timeliness of services performed and to audit and inspect any books and records of CONTRACTOR which pertain to services performed and determination of amount payable under this Agreement. CONTRACTOR shall furnish DIRECTOR with such information as he/she may require to evaluate fiscal and program effectiveness of the services being rendered.

VII. OPERATION AND ADMINISTRATION

- A. CONTRACTOR agrees to furnish at no additional expense to COUNTY all space facilities, equipment and supplies necessary for CONTRACTOR's proper operation and maintenance and performance of services hereunder.
- B. The Board of Directors of CONTRACTOR shall operate according to the provisions of its Articles of Incorporation and Bylaws. Current copies of said documents and any amendments shall be delivered to COUNTY upon request of DIRECTOR.
- C. CONTRACTOR shall forward to DIRECTOR all copies of its notices of meetings, minutes and public information which are material to the performance of this Agreement.

VIII. SUB-RECIPIENTS OF FEDERAL ASSISTANCE

Every sub-recipient of federal assistance funds must comply with the audit requirements of Exhibit “E” attached hereto and incorporated herein. CONTRACTOR must adhere to Supportive Housing Regulations and the following Office of Management and Budget’s rules that apply to Non-Profit Organizations: A-110 Administration Requirements and A-122 Cost Principles.

AGREEMENT NO. DHA-DFS-01-18

**EXHIBIT "E" to Agreement
between the County Of Sacramento,
hereinafter referred to as "COUNTY", and
BIT California, LLC dba Document Fulfillment Services (DFS),
hereinafter referred to as "CONTRACTOR"**

AUDIT REQUIREMENTS

- I.** CONTRACTOR shall submit an electronic copy of any audit to the Contracts Manager of the Department of Human Assistance (DHA) an annual financial and compliance audit in its entirety as described in the General Accounting Office's publication Governmental Audit Standards prepared by an independent auditor.
- A. DHA staff shall review the audit for completeness and findings. The COUNTY shall be allowed access to all financial and program records, as the COUNTY deems necessary to determine that funding was spent in compliance with applicable guidelines and this Agreement.
- B. If the Agreement is terminated for any reason during the contract period, the independent audit shall cover the entire period of the Agreement for which services were provided.
- C. The annual audit shall be submitted electronically to the Contracts Manager within six months of the end of the Agreement period. Should the Agreement have an ending date different from the CONTRACTOR's fiscal year end, and CONTRACTOR elects to have an agency-wide audit, then the audit report shall be submitted within six months of the final year end. Should there be any delay; CONTRACTOR shall immediately inform the Contracts Manager of the delay. Under no circumstances shall the audit be submitted later than six (6) months after the CONTRACTOR's year end to Contracts Manager at DHA-Contracts@sacounty.net.
- D. Should any findings be noted in the audit report, CONTRACTOR must submit an action plan with the audit report detailing how the finding will be addressed. Federal regulations require all findings to be corrected within six months after receipt of the audit report.
- II.** Should CONTRACTOR have other federal financial assistance which would require them to have an agency-wide audit, COUNTY shall be allowed access to all financial and program records as COUNTY deems necessary to determine the independent auditor's work as it relates to the county program is in compliance with legal and contractual requirements.

AGREEMENT NO. DHA-DFS-01-18

EXHIBIT F to AGREEMENT
between the County of Sacramento
hereinafter referred to as "COUNTY", and
BIT California, LLC dba Document Fulfillment Services (DFS),
hereinafter referred to as "CONTRACTOR"

SCHEDULE OF FEDERAL FUNDS

I. If box is checked, there are **no** Federal funds in this contract.

II. If box is checked, there are Federal funds in this contract. CONTRACTOR is a subrecipient. Federal funding details for this contract are as follows:

III.

Contractor's (Subrecipient's) Unique Entity Identifier	196673987
Catalog of Federal Domestic Assistance (CFDA) number:	
CFDA Title:	
Award Name and Federal Award Identification Number (FAIN):	
Federal Award Date:	TBD
Name of the Federal awarding agency:	
Federal Award Project Description	
Proposed Federal Award Total Amount	TBD
Proposed Total Amount of Federal Award to Subrecipient:	
Were funds awarded for research and development activities?	No

IV. CONTRACTOR shall comply with the requirements of the Single Audit Act Amendments of 1996 and Office of Management and Budget Circular "2 CFR Chapter I, Chapter II, Part 200, et al in addition to COUNTY audit requirements for the purposes of contract monitoring as stated in this agreement, as applicable.

V. At the sole discretion of COUNTY, the dollar amount payable under each Federal funding source in paragraph II of this Exhibit may be changed upon written notice from the COUNTY so long as payments do not exceed the maximum total payment amount in accordance with this agreement.