REQUEST FOR PROPOSALS
RFP # CSUSTRFP17103
EXTERNAL AUDIT SERVICES

IT IS THE PROPOSER’S RESPONSIBILITY TO READ THE ENTIRE DOCUMENT AND TO COMPLY WITH ALL REQUIREMENTS LISTED HEREIN.

Issue Date: 12/14/2017
Proposal Due Date & Time: 01/25/2018 @ 2:00 p.m. PT

Julie Anderson, Buyer III
Procurement & Contract Services
California State University Stanislaus
One University Circle, MSR 270
Turlock, CA 95382
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1. INTRODUCTION

The California State University, Stanislaus auxiliary operations are recognized auxiliary organizations of the California State University (CSU) system. Their exclusive purpose is to provide designated support services to California State University, Stanislaus (University). The auxiliary operations are qualified, IRS Section 501 I (3), tax-exempt charitable organizations, chartered under the non-profit for public benefit laws of the State of California and authorized by the California Education Code, Section 89900 et. Seq.

California State University Stanislaus auxiliary operations are comprised of the following four (4) separate auxiliary organizations:

- Associated Students, Incorporated of California State University, Stanislaus
- University Student Union of California State University, Stanislaus
- California State University, Stanislaus Auxiliary and Business Services
- California State University, Stanislaus Foundation

The auxiliary operations provide a full array of support services to the campus, including food services, bookstore operations, student activities and events, and gift, trust and endowment administration. Combined annual revenues of are between $5 and $7 million per year, with assets in excess of $32 million. Campus auxiliary operations employ approximately 10 persons on a full-time basis and up to 70 part-time or casual student employees. University staff provides, on a reimbursed basis, accounting services using the PeopleSoft general ledger and enterprise management system. Currently, a number of non-PeopleSoft subsidiary ledgers are used to record gift activity and unitize endowment transactions, and a third-party service provider furnishes payroll services.

2. PURPOSE AND OVERVIEW

California State University, Stanislaus is seeking external financial statement audit services from one of the California State University’s list of Approved External Auditors FY 2016-2017 (Qualified Firm). Auditing services will begin with the 2017-2018 fiscal year (ending June 30th) for its four auxiliary organizations listed above and as described in Section 4 of this Request for Proposal (RFP), the Scope of Work.

The objective of this RFP is for University to acquire services from a Qualified Firm, which, at a minimum, meet the requirements set forth in this document.
3. **RFP SCHEDULE**

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<td><strong>Release of RFP:</strong></td>
<td>December 14, 2017</td>
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<td><strong>Deadline for Questions/Clarifications:</strong></td>
<td>January 3, 2018</td>
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<td><strong>Addendum Issued (if any questions/clarifications):</strong></td>
<td>January 11, 2018 (estimated)</td>
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<td><strong>Deadline for Receipt of Proposals:</strong></td>
<td>January 25, 2018 @ 2:00 p.m. (PT)</td>
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<td><strong>Finalist Presentations</strong></td>
<td>Week of February 12th (estimated)</td>
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<td><strong>Notice of Intent to Award:</strong></td>
<td>February 26, 2018 (estimated)</td>
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The RFP Schedule (above) may be modified at the option of the University; however, should the deadline for questions/clarifications or deadline for receipt of proposals change, an Addendum to the RFP will be posted in advance.

4. **SCOPE OF WORK**

1. **EXAMINATION OF FINANCIAL STATEMENTS**

   a. The audit shall consist of an examination of the auxiliary organization’s financial statements to determine whether the financial statements present fairly the financial position and the results of the organization’s financial operations in accordance with generally accepted accounting principles. The audit shall be conducted in accordance with generally accepted auditing standards as adopted by the American Institute of Certified Public Accountants (AICPA). The examination shall conform with the auditing standards applicable to financial audits contained in Government Auditing Standards (GAS), issued by the Comptroller General of the United States; and Audit Guide for Auxiliary Organizations issued by the California State University (CSU) system (Chapter 8 of the GAAP Manual).

   b. The examination shall also be made in compliance with the laws of the State of California, in particular California Code of Regulations, Section 42400 et. Seq. and applicable directive and executive orders published by the CSU system.
2. REPORTS REQUIRED

The following reports are expected at the completion of the audit in accordance with CSU guidelines:

a. Financial Statements (FASB) – An independent auditor’s report on the examination for each of the financial statements of the auxiliary organization including all funds and accounts. The auxiliary organization staff will prepare all financial statements (including notes) and supplemental schedules required for the audit and assist the auditors as necessary. Auditors will assist in the preparation of select footnotes. The auditors will provide to the governing board of each auxiliary a summary of the results of the audit with reference being made to section(s) of the report that contain the detailed descriptions of specific findings.

b. Supplemental Information – The GASB financial statement information must also be provided to California State University, Stanislaus for inclusion of the auxiliary financial information in the University Financial Statements; these reports are prepared by the auxiliary organization staff and included as supplemental information to the financial statements. The external audit firm will be required to review the financial statements and make sure that they are consistent with the CSU guidelines.

c. Management Letter – A letter prepared by the auditor which may include findings, observations, opinions, comments, or recommendations with regard to systems of internal control, accounting systems compliance with laws, rules and regulations, or any other material matter that may come to the attention of the auditor during the course of the examination. Such findings, observations, opinions, comments, or recommendations shall not be construed as special or additional studies, but shall be limited to those usually associated with such an examination. The supplemental information should be included in the findings, observations, opinions, comments or recommendations, as well.

3. SCHEDULE OF REPORTS

a. Reports – The auditor shall provide regular verbal reports to University Management in conjunction with the audit work performed as required by University (e.g., daily during audit field work, etc).

b. Deliverables – The auditor is required to submit one (1) original auxiliary organization Audited Financial Statements, Supplemental Schedules, Executive Summary, and Management Letter by the due date set forth annually by the CSU system or within 65 days of the fiscal year end (June 30th) whichever occurs first. Although tax returns may be extended (with written permission from University) as allowed by cognizant agencies,
reviews of returns by respective boards shall be completed timely as required by guidelines expressed in accordance with new Form 990, Form 990T State Form199 and RRF-1.

4. MEETING REQUIREMENTS AND DUE DATES

   a. A pre-audit conference will be held to review and set the schedule and particular scope of the audit. Given the complexity of the year-end closings and limited time available for post year-end fieldwork, the auditor is encouraged to complete as much work possible prior to June 30th. During the audit, the auditor may be required to meet with various officials to discuss the auditor or related matters. The auditors will present the reports to the audit committee of each auxiliary organization before the due date set forth annually by the CSU system or within 65 days of the fiscal year end (June 30th) whichever occurs first.

5. TERM

   The selected Bidder will begin work no later than April 15, 2018 for audit services for fiscal year 2017-2018 (July – June).

   The initial audit term will cover fiscal years 2017-2018 through 2019-2020. The engagement term will be for three (3) years, with the option to renew for two (2) additional years at the sole discretion of the auxiliary governing board. Based upon an annual evaluation of performance, the governing board will determine continued engagement of the accounting firm using the following criteria:

   a. Did the firm meet all audit requirements, including the instructions, procedures, and format called for by the CSU for auxiliary organizations?
   b. Did the firm maintain an audit schedule which met specification requirements?
   c. Were reports and recommendations timely, clear, complete and fair?
   d. Was the firm responsive to special procedures?

6. ADDITIONAL SERVICES

   a. In the event disclosures in the audit indicate extraordinary circumstances which warrant more intensive and detailed services, the auditor shall provide all pertinent facts relative to the extraordinary circumstances together with the fee basis for such additional services to the auxiliary organization’s audit committee and management for consideration, if different from the hourly rates proposed for this engagement. If not, please state so.

   b. During the course of normal operations, the auxiliary organizations may occasionally look for assistance and opinion on general accounting matters not necessarily audit related. The firm shall provide a fee schedule for assisting with these types of inquiries, if different from the hourly rates proposed for this engagement. If not, please state so.
7. PERSONNEL PRE-APPROVAL REQUIRED BY UNIVERSITY

All personnel assigned to this project as a result of this RFP, must be pre-approved by the University. If at any time the University is dissatisfied with the performance of any of the awarded vendor’s pre-approved personnel on this project, the awarded vendor will provide a qualified substitute that must be approved by the University, and is subject to the same standards of the satisfaction to the University throughout the term of the agreement.

5. INSTRUCTIONS TO BIDDER

Proposals are due no later than 2:00pm (PT) on January 25, 2018 in the Mary Stuart Rogers Building, Suite 270 located at California State University, Stanislaus, One University Circle, Turlock, CA 95382. The Bid Number for this project is CSUSTRFP17103. Bids must be received from each Bidder in a sealed package, labeled with the bid number and must contain one (1) original and four (4) copies, and one copy as a digital file (saved on a thumb drive) in PDF format.

It shall be the sole responsibility of the bidder to ensure all documents are received in a timely manner. No facsimile or email proposals will be considered. Proposals received after 2:00 P.M. (PT) on January 25, 2018 will not be considered. No Exceptions.

Sealed proposals must be mailed to the following address and single point of contact for administrative and technical issues regarding this RFP:

Julie Anderson, Buyer III
Procurement and Contract Services
California State University, Stanislaus
One University Circle
Mary Stuart Rogers Building, Suite 270
Turlock, CA 95382

Prior to submission of proposals, it is requested that Qualified Firms coordinate, in advance, all contacts with University personnel through the University’s Procurement and Contract Services department. Failure to comply with this request may result in an interpretation of an intent to evade RFP requirements and result in firm disqualification.

Any questions regarding this bid are due in writing via email no later than January 3, 2018. The subject line of the email must read, RFP CSUSTRFP17103 Question. All questions are to be emailed to Julie Anderson at JMAnderson@csustan.edu. Responses to questions submitted are anticipated to be posted online Thursday, January 11, 2018 for all Qualified Firms at https://www.csustan.edu/financial-support-services-gateway/bid-bid-results.

Addenda – University may modify this RFP, any of its key action dates, or any of its attachments, prior to the due date for submission by issuance of a written addendum posted to the RFP website at https://www.csustan.edu/financial-support-services-gateway/bid-bid-results. Addenda will be numbered consecutively as a suffix to the RFP Reference Number.
Once a decision is made to award, a Notice of Intent to Award will be sent to the selected Bidder and a copy will be posted along with the Bid Abstract at [https://www.csustan.edu/financial-support-services-gateway/bid-bid-results](https://www.csustan.edu/financial-support-services-gateway/bid-bid-results).

Proposals should be submitted in the format described in the RFP. Proposals in any other format will be considered informal and may be rejected. Conditional proposals will not be considered. All proposals must be signed by an individual authorized to extend a formal proposal. Proposals that are not signed may be rejected.

If submitting any information you consider to be proprietary, you must clearly mark on each page, “Proprietary Information”.

The University reserves the right to reject any or all proposals or any part thereof, or to accept any proposals, or any part thereof, or to withhold the award and to waive or decline to waive irregularities in any proposal when it determines that it is in its best interest to do so. The University also reserves the right to hold all proposals for a period of 120 days after the closing date and the right to accept a proposal not withdrawn before the scheduled proposal due date.

The successful Bidder is expected to enter into an agreement with University for external auditing services in accordance with the terms and conditions of this RFP. Contract documents will consist of an Agreement, including CSU General Provisions for Services Acquisitions (Exhibit C) and supporting attachments. In the event of a conflict between documents, the following order of precedence will apply.

1. CSU Agreement including CSU General Provisions for Service Acquisitions
2. CSU Request for Proposal
3. Bidder’s Proposal

Any person, firm, corporation, or association submitting a proposal shall be deemed to have read and understood all the terms, conditions and requirements, the statement of work and deemed to have the authority to enter into an agreement with the CSU to the full extent of the agreement.

The bid price given is to be inclusive of all collateral materials and associated services necessary to support the project as described in this Request for Proposal.

6. PROPOSAL CONTENT AND FORMAT

The RFP shall be organized with numbered tabs corresponding to the following contents. Any proposal not organized as stated below may be deemed non-responsive, and therefore, be disqualified from further consideration.

**Tab 1: Cover Letter:**

Requirements:
- Reference the RFP and confirm that all elements of the RFP including the Scope of Work and Solicitation Provisions have been read and understood.
• Confirm that Respondent’s RFP submittal is in response to RFP# CSUSTRFP17103 and agrees to enter into a mutually acceptable agreement if selected.
• Shall be signed by an individual authorized to extend the proposal and contractually bind the Proposer. Provide name and title.

Tab 2: Describe how your firm will approach the audit of the auxiliary operations, including the use of any association or affiliate member firm personnel.

Tab 3: Please provide the earliest date the audit can begin (including preliminary field work) and the date it will end.

Tab 4: Identify the partner, manager, and in-charge accountant who will be assigned to our job if you are successful in your bid, and provide biographies including experience in (FASB) organizations auditing endowment and trust administration, and computer-based financial systems. The individuals identified in this section are required to attend finalist presentations (if applicable).

Tab 5: Include a copy of your firm’s most recent peer review report, the related letter of comments, and the firm’s response to the letter of comments.

Tab 6: Provide three references - at least one of which must be a CSU auxiliary organization preferably (FASB). Our interest for references are with the account managers or equivalent (the person your firm reported to). Please provide their reference contact name, title, company/campus name, phone number and date audit service was provided.

Exhibits A&B – Bid Form & Rate Information. Exhibits A &B are to be enclosed in a separate, sealed envelope within your proposal submission. Envelope is to be labeled: RFP# CSUSTRFP17103, with your firm’s name and Exhibits A & B. (Note: Pricing does not need to be segregated on the digital file.)

7. EVALUATION CRITERIA

Firms with demonstrated experience and competency in governmental or CSU Auxiliary Organization auditing are invited to respond. A committee will review, evaluate, and score all responsive proposals based on these categories (not listed in order of importance):

• Quality of Proposal Submission (professionalism and attention to detail)
• Proposed Methodology/Solution
• Timeline for Performance of Services
• Experience of Staff
• Peer Review
• Quality of Customer Service (including references)
• Cost
Finalists

Award shall be made to the responsive, responsible Bidder whose proposal and presentation is determined to be the most advantageous to the University based on a combination of the evaluation committee’s scoring of the Evaluation Criteria listed above and Finalist presentation scores. As indicated above, price will not be the sole determining factor.

It is anticipated that Finalists will be invited to campus during the week of February 12, 2018 to conduct a mock presentation to the RFP committee and appropriate University Executive members as well as answer any University questions. Instructions will be provided by University to Finalists. Presenters shall be those individuals identified by Bidders in Section 6, Tab 4 above and will be required to come prepared with appropriate pre-audit and post-audit reports.

8. SOLICITATION PROVISIONS AND PROPOSERS CERTIFICATION

Definitions
a. The Trustees of the California State University are referred to as “CSU,” “University” or “Trustees.”
b. The terms “bid” and “proposal” are synonymous and means an offer made in response to a solicitation to perform a contract for work and labor or to supply goods at a specified price, whether or not it is considered a “seal bid” or results in award of a contract to a single or sole source.
c. “Bidder”, “Proposer”, and/or “Contractor” may be used interchangeably and each shall apply to the business entity which submits a bid/proposal or is awarded a contract.

Reservation of Rights
University may reject any or all proposals and may waive any immaterial deviation in a Proposal. The University’s waiver of an immaterial defect shall in no way modify the RFP documents or excuse the Bidder from full compliance with the specifications if the Bidder is awarded the contract. Proposals that include terms and conditions other than the University’s terms and conditions may be rejected as being non-responsive. In the event all proposals are rejected or the University determines alternative solutions are in its best interest, the University may cancel this solicitation and pursue alternative sourcing options.

The University may make such investigations as deemed necessary to determine the ability of the Bidder to perform the work, and the Bidder shall furnish all such information and data for this purpose. The University reserves the right to reject any submittal made pursuant to this RFP or any subsequent Proposal or bid if the evidence submitted by, or investigation of, such Bidder fails to satisfy the University that such Bidder is properly qualified to carry out the obligations of the contract and to complete the work specified. Additionally, the University reserves the right to request additional performance guarantees if, in the sole opinion of the University, financial stability or capability cannot be established.

Non-Endorsement
If selected as a qualified Bidder, the Bidder shall not issue any news releases or other statements pertaining to selection, which state or imply University endorsement of Bidder’s services.
Dispute/Protests
University encourages potential Bidders to resolve issues regarding the requirements or the procurement process through written correspondence and discussions. The University wishes to foster cooperative relationships and to reach a fair agreement in a timely manner.

Bidder’s filing a notification to protest must do so within three (3) business days after a Notice of Intent to Award has been publicly posted. The protesting Bidder shall submit a full and complete written statement detailing the facts in support of the protest within 5 calendar days after expressing notification to protest. Protest must be sent by certified or registered mail or delivered in person to University, Julie Anderson, Buyer III. Within a reasonable time after receipt of the written statement of protest, the University will provide a decision on the matter. The decision will be in writing and sent by certified or registered mail or delivered in person to the protesting Bidder. The decision of University is final.

Award of Contract
The University reserves the right to reject any and all proposals and to award one or more contracts. Award, if any, will be to the Bidder, whose proposal best complies with all of the requirements of the RFP documents and any addenda. A “Notice of Intent to Award” will be posted publicly for five (5) consecutive working days prior to the award. Written notification will be made to unsuccessful vendors.

The selected Bidder and the University shall commit to negotiation for the final scope of services to be accepted and execution of an agreement, in substantial accordance with the terms and conditions herein, within 30 days of the Notice of Intent to Award. Should the parties be unable to reach final agreement within this time frame, the parties may mutually agree upon a time extension to complete negotiations and contract execution. If the parties are unable to agree upon a time extension, or if the University determines that a time extension would not be beneficial to the project, the University reserves the right to terminate negotiations and proceed with a secondary finalist.

Execution of the Agreement
The Agreement shall be signed by the Contractor and returned, along with the required attachments to University within seven (7) calendar days from receipt of contract. The period for execution may be changed by mutual agreement of the parties. Contracts are not effective until approved by the appropriate University officials. Any work performed prior to receipt of a fully executed contract shall be at Contractor’s own risk.

Failure to Execute the Agreement
Failure to execute the Agreement within the time frame identified above shall be sufficient cause for voiding the award. Failure to comply with other requirements within the set time shall constitute failure to execute the Agreement. If the successful Bidder refuses or fails to execute the Agreement, University may award the Agreement to another qualified Bidder.

Conflict of Interest
Potential Contractors are advised that Contractor’s officers and employees shall comply with the disclosure, disqualification, and other provisions of California’s Political Reform Act of 1974 (Government Code Section 81000 et seq.) if their responsibilities include the making or participation in the
making of a University decision.

Public Contracts Code Restrictions for University Employees
University employees and immediate past employees must comply with restrictions regarding contracting with the University. Bidder needs to be aware of the following provisions regarding current or former University employees. In submitting a bid, Bidder certifies that the Bidder is eligible to contract with the University pursuant to the Public Contracts Code (PCC) sections list below:

a. Current University Employees (PCC Section 10831):
   i. 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 University department through or by a University contract unless the employment, activity or enterprise is within the course and scope of the officer’s or employee’s regular University employment.
   ii. No officer or employee shall contract on his or her own behalf as an independent Bidder with any University department to provide goods or services.
   iii. This prohibition does not apply to officers or employees of the University with teaching or research responsibilities.

b. Former University Employees (PCC Section 10832):
   i. For the two-year period from the date he or she left University employment, no former University 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 University department.
   ii. For the twelve-month period from the date he or she left state employment, no former University officer or employee may enter into a contract with any University department if he or she was employed by that University department 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 University service.

Proposals Become the Property of University
Proposals become the property of University and information contained therein shall become public documents subject to disclosure laws after Notice of Intent to Award. The University reserves the right to make use of any information or ideas contained in the Proposal. Proposals may be returned only at the University's option and at the Bidder's expense. One copy shall be retained for official files. Responses to this RFP and any other information that is currently or may become available as an outcome of the RFP process may be used by the University to structure an RFP or other solicitation. If the Proposer fails to notify the University of a known error or an error that reasonably should have been known prior to the final filing date for submission, the Proposer shall assume the risk. If awarded the contract, the Proposer(s) shall not be entitled to additional compensation or time by reason of error or its late correction.
RFP# CSUSTRFP1703

EXHIBIT A

BID FORM - HOURLY RATE INFORMATION

1. Specify in the appropriate sections below your firms guaranteed not-to-exceed-fees. Include the estimated hours and hourly rates for each member of the firm (by level of staff: partner, manager in charge, staff accountant, etc.) who will be providing services to complete the engagement and the estimated fees on future engagements. Fill in categories as needed.

2. The audit firm will be required to attend Audit Committee and Governing Board meetings as needed. For this proposal, assume two (2) meetings each, with a duration of two (2) hours.

3. Prices must be held firm for 3 years.

| AUDIT REPORTS, FINANCIAL STATEMENTS, SUPPLEMENTAL INFORMATION, MANAGEMENT LETTER and REQUIRED MEETINGS |
|---|---|---|---|
| LABOR CATEGORY | HOURLY RATE | ESTIMATED HOURS (per engagement) | TOTAL |
| Partner |  |  |  |
| Manager in Charge |  |  |  |
| Senior |  |  |  |
| Staff |  |  |  |

| TOTAL COST GUARANTEED NOT TO EXCEED (per engagement) | $ |

Maximum Escalation Rates, if applicable, shall be based on original contract hourly rates.

Escalation Rates for Year 4: _____

Escalation Rates for Year 5: _____

Firm Name: ____________________________________________

(Exhibits A & B are to be enclosed in a sealed envelope within your proposal submission. Envelope is to be labeled: RFP# CSUSTRFP17103, with your firm's name and "Exhibits A & B")
RFP# CSUSTRFP1703

EXHIBIT B

BID FORM - TAX SERVICES RATE INFORMATION

Tax Preparation – the proposal shall include a separate fee schedule for the preparation of all required federal and state tax returns for a non-profit corporation as required by the Internal Revenue Service, The Franchise Tax Board, and the Registrar of Charitable Trust. These forms include but are not limited to Federal Forms 990 and 990T (when applicable), California Forms 199 and 109 (when applicable), and RRF-1. Each proposal shall provide data regarding the availability of the firm’s specialty expertise in tax matters.

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TOTAL COST GUARANTEED NOT TO EXCEED $ 

Firm Name:

(Exhibits A & B are to be enclosed in a sealed envelope within your proposal submission. Envelope is to be labeled: RFP# CSUSTRFP17103, with your firm’s name and “Exhibits A & B”.)
CSU GENERAL PROVISIONS
FOR
SERVICE ACQUISITIONS
Revised 10/15/14
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1. Commencement of Work
Contractor shall not commence work under the Contract until Contractor has received a fully executed Contract and been given written approval to proceed. Any work performed by Contractor prior to the date of approval shall be considered as having been performed at Contractor’s own risk and as a volunteer.

2. Contract Alterations & Integration
No alteration or variation of the Contract shall be valid unless made in writing and signed by the parties hereto, and no oral understanding or agreement not incorporated in writing in the Contract shall be binding on any of the parties hereto.

3. Severability
Contractor and CSU agree that if any provision of this Contract is found to be illegal or unenforceable, such term or provision shall be deemed stricken and the remainder of the Contract shall remain in full force and effect. Either party having knowledge of such term or provision shall promptly inform the other of its presumed non-applicability of such provision. Should the illegal or unenforceable provision be a material or essential term of the Contract, [the Contract shall be terminated in a manner commensurate with the interests of both parties, to the maximum extent reasonable.

4. Independent Status
Contractor and its employees and agents, and subcontractors, in the performance of this Contract, shall act in an independent capacity and not as officers, employees or agents of CSU or the State of California. While Contractor may be required by this Contract to carry Worker’s Compensation Insurance, in no event shall Contractor and its employees and agents be entitled to unemployment or workers’ compensation benefits from CSU.

5. Governing Law
To the extent not inconsistent with applicable federal law, this Contract shall be construed in accordance with and governed by the laws of the State of California.

6. Contractor’s Power and Authority
Contractor warrants it has full power and authority to enter into this Contract and will hold CSU harmless from and against any loss, cost, liability, and expense (including reasonable attorney fees) arising out of any breach of this warranty. Further, Contractor shall not enter into any arrangement, agreement or contract with any third party that might abridge any rights of the CSU under this Contract.

7. Assignments
Contractor shall not assign this Contract, either in whole or in part, without CSU’s written consent, which will not be unreasonably withheld.

8. Personnel
Contractor shall give its personal attention to the performance of the Contract and shall make every effort consistent with sound business practices to honor CSU’s requests regarding Contractor’s assignment of its employees. However, Contractor maintains the sole right to determine the assignment of its employees in order to keep all phases of work under its control. If an employee of Contractor is unable to perform due to illness, resignation or other factors beyond Contractor’s control, Contractor shall use its best effort to provide suitable substitute personnel.

9. Waiver of Rights
Any action or inaction by CSU or the failure of CSU on any occasion to enforce any right or provision of this Contract shall not be a waiver by CSU of its rights hereunder and shall not prevent CSU from enforcing such provision or right on any future occasion. CSU’s rights and remedies provided in this Contract shall not be exclusive and are in addition to any other rights and remedies provided by law.

10. Time
Time is of the essence in the performance of this Contract.

11. Entire Contract
This Contract sets forth the entire agreement between the parties with respect to the subject matter hereof and shall govern the respective duties and obligations of each party.
12. Appropriation of Funds
(a) If the term of this Contract extends into fiscal years subsequent to that in which it is approved such continuation of the Contract is subject to the appropriation of funds for such purpose by the Legislature. If funds to effect such continued payment are not appropriated, Contractor agrees to take back any commodities furnished under the Contract and not yet paid for by CSU, terminate any future services and commodities to be supplied to the CSU under the Contract, and relieve the CSU of any further obligation therefore.
(b) CSU agrees that if provision (a) above is involved, commodities shall be returned to Contractor in substantially the same condition in which they were delivered, subject to normal wear and tear. CSU further agrees to pay for packing, crating, transportation to Contractor's nearest facility and for reimbursement to Contractor for expenses incurred for its assistance in such packing and crating.

13. Cancellation
CSU has the right to cancel this Contract at any time and without future financial obligation upon thirty (30) days written notice to Contractor.

14. Termination for Default
CSU may terminate the Contract and be relieved of the payment of any consideration to Contractor should Contractor fail to perform the covenants herein contained at the time and in the manner herein provided. In the event of such termination, the CSU may proceed with the work in any manner deemed proper by the CSU. The cost to the CSU shall be deducted from any sum due the Contractor under the Contract, and the balance, if any, shall be paid the Contractor upon demand.

15. Rights and Remedies of CSU for Default
(a) In the event any Deliverables furnished or services provided by Contractor in the performance of this Contract should fail to conform to the requirements herein, or to the sample submitted by Contractor, CSU may reject the same, and it shall thereupon become Contractor's duty to forthwith reclaim and remove all nonconforming deliverables and correct the performance of services, without expense to the CSU, and to immediately replace all such rejected items with others conforming to the specifications or samples. Should Contractor fail, neglect, or refuse to do so, CSU shall thereupon have the right, but not the obligation, to purchase in the open market, in lieu thereof, a corresponding quantity of any such items and to deduct the cost of such cover from any moneys due or that may thereafter become due to Contractor.
(b) In the event Contractor fails to make prompt delivery of any item as specified in the Contract, the same conditions as to CSU's right, but not obligation, to purchase in the open market and receive reimbursement from Contractor, as set forth in (a), above shall apply.
(c) In the CSU terminates this Contract, either in whole or in part, for Contractor's default or breach, Contractor shall compensate CSU, in addition to any other remedy CSU may have available to it, for any loss or damage sustained and cost incurred by the CSU in procuring any items that Contractor agreed to supply.
(d) CSU's rights and remedies provided above shall not be exclusive and shall be in addition to any other rights and remedies provided by law, equity or this Contract.

16. Warranty
Contractor warrants that
(i) deliverables and services furnished hereunder will conform to the requirements of this Contract (including, without limitation, all descriptions, specifications, and drawings identified in the Statement of Work, if any), and
(ii) the deliverables will be free from defects in materials and workmanship. Where the parties have agreed to design specifications in the Statement of Work directly or by reference, Contractor warrants the deliverables shall provide all functionality required thereby.

17. Safety and Accident Prevention
In performing work under this Contract on CSU premises, Contractor shall conform to all specific safety requirements contained in this Contract or as required by law or regulation. Contractor shall take all additional precautions as the CSU may reasonably require for safety and accident prevention purposes. Contractor's violation of such rules and requirements, unless promptly corrected, shall constitute a material breach of this Contract.

18. Insurance Requirements
The Contractor shall not commence Work until it has obtained all the insurance required in this Contract, and such insurance has been approved by the CSU.
(a) Policies and Coverage.
   (i) The Contractor shall obtain and maintain the following policies and coverage:
      (i) Comprehensive or Commercial Form General Liability Insurance, on an occurrence basis, covering Work done or to be done by or on behalf of the Contractor and providing insurance for bodily injury, personal injury, property damage, and contractual liability. The aggregate limit shall apply separately to the Work.
(ii) Business Automobile Liability Insurance on an occurrence basis, covering owned, hired, and non-owned automobiles used by or on behalf of the Contractor and providing insurance for bodily injury, property damage, and contractual liability. Such insurance shall include coverage for uninsured and underinsured motorists.

(iii) Worker's Compensation including Employers Liability Insurance as required by law.

(2) The Contractor also may be required to obtain and maintain the following policies and coverage:

(i) Environmental Impairment Liability Insurance should the Work involve hazardous materials, such as asbestos, lead, fuel storage tanks, and PCBs.

(ii) Other Insurance by agreement between the Trustees and the Contractor.

(b) Verification of Coverage.

The Contractor shall submit original certificates of insurance and endorsements to the policies of insurance required by the Contract to the Trustees as evidence of the insurance coverage. Renewal certifications and endorsements shall be timely filed by the Contractor for all coverage until the Work is accepted as complete. The Trustees reserve the right to require the Contractor to furnish the Trustees complete, certified copies of all required insurance policies.

(c) Insurance Provisions.

Nothing in these insurance provisions shall be deemed to alter the indemnification provisions in this Agreement. The insurance policies shall contain, or be endorsed to contain, the following provisions.

1. For the general and automobile liability policies, the State of California, the Trustees of the California State University, the University, their officers, employees, representatives, volunteers, and agents are to be covered as additional insureds.

2. For any claims related to the Work, the Contractor's insurance coverage shall be primary insurance as respects the State of California, the Trustees of the California State University, the University, their officers, employees, representatives, volunteers, and agents. Any insurance or self-insurance maintained by the State of California, the Trustees of the California State University, the University, their officers, employees, representatives, volunteers, and agents shall be in excess of the Contractor's insurance and shall not contribute with it.

3. Each insurance policy required by this section shall state that coverage shall not be canceled by either the Contractor or the insurance carrier, except after thirty (30) Days prior written notice by certified mail, return receipt requested, has been given to the Trustees.

4. The State of California, the Trustees of the California State University, the University, their officers, employees, representatives, volunteers, and agents shall not by reason of their inclusion as additional insureds incur liability to the insurance carriers for payment of premiums for such insurance.

(d) Amount of Insurance.

1. For all projects, the insurance furnished by Contractor under this Agreement shall provide coverage in amounts not less than the following, unless a different amount is stated in the Supplementary General Conditions:

   (i) Comprehensive or Commercial Form General Liability Insurance--Limits of Liability
       $2,000,000 General Aggregate
       $1,000,000 Each Occurrence--combined single limit for bodily injury and property damage.

   (ii) Business Automobile Liability Insurance--Limits of Liability
       $1,000,000 Each Accident--combined single limit for bodily injury and property damage to include uninsured and underinsured motorist coverage.

   (iii) Workers' Compensation limits as required by law with Employers Liability limits of $1,000,000.

2. For projects involving hazardous materials, the Contractor shall provide additional coverage in amounts not less than the following, unless a different amount is stated in the Supplementary General Conditions:

   (i) Environmental Impairment (pollution) Liability Insurance--Limits of Liability
       $10,000,000 General Aggregate
       $5,000,000 Each Occurrence--combined single limit for bodily injury and property damage, including cleanup costs.

   (ii) In addition to the coverage for Business Automobile Liability Insurance, the Contractor shall obtain for hazardous material transporter services:

       (a) MCS-90 endorsement
       (b) Sudden & Accidental Pollution endorsement--Limits of Liability*
           $2,000,000 Each Occurrence
           $2,000,000 General Aggregate

* A higher limit on the MCS-90 endorsement required by law must be matched by the Sudden & Accidental Pollution Insurance.

With the Trustees' approval, the Contractor may delegate the responsibility to provide this additional coverage to its hazardous materials subcontractor. When the Contractor returns its signed project construction phase agreement to the Trustees, the Contractor shall also provide the Trustees with a letter stating that it is requiring its hazardous materials subcontractor to provide this additional coverage, if applicable. The Contractor shall affirm in this letter that the hazardous materials subcontractor’s certificate of insurance shall also adhere to all CSU requirements. Further, this letter will provide
that the subcontractor’s certificate of insurance will be provided to the Trustees as soon as the Contractor fully executes its subcontract with the hazardous materials subcontractor, or within 30 Days of the Notice to Proceed, whichever is less.

(e) Acceptability of Insurers.
Insurers shall be licensed by the State of California to transact insurance and shall hold a current A.M. Best’s rating of A:VII, or shall be a carrier otherwise acceptable to the University.

(f) Subcontractor’s Insurance.
Contractor shall ensure that its subcontractors are covered by insurance of the types required by this Contract, and that the amount of insurance for each subcontractor is appropriate for that subcontractor’s Work. Contractor shall not allow any subcontractor to commence Work on its subcontract until the insurance has been obtained, and approved by the CSU. Only the Contractor and its hazardous materials subcontractor(s) shall have the coverage for projects involving hazardous materials.

(g) Miscellaneous.
(1) Any deductible under any policy of insurance required in this Contract shall be Contractor’s liability.
(2) Acceptance of certificates of insurance by the Trustees shall not limit the Contractor’s liability under the Contract.
(3) In the event the Contractor does not comply with these insurance requirements, the Trustees may, at its option, provide insurance coverage to protect the Trustees. The cost of the insurance shall be paid by the Contractor and, if prompt payment is not received, may be deducted from Contract sums otherwise due the Contractor.
(4) If the Trustees are damaged by the failure of Contractor to provide or maintain the required insurance, the Contractor shall pay the Trustees for all such damages.
(5) The Contractor’s obligations to obtain and maintain all required insurance are non-delegable duties under this Contract.
(6) The Contractor’s liability for damages proximately caused by acts of God (as defined in Public Contract Code section 7105) and not involving Contractor negligence shall be limited to five percent of the Contract.

19. General Indemnity
Contractor shall indemnify, defend, and hold harmless the State of California, Board of Trustees of the California State University, CSU, and their respective officers, agents and employees from any and all claims and losses accruing or resulting to any other person, firm or corporation furnishing or supplying work, service, materials or supplies in connection with the performance of this Contract, and from any and all claims and losses accruing or resulting to any person, firm or corporation related to, arising out of or resulting from Contractor’s performance of this Contract.

20. Invoices
Invoices shall be submitted, in arrears, to the address stipulated in the Contract. The Contract number must be included on the invoice. Final invoice shall be marked as such.
(a) In the event that additional services are required, the Contractor shall submit invoices in accordance with provisions herein.
(b) For work of a continuing nature, the Contractor shall submit invoices in arrears, upon completion of each phase. Contractor shall be reimbursed for travel, subsistence and business expenses necessary for the performance of services pursuant to the Contract in accordance with CSU policy.
(c) Unless otherwise specified, the CSU shall pay properly submitted invoices not more than 45 days after
   (i) the performance completion date of services; or
   (ii) receipt of an undisputed invoice, whichever is later. Late payment penalties shall not apply to this Contract.
(d) The consideration to be paid Contractor, as described within the Contract, shall be in full compensation for all of Contractor’s expenses incurred in the performance hereof, including travel and per diem, unless otherwise expressly so provided.

21. Document Referencing
All correspondence, invoices, bills of lading, shipping memos, packages, etc., must show the Contract number. If factory shipment, the factory must be advised to comply. Invoices not properly identified with the Contract number and Contractor identification number may be returned to Contractor and may cause delay in payment.

22. Use of Data
Contractor shall not utilize any non-public CSU information it may receive by reason of this Contract, for pecuniary gain not contemplated by this Contract, regardless whether Contractor is or is not under contract at the time such gain is realized. CSU specific information contained in the report, survey, or other product developed by Contractor pursuant to this Contract is the property of CSU, and shall not be used in any manner by Contractor unless authorized in writing by CSU.

23. Confidentiality of Data
(a) Contractor acknowledges the privacy rights of individuals to their personal information that are expressed in the Information Practices Act (California Civil Code Section 1798 et seq.) and in California Constitution Article 1, Section 1. Contractor shall maintain the privacy of personal information and protected data as confidential information. Contractor shall not use, disclose, or release confidential information contained in CSU records without full compliance with applicable state and federal privacy laws, and this Contract. Contractor further acknowledges and agrees to comply with Federal privacy laws, such as the Gramm-Leach-Bliley Act (Title 15, United States Code, Sections 6801(b) and 6805(b)(2)) applicable to financial transactions, and the Family Educational Rights and Privacy Act (Title 20, United States Code, Section 1232g) applicable to student education records and information from student education records. Contractor shall maintain the privacy of confidential information and shall be financially responsible for any notifications to affected persons (after prompt consultation with CSU) whose personal information is disclosed by any security breach relating to confidential information resulting from Contractor’s or its personnel’s acts or omissions. Further, if so requested by CSU, Contractor shall be administratively responsible for providing such notification in the most expedient time possible consistent with the methods prescribed in California Civil Code 1798.29g and 1798.82g.

(b) Contractor further agrees that all financial, statistical, personal, technical and other data and information relating to CSU’s operation designated “confidential” by CSU, and not otherwise subject to disclosure under the California Public Records Act, and made available to Contractor to perform this Contract or which become available to Contractor while performing this Contract, shall be protected by Contractor using the same level of care it takes to protect its own information of a similar nature, but in no event less than reasonable care. If required by a court of competent jurisdiction or an appropriate administrative body with legal authority to order the disclosure of confidential information or protected data, Contractor will notify CSU in writing prior to any such disclosure to give CSU an opportunity to oppose any such disclosure. Prior to any disclosure of confidential information as required by legal process, Contractor shall: (1) Notify CSU of any actual or threatened legal compulsion of disclosure, and any actual legal obligation of disclosure, immediately upon becoming so obligated; and

(c) Contractor shall cooperate with any litigation or investigation proceedings concerning protected data loss or other breach of Contractor’s obligations under this Contract. Any access, transmission, or storage of protected data outside the United States must be approved in writing by CSU in advance. Contractor’s failure to comply with any provision of this Section shall constitute a material breach of the Contract.

24. Information Security Requirements

(a) Contractor is required to comply with CSU Information Security Requirements as described in Rider A, Supplemental Provisions for General Provisions for Service Acquisitions, attached hereto and by reference made a part of this agreement.

(b) Information Security Plan

Contractor is required to maintain an Information Security Plan sufficient to protect the sensitive and/or confidential CSU data to which they have access. Requirements for the Information Security Plan are described in Rider A.

(c) Personal Security Requirements

Contractor shall require all its affiliates and subcontractors, as a condition to their engagement, to agree to be bound by provisions substantially the same as those included in this Agreement related to information security matters only. Contractor shall not knowingly permit a representative or subcontractor to have access to CSU records, confidential data, or premises of the CSU when such representative or subcontractor has been convicted of a felony.

25. Patent, Copyright, and Trade Secret Indemnity

(a) Contractor shall indemnify, defend, and hold harmless the State of California, Board of Trustees of the California State University, CSU, and their respective officials, agents, and employees (collectively referred to as CSU), from any and all third party claims, costs (including without limitation reasonable attorneys’ fees), and losses for infringement or violation of any Intellectual Property Right, domestic or foreign, by any product or service provided hereunder. With respect to claims arising from computer Hardware or Software manufactured by a third party and sold by Contractor as a reseller, Contractor will pass through to CSU, in addition to the foregoing provision, such indemnity rights as it receives from such third party (“Third Party Obligation”) and will cooperate in enforcing them; provided that if the third party manufacturer fails to honor the Third Party Obligation, Contractor will provide CSU with indemnity protection.

(i) CSU will notify Contractor of such claim in writing and tender its defense within a reasonable time; and

(ii) Contractor will control the defense of any action on such claim and all negotiations for its settlement or compromise, except when substantial principles of government or public law are involved, when litigation might create precedent affecting future CSU operations or liability, or when involvement of the CSU is otherwise mandated by law. In such case no settlement shall be entered into on behalf of CSU without CSU’s written approval.

(b) Contractor may be required to furnish CSU a bond against any and all loss, damage, costs, expenses, claims and liability for patent, copyright and trade secret infringement.

(c) Should the Deliverables or Software, or the operation thereof, become, or in the Contractor’s opinion are likely to become, the subject of a claim of infringement or violation of a Intellectual Property Right, whether domestic or foreign, CSU shall permit Contractor at its option and expense either to procure for CSU the right to continue using the Deliverables or
Software or to replace or modify the same so they become non-infringing, provided they comply with Contract and performance requirements and/or expectations. If neither option can reasonably practicable or if the use of such Deliverables or Software by CSU shall be prevented by injunction, Contractor agrees to take back such Deliverables or Software and use its best effort to assist CSU in procuring substitute Deliverables or Software at Contractors cost and expense. If, in the sole opinion of CSU, the return of such infringing Deliverables or Software makes the retention of other Deliverables or Software acquired from Contractor under this Contract impracticable, CSU shall then have the option of terminating this Contract, or applicable portions thereof, without penalty or termination charge. Contractor agrees to take back such Deliverables or Software and refund any sums CSU paid Contractor less any reasonable amount for use or damage.
(d) Contractor certifies it has appropriate systems and controls in place to ensure State funds will not be used in the performance of this Contract for the acquisition, operation or maintenance of computer Software in violation of copyright laws.

26. Rights in Work Product
All inventions, discoveries, intellectual property, technical communications and records originated or prepared by Contractor pursuant to this Contract, including papers, reports, charts, computer programs, and other Documentation or improvements thereto, and including Contractor's administrative communications and records relating to this Contract (collectively, the "Work Product"), shall be Contractor's exclusive property. The provisions of this section may be revised in a Statement of Work. The provisions of this sub-section a) may be revised in a Statement of Work. However, all finished product or deliverables required under this contract shall be the exclusive property of the CSU and may be used at CSU's discretion.

27. Examination and Audit
For contracts in excess of $10,000, Contractor shall be subject to the examination and audit by
(a) the Office of the University Auditor, and
(b) the Bureau of State Audits, for a period of three (3) years after final payment under the Contract. The examination and audit shall be confined to those matters connected with the performance of the contract, including, but not limited to, the costs of administering the Contract. Note: Authority Cited: Government Code Section 8546.7; Education Code Section 89045(c&d), respectively.

28. Dispute
Any dispute arising under or resulting from this Contract that is not resolved within 60 days of time by authorized representatives of Contractor and CSU shall be brought to the attention of Contractor’s Chief Executive Officer (or designee) and CSU’s Chief Business Officer (or designee) for resolution. Either Contractor or CSU may request that the CSU Vice Chancellor, Business and Finance (or designee) participate in the dispute resolution process to provide advice regarding CSU contracting policies and procedures. If this informal dispute resolution process is unsuccessful, the parties may pursue all remedies not inconsistent with this Contract. Despite an unresolved dispute, Contractor shall continue without delay in performing its responsibilities under this Contract. Contractor shall accurately and adequately document all service it has performed under this Contract.

29. Conflict of Interest
CSU requires a Statement of Economic Interests (California Form 700) to be filed by any Consultant (or Contractor) who is involved in the making or participation in the making of decisions which may foreseeably have a material effect on any CSU financial interest.

30. Follow-On Contracts
No person, firm, or subsidiary thereof who has been awarded a contract for Consulting Services or providing Direction (as provided below) may submit be awarded a contract for the provision of services, or any other related action that is required, suggested, or otherwise deemed appropriate in the end product of the consulting services contract.
(a) If Contractor or its affiliates provides Consulting and Direction, Contractor and its affiliates:
   (i) shall not be awarded a subsequent Contract to supply the service or system, or any significant component thereof, that is used for, or in connection with, any subject of such Consulting and Direction; and
   (ii) shall not act as consultant to any person or entity that does receive a Contract described in sub-section (i). This prohibition will continue for one (1) year after termination of this Contract or completion of the Consulting and Direction, whichever is later.
(b) “Consulting and Direction” means services for which Contractor received compensation from CSU and includes:
   (i) development of, or assistance in the development, of work statements, specifications, solicitations, or feasibility studies;
   (ii) development or design of test requirements;
   (iii) evaluation of test data;
   (iv) direction or evaluation of another Contractor;
   (v) provision of formal recommendations regarding the acquisition of products or services; or
(vi) provisions of formal recommendations regarding any of the above. For purposes of this Section, “affiliates” are employees, directors, partners, joint venture participants, parent corporations, subsidiaries, or any other entity controlled by, controlling, or under common control with Contractor. Control exists when an entity owns or directs more than fifty percent (50%) of the outstanding shares or securities representing the right to vote for the election of directors or other managing authority.

(c) Except as prohibited by law, the restrictions of this Section will not apply:
   (i) to follow-on advice given by vendors of commercial off-the-shelf products, including Software and Hardware, on the operation, integration, repair, or maintenance of such products after sale; or
   (ii) where CSU has entered into a Contract for Software or services and the scope of work at the time of Contract execution expressly calls for future recommendations among the Contractor’s own products.

(d) The restrictions set forth in this Section are in addition to conflict of interest restrictions imposed on public Contractors by California law (“Conflict Laws”). In the event of any inconsistency, such Conflict Laws override the provisions of this Section, even if enacted after execution of this Contract.

31. Endorsement
   Nothing contained in this Contract shall be construed as conferring on any party, any right to use the other party’s name as an endorsement of product/service or to advertise, promote or otherwise market any product or service without the prior written consent of the other party. Furthermore nothing in this Contract shall be construed as endorsement of any commercial product or service by the CSU, its officers or employees.

32. Covenant Against Gratuities
   Contractor shall warrant that no gratuities (in the form of entertainment, gifts, or otherwise) were offered or given by Contractor, or any agent or representative of Contractor, to any officer or employee of CSU with a view toward securing the Contract or securing favorable treatment with respect to any determinations concerning the performance of the Contract. For breach or violation of this warranty, CSU shall have the right to terminate the Contract, either in whole or in part, and any loss or damage sustained by CSU in procuring on the open market any items that Contractor agreed to supply shall be borne and paid for solely by Contractor. CSU’s rights and remedies provided in this clause shall not be exclusive and are in addition to any other rights and remedies provided by law, equity or under the Contract.

33. Nondiscrimination
   (a) During the performance of this Contract, Contractor and its subcontractors shall not unlawfully discriminate, harass or allow harassment, against any employee or applicant for employment because of sex, sexual orientation, race, color, ancestry, religious creed, national origin, disability (including HIV and AIDS), medical condition, age, marital status, and denial of family care leave. Contractor and subcontractors shall insure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment.
   (b) Contractor and subcontractors shall comply with the provisions of the Fair Employment and Housing Act (Government Code, Section 12990 et seq.) and the applicable regulations promulgated thereunder (California Code of Regulations, Title 2, Section 7285.0 et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code Section 12990 (a), set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations are incorporated into this Contract by reference and made a part hereof as if set forth in full. Contractor and its subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement.
   (c) Contractor shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under the Contract.

34. Compliance with NLRB Orders
   Contractor declares under penalty of perjury under the laws of the State of California that no more than one final, unappeasable 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 to comply with an order of the National Labor Relations Board. Note: Cite Authority: PCC 10296

35. Drug-Free Workplace Certification
   Contractor certifies that Contractor shall comply with the requirements of the Drug-Free Workplace Act of 1990 and shall 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 all of the following:
      (i) the dangers of drug abuse in the workplace;
      (ii) the person's or organization's policy of maintaining a drug-free workplace;
(iii) any available counseling, rehabilitation and employee assistance programs; and,
(iv) penalties that may be imposed upon employees for drug abuse violations.

(c) Provide that every employee who works on the proposed or resulting Contract:
(i) will receive a copy of the company’s drug-free policy statement; and,
(ii) will agree to abide by the terms of the company’s statement as a condition of employment on the Contract. Note: Authority Cited: Government Code Section 8350-8357

36. Forced, Convict, Indentured and Child Labor
By accepting a contract with CSU, Contractor:
(a) certifies that no equipment, materials, or supplies furnished to CSU pursuant to this Contract have been 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. Contractor further certifies it will adhere to the Sweatfree Code of Conduct as set forth on the California Department of Industrial Relations website located at http://www.dir.ca.gov/, and Public Contract Code Section 6108.
(b) agrees to cooperate fully in providing reasonable access to its records, documents, agents or employees, or premises if reasonably required by authorized officials of the State, the Department of Industrial Relations, or the Department of Justice to determine Contractor’s compliance with the requirements under paragraph (A).

37. Recycled Content Certification
To the extent that services involve the supply of post-consumer materials (see below) Contractor shall certify in writing the minimum, if not exact, percentage of post-consumer material, as defined in Public Contract Code Section 12200, in products, materials, goods, or supplies offered or sold to CSU regardless whether the product meets the requirements of Section 12209. With respect to printer or duplication cartridges that comply with the requirements of Section 12156(e), the certification required by this subdivision shall specify that the cartridges so comply (PCC 12205).

38. Child Support Compliance Act
For any contract in excess of $100,000, Contractor acknowledges in accordance with Public Contract Code Section 7110, that:
(a) Contractor recognizes the importance of child and family support obligations and shall fully comply with all applicable state and federal laws relating to child and family support enforcement, including, but not limited to, disclosure of information and compliance with earnings assignment orders, as provided in Chapter 8 (commencing with Section 5200) of Part 5 of Division 9 of the Family Code; and
(b) Contractor, to the best of its knowledge, is fully complying with the earnings assignment orders of all employees and is providing the names of all new employees to the New Hire Registry maintained by the California Employment Development Department.

39. Americans With Disabilities Act (ADA)
Contractor warrants that it complies with California and federal disabilities laws and regulations. (Americans with Disabilities Act of 1990, 42 U.S.C. 12101 et seq). Contractor hereby warrants the products or services it will provide under this Contract comply with the accessibility requirements of Section 508 of the Rehabilitation Act of 1973, as amended (29 U.S.C. 794d), and its implementing regulations set forth at Title 36, Code of Federal Regulations, Part 1194. Contractor agrees to promptly respond to and resolve any complaint regarding accessibility of its products or services. Contractor further agrees to indemnify and hold harmless CSU from any claims arising out of Contractor’s failure to comply with the aforesaid requirements. Failure to comply with these requirements shall constitute a material breach of this Contract.

40. Debarment and Suspension
By accepting a contract with the CSU, Contractor certifies neither it nor its principals or its subcontractors are presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from participation in this transaction by any federal department or agency (2 Code Federal Regulations [CFR] 180.220, in accordance with the Office of Management and Budget guidelines at 2 CFR 180 that implement Executive Orders 12549 (3 CFR Part 1986 Comp., p. 189) and 12689 (3 CFR Part 1989 Comp., p. 235)).

41. Expatriate Corporations
Contractor declares and certifies that it is not and expatriate corporation, and is not precluded from contracting with CSU by The California Taxpayer and Shareholder Protection Act of 2003, Public Contract Code Section 10286, et seq.
42. Citizenship and Public Benefits
If Contractor is a natural person, Contractor certifies he or she is a citizen or national of the United States or otherwise qualified to receive public benefits under the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (P.L. 104-193; 110 STAT. 2105, 2268-69).

43. Loss Leader
Contractor certifies and declares it is not engaged in business within this State of California to sell or use any article or product as a "loss leader" as defined in Section 17030 of the Business and Professions Code. Note: Authority Cite: (PCC 12104.5(b).)

44. DVBE and Small Business Participation
(a) If Contractor has committed to achieve small business (SB) participation it shall, within 60 days of receiving final payment under this Contract (or within such other time period as may be specified elsewhere in this Contract), report to CSU: (1) the name and address of the SB(s) who participated in the performance of the Contract; (2) the total amount the prime Contractor received under the Contract; and (3) the amount each SB received from the prime Contractor. (Govt. Code § 14841.)

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

45. Contractor's Staff
Contractor warrants that its staff assigned to performing work under this Contract are legally able to perform such duties in the country where the work is being performed.