

**The California Educational Facilities Authority
REQUEST FOR PROPOSAL-Secondary
Notice to Prospective Proposers**

**Audit Services
RFP No. CEFA 01-19**

April 10, 2019

You are invited to review and respond to this Request for Proposal (“RFP”), entitled Audit Services for the California Educational Facilities Authority (“CEFA” or the “Authority”), RFP No. CEFA 01-19. This RFP is seeking proposals from qualified firms for auditing services to fulfill CEFA’s obligations pursuant to Government Code Sections 5871 and 5872, to include meeting the minimum auditing requirements of the Office of the State Controller.

Proposals for these services must comply with the instructions included in the RFP. The RFP includes the Sample Standard Agreement the selected firm will be expected to execute. The agreement that will be entered into with the State of California (“State”) will include by reference the General Terms and Conditions and Contractor Certification Clauses which may be viewed and downloaded online at <https://www.dgs.ca.gov/OLS/Resources/Page-Content/Office-of-Legal-Services-Resources-List-Folder/Standard-Contract-Language>. The General Terms and Conditions and all Exhibits that are a part of the Sample Standard Agreement are not negotiable. By submitting a proposal, your firm agrees to the terms and conditions stated in this RFP.

In the opinion of CEFA, this RFP is complete and without need of explanation. However, if you have questions, or should you need any clarifying information, written questions must be received by CEFA by 12:00 p.m. (Pacific Daylight Time) on April 24, 2019. The contact person for this RFP is:

Martha Maldonado
Operations Manager
California Educational Facilities Authority
(916) 653-2799
cefa@treasurer.ca.gov

Please note that no *verbal* information given will be binding upon the State unless such information is issued in writing as an official addendum.

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(*If applicable)

A. Purpose and Description of Services

1. Introduction

The California Educational Facilities Authority (“CEFA”) was created for the purpose of issuing revenue bonds to assist private non-profit institutions of higher learning in the expansion and construction of educational facilities.

Section 94155 of the Education Code requires CEFA to make an annual report including a complete operating and financial statement and an audit of books and accounts by a certified public accountant. CEFA is soliciting proposals from public accounting/auditing firms and seeks to contract with a qualified certified public accounting firm (“firm”) to audit financial statements relevant to the assets of the program funds that exist within CEFA: the Educational Facilities Authority Fund (“EFAF”); and the student loan programs (Student Loan Authority Fund (“SLAF”) and California Student Loan Refinancing Program fund or account (Education Code sections 94157-94165)) (collectively, the “Program Fund”). While the review of EFAF includes the internal operations of CEFA and a review of all outstanding tax-exempt bond issue amounts, the student loan funds is much more complex. It may require a complete review of the existing student loan programs, including all of the funds held by trustee banks or other financial institutions, loss reserve accounts, the loans disbursed by and collections made by the loan servicers, and the reports prepared by the program administrators. This audit also entails a review of the separate annual audits on each of the servicer’s and the administrator’s organization.

In addition, effective January 1, 2010, legislation (Senate Bill 99 (“SB 99”), which added Chapter 10.7 of Division 6 of Title 1, commencing with section 5870, to the Government Code) increased the reporting and auditing requirements for conduit issuers. While the focus of the legislation was on the joint powers authorities that frequently issue bonds, the legislation was written to include the state finance authorities chaired by the California State Treasurer. As a result, CEFA must comply, at a minimum, with the same reporting/auditing requirements imposed on the joint powers authorities. For reference, the text of SB 99 is provided as Attachment 1 to Exhibit A.

All proposals submitted to perform these services must explain the experience and qualifications that demonstrate the firm’s ability to provide these services. Failure to provide the required information may result in disqualification. The firm that is selected must be technically and professionally capable of providing the services in all subject areas described in Section A, Item 2, Scope of Service and meet the Minimum Qualifications for Proposers in Section B. The firm must be free from actual conflicts of interest not only at the time of selection, but also throughout the term of the contract. The engagement period will be for the audit of each of the two (2) fiscal years ending June 30, 2019 and June 30, 2020 with a possible one year option to renew the agreement for the audit of the fiscal year ending June 30, 2021. CEFA anticipates a July 1, 2019 contract start date, pending approval by the Department of General Services (“DGS”). The firm must be available at that time to assume services.

2. Scope of Services

The firm will be expected to provide audit and examination services as described herein. Pursuant to the passage of SB 99, the scope of the audit must comply with the Office of the State Controller’s (“SCO”) minimum standards for conducting audits and reporting requirements. The Minimum Audit Requirements and Reporting Guidelines for California Special Districts are set forth in the California Code of Regulations, title 2, section 1131.2. In addition, the firm will be expected to complete SCO’s Special Districts Financial Transactions Report on behalf of CEFA (reporting forms and instructions are available at

https://www.sco.ca.gov/ard_locinstr_districts_forms.html). SCO's audit and reporting requirements may be subject to change. As a result, the firm must be prepared to incorporate any additional legal or industry requirements for the performance of audits as may be disseminated by the SCO subsequent to the initial circulation of this RFP. In addition, the firm may be requested to provide other assistance, on an as-needed basis, to support confirmation and reporting requirements.

a. Audit and Examination

- 1) Perform an audit and examination of CEFA's higher education and student loan programs (the "Programs"). The audit will include an evaluation of CEFA's internal control in accordance with generally accepted auditing standards as set forth in Statements on Auditing Standards, published by the American Institute of Certified Public Accountants, and the Office of the State Controller's (SCO) Minimum Audit Requirements for California Special Districts. The audit and examination will include such tests of the accounting records and procedures as are necessary for the expression of the firm's opinion, in compliance with Rule 58 of the State Board of Accountancy on the financial statements taken as a whole, in conformity with generally accepted accounting principles as promulgated by the Governmental Accounting Standards Board (GASB), and general provisions of State law.
- 2) Confirm assets held by CEFA for each Program Fund.
- 3) Verify the bonds outstanding for each Program Fund.
- 4) Treat all information in a confidential manner with all recommendations to be stated only in the audit reports provided to CEFA for appropriate release by CEFA as required by law.

b. Audit Report and Findings

- 1) The report shall include a statement of the scope of the audit and examination for each Program Fund; the period covered by the audit and examination; and a list of the financial statements included in the report.
- 2) The report and findings shall include a statement of material audit findings and recommendations regarding the financial statements, internal control and accounting systems, and legality of actions for each Program Fund.
- 3) Audited financial statements in the report shall include a "Statement of Operations", "Statement of Assets and Liabilities" (Balance Sheet), and a "Statement of Cash Flows" for each Program Fund.
- 4) The Audit report shall include a Management Letter.
- 5) The audit report shall include any other material information.
- 6) The audit will be for fiscal year 2018/19, 2019/20 and for fiscal year 2020/2021 if CEFA exercise its option to renew the contract.
- 7) The audit must meet the reporting time frame requirements of the SCO. Currently, it is anticipated the audit should be conducted mid-August through September and completed by December 30th of the following fiscal year unless it is waived by CEFA. The audit submittal time frame is subject to change upon further instruction from the SCO. The

dates for fiscal year 2020/2021 will be provided if CEFA exercises its option to renew the agreement.

- 8) The firm shall review the proposed report with CEFA staff prior to finalizing.
- 9) One original and twenty (20) copies of the report shall be prepared with provision for additional copies upon request, and provide an electronic version in PDF.
- 10) In all respects, represent the best interests of CEFA and the State in all transactions and proceedings.

c. Special Districts Financial Transaction Report

The Special District Financial Transactions Report must be prepared exactly in the same format as the SCO's Special Districts Financial Transactions Report (https://www.sco.ca.gov/ard_locinstr_districts_forms.html). Firm must complete this report on CEFA's behalf by the deadline set by SCO.

CEFA will work with the firm to obtain all available accounting records and data necessary for the performance of the work described herein, and will provide office workspace and furnishings adjacent to CEFA's Office at 915 Capitol Mall, Suite 435, Sacramento, California 95814. All other equipment or material is to be provided by the firm.

Firm shall be responsive to CEFA staff regarding the status of the audit including prompt response to e-mails and telephone calls. Firm shall keep CEFA staff apprised of information needed and issues outstanding, and shall meet deadlines set by CEFA staff.

3. Term of Agreement

The term of the agreement will be two (2) years with a possible option to renew the agreement for one additional year. The effective date of this agreement is either the start date of July 1, 2019 or the approval date by the Department of General Services, whichever is later. No work shall commence until the effective date. The contract amount may not to exceed \$25,000 for each year.

B. Minimum Qualifications for Proposers

The firm **must have**, at minimum, the following qualifications and experience:

1. Firm must have an office established in the State of California.
2. Firm must be licensed to do business in the State of California.
3. Firm must be a professional certified public accounting firm, not in public employment, in business for at least three (3) years.
4. Firm must have conducted, within the last four (4) years, at least five (5) audits of California state or local governmental agencies, preferably agencies engaged in bond financing. The firm must have experience in the State of California accounting procedures and related processes.
5. Firm must have sufficient staff to provide auditing services to CEFA to meet the tight deadlines outlined in Section A, Item 2, Scope of Services.

Failure to meet the minimum qualification will cause your proposal to be considered unresponsive and the proposal will be rejected.

C. Proposal Requirements and Information

1. Key Action Dates

It is recognized that time is of the essence. All firms are hereby advised of the following schedule and will be expected to adhere to the required dates and times:

<u>Date</u>	<u>Action</u>
April 10, 2019	RFP available on the California State Contracts Register (“CSCR”) and CEFA website to prospective firms
April 24, 2019	Written questions must be received by CEFA by <u>12:00 p.m. (Pacific Daylight Time)</u> . Responses will be posted within several days on the CSCR and CEFA website
May 8, 2019	Final Date for Proposal Submission. Proposals must be received at the CEFA office at 915 Capitol Mall, Suite 435, Sacramento, CA 95814 By <u>4:00 p.m. (Pacific Daylight Time)</u>
May 9 – May 15, 2019	Evaluation and selection of firm by evaluation committee
May 16, 2019	Notice of Intent to Award Contract
May 23, 2019	Proposed Contract Award Date
July 1, 2019	Commencement of Contract (pending DGS approval)

2. Content and Format of Proposals

a. Firm Experience, Personnel and References

CEFA expects to have a close working relationship with the firm as evidenced by the scope of service listed above, and requires the demonstration of a high degree of experience, training and proficiency in the conduct of the various functions performed. The firm should have extensive background in both accounting/auditing of educational facilities and student loan programs. In addition, CEFA expects that the firm will comply with current accounting/auditing standards and financing trends and will maintain appropriate expertise at the firm’s own expense.

This section is intended for the firm to demonstrate their qualifications. The firm’s response in the proposal to this section will be used in the evaluation process (Section C, Item 4, Evaluation Process). The proposal should be organized in the format shown below and contain all of the information listed or requested below.

- 1) Qualifications and Experience of Accounting/Auditing Firm - Discuss the overall experience of your firm that demonstrates your ability to successfully complete the Scope of Service, Section A, Item 2. Experience should include recent services provided to other conduit issuers of higher educational tax-exempt bonds, as well as services

provided directly to such borrowers. Additionally, firm must have knowledge of the State of California accounting procedures. Discuss your firm's experience auditing California state or local governmental agencies. Provide a detailed list of accounting/auditing services by client or transaction for the past four (4) years as an attachment. Indicate if the accounting/auditing service provided was transaction specific or for a contracted period.

- 2) Qualification of Personnel/Resumes - Identify the personnel who will be providing the services required by the proposal, including years and type of experience for each person. Experience should include number of years at current firm as well as all prior service. Experience in bond financing should be detailed. The lead personnel in charge of the CEFA account must have at least five (5) years of experience in public accounting and audits of State governmental agencies, or services as an accounting or financial consultant to a State agency.

The firm must ensure the quality and availability of its personnel assigned to this agreement will be maintained over the term of the agreement. Any replacements must have substantially the same as or better qualifications and experience than the original personnel. Include staff of subcontractors (if any).

- 3) References - Submit a list of at least three references (clients) to which the firm has provided similar accounting/auditing services within the past four (4) years and contact numbers for each. At least one reference must be from a California state or local governmental agency. (Attachment 4)

b. Cost Detail Format and Requirements

The anticipated contract for auditing services will establish a maximum amount for each of the two (2) fiscal years ending June 30, 2019 and June 30, 2020, with a possible option to renew the agreement for the audit of the fiscal year ending June 30, 2021. The vendor will be compensated using an invoice procedure detailing hours expended. Invoices must include total hours expended not to exceed maximum yearly amount. Progress payments are permitted for work performed under the agreement. In accordance with Public Contract Code section 10346, ten percent (10%) of the invoiced amount shall be withheld pending final completion of the Agreement.

The proposed work should be broken down into a work plan and work schedule for each fiscal year of the contract. Use the Sample Cost Proposal Worksheet (Attachment 3) as a guide in preparing your cost portion of the proposal. The work plan must identify lead personnel, anticipated employee hours, reflect the cost for preparation of reports, analysis, charts and other printed materials, anticipated travel, and other direct cost expenses. The proposal must include the rate for each fiscal year audit (fiscal years 2018/2019, 2019/2020) and the option to renew (fiscal year 2020/2021). The total proposed maximum fee schedule will be the basis for the scoring of the cost portion of the evaluation. (See Attachment 3) Bids submitted with a fee schedule not in compliance with these requirements will be rejected.

The following formula will be used for the award of cost points:

Lowest total cost proposal is awarded the maximum cost points (30 points). Other proposals are awarded total cost points based on the following calculation:

$$\begin{aligned} & (\text{Lowest Bidder's Total Cost} / \text{Other Bidder's Total Cost}) = (\text{factor}) \\ & \text{Total Cost points for other Bidder} = (\text{factor}) \times \text{maximum cost points} \end{aligned}$$

EXAMPLE: A maximum of 30 points is available

Lowest Bidder's Total Cost Proposal = \$55,000
Other Bidder's Total Cost Proposal = \$73,000

(Total lowest cost proposal / Other total cost proposal) = \$55,000 / \$73,000 = $\frac{3}{4}$
(Total cost points awarded to other proposal = $\frac{3}{4} \times 30 = 22.5$ points)

3. Submission of Proposal

- a. Proposals should provide straightforward and concise descriptions of the firm's ability to satisfy the requirements of this RFP. The proposal must be complete and accurate. Inaccuracies, omissions or misstatements may be cause for rejection of a proposal.
- b. The proposal package should be prepared in the least expensive method.
- c. All proposals must be submitted under **sealed** cover and sent to CEFA by dates and times shown in Section C, Proposal Requirements and Information, Item 1, Key Action Dates. Proposals received after this date and time will not be considered.
- d. A minimum of two (2) **unbound** original and two (2) copies of the proposal must be submitted.
- e. The original proposal must be marked "**ORIGINAL COPY**". All documents contained in the original proposal package must have original signatures and must be signed by a person who is authorized to bind the firm. All additional proposal sets may contain photocopies of the original package.
- f. The proposal envelopes must be plainly marked with the RFP number and title, the firm name and address, and must be marked with "DO NOT OPEN", as shown in the following example:

Subject – Request for Proposals – "**Audit Services**"
RFP No. CEFA 01-19

Firm Name
Firm Address

DO NOT OPEN

If the proposal is made under a fictitious name or business title, the actual legal name of firm must be provided. Proposals not submitted under sealed cover and marked as indicated may be rejected.

- g. All proposals shall include the documents identified in Section E, Required Attachments Checklist. Proposals not including the proper required attachments shall be deemed non-responsive. A non-responsive proposal is one that does not meet the basic proposal requirements.
- h. Mail or deliver proposals to the following address:

Ms. Martha Maldonado
Operations Manager
California Educational Facilities Authority (CEFA)
915 Capitol Mall, Suite 435
Sacramento, CA 95814

- i. Proposals must be submitted for the performance of all the services described herein. Any deviation from the work specifications will not be considered and will cause a proposal to be rejected.
- j. A proposal may be rejected if it is conditional or incomplete, or if it contains any alterations of form or other irregularities of any kind. CEFA may reject any or all proposals and may waive any immaterial deviation in a proposal. CEFA's waiver of an immaterial deviation shall in no way modify the RFP document or excuse the proposer from full compliance with all requirements if awarded the agreement.
- k. Costs for developing proposals and in anticipation of award of the agreement is entirely the responsibility of the proposer and shall not be charged to CEFA or the State.
- l. An individual who is authorized to bind the proposing firm contractually shall sign Attachment 2, Proposal/Proposer Certification Sheet. The signature must indicate the title or position that the individual holds in the firm. An unsigned proposal may be rejected.
- m. A firm may modify a proposal after its submission by withdrawing its original proposal and resubmitting a new proposal prior to the proposal submission deadline as set forth in the Key Action Dates, Section C, Item 1. The submission of a new proposal must comply with requirements of this section. Proposal modifications offered in any other manner, oral or written, will not be considered.
- n. A firm may withdraw its proposal by submitting a written withdrawal request to CEFA, signed by the proposer or an authorized agent to the address set forth in h above. A firm may thereafter submit a new proposal prior to the proposal submission deadline. Proposals may not be withdrawn without cause subsequent to proposal submission deadline.
- o. CEFA may modify the RFP prior to the date fixed for submission of proposals by the issuance of an addendum to all parties who received a proposal package. All addendums will be posted on the CEFA website at <https://www.treasurer.ca.gov/cefa/index.asp>, and on the California eProcure website at <https://caleprocure.ca.gov/pages/public-search.aspx>.
- p. CEFA reserves the right to reject all proposals. CEFA is not required to award an agreement.
- q. Before submitting a response to this solicitation, firms should review, correct all errors and confirm compliance with the RFP requirements.
- r. Where applicable, the firm should carefully examine work sites and specifications. No additions or increases to the agreement amount will be made due to a lack of careful examination of work sites and specifications.
- s. More than one proposal from an individual, firm, partnership, corporation or association under the same or different names, will not be considered.
- t. **CEFA will not accept alternate contract language from the firm. A proposal with such language will be considered a counter proposal and will be rejected. The General Terms and Conditions (GTC) are not negotiable.**
- u. No oral understanding or agreement shall be binding on either party.

4. Evaluation Process

- a. All proposals will be reviewed by an evaluation committee. At the time of proposal opening, each proposal will be checked for the presence or absence of required information in conformance with the submission requirements of this RFP. The absence of required information will cause a proposal to be deemed non-responsive and may result in the proposal's disqualification.
- b. Proposals that contain false or misleading statements, or which provide references, which do not support an attribute or condition claimed by the proposer, may be rejected.
- c. Award, if made, will be to the responsible firm with the responsive proposal earning the highest score.
- d. Proposal Evaluation
The proposals that meet the Minimum Qualifications in Section B and the Proposals Requirements in Section C, Items 1- 3, will be evaluated and scored according to the criteria indicated below. The selection will be made on the basis of the following weighted factors. (Maximum points available for each criteria are noted.)

Rating/Scoring Criteria

- (1) Qualification of personnel (20 points)
CEFA will evaluate the individuals to be assigned to the contract on the basis of background and experience in related work.
- (2) Experience as an accounting/auditing firm (25 points)
CEFA will evaluate the firm on the basis of the firms overall experience demonstrating its ability to successfully complete the requirements identified in Introduction, Section A, Item 1, and Scope of Service, Section A, Item 2.
- (3) Experience as an accounting/auditing firm to California state or local governmental agencies (25 points)
CEFA will evaluate the firm on the basis of the firms overall experience demonstrating its knowledge of the State of California's accounting procedures and the firms experience auditing California state or local governmental agencies.
- (4) Cost (30 points)
CEFA will score the cost proposal based upon the Cost Detail Format and Requirements in Section C, Item 2.b. and Attachment 3.

Maximum Total Possible Points

100 points

- e. The following point scale will be used to score the firm's response to each scored category except with regard to costs:

Percent of Maximum Score Allotted to Particular Weighted Criterion

- 100% – Excellent response backed by demonstrated ability
- 85% – Good response backed by demonstrated ability
- 75% – Fair response backed by demonstrated ability
- 60% – Poor response
- 0% – Bidder does not demonstrate ability

- f. Tiebreaker – In the event two (2) or more responsive and responsible proposers earn the highest score, the contract will be awarded to the responsive and responsible firm earning the higher score in Section C, Item 4(d)(2) and Item 4(d)(3) combine. If the total score in Section C, Item 4(d)(2) and Item 4(d)(3) are the same, the contract will be awarded to the responsive and responsible proposer earning the higher score for qualification of personnel. If the scores for qualification of personnel are the same, the contract will be awarded to the responsive and responsible proposer earning the higher score for cost.

5. Award and Protest

- a. Notice of the proposed award shall be posted in a public place in the office of the California Educational Facilities Authority, 915 Capitol Mall, Suite 435, Sacramento, CA 95814 and on the following Internet site for five (5) working days prior to awarding the agreement: <https://www.treasurer.ca.gov/cefa/index.asp>.
- b. If any firm, prior to the award of agreement, files a protest with CEFA and DGS, Office of Legal Services, 707 Third Street, 7th Floor, Suite 7-330, West Sacramento, CA 95605, on the grounds provided under Public Contract Code section 10345(b), the agreement shall not be awarded until either the protest has been withdrawn or DGS has decided the matter. It is suggested that the firm submit any protest by certified or registered mail.
- c. Within five (5) days after filing the initial protest, the protesting firm shall file with DGS, Office of Legal Services, and CEFA a full and complete written statement specifying the grounds for the protest.

6. Disposition of Proposals

- a. Upon proposal opening, all documents submitted in response to this RFP will become the property of CEFA and the State, and will be regarded as public records under the California Public Records Act (Government Code section 6250 et seq.) and subject to review by the public.
- b. Proposal packages may be returned only at the firm's expense, unless such expense is waived by CEFA.

7. Agreement Execution and Performance

- a. Performance shall start on the express date set by CEFA and the selected firm, after all approvals have been obtained and the agreement is fully executed. Should the firm fail to commence work at the agreed upon time, CEFA, upon five (5) working days written notice to the firm, reserves the right to terminate the agreement. In addition, the firm shall be liable to CEFA for the difference between the firm's proposal price and the actual cost of performing work by another contractor.
- b. All performance under the agreement shall be completed on or before the termination date of the agreement.

D. Preference and Incentive Programs

1. Small Business Preference – <https://www.dgs.ca.gov/PD/Resources/Page-Content/Procurement-Division-Resources-List-Folder/How-to-do-business-with-the-state-of-California> (If there are any inconsistencies herein with the applicable statutes, regulations, and State Contracting Manual, the statutes, regulations, and State Contracting Manual shall supersede.)

Small Business / Microbusiness Preference

A five percent (5%) preference will be applied to certified small businesses submitting proposals for this RFP. To obtain the preference, Proposer must either be certified as a small business and submit a copy of their certification approval letter from DGS / Office of Small Business and DVBE Services (“OSDS”) or submit a complete application for certification to DGS / OSDS by 5:00 p.m. (Pacific Daylight Time) on the proposal due date. However, the proposed winning Proposer must be a certified small business at the time of contract award. The 5% preference is used only for computation purposes to determine the winning Proposer and does not alter the amounts of the resulting contract.

Once each proposal has been scored, if the highest scored proposal is from a non-certified small business, then 5% of the highest scoring proposal is added to the total “earned” points for each proposal submitted by a certified small business. These final numbers, with the 5% included, are then used to determine the highest scoring proposal.

Questions regarding the small business certification or preference approval should be directed to the OSDS at (916) 375-4940 or can be found online at: <https://www.dgs.ca.gov/PD/Resources/Page-Content/Procurement-Division-Resources-List-Folder/How-to-do-business-with-the-state-of-California>.

2. Non-Small Business Preference – <https://www.dgs.ca.gov/PD/Resources/Page-Content/Procurement-Division-Resources-List-Folder/How-to-do-business-with-the-state-of-California>

A five percent (5%) preference is available to a non-small business claiming twenty-five percent (25%) California certified small business subcontractor participation. If claiming the non-small business subcontractor preference, the proposal must include a list of the small business(es) with which the Proposer commits to subcontract in an amount of at least 25% of the net proposal price with one or more California certified small businesses. Each listed certified small business must perform a "commercially useful function" in the performance of the contract as defined in Government Code section 14837(d)(4).

The required list of California certified small business subcontractors must be attached to the proposal and must include the following: 1) subcontractor name, 2) address, 3) phone number, 4) a description of the work to be performed and/or products supplied; and 5) the dollar amount or percentage of the net bid price (as specified in the solicitation) per subcontractor.

Proposers claiming the 5% preference must commit to subcontract at least 25% of the net proposal price with one or more California certified small businesses. Completed certification applications and required support documents must be submitted to the OSDS no later than 5:00 p.m. (Pacific Daylight Time) on the proposal due date. Questions regarding certification should be directed to the OSDS at (916) 375-4940 or can be found online at <https://www.dgs.ca.gov/PD/Resources/Page-Content/Procurement-Division-Resources-List-Folder/How-to-do-business-with-the-state-of-California>.

The preference to a non-small business firm that commits to California certified small business subcontractor participation of 25% of its net proposal price shall be 5% of the highest scoring

proposal. A non-small business, which qualifies for this preference, may not take an award away from a certified small business

3. California Disabled Veteran Business Enterprise (“DVBE”) Participation – <https://www.dgs.ca.gov/PD/Resources/Page-Content/Procurement-Division-Resources-List-Folder/How-to-do-business-with-the-state-of-California>

This solicitation DOES NOT include a minimum DVBE participation requirement. DVBE participation is not required in the bid or proposal. However, a DVBE incentive will be applied as provided in Attachment 9.

DVBE INCENTIVE. The State will apply a DVBE incentive for responsive bids or proposals from responsible bidders that propose DVBE participation. The DVBE incentive will vary in relation to the percentage of confirmed DVBE participation (up to five percent (5%)).

DVBE PARTICIPATION COMMITMENT. Bidders who have been certified by California as a DVBE must also submit a completed form(s) STD 843 (Disabled Veteran Business Enterprise Declaration). All disabled veteran owners and disabled veteran managers of the DVBE(s) must sign the form(s). The form is available at: www.documents.dgs.ca.gov/pd/poliproc/STD-843FillPrintFields.pdf

E. Required Attachments

1. Required Attachments Checklist (Attachment 1)

For the proposal to be considered responsive, all required attachments listed on Attachment 1 must be included in the proposal and received by CEFA by dates and times shown in Section C, Proposal Requirements and Information, Item 1, Key Action Dates.

ATTACHMENT 1

CEFA 01-19

REQUIRED ATTACHMENTS CHECKLIST

A complete proposal or proposal package will consist of the items identified below. Complete this checklist to confirm the items in your proposal. Place a check mark or "X" next to each item that you are submitting to the State. For your proposal to be responsive, all required attachments must be returned. This checklist should be returned with your proposal package also.

<u>Attachments</u>	<u>Attachments Name/Description</u>
_____	Attachment 1 – Required Attachment Checklist
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_____	Attachment 5 – Payee Data Record (STD 204)
_____	Attachment 6 – Contractor’s Certification Clauses (CCC 04/2017)
_____	Attachment 7 – Small Business or Microbusiness Preference *
_____	Attachment 8 – Non-Small Business Preference*
_____	Attachment 9 – Disabled Veteran Business Enterprise (DVBE) Incentive Program*
_____	Attachment 10 – GSPD-05-105/Bidder Declaration
_____	Attachment 11 – Minimum Qualifications Certification
_____	Attachment 12 – Darfur Contracting Act
_____	Attachment 13 – Evidence of Qualification to do Business in the State of California

*If applicable

ATTACHMENT 2

CEFA 01-19

PROPOSAL/PROPOSER CERTIFICATION SHEET

This Proposal/Proposer Certification Sheet must be signed and returned along with all the "required attachments" as an entire package in duplicate with original signatures. The proposal must be transmitted in a sealed envelope in accordance with RFP instructions.

Do not return the RFP or the "Sample Agreement" at the end of this RFP.

- A. Place all required attachments behind this certification sheet.
- B. The signature affixed hereon and dated certifies compliance with all the requirements of this Request for Proposals document. The signature below authorizes the verification of this certification.

**An Unsigned Proposal/Proposer Certification Sheet
May Be Cause for Rejection**

1. Company Name	2. Telephone Number ()	2a. Fax Number ()
3. Address		
Indicate your organization type:		
4. <input type="checkbox"/> Sole Proprietorship	5. <input type="checkbox"/> Partnership	6. <input type="checkbox"/> Corporation
Indicate the applicable employee and/or corporation number:		
7. Federal Employee ID No. (FEIN)	8. California Corporation No.	
9. Indicate applicable license and/or certification information:		
10. Proposer's Name (Print)	11. Title	
12. Signature	13. Date	
14. Are you certified with the Department of General Services, Office of Small Business Certification and Resources (OSBCR) as:		
a. California Small Business Yes <input type="checkbox"/> No <input type="checkbox"/> If yes, enter certification number: _____	b. Disabled Veteran Business Enterprise Yes <input type="checkbox"/> No <input type="checkbox"/> If yes, enter your service code below: _____	
NOTE: A copy of your Certification is required to be included if either of the above items is checked "Yes". Date application was submitted to OSBCR, if an application is pending:		

Complete the numbered items on the
Proposal/Proposer Certification Sheet by following the instructions below.

Item Numbers	Instructions
1, 2, 2a, 3	Must be completed. These items are self-explanatory.
4	Check if your firm is a sole proprietorship. A sole proprietorship is a form of business in which one person owns all the assets of the business in contrast to a partnership and corporation. The sole proprietor is solely liable for all the debts of the business.
5	Check if your firm is a partnership. A partnership is a voluntary agreement between two or more competent persons to place their money, effects, labor, and skill, or some or all of them in lawful commerce or business, with the understanding that there shall be a proportional sharing of the profits and losses between them. An association of two or more persons to carry on, as co-owners, a business for profit.
6	Check if your firm is a corporation. A corporation is an artificial person or legal entity created by or under the authority of the laws of a state or nation, composed, in some rare instances, of a single person and his successors, being the incumbents of a particular office, but ordinarily consisting of an association of numerous individuals.
7	Enter your federal employee tax identification number.
8	Enter your corporation number assigned by the California Secretary of State's Office. This information is used for checking if a corporation is in good standing and qualified to conduct business in California.
9	Complete, if applicable, by indicating the type of license and/or certification that your firm possesses and that is required for the type of services being procured.
10, 11, 12, 13	Must be completed. These items are self-explanatory.
14	If certified as a California Small Business, place a check in the "yes" box, and enter your certification number on the line. If certified as a Disabled Veterans Business Enterprise, place a check in the "Yes" box and enter your service code on the line. If you are not certified to one or both, place a check in the "No" box. If your certification is pending, enter the date your application was submitted to OSBCR.

ATTACHMENT 3

CEFA 01-19

COST PROPOSAL WORKSHEET

Responsive proposals must include the firm’s proposed hourly rate, including the rates of all subcontractors, and expenses for each year contemplated under the Contract, including the one-year option to renew, as shown in the sample format provided below. **The contract amount may not to exceed \$25,000 for each year.** Travel, transportation, and per diem expenses shall not exceed the rates payable to State employee.

Work Plan/Rates – Audit of Fiscal Year 2018/2019

<u>DIRECT LABOR (Job Title)</u>	<u>Rate Per Hour</u>	<u>Hours</u>	<u>Cost</u>
_____	_____ @	_____	_____
_____	_____ @	_____	_____
_____	_____ @	_____	_____
_____	_____ @	_____	_____
_____	_____ @	_____	_____
<u>TOTAL DIRECT LABOR</u>			\$ _____
<u>SUBCONTRACTOR(S) COST ITEMIZED</u>			\$ _____
<u>DIRECT COSTS (EXCEPT LABOR)</u>			
Travel Costs (mileage, parking)			\$ _____
Equipment and Supplies (Itemized)			\$ _____
Other Direct Costs (Itemized)			\$ _____
TOTAL DIRECT COSTS			\$ _____

Work Plan/Rates – Audit of Fiscal Year 2019/2020

<u>DIRECT LABOR (Job Title)</u>	<u>Rate Per Hour</u>	<u>Hours</u>	<u>Cost</u>
_____	_____ @	_____	_____
_____	_____ @	_____	_____
_____	_____ @	_____	_____
_____	_____ @	_____	_____
_____	_____ @	_____	_____

<u>TOTAL DIRECT LABOR</u>	\$ _____
<u>SUBCONTRACTOR(S) COST ITEMIZED</u>	\$ _____
<u>DIRECT COSTS (EXCEPT LABOR)</u>	
Travel Costs (mileage, parking)	\$ _____
Equipment and Supplies (Itemized)	\$ _____
Other Direct Costs (Itemized)	\$ _____
TOTAL DIRECT COSTS	\$ _____

Work Plan/Rates – Audit of Fiscal Year 2020/2021 (if extended by CEFA)

<u>DIRECT LABOR (Job Title)</u>	<u>Rate Per Hour</u>	<u>Hours</u>	<u>Cost</u>
_____	_____ @	_____	_____
_____	_____ @	_____	_____
_____	_____ @	_____	_____
_____	_____ @	_____	_____
_____	_____ @	_____	_____

<u>TOTAL DIRECT LABOR</u>	\$ _____
<u>SUBCONTRACTOR(S) COST ITEMIZED</u>	\$ _____
<u>DIRECT COSTS (EXCEPT LABOR)</u>	
Travel Costs (mileage, parking)	\$ _____
Equipment and Supplies (Itemized)	\$ _____
Other Direct Costs (Itemized)	\$ _____
TOTAL DIRECT COSTS	\$ _____

Proposed Maximum Fee Schedule

- A. Audit of Fiscal Year 2018/2019 Audit** \$ _____
- B. Audit of Fiscal Year 2019/2020 Audit** \$ _____

Please provide cost for the option to renew for the audit of fiscal year 2020/2021.

- C. Audit of Fiscal Year 2020/2021 Audit (if extended by CEFA)** \$ _____

TOTAL PROPOSED MAXIMUM FEE SCHEDULE FOR FISCAL YEARS 2018/2019, 2019/2020 and 2020/2021 AUDITS \$ _____

ATTACHMENT 4

CEFA 01-19

PROPOSER REFERENCES

Submission of this attachment is mandatory. Failure to complete and return this attachment with your proposal will cause your proposal to be rejected and deemed nonresponsive.

Submit a list of at least three references (clients) to which the firm has provided similar accounting/auditing services within the past four (4) years and contact numbers for each. At least one reference must be from a California state or local governmental agency. If three references cannot be provided, please explain why on an attached sheet of paper.

REFERENCE 1

Name of Firm			
Street Address	City	State	Zip Code
Contact Person		Telephone Number	
Dates of Service		Value or Cost of Service	
Brief Description of Service Provided			

REFERENCE 2

Name of Firm			
Street Address	City	State	Zip Code
Contact Person		Telephone Number	
Dates of Service		Value or Cost of Service	
Brief Description of Service Provided			

REFERENCE 3

Name of Firm			
Street Address	City	State	Zip Code
Contact Person		Telephone Number	
Dates of Service		Value or Cost of Service	
Brief Description of Service Provided			

ATTACHMENT 5

CEFA 01-19

PAYEE DATA RECORD (STD. 204)

All bidders must complete the **Payee Data Record (STD. 204)** and include it with their bid response. The Payee Data Record form can be accessed from the following link: <http://www.documents.dgs.ca.gov/dgs/fmc/pdf/std204.pdf>

ATTACHMENT 6

CEFA 01-19

CCC 04/2017

CERTIFICATION

I, the official named below, CERTIFY UNDER PENALTY OF PERJURY that I am duly authorized to legally bind the prospective Contractor to the clause(s) listed below. This certification is made under the laws of the State of California.

<i>Contractor/Bidder Firm Name (Printed)</i>		<i>Federal ID Number</i>
<i>By (Authorized Signature)</i>		
<i>Printed Name and Title of Person Signing</i>		
<i>Date Executed</i>	<i>Executed in the County of</i>	

CONTRACTOR CERTIFICATION CLAUSES

1. **STATEMENT OF COMPLIANCE:** Contractor has, unless exempted, complied with the nondiscrimination program requirements. (Gov. Code §12990 (a-f) and CCR, Title 2, Section 11102) (Not applicable to public entities.)
2. **DRUG-FREE WORKPLACE REQUIREMENTS:** Contractor will comply with the requirements of the Drug-Free Workplace Act of 1990 and will provide a drug-free workplace by taking the following actions:
 - a. Publish a statement notifying employees that unlawful manufacture, distribution, dispensation, possession or use of a controlled substance is prohibited and specifying actions to be taken against employees for violations.
 - b. Establish a Drug-Free Awareness Program to inform employees about:
 - 1) the dangers of drug abuse in the workplace;
 - 2) the person's or organization's policy of maintaining a drug-free workplace;
 - 3) any available counseling, rehabilitation and employee assistance programs; and,
 - 4) penalties that may be imposed upon employees for drug abuse violations.
 - c. Every employee who works on the proposed Agreement will:
 - 1) receive a copy of the company's drug-free workplace policy statement; and,
 - 2) agree to abide by the terms of the company's statement as a condition of employment on the Agreement.

Failure to comply with these requirements may result in suspension of payments under the Agreement or termination of the Agreement or both and Contractor may be ineligible for award of any future State agreements if the department determines that any of the following has

occurred: the Contractor has made false certification, or violated the certification by failing to carry out the requirements as noted above. (Gov. Code §8350 et seq.)

3. NATIONAL LABOR RELATIONS BOARD CERTIFICATION: Contractor certifies that no more than one (1) final unappealable finding of contempt of court by a Federal court has been issued against Contractor within the immediately preceding two-year period because of Contractor's failure to comply with an order of a Federal court, which orders Contractor to comply with an order of the National Labor Relations Board. (Pub. Contract Code §10296) (Not applicable to public entities.)

4. CONTRACTS FOR LEGAL SERVICES \$50,000 OR MORE- PRO BONO REQUIREMENT: Contractor hereby certifies that Contractor will comply with the requirements of Section 6072 of the Business and Professions Code, effective January 1, 2003.

Contractor agrees to make a good faith effort to provide a minimum number of hours of pro bono legal services during each year of the contract equal to the lessor of 30 multiplied by the number of full time attorneys in the firm's offices in the State, with the number of hours prorated on an actual day basis for any contract period of less than a full year or 10% of its contract with the State.

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

5. EXPATRIATE CORPORATIONS: Contractor hereby declares that it is not an expatriate corporation or subsidiary of an expatriate corporation within the meaning of Public Contract Code Section 10286 and 10286.1, and is eligible to contract with the State of California.

6. SWEATFREE CODE OF CONDUCT:

a. All Contractors contracting for the procurement or laundering of apparel, garments or corresponding accessories, or the procurement of equipment, materials, or supplies, other than procurement related to a public works contract, declare under penalty of perjury that no apparel, garments or corresponding accessories, equipment, materials, or supplies furnished to the state pursuant to the contract have been laundered or produced in whole or in part by sweatshop labor, forced labor, convict labor, indentured labor under penal sanction, abusive forms of child labor or exploitation of children in sweatshop labor, or with the benefit of sweatshop labor, forced labor, convict labor, indentured labor under penal sanction, abusive forms of child labor or exploitation of children in sweatshop labor. The contractor further declares under penalty of perjury that they adhere to the Sweatfree Code of Conduct as set forth on the California Department of Industrial Relations website located at www.dir.ca.gov, and Public Contract Code Section 6108.

b. The contractor agrees to cooperate fully in providing reasonable access to the contractor's records, documents, agents or employees, or premises if reasonably required by authorized officials of the contracting agency, the Department of Industrial Relations, or the Department of Justice to determine the contractor's compliance with the requirements under paragraph (a).

7. DOMESTIC PARTNERS: For contracts of \$100,000 or more, Contractor certifies that Contractor is in compliance with Public Contract Code section 10295.3.

8. GENDER IDENTITY: For contracts of \$100,000 or more, Contractor certifies that Contractor is in compliance with Public Contract Code section 10295.35.

DOING BUSINESS WITH THE STATE OF CALIFORNIA

The following laws apply to persons or entities doing business with the State of California.

1. **CONFLICT OF INTEREST**: Contractor needs to be aware of the following provisions regarding current or former state employees. If Contractor has any questions on the status of any person rendering services or involved with the Agreement, the awarding agency must be contacted immediately for clarification.

Current State Employees (Pub. Contract Code §10410):

- 1). No officer or employee shall engage in any employment, activity or enterprise from which the officer or employee receives compensation or has a financial interest and which is sponsored or funded by any state agency, unless the employment, activity or enterprise is required as a condition of regular state employment.
- 2). No officer or employee shall contract on his or her own behalf as an independent contractor with any state agency to provide goods or services.

Former State Employees (Pub. Contract Code §10411):

- 1). For the two-year period from the date he or she left state employment, no former state officer or employee may enter into a contract in which he or she engaged in any of the negotiations, transactions, planning, arrangements or any part of the decision-making process relevant to the contract while employed in any capacity by any state agency.
- 2). For the twelve-month period from the date he or she left state employment, no former state officer or employee may enter into a contract with any state agency if he or she was employed by that state agency in a policy-making position in the same general subject area as the proposed contract within the 12-month period prior to his or her leaving state service.

If Contractor violates any provisions of above paragraphs, such action by Contractor shall render this Agreement void. (Pub. Contract Code §10420)

Members of boards and commissions are exempt from this section if they do not receive payment other than payment of each meeting of the board or commission, payment for preparatory time and payment for per diem. (Pub. Contract Code §10430 (e))

2. **LABOR CODE/WORKERS' COMPENSATION**: Contractor needs to be aware of the provisions which require every employer to be insured against liability for Worker's Compensation or to undertake self-insurance in accordance with the provisions, and Contractor affirms to comply with such provisions before commencing the performance of the work of this Agreement. (Labor Code Section 3700)

3. **AMERICANS WITH DISABILITIES ACT**: Contractor assures the State that it complies with the Americans with Disabilities Act (ADA) of 1990, which prohibits discrimination on the basis of disability, as well as all applicable regulations and guidelines issued pursuant to the ADA. (42 U.S.C. 12101 et seq.)

4. **CONTRACTOR NAME CHANGE**: An amendment is required to change the Contractor's name as listed on this Agreement. Upon receipt of legal documentation of the name change the State will process the amendment. Payment of invoices presented with a new name cannot be paid prior to approval of said amendment.

5. CORPORATE QUALIFICATIONS TO DO BUSINESS IN CALIFORNIA:

a. When agreements are to be performed in the state by corporations, the contracting agencies will be verifying that the contractor is currently qualified to do business in California in order to ensure that all obligations due to the state are fulfilled.

b. "Doing business" is defined in R&TC Section 23101 as actively engaging in any transaction for the purpose of financial or pecuniary gain or profit. Although there are some statutory exceptions to taxation, rarely will a corporate contractor performing within the state not be subject to the franchise tax.

c. Both domestic and foreign corporations (those incorporated outside of California) must be in good standing in order to be qualified to do business in California. Agencies will determine whether a corporation is in good standing by calling the Office of the Secretary of State.

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

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

8. PAYEE DATA RECORD FORM STD. 204: This form must be completed by all contractors that are not another state agency or other governmental entity.

ATTACHMENTS 7 and 8

CEFA 01-19

PREFERENCE PROGRAMS (IF APPLICABLE)

Attach proof in claiming Small Business or Microbusiness Preference, or Non-Small Business Preference, if applicable

Small Business or Microbusiness Preference

<https://www.dgs.ca.gov/PD/Resources/Page-Content/Procurement-Division-Resources-List-Folder/How-to-do-business-with-the-state-of-California>

Non-Small Business Preference

<https://www.dgs.ca.gov/PD/Resources/Page-Content/Procurement-Division-Resources-List-Folder/How-to-do-business-with-the-state-of-California>

ATTACHMENT 9**CEFA 01-19****CALIFORNIA DISABLED VETERAN BUSINESS ENTERPRISE (DVBE)
PARTICIPATION GOAL PROGRAM INSTRUCTIONS**

DVBE PARTICIPATION REQUIREMENT. The Disabled Veteran Business Enterprise (DVBE) Participation Goal Program for State contracts is established in Public Contract Code (PCC) section 10115 et seq., Military and Veterans Code (MVC) section 999 et seq., and California Code of Regulations (CCR), title 2, section 1896.60 et seq. **This solicitation DOES NOT include a minimum DVBE participation requirement. DVBE participation is NOT required in the bid or proposal. However, a DVBE incentive will be applied as provided below.**

DVBE INCENTIVE. The State will apply a DVBE incentive for responsive bids or proposals (herein “bid” or “bids”) from responsible bidders that propose DVBE participation. The DVBE incentive will vary in relation to the percentage of confirmed DVBE participation. The following percentages shall apply.

Confirmed DVBE Participation of	DVBE Incentive
5% and above	5%
4% to 4.99% inclusive	4%
3% to 3.99% inclusive	3%
2% to 2.99% inclusive	2%
1% to 1.99% inclusive	1%

As applicable:

(1) **Awards based on low price** – The DVBE incentive is applied by reducing the bid price by the amount of DVBE incentive as computed from the lowest responsive bid price submitted by a responsible bidder. The DVBE incentive is for evaluation purposes only. Application of the DVBE incentive shall not displace an award to a small business with a non-small business.

(2) **Awards based on high score** – The DVBE incentive is a percentage of the total possible available points, not including points for socioeconomic incentives or preferences. The DVBE incentive points are included in the sum of non-cost points. The DVBE incentive points cannot be used to achieve any applicable minimum point requirements.

Bidders who have been certified by California as a DVBE (or who are bidding rental equipment and have obtained the participation of subcontractors certified by California as a DVBE) must also submit a completed form **STD. 843 (Disabled Veteran Business Enterprise Declaration)**. All disabled veteran owners and disabled veteran managers of the DVBE(s) must sign the form(s). Should the form not be included with the solicitation, contact the State contracting official or obtain a copy at the following website: www.documents.dgs.ca.gov/pd/poliproc/STD-843FillPrintFields.pdf. The completed form should be included with the bid response.

At the State’s option prior to award, bidders may be required to submit additional written clarifying information. Failure to submit the requested written information as specified may be grounds for bid rejection.

RESOURCES AND INFORMATION*

U.S. Small Business Administration:
Central Contractor Registration on-line database
www.ccr.gov

FOR:
Service-Disabled Veteran-Owned Businesses in California

Local Organizations:
DVBE local contacts
<https://www.dgs.ca.gov/PD>

FOR:
List of Potential DVBE Subcontractors

Department of General Services, Procurement Division (DGS-PD) eProcurement:
Website: <https://caleprocure.ca.gov/pages/index.aspx>
Phone: (916) 375-2000
Email: eprocure@dgs.ca.gov

FOR:

- SB/DVBE Search
- CSCR Advertisements
- Training Modules

DGS-PD Office of Small Business and DVBE Services (OSDS):
707 Third Street, Room 1-400, West Sacramento, CA 95605
Website: <https://www.dgs.ca.gov/PD/Services/Page-Content/Procurement-Division-Services-List-Folder/Register-Apply-or-Renew-a-Small-Business-and-Disabled-Veteran-Business-Enterprise>
OSDS Receptionist: (916) 375-4940
PD Receptionist: (800) 559-5529
Fax: (916) 375-4950
Email: osdchelp@dgs.ca.gov

FOR:

- Directory of OSDS Certified DVBEs
- Certification Applications
- Certification Information
- Certification Status, Concerns
- General DVBE Program Information
- DVBE Business Utilization Plan
- SB/DVBE Advocates
- Lists of Trade and Focus Publications

Commercially Useful Function Definition

Military and Veterans Code section 999(b)
California Code of Regulations, title 2, section 1896.62(l)

*Contact information and available resources may be subject to change by the respective administration, department, division, or office. DVBEs must be certified by OSDS.

ATTACHMENT 10

CEFA 01-19

BIDDER DECLARATION (GSPD-05-105)

All bidders must complete the **Bidder Declaration (GSPD-05-105)** and include it with the bid response. When completing the declaration, bidders must identify all subcontractors proposed for participation in the contract. Bidders awarded a contract are contractually obligated to use the subcontractors for the corresponding work identified unless the State agrees to a substitution and it is incorporated by amendment to the contract.

The Bidder Declaration (GSPD-05-105) can be accessed from the following link: <https://www.documents.dgs.ca.gov/pd/poliproc/master-biddeclar08-09.pdf>

ATTACHMENT 11

CEFA 01-19

MINIMUM QUALIFICATIONS CERTIFICATION

The Bidder certifies that it fulfills the minimum qualifications outlined in Section B of Request for Proposals No. CEFA 01-19 (the "RFP").

On behalf of _____, I certify
(Firm Name)

that said firm, including any and all subcontractors, complies with the Minimum Qualifications set forth in Section B of the RFP.

(Authorized Signature of Firm)

(Firm Name)

(Print Name)

(Date)

(Title)

ATTACHMENT 12

CEFA 01-19

DARFUR CONTRACTING ACT

Pursuant to Public Contract Code section 10478, if a bidder or proposer currently or within the previous three years has had business activities or other operations outside of the United States, it must certify that it is not a “scrutinized” company as defined in Public Contract Code section 10476.

Therefore, to be eligible to submit a bid or proposal, please insert your company name and Federal ID Number and complete only one of the following three paragraphs (via initials for Paragraph # 1 or Paragraph # 2, or via initials and certification for Paragraph # 3):

<i>Company/Vendor Name (Printed)</i>	<i>Federal ID Number</i>
<i>Printed Name and Title of Person Initialing (for Options 1 or 2)</i>	

1. _____ We do not currently have, and have not had within the previous
 Initials three years, business activities or other operations outside of the United
 States.

OR

2. _____ We are a scrutinized company as defined in Public Contract Code
 Initials section 10476, but we have received written permission from the
 Department of General Services (DGS) to submit a bid or proposal
 pursuant to Public Contract Code section 10477(b). A copy of the
 written permission from DGS is included with our bid or proposal.

OR

3. _____ We currently have, or we have had within the previous three years,
 Initials business activities or other operations outside of the United States,
 + certification but we certify below that we are not a scrutinized company
 below as defined in Public Contract Code section 10476.

CERTIFICATION For # 3.

I, the official named below, CERTIFY UNDER PENALTY OF PERJURY that I am duly authorized to legally bind the prospective proposer/bidder to the clause listed above in # 3. This certification is made under the laws of the State of California.

<i>By (Authorized Signature)</i>	
<i>Printed Name and Title of Person Signing</i>	
<i>Date Executed</i>	<i>Executed in the County and State of</i>

ATTACHMENT 13

CEFA 01-19

EVIDENCE OF QUALIFICATION TO DO BUSINESS IN THE STATE OF CALIFORNIA

Proposer and any subcontractor identified in the proposal must be qualified to do business in the State of California. Proposer must submit evidence demonstrating compliance with this requirement with its proposal. Include a copy of the proposer's evidence of qualification as Attachment 13.

STANDARD AGREEMENT

AGREEMENT NUMBER

PURCHASING AUTHORITY NUMBER (If Applicable)

STD 213 (Rev. 02/2019)

SAMPLE

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

CONTRACTING AGENCY NAME

California Educational Facilities Authority (CEFA)

CONTRACTOR NAME

To Be Determined

2. The term of this Agreement is:

START DATE

July 1, 2019 (or upon approval by the Department of General Services)

THROUGH END DATE

June 30, 2021 (with the option to extend by CEFA)

3. The maximum amount of this Agreement is:

To be Determined

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

EXHIBITS	TITLE	PAGES
Exhibit A	Scope of Work	3
Attachment 1	Text of Senate Bill 99	6
Attachment 2	Key Personnel	
Exhibit B	Budget Detail and Payment Provisions	1
Attachment 1	Cost Proposal Worksheet	2
Exhibit C*	General Terms and Conditions – GTC 04/2017	1
Exhibit D	Special Terms and Conditions	7
Exhibit E	Additional Provisions	1

Items shown with an asterisk (*), are hereby incorporated by reference and made part of this agreement as if attached hereto. These documents can be viewed at <https://www.dgs.ca.gov/OLS/Resources/Page-Content/Office-of-Legal-Services-Resources-List-Folder/Standard-Contract-Language>

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

CONTRACTOR

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

CONTRACTOR BUSINESS ADDRESS	CITY	STATE	ZIP
PRINTED NAME OF PERSON SIGNING	TITLE		
CONTRACTOR AUTHORIZED SIGNATURE	DATE SIGNED		

STATE OF CALIFORNIA

CONTRACTING AGENCY NAME

California Educational Facilities Authority (CEFA)

CONTRACTING AGENCY ADDRESS

915 Capitol Mall, Suite 435

CITY

Sacramento

STATE

CA

ZIP

95814

PRINTED NAME OF PERSON SIGNING

Frank Moore

TITLE

Acting Executive Director

CONTRACTING AGENCY AUTHORIZED SIGNATURE

DATE SIGNED

CALIFORNIA DEPARTMENT OF GENERAL SERVICES APPROVAL

EXEMPTION (If Applicable)

SAMPLE

EXHIBIT A
(Standard Agreement)

SCOPE OF WORK

1. The firm will be expected to provide audit and examination services as described herein. Pursuant to the passage of SB 99, the scope of the audit must comply with the Office of the State Controller's ("SCO") minimum standards for conducting audits and reporting requirements. The Minimum Audit Requirements and Reporting Guidelines for California Special Districts are set forth in the California Code of Regulations, title 2, section 1131.2. In addition, the firm will be expected to complete SCO's Special Districts Financial Transactions Report on behalf of CEFA (reporting forms and instructions are available at https://www.sco.ca.gov/ard_locinstr_districts_forms.html). SCO's audit and reporting requirements may be subject to change. As a result, the firm must be prepared to incorporate any additional legal or industry requirements for the performance of audits as may be disseminated by the SCO subsequent to the initial circulation of this RFP. In addition, the firm may be requested to provide other assistance, on an as-needed basis, to support confirmation and reporting requirements.

a) Audit and Examination

1. Perform an audit and examination of CEFA's higher education and student loan programs (the "Programs"). The audit will include an evaluation of CEFA's internal control in accordance with generally accepted auditing standards as set forth in Statements on Auditing Standards, published by the American Institute of Certified Public Accountants, and the Office of the State Controller's (SCO) Minimum Audit Requirements for California Special Districts. The audit and examination will include such tests of the accounting records and procedures as are necessary for the expression of the firm's opinion, in compliance with Rule 58 of the State Board of Accountancy on the financial statements taken as a whole, in conformity with generally accepted accounting principles as promulgated by the Governmental Accounting Standards Board (GASB), and general provisions of State law.
2. Confirm assets held by CEFA for each Program Fund.
3. Verify the bonds outstanding for each Program Fund.
4. Treat all information in a confidential manner with all recommendations to be stated only in the audit reports provided to CEFA for appropriate release by CEFA as required by law.

b) Audit Report and Findings

1. The report shall include a statement of the scope of the audit and examination for each Program Fund; the period covered by the audit and examination; and a list of the financial statements included in the report.
2. The report and findings shall include a statement of material audit findings and recommendations regarding the financial statements, internal control and accounting systems, and legality of actions for each Program Fund.

EXHIBIT A
(Standard Agreement)

3. Audited financial statements in the report shall include a "Statement of Operations", "Statement of Assets and Liabilities" (Balance Sheet), and a "Statement of Cash Flows" for each Program Fund.
4. The Audit report shall include a Management Letter.
5. The audit report shall include any other material information.
6. The audit will be for fiscal year 2018/19, 2019/20 and for fiscal year 2020/21 if CEFA exercises its option to renew the contract.
7. The audit must meet the reporting time frame requirements of the SCO. Currently, it is anticipated the audit should be conducted mid-August through September and completed by December 30th of the following fiscal year unless it is waived by CEFA. The audit submittal time frame is subject to change upon further instruction from the SCO. The dates for fiscal year 2020/2021 will be provided if the State exercises its option to renew the agreement.
8. The firm shall review the proposed report with CEFA staff prior to finalizing.
9. One original and twenty (20) copies of the report shall be prepared with provision for additional copies upon request, and provide an electronic version in PDF.
10. In all respects, represent the best interests of CEFA and the State in all transactions and proceedings.

c) Special Districts Financial Transaction Report

The Special District Financial Transactions Report must be prepared exactly in the same format as the SCO's Special Districts Financial Transactions Report (https://www.sco.ca.gov/ard_locinstr_districts_forms.html). Firm must complete this report on CEFA's behalf by the deadline set by SCO.

CEFA will work with the firm to obtain all available accounting records and data necessary for the performance of the work described herein, and will provide office workspace and furnishings adjacent to CEFA's Office at 915 Capitol Mall, Suite 435, Sacramento, California 95814. All other equipment or material is to be provided by the firm.

Firm shall be responsive to CEFA staff regarding the status of the audit including prompt response to e-mails and telephone calls. Firm shall keep CEFA staff apprised of information needed and issues outstanding, and shall meet deadlines set by CEFA staff.

2. Term of Agreement

The term of the agreement will be two (2) years with a possible option to renew the agreement for one additional year. The effective date of this agreement is either the start date of July 1, 2019 or the approval date by the Department of General Services, whichever is later. No work shall commence until the effective date. The contract amount may not to exceed \$25,000 for each year.

EXHIBIT A
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3. The project representatives during the term of this agreement will be:

State Agency: California Educational Facilities Authority (CEFA)	Contractor: To Be Determined.
Name: Ms. Martha Maldonado Operations Manager	Name:
Phone: (916) 653 – 2799	Phone:
Fax: (916) 654 - 5362	Fax:

Direct all inquiries to:

State Agency: California Educational Facilities Authority (CEFA)	Contractor: To Be Determined
Attention: Ms. Martha Maldonado Operations Manager	Attention:
Address: 915 Capitol Mall, Suite 435 Sacramento, CA 95814	Address:
Phone: (916) 653 – 2799	Phone:
Fax: (916) 654 - 5362	Fax:

ATTACHMENT 1 TO EXHIBIT A

Senate Bill No. 99

CHAPTER 557

An act to amend Section 6547 of, to add Sections 6503.6, 6548.5, 6592.1, and 53895.7 to, and to add Chapter 10.7 (commencing with Section 5870) to Division 6 of Title 1 of, the Government Code, relating to joint exercise of powers.

[Approved by Governor October 11, 2009. Filed with
Secretary of State October 11, 2009.]

LEGISLATIVE COUNSEL'S DIGEST

SB 99, Committee on Local Government. Joint exercise of powers: reporting and disclosures.

Under the Marks-Roos Local Bond Pooling Act of 1985, a joint exercise of powers authority may issue or purchase bonds to assist local agencies in financing public capital improvements, working capital, liability, or other insurance needs, or projects whenever there are significant public benefits for taking that action. Under the Ralph M. Brown Act, all meetings of the legislative body of a local agency must, subject to designated exceptions, be open and public. That act requires the legislative body to hold regular meetings, and permits the legislative body to hold special and emergency meetings, requiring certain notices and agendas.

This bill would require additional reporting and public disclosures by specified public entities that issue certain revenue bonds, including conduit revenue bonds, as defined. This bill would require entities formed under the Joint Exercise of Powers Act, and related officers, that fail or refuse to make required reports to forfeit specified amounts to the state, and would authorize, under certain conditions, the Attorney General to prosecute an action for these forfeitures. This bill would require that a resolution issued pursuant to the Marks-Roos Local Bond Pooling Act of 1985 relating to bonds, as specified, be adopted by the local agency during a regular meeting.

The people of the State of California do enact as follows:

SECTION 1. Chapter 10.7 (commencing with Section 5870) is added to Division 6 of Title 1 of the Government Code, to read:

**CHAPTER 10.7. CONDUIT FINANCING TRANSPARENCY AND
ACCOUNTABILITY**

5870. As used in this chapter, the following definitions apply:

(a) "Conduit financing" means the issuance of conduit revenue bonds.

(b) “Conduit financing provider” means any county, city, city and county, public district, public authority, public corporation, nonprofit corporation, joint powers authority, or other statutorily constituted public entity that issues one or more conduit revenue bonds.

(c) “Conduit revenue bond” means any municipal security the proceeds of which are loaned to any nongovernmental borrower, including, but not limited to, persons, for-profit corporations, nonprofit corporations pursuant to Section 501(c)(3) of the Internal Revenue Code, partnerships, and other legal entities for purposes that are permitted for qualified private activity bonds under applicable federal law.

5871. A conduit financing provider shall make the following information available on its Internet Web site, to the extent that it maintains an Internet Web site:

(a) Agendas for regular meetings posted by a conduit financing provider pursuant to Section 54954.2.

(b) Notices of special meetings posted by a conduit financing provider pursuant to Section 54956.

(c) Notices of meetings of a conduit financing provider provided pursuant to Section 11125.

(d) Staff reports on the items included on the agendas listed in subdivisions (a), (b), and (c).

(e) Minutes of the meetings for which the agendas listed in subdivisions (a), (b), and (c) were produced.

(f) Audits of the conduit financing provider’s accounts and records.

(g) Copies of reports of the conduit financing provider’s annual financial transactions required pursuant to Section 12460 or 12463.

(h) Annual lists of applications approved for financing by the governing body of the conduit financing provider for any fiscal year in which at least one application is approved.

5872. (a) When an audit of a conduit financing provider’s accounts and records is required by law, in addition to any other requirements, the audit shall include all of the following:

(1) A disclosure of fees imposed on borrowers by, or on behalf of, the conduit financing provider.

(2) A disclosure of expenditures related to those fees made by or on behalf of the conduit financing provider.

(3) The dollar amount and nature of these fees and expenses.

(4) A disclosure of the amount of bonds authorized but unsold at the end of the time period covered by the audit.

(5) A disclosure of the amount of debt the conduit financing provider has issued during the period covered by the audit and the amount of debt still outstanding at the end of the time period covered by the audit.

(b) An audit of a conduit financing provider’s accounts and records shall be made publicly available pursuant to the California Public Records Act (Article 1 (commencing with Section 6250) of Chapter 3.5 of Division 7).

(c) Notwithstanding any other reporting periods permitted pursuant to subdivision (f) of Section 6505, Section 26909, or any other provision of

law, a conduit financing provider shall annually conduct an audit of its accounts and records and report the results of that audit to the Controller. The minimum requirements of the annual audit and report shall be prescribed by the Controller and conform to generally accepted auditing standards.

SEC. 2. Section 6503.6 is added to the Government Code, to read:

6503.6. Whenever an agency or entity files a notice of agreement or amendment with the office of the Secretary of State pursuant to Section 6503.5, the agency or entity shall file a copy of the full text of the original joint powers agreement, and any amendments to the agreement, with the Controller.

SEC. 3. Section 6547 of the Government Code is amended to read:

6547. The power of the entity to issue revenue bonds is additional to the powers common to the parties to the joint powers agreement, but shall not be exercised until authorized by the parties to that agreement. However, in the case of the issuance of revenue bonds by a fair and exhibition authority this authorization shall not be required. In the case of the issuance of revenue bonds by an entity created pursuant to this chapter to construct bridges and major thoroughfares, as referred to in Section 66484.3, the power of the entity to issue revenue bonds shall be exercised by a resolution adopted by a majority vote of the governing body of the entity during a regular meeting held pursuant to Section 54954. However, no member of the entity may vote on the question of bond issuance unless the member has been authorized to vote on that particular question by previous resolution of the public agency the member represents. In the case of the issuance of revenue bonds by an entity created pursuant to this chapter to carry out a consolidated transportation corridor project, as referred to in Section 6546.13, the power of the entity to issue revenue bonds shall be exercised by a resolution adopted by a majority vote of the governing body of the entity. In the case of a project for the generation or transmission of electric energy or a project for the disposal, treatment, or conversion to energy and reusable materials of solid waste, or a project for an intermodal container transfer facility, or a project for the construction of bridges and major thoroughfares pursuant to Section 66484.3, this power shall include the power to issue notes for the purpose of financing studies, the acquisition of options, permits, and other preliminary costs to be incurred prior to the undertaking of the construction or acquisition of a project, and for the purpose of providing temporary financing of costs of construction or acquisition of a project. These notes may be issued at public or private sale, and may be renewed from time to time, and the principal and interest with respect thereto may be made payable from the revenues of the entity unless paid from the proceeds of revenue bonds.

Every local agency shall make any authorization, as permitted under the first sentence of this section, by ordinance, unless otherwise prescribed in this section. Except as provided in this section, the ordinance shall describe in general terms the project, or projects, to be funded by the revenue bonds, the maximum amount of the bonds proposed to be issued, and the anticipated sources of revenue to redeem the bonds. In the case of a project for the generation or transmission of electric energy or a project for the disposal,

treatment, or conversion to energy and reusable materials of solid waste, or a project for an intermodal container transfer facility, or a project for the construction of bridges and major thoroughfares pursuant to Section 66484.3, the ordinance shall describe in general terms the project or the studies or other preliminary costs therefor to be funded by the revenue bonds or notes, the estimate of the maximum amount of bonds to be issued for the project or the studies or other preliminary costs, and the anticipated sources of revenue or other funds to pay the principal of and interest on the bonds or notes. In the case of a project for a consolidated transportation corridor pursuant to Section 6546.13, the authorizing resolution shall describe in general terms, the project or projects to be funded by the revenue bonds, the maximum amount of bonds proposed to be issued for the project or projects, and the anticipated sources of revenue or other funds to pay the principal of and interest on the bonds. However, the statement of the estimated maximum amount of the bonds or notes shall not be deemed to prevent the authorization by the ordinance of the issuance of bonds or notes by the entity in amounts that may exceed the estimate without further authorization under the ordinance if and to the extent the additional bonds or notes shall be required to complete the financing of the project or the studies or other preliminary costs. Each ordinance shall state that it is subject to the provisions for referendum prescribed by Section 9142 of the Elections Code.

A separate authorization shall be required for each separate bond issue proposed by the entity, except that, in the case of a project for the generation or transmission of electric energy or a project for the disposal, treatment, or conversion to energy and reusable materials of solid waste, or a project for an intermodal container transfer facility, or a project for the construction of bridges and major thoroughfares pursuant to Section 66484.3, a single authorization shall be sufficient for bonds that may be issued in installments from time to time for a project or the costs of studies or other preliminary costs therefor that shall be identified in the authorization.

The requirement of an ordinance and the right to referendum thereon shall not apply to the issuance of revenue bonds if, prior to March 4, 1971, one or more local or public agencies shall have taken formal action to implement any one or more projects to be acquired or constructed pursuant to a joint powers agreement. Formal action to implement any one or more projects shall include, but not be limited to, any of the following:

- (a) The incurring of liability for a substantial portion of an architectural or engineering contract or other contract relating to a project.
- (b) The acquisition of land or improvements for the project.
- (c) The making of a substantial contribution toward the project.

Notwithstanding the requirement that parties to a joint powers agreement authorize the issuance of revenue bonds, in the case of a project that consists of the generation or transmission of electric energy financed in whole or in part by the issuance of revenue bonds, only those local agencies that contract to make payments to be applied to the payment of the revenue bonds shall be required to authorize the issuance of the revenue bonds.

Any authorizations required by this section for the issuance of revenue bonds to construct bridges and major thoroughfares projects pursuant to Section 50029 or 66484.3 may be by ordinance or resolution.

SEC. 4. Section 6548.5 is added to the Government Code, to read:

6548.5. The level of fees or charges imposed by, or on behalf of, an agency or entity for the issuance of bonds pursuant to this article shall be disclosed in a report of final sale submitted to the California Debt and Investment Advisory Commission pursuant to Chapter 11.5 (commencing with Section 8855) of Division 1 of Title 2.

SEC. 5. Section 6592.1 is added to the Government Code, to read:

6592.1. A resolution authorizing bonds or any issuance of bonds or accepting the benefit of any bonds or the proceeds of bonds shall be adopted by an authority only during a regular meeting held pursuant to Section 54954.

SEC. 6. Section 53895.7 is added to the Government Code, to read:

53895.7. (a) For the purpose of this section, "agency" means any agency or entity formed pursuant to the Joint Exercise of Powers Act (Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1) that issues conduit revenue bonds.

(b) An officer of an agency who fails or refuses to make and file his or her report pursuant to this article within 20 days after receipt of a written notice of the failure from the Controller shall forfeit to the state:

(1) One thousand dollars (\$1,000) in the case of an agency with total revenue, in the prior year, of less than one hundred thousand dollars (\$100,000), as reported in the Controller's annual financial reports.

(2) Two thousand five hundred dollars (\$2,500) in the case of an agency with total revenue, in the prior year, of at least one hundred thousand dollars (\$100,000), but less than two hundred fifty thousand dollars (\$250,000), as reported in the Controller's annual financial reports.

(3) Five thousand dollars (\$5,000) in the case of an agency with total revenue, in the prior year, of at least two hundred fifty thousand dollars (\$250,000), as reported in the Controller's annual financial reports.

(c) An officer of an agency who fails or refuses to make and file his or her report within 20 days after receipt of a written notice of the failure from the Controller in the second or more consecutive year shall forfeit to the state:

(1) Two thousand dollars (\$2,000) in the case of an agency with total revenue, in the prior year, of less than one hundred thousand dollars (\$100,000), as reported in the Controller's annual financial reports.

(2) Five thousand dollars (\$5,000) in the case of an agency with total revenue, in the prior year, of at least one hundred thousand dollars (\$100,000), but less than two hundred fifty thousand dollars (\$250,000), as reported in the Controller's annual financial reports.

(3) Ten thousand dollars (\$10,000) in the case of an agency with total revenue, in the prior year, of at least two hundred fifty thousand dollars (\$250,000), as reported in the Controller's annual financial reports.

(d) In the case of an agency that fails or refuses to make and file its report within 20 days after receipt of a written notice of the failure from the Controller in the third or more consecutive year, the Controller shall conduct, or cause to be conducted, an independent financial audit report consistent with the requirements of Section 6505. The agency shall reimburse the Controller for the cost of complying with this subdivision.

(e) (1) Upon the request of the Controller, the Attorney General shall prosecute an action for the forfeiture in the name of the people of the State of California.

(2) Upon a satisfactory showing of good cause, the Controller may waive the penalties for late filing provided in this section.

(f) An agency that makes a forfeiture or payment pursuant to this section shall still file the report required pursuant to Section 53891.

SEC. 7. The Legislature finds and declares all of the following:

(a) Conduit financing providers annually provide billions of dollars of tax-exempt financing to the private sector, at a cost to the state caused by a lack of tax revenues on the interest earned on these investments, for projects that are intended to fulfill a public benefit purpose, including, but not limited to, educational facilities, pollution control facilities, health care facilities, industrial development, and affordable housing.

(b) Testimony and information provided to the Senate Committee on Local Government at its February 6, 2008, informational hearing on “Conduit Financing: Transparency and Accountability” demonstrated the need to provide for greater public awareness of, and participation in, the activities of conduit financing providers.

(c) Statutory ambiguities and discrepancies make it difficult to determine whether all conduit financing providers are complying with audit, annual financial reporting, and other public accountability requirements.

(d) It is the intent of the Legislature in enacting this act to ensure that all conduit financing providers make their activities sufficiently transparent and accountable to the public by extending sufficient opportunities for participation in public meetings and providing useful information about their financial activities.

EXHIBIT B
(Standard Agreement)

BUDGET DETAIL AND PAYMENT PROVISIONS

1. Invoicing and Payment

- A. For services satisfactorily rendered, and upon receipt and approval of the invoices, CEFA agrees to compensate the contractor for actual expenditures incurred in accordance with the rates specified herein, which is attached hereto and made a part of this Agreement. The rates are based on the Cost Proposal Worksheet submitted in the contractor's proposal. Travel, transportation and per diem expenses shall not exceed the rates payable to State employees.
- B. Invoices must be provided to CEFA and must include:
- The time period covered by the invoice;
 - Detail of hours expended not to exceed maximum yearly amount.
 - Detail of any Direct Cost completed for the period;
 - Progress Payments:
 1. Contractor shall submit a monthly Progress Report describing the work performed, work status, work progress, difficulties encountered, remedial action, and statement of activity anticipated subsequent to the reporting period for approval prior to payment of invoices.
 2. Progress payments are permitted for work performed under this Agreement. In accordance with Public Contract Code section 10346, ten percent (10%) of the invoiced amount shall be withheld pending final completion of the Agreement.
- C. Invoices shall include the Agreement Number CEFA 01-19 and shall be submitted not more frequently than monthly in arrears to:

CEFA
915 Capitol Mall, Suite 435
Sacramento, CA 95814
Attention: Operations Manager

2. Budget Contingency Clause

- A. It is mutually agreed that if the Budget Act of the current year and/or any subsequent years covered under this Agreement does not appropriate sufficient funds for the program; this Agreement shall be of no further force and effect. In this event, the State shall have no liability to pay any funds whatsoever to Contractor or to furnish any other considerations under this Agreement and Contractor shall not be obligated to perform any provisions of this Agreement.
- B. If funding for any fiscal year is reduced or deleted by the Budget Act for purposes of this program, the State shall have the option to either cancel this Agreement with no liability occurring to the State, or offer an agreement amendment to Contractor to reflect the reduced amount.

3. Prompt Payment Clause

Payment will be made in accordance with, and within the time specified in, Government Code Chapter 4.5, commencing with Section 927.

EXHIBIT C

GENERAL TERMS AND CONDITIONS – GTC 04/2017

The General Terms and Conditions will be included in the agreement by reference to Internet site:
<https://www.dgs.ca.gov/OLS/Resources/Page-Content/Office-of-Legal-Services-Resources-List-Folder/Standard-Contract-Language>.

EXHIBIT D
(Standard Agreement)

SPECIAL TERMS AND CONDITIONS

1. Excise Tax

The State of California is exempt from federal excise taxes, and no payment will be made for any taxes levied on employees' wages. The State will pay for any applicable State of California or local sales or use taxes on the services rendered or equipment or parts supplied pursuant to this Agreement. California may pay any applicable sales and use tax imposed by another state.

2. Settlement of Disputes

In the event of a dispute, Contractor shall file a "Notice of Dispute" with a Deputy Treasurer of the State Treasurer's Office within ten (10) days of discovery of the problem. Within ten (10) days, the Deputy Treasurer shall meet with the representatives of Contractor and the State identified in Paragraph 3 of Exhibit A for purposes of resolving the dispute. The decision of the Deputy Treasurer shall be final.

3. Evaluation of Contractor

Pursuant to Public Contract Code sections 10367 and 10369 within sixty (60) days after the completion of this Agreement, the State shall complete a written evaluation of Contractor's performance under this Agreement. If this Agreement is a contract for consultant services and if Contractor did not satisfactorily perform the work, a copy of the evaluation will be sent to the Department of General Services (DGS), Office of Legal Services, and to the Contractor within fifteen (15) working days of the completion of the evaluation in accordance with Public Contract Code section 10371.

4. No Agency Liability

The Contractor warrants by execution of this Agreement that no person or selling agency has been employed or retained to solicit or secure this Agreement upon agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by the Contractor for the purpose of securing business. For breach or violation of this warranty, the State shall, in addition to other remedies provided by law, have the right to annul this Agreement without liability, paying only for the value of the work actually performed, or otherwise recover the full amount of such commission, percentage, brokerage, or contingent fee.

5. Potential Subcontractors

Nothing contained in this Agreement or otherwise, shall create any contractual relationship between the State and any subcontractors, and no subcontract shall relieve the Contractor of his responsibilities and obligations hereunder. The Contractor agrees to be as fully responsible to the State for the acts and omissions of its subcontractors and of persons either directly or indirectly employed by any of them as it is for the acts and omissions of persons directly employed by the Contractor. The Contractor's obligation to pay its subcontractors is an independent obligation from the obligation of the State to make payments to the Contractor. As a result, the State shall have no obligation to pay or to enforce the payment of any moneys to any subcontractor.

EXHIBIT D
(Standard Agreement)

6. Force Majeure

Neither party to this Agreement shall be liable for damages resulting from delayed or defective performance when such delays arise out of causes beyond the control and without the fault or negligence of the offending party. Such causes may include, but are not restricted to, acts of God or of the public enemy, acts of the State in its sovereign capacity, fires, floods, power failure, disabling strikes, epidemics, quarantine restrictions, and freight embargoes.

7. Waivers

No delay on the part of any party in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any waiver on the part of any party of any right, power or privilege hereunder, nor any single or partial exercise of any right, power or privilege hereunder, preclude any other or further exercise thereof or the exercise of any other right, power or privilege hereunder.

8. Incorporation of Amendments to Applicable Laws

Any references to sections of federal or state statutes or regulations shall be deemed to include a reference to any amendments thereof and any successor provisions thereto.

9. Confidentiality

All financial, statistical, personal, technical and other data and information relating to the operations of the State which are designated confidential by the State and become available to Contractor shall be protected by Contractor from unauthorized use and disclosure.

10. Titles/Section Headings

Titles and headings are for convenience of reference only, and shall have no effect on the construction or legal effect of this Agreement.

11. Choice of Law

Notwithstanding Paragraph 14 of Exhibit C (General Terms and Conditions), this Agreement shall be administered, construed, and enforced according to the laws of the State of California (without regard to any conflict of laws provisions) to the extent such laws have not been preempted by applicable federal law. Any suit brought hereunder, including any action to compel arbitration or to enforce any award or judgment rendered thereby, shall be brought in state court sitting in Sacramento, California, the parties hereby waiving any claim or defense that such forum is not convenient or proper. Each party agrees that any such court shall have in personam jurisdiction over it and consents to service of process in any manner authorized by California law.

12. Notices

The parties agree that to avoid unreasonable delay in the progress of the services performed hereunder, Contractor and the State have designated in Paragraph 3 of Exhibit A specific staff representatives for the purpose of communication between the parties. Any notice or other written communication required or which may be given hereunder shall be deemed given when delivered personally, or by

EXHIBIT D
(Standard Agreement)

mail three (3) days after the date of mailing, unless by express mail then upon the date of confirmed receipt, to the representatives named in Paragraph 3 of Exhibit A.

Either party hereto may, from time to time by notice in writing served upon the other as aforesaid, designate a different mailing address or a different or additional person to which all such notices or demands thereafter are to be addressed.

13. Permits and Licenses

Contractor shall carry out its duties and responsibilities herein in accordance with, be limited in the exercise of its rights by, and observe and comply with, all federal, state, city and county laws, rules or regulations affecting services under this Agreement. Contractor shall procure and keep in full force and effect during the term of this Agreement all permits and licenses necessary to accomplish the work contemplated in this Agreement.

14. Books and Records

Contractor shall keep accurate books and records connected with the performance of this Agreement for a period of at least three (3) years. Contractor shall ensure that books and records of subcontractors, suppliers, and other providers shall also be accurately maintained. Such books and records shall be kept in a secure location and shall be available for inspection and copying by the State and its representatives at any time.

15. Key Personnel

- a. A resume for each member of Contractor's staff who will exercise a significant administrative, policy, or consulting role under this Agreement is attached to this Agreement as Attachment 2 to Exhibit A. These members of Contractor's staff shall be hereafter referred to (both individually and collectively) as "Key Personnel."
- b. Contractor shall not substitute, replace or reassign Key Personnel without the prior approval of the State.
- c. This Agreement may be terminated immediately, in the sole discretion of the State and upon written notice from the State to Contractor, because of any change in or departure of any of the Key Personnel.

16. Changes in Control, Organization or Key Personnel

Contractor shall promptly, and in any case within five (5) days, notify the State in writing: (i) if any of Contractor's representations and warranties, as set forth in this Agreement, cease to be true at any time during the term of this Agreement; (ii) of any change in Contractor's staff who exercises a significant administrative, policy, or consulting role under this Agreement, including without limitation any Key Personnel; (iii) of any change in the majority ownership, control, or business structure of Contractor; or (iv) of any other material change in Contractor's business, partnership or corporate organization. All written notices from Contractor under this provision shall contain sufficient information to permit the State to evaluate the changes within Contractor's staff or organization under the same criteria as was used by the State in its award of this Agreement to Contractor.

EXHIBIT D
(Standard Agreement)

17. Insurance Requirements

Contractor warrants that it carries adequate liability, worker's compensation and other necessary insurance and shall maintain such insurance at levels acceptable to the State in full force and effect during the term of this Agreement. Contractor agrees to furnish satisfactory evidence of this insurance coverage to the State upon request.

18. Subcontractors

- a. Contractor shall perform the work contemplated by this Agreement with resources available within its own organization except for subcontracted work identified in this Agreement or other attachment incorporated hereto. No other portion of the work pertinent to this Agreement shall be subcontracted without written authorization by the State. The subcontractor must be mutually agreed upon in advance by both parties.
- b. Contractor shall require that any subcontractor agree to be bound by all provisions of this Agreement, as applicable.

19. Notice of Proceedings

Contractor shall promptly notify the State in writing of any investigation, examination or other proceeding involving Contractor, including any Key Personnel, commenced by any regulatory agency, which proceeding is not conducted in the ordinary course of Contractor's business.

20. Cumulative Remedies

The rights and remedies provided herein are cumulative and are not exclusive of any rights or remedies that any party may otherwise have at law or in equity.

21. Binding Effect

This Agreement, any instrument or agreement executed pursuant to this Agreement, and the rights, covenants, conditions and obligations of Contractor and the State contained therein, shall be binding upon the parties and their successors, assigns and legal representatives.

22. Publicity

No publicity release or announcement concerning this Agreement or the transactions contemplated herein shall be issued by Contractor without advance written approval by the State.

23. Services or Procurement Resulting from Agreement

Neither Contractor, nor any of its subsidiaries, officers or directors, may submit a bid or be awarded a contract for the provision of services, procurement of goods or supplies, or any other related action which is required, suggested, or otherwise deemed to be an outgrowth of the advice or recommendations that Contractor provides under this Agreement.

24. Agreement Does Not Violate Law

**EXHIBIT D
(Standard Agreement)**

Contractor represents and warrants that neither the execution of this Agreement nor the acts contemplated hereby nor compliance by Contractor with any provisions hereof will:

- a. Violate any provision of the charter documents of Contractor;
- b. Violate any statute or law or ordinance or any judgment, decree, order, regulation or rule of any court or governmental authority applicable to Contractor; or
- c. Violate, or be in conflict with, or constitute a default under, or permit the termination of, or require the consent of any person under, any agreement to which Contractor may be bound, the violation of which in the aggregate would have a material adverse effect on the properties, business, prospects, earnings, assets, liabilities or condition (financial or otherwise) of Contractor.

25. Power and Authority

Contractor represents and warrants that it has the power and authority to enter into this Agreement and to carry out its obligations hereunder. The execution of this Agreement has been duly authorized by Contractor and no other proceeding on the part of Contractor is necessary to authorize this Agreement. Contractor has completed, obtained and performed all registrations, filings, approvals, authorizations, consents or examinations required by any government or governmental authority for its acts contemplated by this Agreement.

26. Signature Authorization

The person signing this Agreement warrants that he/she is an agent of Contractor and is duly authorized to enter into this Agreement on behalf of Contractor.

27. Entire Agreement; Order of Precedence

- a. This Agreement, including documents that have been incorporated in this Agreement by reference, contains all representations and the entire understanding between the parties hereto with respect to the subject matter hereof. Any prior correspondence, memoranda or agreements are replaced in total by this Agreement.
- b. In the event there are any inconsistencies or ambiguities among the terms of this Agreement and incorporated documents, the following order of precedence shall be used: (i) applicable laws; (ii) the terms and conditions of this Agreement, including exhibits and attachments; (iii) the Request for Proposal (RFP) if any; (iv) Contractor's response to the RFP if any; and (v) any other provisions, terms, or materials incorporated herein.

28. Termination at Option of the State

In addition to the provisions of Paragraph 7 of Exhibit C (General Terms and Conditions), this Agreement may be terminated in whole or in part at any time upon sixty (60) days' written notice by the State, for any reason. Upon receipt of a termination notice, Contractor shall promptly discontinue all services affected unless the notice specifies otherwise. In the event the State terminates all or a portion of this Agreement for any reason, it is understood that the State will provide payment to

EXHIBIT D
(Standard Agreement)

Contractor for satisfactory services rendered prior to the termination, but not in excess of the maximum amount of this Agreement.

29. Termination for Insolvency

Contractor shall notify the State immediately in writing in the event that Contractor files any federal bankruptcy action or state receivership action, any federal bankruptcy or state receivership action is commenced against Contractor, Contractor is adjudged bankrupt, or a receiver is appointed and qualifies. In the event of any of the foregoing events, or if the State determines, based on reliable information, that there is a substantial probability that Contractor will be financially unable to continue performance under this Agreement, the State may terminate this Agreement and all further rights and obligations immediately.

30. Completion

In the event of termination for default, the State reserves the right to take over and complete the work by contract or other means. In such case, Contractor will be liable to the State for any additional cost incurred by the State to complete the work whether reimbursed or not.

31. Effect of Termination

All duties and obligations of the State and Contractor shall cease upon termination of this Agreement, except that:

- a. Each party shall remain liable for any rights, obligations, or liabilities arising from activities carried on by it under this Agreement prior to the effective date of termination; and
- b. Contractor shall provide for the return of all records of the State to the State or its designee and shall cooperate fully to effect an orderly transfer of services.

32. Termination for Expatriation

Contractor shall notify the State immediately in writing in the event that Contractor or its parent files any notice with the Securities and Exchange Commission that Contractor intends to reincorporate offshore. In the event of such notice, the State may terminate this Agreement and all further rights and obligations immediately by giving five (5) days' notice in writing in the manner specified herein.

33. Compliance With Political Reform Act

Contractor acknowledges that the State is subject to the provisions of the Political Reform Act (Government Code section 81000 et seq. and all regulations adopted thereunder, including, but not limited to, California Code of Regulations, title 2, section 18700 et. seq.) and Contractor shall comply promptly with any requirement thereunder. If required by law, Contractor shall require its personnel, including without limitation, its Key Personnel all later substitutions therefore, to file Statements of Economic Interests in compliance with the Conflict of Interest Code for the Office of the State Treasurer and the various boards, authorities, commissions, and committees chaired by the State Treasurer (California Code of Regulations, title 2, section 1897). All such reports shall be filed simultaneously with the State.

EXHIBIT D
(Standard Agreement)

34. Darfur Contracting Act

Effective January 1, 2009, all Invitations for Bids (IFB) or Requests for Proposals (RFP) for goods or services must address the requirements of the Darfur Contracting Act of 2008 (Act). (Public Contract Code section 10475 et seq.) The Act was passed by the California Legislature and signed into law by the Governor to preclude State agencies generally from contracting with “scrutinized” companies that do business in the African nation of Sudan of which the Darfur region is a part, for the reasons described in Public Contract Code section 10475.

A scrutinized company is a company doing business in Sudan as defined in Public Contract Code section 10476. Scrutinized companies are ineligible to, and cannot, bid on or submit a proposal for a contract with a State agency for goods or services. (Public Contract Code section 10477(a).)

Therefore, Public Contract Code section 10478(a) requires a company that currently has (or within the previous three years has had) business activities or other operations outside of the United States to certify that it is not a “scrutinized” company when it submits a bid or proposal to a State agency. A scrutinized company may still, however, submit a bid or proposal for a contract with a State agency for goods or services if the company first obtains permission from DGS according to the criteria set forth in Public Contract Code section 10477(b).

35. Labor Neutrality Policy

CEFA recognizes the value of labor organizing and encourages the entities with which it contracts to demonstrate that they also value this principle by encouraging management neutrality in labor organizing activities.

To remain “neutral” means not to take any action or make any statement that will directly or indirectly state or imply any support for or opposition to the selection by the Contractor’s employees of a collective bargaining agent, or preference or opposition to any particular union as a bargaining agent. Nothing in this section obligates or prohibits the Contractor from entering into private neutrality, labor peace or other lawful agreements with a labor organization seeking to represent or who currently represents the Contractor’s employees.

**EXHIBIT E
(Standard Agreement)**

ADDITIONAL PROVISIONS

1. CONFLICT OF INTEREST; NO PROFIT

- A. Contractor certifies that its employees and the officers of its governing body shall avoid any actual or potential conflicts of interest, and that no officer or employee who exercises any functions or responsibilities in connection with this Agreement shall have any personal financial interest or benefit which either directly or indirectly arises from this Agreement.
- B. Contractor shall establish safeguards to prohibit its employees or its officers from using their positions for a purpose which could result in private gain or which gives the appearance of being motivated for private gain for themselves or others, particularly those with whom they have family, business, or other ties.