



**COUNTY OF LOS ANGELES
DEPARTMENT OF AUDITOR-CONTROLLER**

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MARIA M. OMS
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ASST. AUDITOR-CONTROLLERS

ROBERT A. DAVIS
JOHN NAIMO
JUDI E. THOMAS

October 20, 2009

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**APPROVE THE AGREEMENT WITH APPROVA CORPORATION FOR ACQUISITION
OF CONTINUOUS CONTROLS MONITORING SOFTWARE AND RELATED
IMPLEMENTATION, MAINTENANCE AND SUPPORT SERVICES
(ALL SUPERVISORIAL DISTRICTS – 3 VOTES)**

CIO RECOMMENDATION: APPROVE (X)

SUBJECT

Approve the Software License Agreement (Agreement) for the purchase of Continuous Controls Monitoring (CCM) software to electronically monitor financial transactions across all County departments, including the related professional implementation, maintenance and support services of the CCM software.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Approve and direct the Auditor-Controller (A-C) to execute the attached proposed Agreement with Approva Corporation for a fixed-price, one-time software purchase plus implementation services not to exceed five hundred seventy seven thousand two hundred twenty six (\$577,226) dollars for one-year.
2. Delegate to the A-C the authority to exercise the options for the related software maintenance and support services for five (5) years with two (2) one-year option extensions not to exceed \$56,000 per year.
3. Delegate to the A-C the authority to execute necessary amendments to the Agreement to purchase up to five additional modules at the current price of

\$50,000 per module, not to exceed \$250,000 in the aggregate, for a period of 12 months from the date of the Agreement.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

As the County's volume of electronic computer transactions continues to grow, with approximately 8,200 users processing close to five million payment transactions each year in the County financial system (eCAPS), the review and oversight of those transactions for adherence to established County fiscal policies and controls have become a major challenge.

To meet these challenges, the A-C currently employs limited desktop data analysis software to analyze computerized financial data and determine individual departments' level of adherence to County fiscal policies. While the desktop analysis software helps achieve some level of review of financial transactions, it does not offer the benefits of a continuous Countywide CCM strategy. The CCM software will constantly evaluate electronic transactions for compliance with the County's procedures and rules and will identify exceptions on a real-time basis for evaluation and follow-up.

Continuous controls monitoring is a state of the art approach that will provide better oversight of County financial transactions and enable the County to more efficiently and effectively safeguard assets in all departments. CCM is an essential part of many Fortune 500 businesses' efforts to ensure the effectiveness of their internal controls, reduce the risk of fraud and improve their operations. The County's external auditors have indicated that they consider CCM to be a "best practice" for their government clients.

The A-C proposes to acquire CCM software to continuously monitor the following processes:

- **Purchases and Payments** – Monitors procurement transactions on an ongoing basis to ensure purchases and payments are accurate, properly approved and appropriate. For example, the CCM software will monitor for potential split purchases and duplicate payments to vendors, as well as ensure the purchase/payment approvals comply with the County's fiscal requirements.
- **General Ledger** – Monitors general ledger accounting transactions to ensure journal entries, changes to chart of accounts and accounting configurations that impact the County's financial records are appropriate. For example, the CCM software will monitor general ledger postings for unusual activity and detect exceptional changes in account balances, including manual entries, non-routine transactions and entries to sensitive accounts.

- **Segregation of Duties** – Monitors business rule applications to identify and report users whose access assignment violates County rules and provides an automated strategy to help correct the control issues. For example, the CCM software will monitor existing user accounts and role assignments, and report on users who have the incompatible roles, such as the ability to enter and approve payments. The CCM software can also be used by the eCAPS Security Team to perform “what if” analysis, such as identifying potential access assignment violations before access is granted.

In the coming years, the implementation of the online Countywide Human Resources (eHR) application will place additional challenges to ensure that County fiscal policies are being followed. The CCM software can be extended through additional modules to cover eHR as well as eCAPS.

Implementation of Strategic Plan Goals

The recommended action supports the County's Strategic Plan Goals for Operational Effectiveness (Goal 1), Fiscal Sustainability (Strategy 1), and Service Excellence and Organizational Effectiveness (Strategy 2). It is also the key element of A-C's internal Strategic Plan to develop and implement CCM to electronically analyze and review financial transactions across all County departments.

FISCAL IMPACT/FINANCING

In October 2008, your Board approved funding for the A-C to implement three information technology initiatives using the Chief Executive Office's (CEO) Information Technology Fund. One of the three initiatives was the CCM project to monitor transactions Countywide for compliance with County fiscal policies, and to detect and mitigate fraudulent activities. The proposed Agreement of \$577,226 is a fixed-price, deliverables-based contract to purchase the software and implementation services for one-year.

After the first year, funds for annual maintenance and support services of \$56,000 and any additional modules purchased of \$50,000 per module, not to exceed \$250,000 in the aggregate, will come from the A-C's annual operating budget. The Internal Services Department's (ISD) annual charges of approximately \$98,000 for server maintenance and support will also come from the A-C's annual operating budget.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Section 26881 of the Government Code specifies that, upon order of the Board of Supervisors, the A-C has the “ability to review departmental and countywide internal controls, over the accounting forms and the method of keeping the accounts of all offices, departments and institutions under the control of the Board of Supervisors”.

Approva Corporation requested during negotiations that its liability be limited under the Agreement, which is a departure from the County's preferred position. The negotiated provisions (1) cap Approva Corporation's liability for monetary damages to the County at \$1,000,000 and (2) specify that Approva Corporation will not have any liability to the County for special, consequential, exemplary, incidental, or indirect damages, even if advised of the possibility of such damages. The provisions specify, however, that these two limitations do not apply to the following: (a) Approva Corporation's intellectual property and general indemnification obligations; (b) Approva Corporation's obligations under Paragraph 72 (Compliance with Applicable Laws); (c) Approva Corporation's obligations under Paragraph 16 (Insurance); (d) claims and actions relating to personal injury, including but not limited to wrongful death; and (e) Approva Corporation's intentional or willful misconduct.

The A-C believes the above-described limitation of liability of \$1 million to be an acceptable level for the County's protection, as the total value of the Agreement is \$577,226. CEO's Risk Management Operations concurs with the A-C's determination.

The proposed Agreement has been approved by County Counsel as to form. The Chief Information Office (CIO) has also reviewed and recommended approval of this Agreement.

The contractor is in compliance with all Board, Chief Executive Officer, and County Counsel requirements.

CONTRACTING PROCESS

On December 5, 2008, the A-C issued a Request for Information (RFI) to identify potential vendors and CCM software products available in the emerging CCM marketplace. A notice of the RFI was also placed on the County's bid website and the A-C's website. Additionally, the A-C identified several CCM software vendors through Internet searches and e-mailed the RFI directly to them.

On May 1, 2009, the A-C issued the CCM software Request for Proposals (RFP). A notice of the RFP was placed on the County's bid website (Solicitation Number AU-CCM050109) and the A-C's website. The A-C also e-mailed the RFP directly to CCM software vendors previously identified through the RFI process and Internet searches. Moreover, the A-C consulted with the CIO's technology industry research advisors to identify additional CCM software vendors. Two proposals were received by the submission deadline of May 29, 2009. Both proposals met the minimum requirements in the RFP and were then evaluated by an evaluation committee consisting of representatives from the CIO, ISD and the A-C.

The A-C sought CCM software that covered four areas of functionality: transaction monitoring, segregation of duties monitoring, master data management, and application

configuration. The Approva software was the only product that provided functionality in all four areas. The proposal from Approva Corporation received the highest score from the evaluation committee and was the committee's recommended selection. The committee's evaluation was based on the criteria described in the RFP, and, as indicated, Approva Corporation received the highest evaluation score and advanced to the next round, where negotiations began for a Software Licensing Agreement (SLA). All negotiations were successfully completed by September 2009. There were no protests lodged by the non-selected proposer after it was informed of the intention to recommend a contract with the selected proposer.

The A-C's evaluation has determined that the Living Wage Program (County Code Chapter 2.201) does not apply to the recommended Agreement.

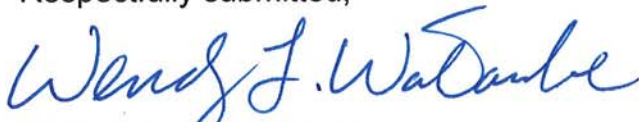
IMPACT ON CURRENT SERVICES

The implementation of CCM software has the potential to improve business processes at various organizational levels, increase detection of County computerized transactions that are non-compliant with County policies, including identify potential fraud, promote improved internal controls and improve the safeguarding of County assets.

CONCLUSION

Upon approval by your Board, it is requested that the Executive Officer-Clerk of the Board return one adopted copy of the Board letter.

Respectfully submitted,



WENDY L. WATANABE
Auditor-Controller

WLW:MMO:JLS:MP:FL

Attachments

c: William T Fujioka, Chief Executive Officer
Richard Sanchez, Chief Information Officer
Robert Kalunian, Acting County Counsel
Sachi A. Hamai, Executive Officer, Board of Supervisors

CIO ANALYSIS

AGREEMENT WITH APPROVA CORPORATION FOR ACQUISITION OF CONTINUOUS CONTROLS MONITORING SOFTWARE, IMPLEMENTATION SERVICES, AND SOFTWARE MAINTENANCE AND SUPPORT SERVICES

CIO RECOMMENDATION: ☒ APPROVE ☐ APPROVE WITH MODIFICATION
☐ DISAPPROVE

Contract Type:

☒ New Contract ☐ Contract Amendment ☐ Contract Extension
☐ Sole Source Contract ☐ Hardware Acquisition ☐ Other

New/Revised Contract Term: Base Term: 5 Yrs # of Option Yrs: 2

Contract Components:

☒ Software ☐ Hardware ☐ Telecommunications
☒ Professional Services

Project Executive Sponsor: Wendy Watanabe, Auditor-Controller

Budget Information :

Y-T-D Contract Expenditures	\$ 0
Requested Contract Amount	\$577,226
Aggregate Contract Amount	\$577,226

Project Background:

Yes	No	Question
☐	☒	Is this project legislatively mandated?
☐	☒	Is this project subvented? If yes, what percentage is offset?
☐	☒	Is this project/application applicable to (shared use or interfaced) other departments? If yes, name the other department(s) involved.

Strategic Alignment:

Yes	No	Question
☒	☐	Is this project in alignment with the County of Los Angeles Strategic Plan? Yes, Operational Effectiveness (Goal 1) for Fiscal Sustainability (Strategy 1), Service Excellence and Organizational Effectiveness (Strategy 2), and Information Technology (Strategy 5).
☒	☐	Is this project consistent with the currently approved Department Business Automation Plan?

☒	☐	Does the project's technology solution comply with County of Los Angeles IT Directions Document? Yes, by leveraging enterprise architectures to achieve county business objectives through effective and efficient use of technologies.
☒	☐	Does the project technology solution comply with preferred County of Los Angeles IT Standards? Yes, it utilizes a web-based interface and runs on Windows virtual servers.
☒	☐	This contract and/or project and its milestone deliverables must be entered into the Information Technology Tracking System (ITTS).

Project/Contract Description:

The Auditor-Controller (A-C) is requesting approval of an Agreement with Approva Corporation (Approva) for the purchase of Continuous Controls Monitoring (CCM) software and related professional services to automate examination of countywide financial transactions. The Agreement term is for five years with two one-year optional extensions. The maximum contract sum for the software purchase, implementation services, and one-year of software maintenance and support services is \$577,226. The A-C is also requesting delegated authority to exercise options for software maintenance and support services through the base term and optional extensions for a maximum of \$56,000 per year. In addition, the A-C is requesting delegated authority to execute future amendments to acquire additional CCM software, which could increase the contract sum by an additional \$250,000.

Background:

After Board approval to fund the proposal for automated mining of financial data using the CEO's Information Technology Fund in October 2008, the A-C staff did a survey of data mining software and determined that CCM software was an emerging technology that best fit their requirements rather than generic data mining products.

The A-C identified and contacted 15 CCM software vendors. In December 2008, the Department issued a Request for Information (RFI) that received four responses, and issued a Request for Proposals (RFP) in May 2009 which received two responses.

Contract negotiations with the highest scoring vendor in the RFP, Approva, began in August 2009 and completed in September 2009.

Project Justification/Benefits:

CCM monitors enterprise resource planning (ERP) systems and financial application controls to improve financial governance and automate audit processes. The software ensures that business rules and policies are effective and reduces compliance and audit costs by eliminating much of the manual sampling and minimizing the time it takes to gather documentation.

Under this Agreement, the A-C will initially acquire and implement three CCM modules: Purchase to Payment, General Ledger, and Segregation of Duties. Purchases to Payments and General Ledger will monitor procurement and accounting transactions to ensure appropriateness and Segregation of Duties will monitor eCAPS user access and role changes for control violations.

Industry analysts report that CCM monitoring of financial transactions can produce a quick return on investment by identifying failures of internal controls and combating fraud. Other financial transaction modules, such as Travel and Entertainment Expenses and Purchase Cards can be added for additional monitoring.

Project Metrics:

The A-C will be monitoring the effectiveness of professional services provided from Approva in accordance with the Statement of Work.

Upon successful implementation of the software, audit coverage will expand from a sampling of transactions to 100% testing of transactions. Transactions will be reviewed with all County departments on a more consistent basis. The safeguarding of County resources will be improved by the timely identification of non-compliance with County fiscal controls and improvements to controls over financial transactions.

Alternatives Considered:

General purpose data mining software was considered initially and eliminated due to the considerable software development effort required. Since the preferred solution, which was a CCM product with preconfigured libraries for the County's eCAPS application, did not exist, the best remaining alternative was a CCM product that could be adapted easily to eCAPS with minimal configuration and supports complete CCM functionality.

Project Risks:

Many CCM implementations make use of preconfigured software libraries tailored specifically for their ERP software. However, the County cannot use preconfigured libraries for eCAPS, since no customer using CGI Advantage (eCAPS software) has implemented technology. The County implementation will require software customizations made specifically to interface Approva with CGI Advantage. There is a risk of project delays due to unforeseen customizations and data issues.

Risk Mitigation Measures:

The A-C project team is developing plans to mitigate project risks through executive sponsorship, stable project staffing, performance and data validation, clear roles and responsibilities, and well-defined objectives. In addition, Approva is being strongly encouraged to work with CGI to minimize any data issues.

Financial Analysis:

The project is fully funded from the CEO Information Technology Fund. The contract uses \$577,226 of the \$600,000 allocated to the project.

Description	Cost
Approva Software Licenses	\$280,000
Approva Software Maintenance – First Year	\$56,000
Professional Services for the Base Platform	\$22,523
Professional Services for Purchase to Pay	\$56,306
Professional Services for General Ledger	\$49,550
Professional Services for Segregation of Duty	\$96,847
Training	\$16,000
Total	\$577,226

The implementation will leverage the existing eCAPS and eHR computing infrastructure. The future annual software maintenance costs of \$56,000, and yearly ISD server operational costs of \$98,000 will be funded from the A-C's annual operating budget.

CIO Concerns:

None.

Recommendations:

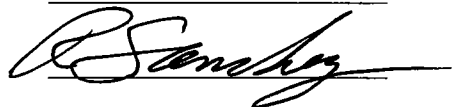
The A-C's Continuous Controls Monitoring software project is aligned with the County's Strategic Plan and supports the County's IT Strategic Directions. This is a great example of technology and automated labor-intensive tasks. The Chief Information Office supports this action and recommends Board approval.

CIO APPROVAL

Date Received: September 16, 2009

Prepared by: Tom Travis

Date: October 1, 2009

Approved: 

Date: 10-7-09

This Software License Agreement (hereinafter “Agreement”) is entered as of the Effective Date by and between the County of Los Angeles, a political subdivision of the State of California (hereinafter “County”) and Approva Corporation,, a Delaware corporation (hereinafter “Contractor”) with principal offices at 1950 Roland Clarke Place, Suite 300, Reston, Virginia 20191 (hereinafter collectively the “Parties”).

1.0 RECITALS

WHEREAS, the County, desires to procure Continuous Controls Monitoring (CCM) software for the purpose of monitoring County computerized data, of various types, to assess its adherence to established County fiscal policies and controls;

WHEREAS, the County may enter into a contract to obtain such software; and

WHEREAS, Contractor is in the business of licensing and supporting, through product updates and releases, its CCM software;

NOW THEREFORE, in consideration of the mutual covenants set forth herein, County and Contractor agree as follows:

2.0 APPLICABLE DOCUMENTS

- 2.1 The provisions of this base document, along with the Exhibits itemized in Section 2.2, collectively form, and are throughout and hereinafter referred to as, the “Agreement.”
- 2.2 Notwithstanding language to the contrary, whether expressly or by implication, any conflict or inconsistency in the definition or interpretation of any word, responsibility, Exhibit, or the contents or description of any task, deliverable, service or other work, or otherwise, between and/or among this base document, the Exhibits thereto, and/or the purchase order(s) hereunder, such conflict or inconsistency shall be resolved by giving precedence first to this base document, and then to the Exhibits thereto according to the following descending priority:

Exhibit A Not Used

Exhibit B Not Used

Exhibit C Software Product List and Pricing Schedule

Exhibit D Not Used

Exhibit E Participating Entities

Exhibit F Contractor Employee Acknowledgement and Confidentiality Agreement

Exhibit G Contractor’s EEO Certification

Exhibit H Jury Service Program

Exhibit I Safely Surrendered Baby Law

Exhibit J Health Insurance Portability and Accountability Act of 1996 (HIPAA)

Exhibit K Contractor Maintenance and Support Terms and Conditions

Exhibit L Statement of Work Documentation

Exhibit M Minimum Hardware Requirements

Exhibit N Warranty Specifications

- 2.3 This Agreement constitutes the complete and exclusive agreement between the Parties, and supersedes any previous and contemporaneous agreements, whether written or oral, and any and all communications and negotiations between the Parties relating to the subject matter of this Agreement. Without limiting the foregoing, nothing in this Agreement shall be interpreted based upon any prior discussions and negotiations, or upon any additions or deletions made as a result thereof.

3.0 DEFINITIONS

The terms and phrases in this Section 3.0 in quotes and with initial letter(s) capitalized, whether singular or plural, shall have the particular meanings set forth whenever such terms are used in this Agreement.

3.1 Acceptance; Accept(ed)

“Acceptance” and “Accepted” has the meaning set forth in Section 8.0 (Software Acceptance).

3.2 Additional Product(s)

“Additional Product” or “Additional Products,” whether singular or plural, has the meaning set forth in Section 5.2.5, Option to License Additional Software Products.

3.3 Business Day(s)

“Business Day” or “Business Days,” whether singular or plural, means any day or days of eight (8) working hours during a single day from 8:00 a.m. to 5:00 p.m. Pacific Time (PT), Monday through Friday, excluding Los Angeles County observed holidays.

3.4 Day(s)

“Day” or “Days,” whether singular or plural, means calendar days (not Business Days).

3.5 Deficiency(ies)

“Deficiency” or “Deficiencies,” whether singular or plural, means any of the following: any material defect in design, development, materials, and/or workmanship as specified in the Related Documentation, including the functionality described on the statement of work documentation attached hereto as Exhibit L and Exhibit N, so long as the requirements of Exhibit M are met by County

3.6 Deliverable(s)

“Deliverable” or “Deliverables,” whether singular or plural, means any Software License, Services, and/or other consideration of any kind to be provided by Contractor to County under

this Agreement, including those items identified in Exhibit C (Software Product List and Pricing Schedule).

3.7 Department(s)

“Department” or “Departments,” whether singular or plural, means any department of the County of Los Angeles.

3.8 Effective Date

“Effective Date” means the date of execution of this Agreement by County.

3.9 Extended Term(s)

“Extended Term” or “Extension Terms,” whether singular or plural, shall refer to any optional and additional term(s) which may be exercised at the end of the “Initial Term.”

3.10 Initial Term

“Initial Term” means the first five years of this Agreement, commencing on the Effective Date and expiring five (5) years thereafter, unless terminated earlier.

3.11 Installation

“Installation” means on-site and remote software installation Services provided by Contractor.

3.12 License(s); Software License(s)

“License” and “Software License,” whether singular or plural, means the provisions of this base document, along with the Exhibits itemized in Section 2.2, collectively, as further defined under section 5.1 (License Grant)

3.13 Licensed Product(s)

“Licensed Product”, whether singular or plural, has the meaning set forth in Section 5.2.3 (Replacement Products).

3.14 Maintenance

“Maintenance” has the meaning set forth in Section 6.0 (Maintenance and Support).

3.15 Participating Entity

“Participating Entity,” whether singular or plural, means the non-department entities that are governed by the County’s Board of Supervisors, and are listed on Exhibit E (Participating Entities).

3.16 Pricing Schedule(s)

“Pricing Schedule” means the schedule of discounted prices for Software and Services provided by Contractor to County under this Agreement at Exhibit C (Software Product List and Pricing Schedule).

3.17 Order

“Order” means as described in Exhibit C

3.18 Related Documentation

“Related Documentation” means any and all written and electronic publications relating to the Software, such as reference, user, installation, systems administrator and technical guides, delivered, or otherwise made available, by Contractor to County as part of its documentation.

3.19 Replacement Product(s)

“Replacement Product,” whether singular or plural, has the meaning set forth in Section 5.2.3 (Replacement Products).

3.20 Intentionally Left Blank

3.21 Services or Support

“Services” or “Support” mean any Software Maintenance, Installation and Training services provided by Contractor to County under this Agreement and with respect to Software Maintenance in accordance with Exhibit K. Services or Maintenance shall not include consulting, professional or assisted services.

3.22 Software

“Software” means any and all, or any portion, of the binary computer software programs provided by Contractor to County, under this Agreement, including all Updates, Additional Products, Replacement Products and Third Party Software, listed on the Software Product List and the applicable Order(s) as being licensed by Contractor to County under this Agreement.

3.23 Source Code

“Source Code” means the list of instructions written in a human readable standard programming language used to construct the CCM software, including all new releases, updates, modifications, enhancements, corrections, patches and improvements, and all Related Documentation and other proprietary information related to such source code.

3.24 Specifications

“Specifications” means the functional and technical specifications for the Software licensed hereunder, as set forth in the Exhibit C (Software Product List and Pricing Schedule).

3.25 State

“State” means the State of California.

3.26 Third Party Software

“Third Party Software” means that portion of the Software, including object code and Related Documentation, sublicensed by Contractor to County under this Agreement.

3.27 Update(s)

“Update(s)” means any and all subsequent releases of the Software, including updates, upgrades, enhancements, modifications, improvements, corrections, bug fixes, patches, releases, and versions.

3.28 Warranty Period

“Warranty Period” has the meaning set forth in Section 9.1 (Software Warranty).

4.0 TERM

The term of this Agreement shall commence on the Effective Date and shall expire five (5) years thereafter (hereinafter “Initial Term”), unless sooner terminated or extended, in whole or in part, as provided in this Agreement. At the end of the Initial Term, County or its delegate may, at its sole option, renew this Agreement for additional two (2) consecutive one-year terms, for a maximum total Agreement term of seven (7) years (hereinafter “Extended Term(s)”) by giving a thirty-day written notice to Contractor, provided that if this Agreement is not so extended, the remaining option(s) shall automatically lapse. Contractor shall notify County when this Agreement is within six (6) months from the expiration of the term as provided for hereinabove. Upon occurrence of this event, Contractor shall send written notification to County at the address herein provided at Exhibit A, Additional Terms & Conditions – Administration, Section 38.0.

Notwithstanding the foregoing or any other provision of this Agreement, the term of the License provided under this Agreement shall continue in perpetuity, as provided in Section 5.2.1 (License Term).

5.0 SOFTWARE LICENSE

5.1 License Grant

Subject to the terms and conditions contained in this Agreement, Contractor hereby grants to County a non-exclusive, non-transferable, perpetual license, without the right to sublicense, to install and use the object code version of the Software and to use the Documentation to support the uses of the Software under this Section 5.1 in each case, solely for County’s internal use and in accordance with the Related Documentation (hereinafter “License(s)” or “Software License(s)”). For purposes of this Section 5.1, the words “County’s internal use” shall include, but not necessarily be limited to, the County’s right to use the Licensed Materials with applications owned and operated by the County as well as the County’s right to use the Licensed Materials with applications operated by any of the departments, commissions, agencies, special districts or other subdivisions that report to the Board of Supervisors of the County of Los Angeles.

5.2 License

5.2.1 License Term

The License granted under this Agreement for all Licensed Products shall commence on the Effective Date (and the applicable Schedule Date for each Additional Product and each Replacement Product, as the case may be) and shall continue in perpetuity and without regard to the end of the term of this Agreement.

5.2.2 Scope of License

The Software License granted by Contractor to County hereunder provides County with the following rights:

- (i) To use the Software, including without limitation the Third Party Software, Additional Products, and Replacement Products, for County's business purposes;
- (ii) To build the Software applications using Contractor's application building tools licensed under this Agreement;
- (iii) To make a reasonable number of copies of the Software for County business purposes; and
- (iv) To use, modify and distribute within County the Related Documentation, including but not limited to software and user manuals, in a hard copy format and, when available, electronically or on read only CD-ROM solely for the purpose of creating training and other professional service materials.

5.2.3 Replacement Products

"Licensed Product(s)" are Contractor's Software products which are licensed by County pursuant to this Agreement. If Contractor, within three years from the last Order date for a Licensed Product, generally or commercially releases a product (hereinafter "Replacement Product(s)") with the same or substantially similar functionality as that of the Licensed Product licensed by County pursuant to such Order, and Contractor concurrently or within one (1) year from such release date discontinues the support of the most recent generally released version of such Licensed Product, then County shall receive a credit for a portion of the License fees paid by County (pro rated on a straight line basis over a three (3) year period) for such Licensed Product toward the purchase of the Replacement Product, provided that County is a continuous subscriber to the Maintenance and Support Services for the Licensed Product. Replacement Product shall be treated as Software for the purpose of this Agreement.

The License granted to County for the Replacement Product shall be: (1) pursuant to the terms and conditions of this Agreement, (2) granted without the payment of additional fees (except for continual maintenance and support fees); and (3) County's Maintenance and Support fees for the Replacement Product shall remain the same as for the Licensed Product for the remainder of the support term.

- 5.2.4 In the event Contractor revises its Software product line and/or Services, upon County's election, the Pricing Schedule shall be updated by Change Notice in accordance with Section 19.0 (Change Notices and Amendments), to reflect the changes to Contractor's Software product line and/or Services.

5.2.5 Option to License Additional Software Products

Contractor grants County the option to license additional Software products (hereinafter "Additional Products"), which are generally available on the date the option is exercised, at the prices set forth in Exhibit C (Software Product List and Pricing and Payment Schedule). The pricing option for Additional Products listed on Exhibit C shall remain valid for a period of twelve (12) months from the Effective Date of this Agreement. County or its delegate may

exercise the option, by (1) delivering to Contractor a written communication identifying the additional software to be licensed, and (2) paying the applicable License and Support fees due. Upon County's exercise of this option, any such Additional Products shall be deemed Software for the purpose of this Agreement. The warranty related to Additional Products shall take effect upon Acceptance (pursuant to Section 8) of such Additional Products by County and shall be subject to all terms and conditions of this Agreement.

5.2.6 License Restrictions

No license, right or interest in any trademark, trade name or service mark of Contractor or any third party from whom Contractor has acquired License rights is granted under this Agreement.

The Software and/or Related Documentation developed pursuant to any Licenses and rights granted hereunder may not be sold, licensed or sublicensed, assigned or otherwise transferred, in whole or in part, by County.

County will not reverse-engineer, disassemble, decompile or decode the Software.

5.3 Source Code Escrow

5.3.1 Source Code Escrow Agreement

Contractor currently has an escrow agreement (hereinafter "Escrow Agreement") with Iron Mountain Incorporated (hereinafter "Escrow Agent"). Contractor shall, during the term of this Agreement, maintain the Escrow Agreement with the Escrow Agent. At Contractor's expense, Contractor shall name County a beneficiary to the Escrow Agreement by executing the requisite documentation. County shall remain a beneficiary under the Escrow Agreement provided that (1) County remains a compliant subscriber to the Maintenance and Support Services and (2) this Agreement is not terminated. Upon release of the Deposit from Escrow in accordance with Section 5.3.2, Possession and Use of Source Code below, County will (1) use the Deposit only as necessary to support and maintain the Software so it can be used pursuant to the terms of this Agreement, (2) maintain the Deposit in accordance with the confidentiality provisions hereunder, and (3) be subject to all the restrictions contained in this Agreement applicable to the Deposit as if the Deposit were Software. Contractor shall maintain in Escrow the most recent versions of the deposit. Contractor may change the escrow agent at any time upon notice to County.

5.3.2 Possession and Use of Source Code

In addition to the release conditions identified in the Escrow Agreement, Contractor shall direct the Escrow Agent thereunder to deliver to County the Source Code for the applicable Software in the event Contractor (i) filing a petition for liquidation via bankruptcy or an assignment for the benefit of creditors; or (ii) ceasing normal business operations; or (iii) ceasing to provide Maintenance and Support for the currently supported Software. Source Code obtained by County under the provisions of this Agreement, and/or the Escrow Agreement, shall remain subject to every License restriction, proprietary rights protection and other County obligations specified in this Agreement provided, however, County may make such Source Code available to third parties as needed to assist it in making authorized use of the Software and, provided further, that such third party agrees in writing to be bound by the terms of this Agreement, including without limitation, agreeing to use the Licensed Materials strictly in accordance with County's permitted use under Section 5 and agreeing to protect, safeguard and prevent the inadvertent disclosure of the Licensed Material pursuant to Section 25.

6.0 MAINTENANCE AND SUPPORT

Contractor shall provide to County Updates (hereinafter “Maintenance”) and technical support (hereinafter “Support”) in accordance with the terms of this Agreement and Exhibit K. If elected by County, Maintenance and Support Services shall be renewed annually for the Software products supported by Contractor in accordance with the applicable Order(s). County may cancel Maintenance and Support at anytime by giving Contractor not less than thirty (30) days written notice. Upon termination of this Agreement as provided herein, any prepaid Maintenance and Support Services fees shall be refunded to County by Contractor on a pro rata basis as of the date of termination or the date giving rise to the cause for termination, as applicable.

7.0 CONTRACT PRICES AND FEES

7.1 License Fees

In consideration of the license granted to Contractor in Section 5, County shall pay Contractor the fees set forth in Exhibit C. All fees for the license granted to County in Section 5, shall be due and payable within thirty (30) days from the Acceptance, and shall be non-refundable, except as otherwise provided herein or in an Order. Contractor shall provide to County Software at the prices listed in Exhibit C (Software Product List and Pricing Schedule).

7.2 Maintenance and Support Services

Contractor shall provide to County, Maintenance and Support Services for Software in accordance with the prices, terms and conditions set forth in this Agreement and the applicable Order(s). Invoices for such Support Services shall be issued upon the commencement of the applicable Support Period and shall, unless otherwise agreed to in Exhibit C, be due and payable in full no later than thirty (30) days from date of invoice.

7.3 Fees for Professional Services

County shall pay Contractor the Professional Service fees set forth in Exhibit C either monthly in arrears or if mutually agreed upon reaching certain milestones. Invoices for such Professional Services shall be issued either monthly or upon reaching the applicable milestone and shall be due and payable in full no later than thirty (30) days from date of invoice.

8.0 SOFTWARE INSTALLATION AND ACCEPTANCE

8.1 Contractor shall notify the County’s Project Manager by phone, e-mail or facsimile one (1) business day prior to when the Software will be available for download via the Internet.

8.2 Within two (2) Business days of software being available for download via the Internet, County will provide Contractor access to equipment (as defined in Exhibit M) to install the Software.

8.3 Within three (3) business days after Contractor has installed the software, Contractor shall demonstrate to County Project Manager that Successful Installation of the software has occurred. For purposes of this section, “**Successful Installation**” shall be defined as (1) loading the software onto County hardware that meets Contractor's recommendations as listed in Exhibit M, (2) successfully bringing up CCM screens, and (3) successfully demonstrating the CCM software functionality. The software shall be deemed to be accepted upon successful installation. Only

upon Successful Installation of the software may the Contractor invoice the County for the software licensing fee.

8.4 Notwithstanding anything to the contrary contained herein, this Section 8.0 shall not apply to any Software, Additional Products or Replacement Products previously Accepted by County under this Agreement.

9.0 WARRANTY

9.1 Software Warranty

Contractor represents and warrants that the Software shall perform in accordance with the Related Documentation (as defined in Exhibit N) and without Deficiencies for a period of ninety (90) days following Acceptance of the Software, including any updates (hereinafter "Warranty Period"). If, during the Warranty Period, County finds that any Software product has Deficiencies, County shall notify Contractor in writing and follow Contractor's instructions regarding the return of such Software product. County's remedy for the Deficiency shall be, at Contractor's option, for Contractor to (i) repair or replacement of the Software product which does not comply with this Limited Warranty, as soon as possible and no later than 30 after receipt of written notification or (ii) refund all Software-related fees paid by County for the Defective Software products, including License, Installation, Maintenance and Support (if any). The remedies provided for County under this Section 9.1 shall be County's sole and exclusive remedy for any breach of warranty hereunder and Contractor's sole and exclusive obligation and liability. Notwithstanding the foregoing, County retains the right to use the products in the event of Contractor's material breach, while seeking interim suppliers or during litigation or alternative dispute resolution process or proceedings.

9.2 Further Warranties

Contractor further represents and warrants that:

- 9.2.1 Any Services under this Agreement will be performed in accordance with generally accepted industry standards;
- 9.2.2 All Related Documentation delivered under this Agreement shall be in accordance with generally-accepted industry standards;
- 9.2.3 The Software shall be designed not to cause any unplanned interruption of the operations of, or accessibility to the Software or any County system through any device, method or means including, without limitation, the use of any "virus," "lockup," "time bomb," or "key lock," "worm," device or program, or disabling code, which compromises the security of County's confidential or proprietary information or which may cause any unplanned interruption of the operations of, or accessibility of the Software or any Software product to County or any user or which could alter, destroy, or inhibit the use of the Software or any Software product, or the data contained therein (collectively referred to as a "Disabling Device"), which could block access to or prevent the use of the Software or any Software product by County or users.
- 9.2.4 This warranty shall only apply if (a) the Licensed Products have not been modified or altered by anyone other than Contractor; (b) the Licensed Products has been properly installed (including without limitation being installed on the proper hardware and configured with the applicable software that is recommended in the Related Documentation) and used at all times in accordance

in all material respects with the Related Documentation; and (c) the Licensed Products have not been subjected to misuse, neglect, or unusual physical, electrical, or electromagnetic stress.

9.2.5 Contractor warrants that the Software modules licensed by the County under this Agreement shall meet Warranty Specifications and accompanying language listed in Exhibit N

UNLESS OTHERWISE AGREED TO IN THIS AGREEMENT OR ANY EXHIBIT, NEITHER CONTRACTOR OR ANY OF ITS SUPPLIERS OR LICENSORS WARRANT OR REPRESENT THAT THE LICENSED PRODUCTS OR CONTRACTOR SERVICES SHALL BE ERROR-FREE, SHALL MEET COUNTY'S NEEDS, EXCEPT AS SET FORTH IN EXHIBIT N, OPERATE WITHOUT INTERRUPTION, NOR DOES CONTRACTOR OR ANY OF ITS SUPPLIERS OR LICENSORS WARRANT THAT THE LICENSED PRODUCTS OR CONTRACTOR SERVICES SHALL PERFORM AS WARRANTED IN CASES OF HARDWARE MALFUNCTION, MISUSE OF THE LICENSED PRODUCTS, OR USE OF THE LICENSED PRODUCTS OR CONTRACTOR SERVICES WITH OTHER SOFTWARE NOT DESCRIBED IN THE DOCUMENTATION. COUNTY IS RESPONSIBLE FOR IMPLEMENTING APPROPRIATE PROCEDURES TO MAKE ON-SITE BACK-UP COPIES OF COUNTY'S PROGRAM FILES AND DATA FILES TO MINIMIZE ANY DAMAGE THAT MIGHT ARISE FROM AN ERROR OR DEFECT IN THE LICENSED PRODUCTS OR THE CONTRACTOR SERVICES.

EXCEPT AS OTHERWISE EXPRESSLY PROVIDED IN THIS AGREEMENT, CONTRACTOR MAKES NO OTHER WARRANTIES WITH RESPECT TO THE LICENSED PRODUCTS, THE CONTRACTOR SERVICES OR ANY MATERIALS OR SERVICES PROVIDED HEREUNDER, INCLUDING SUPPORT SERVICES, WHETHER EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, THE IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR COUNTY'S PURPOSE, ACCURACY, OR SYSTEM INTEGRATION.

10.0 WARRANTY PASS THROUGH

Contractor shall pass through to County to the fullest extent possible all rights and remedies, including any applicable warranty or indemnity, from or offered by any manufacturer of any Third Party Software product provided under this Agreement.

11.0 INTELLECTUAL PROPERTY WARRANTY & INDEMNIFICATION

11.1 Contractor represents and warrants that:

- (a) Contractor has the full power and authority to grant the License and all other rights granted by this Agreement to County;
- (b) No consent of any other person or entity is required by Contractor to grant such rights other than consents that have been obtained and are in effect;
- (c) County is entitled to use the Software without interruption of system use;

(d) This Agreement and the Software licensed or acquired herein, are not subject to any liens, encumbrances, or pledges, and are not subordinate to any right or claim of any third party, including Contractor's creditors;

(e) During the term of this Agreement, Contractor shall not, and shall not allow any third party to, subordinate this Agreement or any of its rights hereunder to any third party without the prior written consent of County, and without providing in such subordination instrument for non-disturbance of County's use of the Software (or any part thereof) in accordance with this Agreement; and

(f) Neither the performance of this Agreement by Contractor, nor the License to, and use by, County and its users of the Software in accordance with this Agreement, will in any way violate any non-disclosure Agreement, nor constitute any infringement or other violation of any copyright, trade secret, trademark, service mark, patent, invention, proprietary information, or other rights of any third party.

11.2 Notwithstanding any provision to the contrary, whether expressly or by implication, Contractor shall indemnify, defend, and hold harmless the County from and against any and all liability, including but not limited to damages, costs, and expenses (including reasonable attorneys fees) arising from any claim by a third party of alleged or actual infringement of any third party's United State patent or copyright, or any claim by a third party of alleged or actual unauthorized trade secret disclosure, arising from or related to the County's authorized use of the Licensed Products. Any legal defense pursuant to Contractor's indemnification obligations under this Section 11.0 shall be conducted by Contractor and performed by counsel selected by Contractor. County shall provide Contractor with information, reasonable assistance, and authority to defend or settle the claim. Contractor shall have no liability to the extent the alleged infringement arises from (a) alterations to the Licensed Products or the Contractor Services made by County or any third party, (b) failure of County to use updates or corrections to the Licensed Products or the Contractor Services provided by Contractor, (c) use of the Licensed Products or the Contractor Services in combination with licensed materials not supplied or approved by Contractor where the claim would not have arisen in the absence of such combination, or (d) use of the Licensed Products or the Contractor Services in a manner for which the Licensed Products or the Contractor Services were neither designed nor contemplated, as evidenced by the Related Documentation. This Section 11 states Contractor's entire liability and Contractor's exclusive remedy for infringement.

11.3 The County agrees to provide notification to Contractor, in writing, as soon as reasonably practicable of any claim or action alleging such infringement or unauthorized disclosure, provided, however, that the Contractor shall be relieved from its indemnification obligations under this Agreement to the extent County's failure to so notify the Contractor materially impairs or prejudices Contractor's ability to provide such indemnification. Upon such notice by County, Contractor shall, in its reasonable judgment, and at its sole option and at no cost to County, as remedial measures, either (i) procure the right, by license or otherwise, for County to continue to use the Software or any infringing component thereof to the same extent of County's License under this Agreement, or (ii) to the extent procuring such right to use the Software is not commercially practicable, replace or modify the Software or any infringing component thereof with another system or component in such a way that the resulting system shall have the substantially similar quality and performance capabilities, at a minimum, equivalent to the quality and performance capabilities of the Software and all of the component thereof.

12 OWNERSHIP.

(a) County acknowledges and agrees that as between the parties, Contractor and its licensors own all right, title, and interest in and to the Licensed Products and the Services (including any upgrades, updates or any modifications thereto and/or new versions thereof) and all computer programs, related documentation in whatever form, screen displays, images and other information contained therein or related thereto, and all patents, copyrights, trademarks, and other intellectual property rights and other rights with respect thereto, are and shall remain the exclusive property of Contractor, and that no rights therein or thereto are granted or otherwise transferred under this Agreement except as expressly set forth herein. The Licensed Products and the Services are copyrighted and protected by United States law and international treaties.

(b) Upon final payment of all applicable fees, County shall have a perpetual, nonexclusive, nontransferable, fully paid-up right and license to use, copy and prepare derivative works of the items developed in the course of performing the Services and identified as deliverables in advance by the parties (the "Deliverables"). All copyrights, patents, trade secrets, or other intellectual property rights associated with ideas, concepts, techniques, inventions, processes or works of authorship developed or created by Contractor or its personnel in the Deliverable or in any materials existing prior to commencement of Services hereunder shall remain the exclusive property of Contractor. Contractor shall at all times retain ownership of its materials the Deliverables and proprietary methodologies used in the delivery of the Services including, but not limited to: descriptions of its methodologies, strategies and practices; skills; concepts; designs; processes; and project tools. The parties agree to cooperate in good faith to execute such instruments and take such other actions as may be necessary to perfect the rights of each party as contemplated hereunder. Nothing in this Section 12 conveys nor shall be deemed to convey any rights in the Software.

13. LIABILITY LIMITATIONS.

13.1 NEITHER PARTY NOR THEIR RESPECTIVE LICENSORS OR SUPPLIERS SHALL BE LIABLE FOR INDIRECT, CONSEQUENTIAL, INCIDENTAL, PUNITIVE, SPECIAL OR EXEMPLARY DAMAGES (EVEN IF THE PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES), SUCH AS, BUT NOT LIMITED TO, LOSS OF REVENUE OR ANTICIPATED PROFITS, OR LOST BUSINESS REGARDLESS OF THE FORM OF THE ACTION, WHETHER IN CONTRACT, TORT (INCLUDING NEGLIGENCE), STRICT PRODUCT LIABILITY OR OTHERWISE, EVEN IF ANY REPRESENTATIVE OF CONTRACTOR OR ITS LICENSORS HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGE. EXCEPT FOR CONTRACTOR'S OBLIGATIONS UNDER SECTION 11, ANY AMOUNTS OWED TO CONTRACTOR UNDER THIS AGREEMENT, ANY DAMAGES OR LIABILITIES ARISING FROM A BREACH OF SECTION 11 OR FROM ANY MISUSE OR UNLICENSED USE OF CONTRACTOR'S INTELLECTUAL PROPERTY, CONTRACTOR'S AND/OR ITS SUPPLIERS' AND LICENSORS' TOTAL LIABILITY TO CUSTOMER FOR BREACH OF CONTRACT AND FOR ALL OTHER CLAIMS (INCLUDING TORT CLAIMS) ARISING IN CONNECTION WITH THIS AGREEMENT, OR THE LICENSED PRODUCTS OR THE CONTRACTOR SERVICES, SHALL NOT EXCEED THE TOTAL AMOUNT OF ALL PAYMENTS MADE BY COUNTY TO CONTRACTOR UNDER THIS AGREEMENT OR THE LIMITS UNDER THE COMMERCIAL INSURANCE POLICIES REQUIRED TO BE MAINTAINED BY CONTRACTOR PURSUANT TO THE AGREEMENT, WHICHEVER AMOUNT SHALL BE GREATER. THE PARTIES AGREE THAT THE LIMITATIONS AND EXCLUSIONS OF LIABILITY AND DISCLAIMERS SPECIFIED IN THIS AGREEMENT SHALL SURVIVE AND APPLY TO THE MAXIMUM EXTENT PERMITTED BY LAW EVEN IF FOUND TO HAVE FAILED OF THEIR ESSENTIAL PURPOSE. NOTWITHSTANDING THE

FOREGOING LIMITATIONS OF LIABILITY, NOTHING IN THIS AGREEMENT SHALL LIMIT CUSTOMER'S LIABILITY FOR ANY CLAIM OF MISAPPROPRIATION OF THE INTELLECTUAL PROPERTY RIGHTS OF CONTRACTOR OR ITS LICENSORS OR SUPPLIERS

14.0 DELIVERY AND RISK OF LOSS

Contractor shall bear the full risk of loss due to total or partial destruction of the Software products until such items are delivered to or made available to County via download over the Internet.

15.0 INDEMNIFICATION

Contractor shall indemnify, defend and hold harmless County, its Special Districts, elected and appointed officers, employees, and agents, from and against any and all liability, including but not limited to, demands, claims, actions, fees, costs, and expenses (including attorney and expert witness fees), arising from or connected with Contractor's negligent or intentional acts and/or omissions.

16.0 INSURANCE

16.1 Insurance Programs

Without limiting Contractor's indemnification of County and during the term of this Agreement, Contractor shall provide and maintain, and shall require all of its subcontractors to maintain, the following programs of insurance specified in this Section 16.0. Such insurance shall be primary to and not contributing with any other insurance or self-insurance programs maintained by County, where liability arises out of, or results from, the acts, omissions, negligence or willful misconduct of Contractor or its subcontractors, and such coverage shall be provided and maintained at Contractor's own expense.

16.2 Insurance Coverage Requirements

16.2.1 General Liability Insurance (written on ISO policy from CG 00 01 or its equivalent) with limits of not less than the following:

General Aggregate	\$2 million
Each Occurrence	\$1 million

16.2.2 Automobile Liability Insurance with a limit of liability of not less than \$1 million for each accident. Such insurance shall include coverage for all owned, hired, and "non-owned" vehicles, or coverage for "any auto."

16.2.3 Workers' Compensation and Employers' Liability Insurance providing workers' compensation benefits, as required by the Labor Code of the State of California or by any other state, and for which Contractor is responsible. In all cases, the above insurance shall also include Employers' Liability coverage with limits of not less than the following:

Each Accident	\$1 million
Disease - Policy Limit	\$1 million
Disease - Each Employee	\$1 million

- 16.2.4 Professional Liability (Errors and Omissions): Insurance covering liability arising from any error, omission, negligent or wrongful act of the Contractor, its officers or employees with limits of not less than \$1 million per occurrence and \$1 million aggregate.

16.3 Evidence of Insurance

Certificate(s) or other evidence of coverage satisfactory to County shall be delivered to: Auditor-Controller Audit Division, 350 S. Figueroa St., 8th Floor, Los Angeles, CA 90071 prior to commencing services under this Agreement. Such certificates or other evidence shall:

- 16.3.1 Specifically identify this Agreement;
- 16.3.2 Clearly evidence all coverage required in this Agreement;
- 16.3.3 Contain the express condition that County is to be given written notice by mail at least thirty (30) days in advance of cancellation for all policies evidenced on the certificate of insurance; and
- 16.3.4 The County of Los Angeles, its Special Districts, its officials, officers and employees, be listed on Commercial General Liability Policy as an additional insured designated organization but only with respect to liability arising out of Contractor's operations.

16.4 Insurer Financial Ratings

Insurance is to be provided by an insurance company with an A. M. Best rating of not less than A:VII or similar rating by a reputable rating agency, unless otherwise approved by County.

16.5 Notification of Incidents, Claims or Suits

Contractor shall report to County:

- 16.5.1 Any accident or incident relating to services performed under this Agreement which involves injury or property damage which may result in the filing of a claim or lawsuit against Contractor and/or County. Such report shall be made in writing within ten (10) days of occurrence.
- 16.5.2 Any third-party claim or lawsuit filed against Contractor arising from or related to services performed by Contractor under this Agreement.
- 16.5.3 Any injury to a Contractor employee which occurs on County property. This report shall be submitted on a "County Non-employee Injury Report" to County's Project Coordinator.
- 16.5.4 Any loss, disappearance, destruction, misuse or theft of any kind whatsoever of County property, monies or securities entrusted to Contractor under the terms of this Agreement.

16.6 Insurance Coverage Requirements for Subcontractors

All subcontractors performing work under this Agreement shall be subject to the insurance requirements of this Agreement and shall be maintained at no cost to County. Contractor shall ensure that any and all subcontractors performing services under this Agreement meet the insurance requirements of this Agreement by either:

- 16.6.1 Contractor providing evidence of insurance covering the activities of sub-contractors, or

16.6.2 Contractor providing evidence submitted by subcontractors evidencing that subcontractors maintain the required insurance coverage. County retains the right to obtain copies of evidence of subcontractor insurance coverage at any time.

16.7 Failure to Maintain Coverage

Failure by Contractor to maintain the required insurance, or to provide evidence of insurance coverage acceptable to County, shall constitute a material breach of the contract, upon which County may immediately terminate or suspend this Agreement in accordance with Paragraph 25, Termination for Default, and pursue any remedies to which it is entitled by law.

17.0 INVOICES AND PAYMENTS

17.1 Approval of Invoices

All invoices submitted by Contractor will be paid in accordance with the County's Order(s) and Sections 8.0, Software Acceptance, 17.5, Discrepancies, and 17.6, Payments, of this Agreement. In the event of a conflict between the terms of Order(s) and the terms set forth in this Agreement, the terms of this Agreement shall control.

17.2 Invoices

17.2.1 Each invoice submitted by Contractor shall state:

- A. Software and/or Services for which payment is claimed;
- B. The date of written notification of receipt of Software products and/or Services by County's Project Manager;
- C. Any applicable withhold amount for payments claimed or reversals thereof; and
- D. Any applicable credits due County under the terms of this Agreement or reversals thereof.

17.2.2 Contractor shall invoice County for all Software and/or Services provided under this Agreement pursuant to the terms of this Agreement. All invoices shall be subject to Section 17.1, Approval of Invoices. All invoices under this Agreement shall be submitted to the bill-to address indicated in Section 38. County will pay Contractor's invoices only for Software products and Services ordered and Accepted by the County.

17.3 Intentionally Left Blank

17.4 Sales and Use Tax

The fees set forth in the Schedule do not include applicable California and other state and local sales/use taxes on all Software products procured by County pursuant to or otherwise due as a result of this Agreement. All California sales/use taxes shall be paid directly by Contractor to the State or other taxing authority. Contractor shall be solely liable and responsible for any and all California and other state and local sales/use taxes billed by Contractor to County and paid by County to Contractor in accordance with this Agreement. In the event Contractor fails to pay such California or any other state or local sales/use tax and such taxes have been paid by County

to Contractor, Contractor shall reimburse County for any and all tax amounts paid by County as a result of such failure and any attorneys' fees, including costs, associated therewith. In addition, Contractor shall be solely responsible for all taxes based on Contractor's income or gross revenue, or personal property taxes levied or assessed on Contractor's personal property to which County does not hold title. This Section 17.4 shall not apply in the event Contractor makes available the Software to the County via the Internet for download.

17.5 Discrepancies

In the event discrepancies are found during the invoice review as provided in Section 17.2.2 above, County's Project Manager, or his/her designee, will notify Contractor of such discrepancies and submit a list of disputed charges as soon as practicable, but no later than within thirty (30) days from (i) the later of receipt of such invoice by County or receipt of Software with the receiving report, for Software invoices, and (ii) the later of receipt of such invoice by County, for Services. County shall pay Contractor all undisputed invoiced amounts. Contractor shall review the disputed charges and send a written explanation detailing the basis for the charges as soon as practicable, but no later than within thirty (30) days of receipt of County's notice of discrepancies and disputed charges. "Discrepancies" as used in this Paragraph 15 shall mean the details on the invoice or the receiving report which do not conform to the Order.

If no notice of invoice discrepancies is received by Contractor within thirty (30) days from the date of County's receipt of the invoice, the invoice shall be deemed undisputed and qualified for payment in its entirety and County's written approval discussed in Paragraph 17.1, Approval of Invoices, shall be deemed completed.

17.6 Payments

Unless otherwise specified herein, payment to Contractor shall be made in accordance with the terms set forth herein or on a Schedule referencing this Agreement, provided Contractor is not in default under any provision of this Agreement. County shall pay all invoice amounts to Contractor within thirty (30) calendar days of receipt of invoices provided that the Software and Services have been Accepted and Contractor's invoices have not been disputed in accordance with Section 17.5, Discrepancies, above. Unless otherwise specified herein, all payment obligations are non-cancelable, non-refundable and non-contingent.

17.7 County's Right to Withhold Payment

Notwithstanding any other provision of this Agreement, and in addition to any rights of County given by law or provided in this Agreement, County may upon written notice to Contractor withhold that portion of any payment for any work under this Agreement that is under review pursuant to Section 17.5, provided that Contractor has been notified of such Discrepancy and such Discrepancy has not been resolved within thirty (30) days of notice from County, or at any time that Contractor has not provided to County services ordered by an Order(s).

17.8 Contractor's Right to Withhold Performance

Notwithstanding any other provision of this Agreement, Contractor reserves the right to withhold performance of any obligations under another agreement with County, in the event of County's nonpayment when due of any amounts due hereunder, provided that such nonpayment is not due to County disputing an invoicing in accordance with Paragraph 15.5, Discrepancies. Contractor

shall provide County with at least thirty (30) days written notice of such nonpayment before any performance is withheld hereunder.

18.0 GRATUITOUS WORK

Contractor agrees that Software Licenses or Services provided by Contractor outside of this Agreement are deemed gratuitous, and Contractor shall have no claim regarding such Software Licenses or Services, unless the parties have executed a separate agreement for the purchases.

19.0 CHANGE NOTICES AND AMENDMENTS

19.1 Except as otherwise provided in this Agreement, no representative of either County or Contractor, including those named in this Agreement, is authorized to make any changes in any of the terms, obligations, or conditions of this Agreement, except through the procedures required under this Section 19.0.

19.2 County reserves the right to change any portion of the work required under this Agreement and to any other provisions of this Agreement. However, any such changes shall be accomplished only as provided in this Section 19.0.

19.3 For any change requested by County which does not affect the scope of work, term, payments, or any term or condition included in this Agreement, and which therefore constitutes an immaterial change to the Agreement, a Change Notice shall be prepared.

19.4 For any material change requested by County or the contractor, including but not necessarily limited to a change which affects the scope of work, term, payments, price or other any or condition included in this Agreement, a written Amendment to this Agreement shall be prepared and, if executed by both County and Contractor, the Agreement shall be so amended.

19.5 Facsimile Transmissions

Except for the parties' initial signatures to this Agreement, which must be provided in "original" form and not by facsimile, County and Contractor hereby agree to regard facsimile representations of original signatures of authorized officials of each party, when appearing in appropriate places on any Change Notices prepared pursuant to this Paragraph 19, or on any Amendments to this Agreement, and received via communications facilities, as legally sufficient evidence that such original signatures have been affixed to such Change Notices or Amendments to this Agreement, such that the parties need not follow up facsimile transmissions of such documents by subsequent (non-facsimile) transmissions of "original" versions of such documents.

20.0 ADMINISTRATION OF AGREEMENT - COUNTY

20.1 County's Project Director

20.1.1 County's Project Director for this Agreement shall be

20.1.2 County will notify Contractor in writing of any change in the name or address of County's Project Director.

20.1.3 County's Project Director will be responsible for ensuring that the objectives of this Agreement are met.

20.2 County's Project Manager

20.2.1 County's Project Manager shall be the following person, or his/her designee:

Fernando Lemus
Los Angeles County Department of Auditor-Controller, Audit Division
350 S. Figueroa St., 8th Floor
Los Angeles, CA 90071
e-mail: flemus@auditor.lacounty.gov
Phone: (213) 253-0155
Facsimile: (213) 897-1561

20.2.2 County's Project Manager will be responsible for confirming that Contractor has complied with the technical standards and requirements of this Agreement are met.

20.2.3 County's Project Manager will advise County's Project Director as to Contractor's performance with respect to requirements and technical standards.

20.2.4 County's Project Manager is not authorized to make any changes in any of the terms and conditions of this Agreement and is not authorized to further obligate County in any respect whatsoever.

20.2.5 County will notify Contractor in writing of any changes in the name or address of County's Project Manager.

20.2.6 County's Project Manager will provide technical direction to Contractor in the areas relating to County policy, information requirements and procedural requirements.

20.3 Approval of Orders

All orders for Software and Services provided by Contractor under this Agreement must be authorized on an Order issued by the Board of Supervisors or their designee. In no event shall County be liable or responsible for any payments prior to its issuance of such Order.

21.0 ADMINISTRATION OF AGREEMENT - CONTRACTOR

21.1 Contractor's Account Manager

Contractor's Account Manager shall be the following person who shall be a full-time employee of Contractor:

Will Nelson

Aprova Corporation

1950 Roland Clarke Place, Suite 300

Reston, VA 20191

- 21.1.2 Contractor's Account Manager shall be the Contractor point of contact responsible for Contractor's performance of all its tasks and subtasks, and ensuring Contractor's compliance with this Agreement.
- 21.1.3 Contractor's Account Manager shall meet and confer with County's Project Manager on a regular basis to review project progress and discuss project coordination. Such meetings shall be conducted at a time and place convenient to County's Project Manager.
- 21.2 Approval of Contractor's Staff
- 21.2.1 In fulfillment of its responsibilities under this Agreement, Contractor shall utilize, and permit utilization of, only staff fully trained and experienced, and as appropriate, licensed or certified in the technology, trades, tasks and subtasks required by this Agreement. Contractor shall supply sufficient staff to discharge its responsibilities hereunder in a timely and efficient manner.
- 21.2.2 County has the absolute right to approve or disapprove each member, or proposed member, of Contractor's staff performing work under this Agreement, including but not limited to Contractor's Account Manager, prior to and during their performance of any work hereunder, as well as so approving or disapproving any proposed deletions from or other changes in such staff. County's Project Manager may require replacement of any member of Contractor's staff performing, or offering to perform, work hereunder, including but not limited to Contractor's Account Manager. Contractor shall provide County with a resume of each such proposed initial staff member, including but not limited to Contractor's Account Manager, and proposed substitute and an opportunity to interview such person prior to his/her performance of any work hereunder.
- 21.2.3 In addition, Contractor shall provide to County's Project Director an executed Contractor Employee Acknowledgment and Confidentiality Agreement (Exhibit F) for Contractor's Account Manager and each on-site personnel performing work under this Agreement on or immediately after the Effective Date, but in no event later than the date Contractor's Account Manager or other on-site personnel first performs work under this Agreement or gains access to any sensitive financial or personally identifiable information.
- 21.2.4 Contractor shall, to the maximum extent possible, take all necessary steps to assure continuity over time of the membership of the group constituting Contractor's staff, including, but not limited to, Contractor's Account Manager. Contractor shall promptly fill any staff vacancy with personnel having qualifications at least equivalent to those of the staff member(s) being replaced.
- 21.2.5 In the event Contractor should ever need to remove Contractor's Account Manager from performing work under this Agreement, Contractor shall provide County with notice at least fifteen (15) days in advance, except in circumstances in which such notice is not possible, and shall work with County on a mutually agreeable transition plan so as to provide an acceptable replacement and ensure project continuity. Should County be dissatisfied with Contractor's Account Manager or the primary contact for Support Services, provided that County is a current subscriber of Maintenance and Support under this Agreement, Contractor shall replace such person with another to County's satisfaction.
- 21.2.6 Contractor shall supply sufficient staff to discharge its responsibilities hereunder in a timely and efficient manner.
- 21.3 Reports by Contractor

21.3.1 Quarterly Reports

In order to control expenditures and to ensure the reporting of all goods, services, and other work provided by Contractor, Contractor shall provide County's Project Manager, with a copy to County's Project Director, written quarterly reports, which shall include, at a minimum, the following information:

- A. Period covered by the report,
- B. Software Licenses licensed during the reporting period,
- C. Services, including Support, Installation and Training, provided by Contractor during the reporting period,
- D. Changes in the Software product line and/or Services,
- E. Issues resolved,
- F. Issues to be resolved,
- G. Any other information which County may reasonably from time-to-time require.

21.4 Consumption Report

At the end of the Initial Term and the first Extended Term, if any, Contractor shall provide County's Project Director with a Consumption Report listing all the purchases (including Software Licenses and Services) made by County, and each non-Los Angeles County Customer, under this Agreement during the term of this Agreement, up to and including the Initial Term or the first Extended Term, as applicable. Such report shall be provided no later than one hundred and twenty (120) days prior to the end of the Initial Term, and the first Extended Term, if any.

22.0 PROHIBITION AGAINST ASSIGNMENT AND DELEGATION

- 22.1 The Contractor shall not assign its rights and/or delegate its duties under this Agreement, whether in whole or in part, without the prior written consent of County, and any attempted assignment and/or delegation without such consent shall be null and void. County may exercise or withhold consent in its sole discretion. No assignment and/or delegation shall be effective unless and until there is a duly-executed, written amendment to this Agreement. Any payments by the County to any approved delegate or assignee on any claim under this Agreement shall be deductible, at County's sole discretion, against the claims, which the Contractor may have against the County.
- 22.2 Shareholders, partners, members, or other equity holders of Contractor may transfer, sell, exchange, assign, or divest themselves of any interest they may have therein. However, in the event any such sale, transfer, exchange, assignment, or divestment is effected in such a way as to give majority control of Contractor to any person(s), corporation, partnership, or legal entity other than the majority controlling interest therein at the time of execution of the Agreement, such disposition is an assignment requiring the prior written consent of County in accordance with applicable provisions of this Agreement.
- 22.3 If any assumption, assignment, delegation, or takeover of any of the Contractor's duties, responsibilities, obligations, or performance of same by any entity other than the Contractor whether through assignment, subcontract, delegation, merger, buyout, or any other mechanism, with or without consideration for any reason whatsoever without County's express prior written approval, shall be a material breach of the Agreement which may result in the termination of this Agreement. In the event of such termination, County shall be entitled to pursue the same remedies against Contractor as it could pursue in the event of default by Contractor.

23.0 SUBCONTRACTING

- 23.1 Contractor shall be permitted to subcontract the performance of this Agreement, subject to the provisions of this Section 23.0.
- 23.2 Notwithstanding any provision of this Agreement to the contrary, whether expressly or by implication, Contractor shall indemnify, defend, and hold harmless County, its officers, employees and agents, from and against any and all liability, including but not limited to, demands, claims, actions, fees, costs, and expenses (including attorney and expert witness fees), arising from or connected with any subcontractor acts and/or omissions.
- 23.3 Contractor shall remain fully responsible for any and all performance required of it under this Agreement, including those which Contractor has determined to subcontract, including, but not limited to, the obligation to properly supervise, coordinate and perform all work required under this Agreement.
- 23.4 Nothing herein shall waive County's right to prior and continuing approval of any and all personnel, including subcontractor employees, providing services under this Agreement. Contractor shall notify its subcontractors of this County right prior to subcontractors commencing performance under this Agreement.
- 23.5 Contractor shall be solely liable and responsible for any and all payments and other compensation to all subcontractors, and their officers, employees, agents, and successors in interest, for any services performed by subcontractors under this Agreement.
- 23.6 For each subcontract entered into by Contractor, covering personnel who will perform Services onsite at County's facilities, Contractor shall deliver to ISD, Purchasing & Contract Services Division, 1100 North Eastern Avenue, Room G115, Los Angeles, CA 90063, immediately after the effective date of the subcontract, but in no event later than the date any work is performed under the subcontract:
- 23.6.1 A fully executed copy of each subcontract entered into by Contractor, with pricing and other confidential terms excluded;
- 23.6.2 An executed Acknowledgement and Confidentiality Agreement, Exhibit F, for each subcontractor employee approved to perform work under this Agreement; and
- 23.6.3 Certificates of Insurance, which establish that the subcontractor maintains all the programs of insurance required by County.

24.0 INTENTIONALLY LEFT BLANK

25.0 CONFIDENTIALITY

- 25.1 Subject to the California Public Records Act, and in accordance with all applicable Federal, State and County laws, regulations, ordinances and directives relating to confidentiality, each party shall maintain the confidentiality of all its records, data and information, including, but not limited to, billing and County records, for at least five (5) years from the date of disclosure. The parties agree, unless required by law, not to make each other's confidential information available in any form to any third party for any purpose other than the implementation of this Agreement.

- 25.2 Nothing shall prevent either party from disclosing the terms or pricing under this Agreement or orders submitted under this Agreement in any legal proceeding arising from or in connection with this Agreement.
- 25.3 A party's confidential information shall not include information that: (i) is or becomes a part of the public domain through no act or omission of the other party; (ii) was in the other party's lawful possession prior to the disclosure and had not been obtained by the other party either directly or indirectly from the disclosing party; (iii) is lawfully disclosed to the other party by a third party without restriction on the disclosure; or (iv) is independently developed by the other party.
- 25.4 Contractor shall provide to County an executed Acknowledgement and Confidentiality Agreement (Exhibit F) for each of its employees performing work on County's premises under this Agreement in accordance with Paragraph 33, Independent Contractor Status.

With respect to any identifiable information concerning any patient that is obtained by Contractor or any other records and information, Contractor shall: (1) not use any such records or information for any purpose whatsoever other than carrying out the express terms of this Agreement; (2) promptly transmit to County all requests for disclosure of any such records or information; (3) not disclose, except as otherwise specifically permitted by this Agreement, any such records or information to any person or organization other than County without county's prior written authorization that the records are, or information is, releasable; and (4) at the expiration or termination of this Agreement, return all such records and information to County or maintain such records and information according to the written procedures sent to Contractor by County for this purpose.

- 25.5 Contractor acknowledges that a breach by the other party of this Paragraph 25 may result in irreparable injury to the non-breaching party that may not be adequately compensated by monetary damages, and that, in addition to the non-breaching party's other rights under this Paragraph 25 and at law and in equity, the non-breaching shall have the right to injunctive relief to enforce the provisions of this Paragraph 25.

26.0 FORCE MAJEURE

Neither party shall be liable for failure to perform under this Agreement, if its failure to perform arises out of, and only, fires, floods, epidemics, quarantine restrictions, other natural occurrences, strikes or freight embargoes, but in every such case the failure to perform must be totally beyond the control and without any fault or negligence of the non-performing party.

27.0 TERMINATION FOR DEFAULT

27.1 County Default

Contractor may, by written notice to County, terminate this Agreement if County fails to pay amounts owed hereunder, including any of the Software License fee(s), when due in accordance with this Agreement and does not correct such failure within thirty (30) days of receipt of written notice from Contractor, or within any such greater period as mutually agreed.

27.2 Contractor Default

County may, by written notice to Contractor, terminate the whole or any part of this Agreement if:

- 27.2.1 Contractor has failed to comply with the material provisions of this Agreement or has materially breached this Agreement and failed to correct such material breach within thirty (30) days of receipt of written notice from County of such breach; or
- 27.2.2 Contractor fails to timely provide the Software products listed in an Order Form referencing this Agreement at the prices agreed to herein; or
- 27.2.3 Contractor fails to demonstrate a high probability of timely fulfillment of the performance requirements under this Agreement, or of any obligations of this Agreement, and in either case, fails to demonstrate convincing progress toward a cure within ten (10) days (or such longer period as County may authorize in writing by County's Project Manager) after receipt of the notice from County.

27.3 In the event that this Agreement is terminated as provided in this Section 27.0, then:

27.3.1 County shall have the right to continued use (except if Agreement is terminated due to County default under Section 27.1 for non-payment of Software Licenses) of all Software licensed to County pursuant to Section 5.0, Software License; and

27.3.2 Contractor and County shall continue the performance of this Agreement to the extent not terminated under this Section 27.0; and

27.3.3 County shall compensate Contractor for all work performed under this Agreement up to the effective date of termination.

27.4 If, after County has given notice of termination under the provisions of this Section 27.0, it is determined by County that Contractor was not in default, or that the default was excusable, the rights and obligations of the parties shall be the same as if the notice of termination had been issued pursuant to Section 28.0, Termination for Convenience.

27.5 The rights and remedies of County provided in this Section 27.0 shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Agreement.

28.0 TERMINATION FOR CONVENIENCE

28.1 This Agreement may be terminated in its entirety, or with respect to certain Purchase Order(s) for Maintenance and Support, when such action is deemed by County to be in its best interest. Termination of work hereunder shall be effected by notice of termination to Contractor specifying the extent to which performance of work is terminated and the date upon which such termination becomes effective, which shall be no less than thirty (30) calendar days after the notice is sent.

28.2 After receipt of a notice of termination and except as otherwise directed by County, Contractor shall:

28.2.1 Stop performance of its Services with respect to any or all orders under this Agreement on the date and to the extent specified in such notice; and

- 28.2.2 Deliver to County all completed work and work in progress; and
- 28.2.3 Complete performance of such part of the work as shall not have been terminated by such notice; and
- 28.2.4 Return to County all pre paid fees paid by County and unearned by Contractor according to the terms of this Agreement, including prepaid maintenance and support fees on a pro rata use basis.
- 28.3 After receipt of a notice of termination, Contractor shall submit to County, in the form and with any certifications as may be prescribed by County, Contractor's termination claim and invoice. Such claim and invoice shall be submitted promptly, but no later than ninety (90) days from the effective date of termination.

29.0 INDEPENDENT CONTRACTOR STATUS

- 29.1 This Agreement is not intended to, and shall not be construed to, create the relationship of agent, servant, employee, partnership, joint venture or association as between County and Contractor. The employees and agents of one party are not and shall not be, or construed to be, the employees or agents of the other party for any purpose whatsoever. Contractor shall function as, and in all respects is, an independent contractor.
- 29.2 Contractor shall be solely liable and responsible for providing all workers' compensation insurance and benefits, liability insurance, employer taxes, compensation, and benefits to, or on behalf of, all persons performing work pursuant to this Agreement. County shall have no liability or responsibility for the payment of any salaries, wages, unemployment benefits, payroll taxes, disability insurance or benefits, or Federal, State or local taxes, or other compensation, benefits or taxes for any personnel provided by or performing work on behalf of Contractor.
- 29.3 The employees and agents of Contractor shall, while on the premises of County, comply with all rules and regulations of the premises, including, but not limited to, security requirements.
- 29.4 Contractor shall provide to County an executed Contractor Employee Acknowledgment and Confidentiality Agreement, Exhibit F, for each of its employees performing work on County's premises under this Agreement. Such agreements shall be delivered to County's Project Manager on or immediately after the execution of this Agreement by County and Contractor, but in no event later than the date any such employee first performs work under this Agreement.

30.0 COUNTY'S QUALITY ASSURANCE PLAN

County, or its agent, will evaluate Contractor's performance under this Agreement on not less than an annual basis. Such evaluation will include assessing Contractor's compliance with the terms and conditions of this Agreement. Contractor deficiencies, which County determines are severe or continuing and that may place performance of this Agreement in jeopardy, if not corrected, will be reported to the County's Board of Supervisors. The report will include improvements and/or corrective action measures taken by County and Contractor. If improvement does not occur consistent with the corrective action measures, County may, at its sole option, terminate this Agreement, in whole or in part, pursuant to Paragraph 27.2, Termination for Default.

31.0 TRUE-UP VERIFICATION

County will use best efforts to keep accurate records of the number of copies of the Software made and distributed, the number of end users of the Software and their location. Prior to renewal of Maintenance, County will perform true-up verification of the License count using management software developed for its purpose, or Contractor by verification of County documentation may enter County premises during Business Days to perform true-up verification at its own expense by giving at least a sixty (60) days notice thereof to County for the purpose of examining, or having examined (at Contractors own expense), relevant books, records and computers to verify County's fulfillment of its obligations under this Agreement. Contractor shall provide to County an executed Acknowledgement and Confidentiality Agreement (Exhibit F) for each of its representatives performing the true-up verification on County premises prior to entering County premises. The terms and conditions of this Agreement shall apply to the true-up verification. The true-up verification by both County and Contractor shall be discontinued when County attains an enterprise License for the Software hereunder.

32.0 GOVERNING LAW, JURISDICTION AND VENUE

This Agreement shall be governed by, and construed in accordance with, the substantive and procedural laws of the State of California applicable to agreements made and to be performed within the State. Contractor agrees and consents to the exclusive jurisdiction of the courts of the State of California for all purposes regarding this Agreement and further agrees and consents that venue of any action brought hereunder shall be exclusively in the County of Los Angeles, California. For claims that are subject to exclusive Federal subject matter jurisdiction, Contractor agrees and consents to the exclusive jurisdiction of the Federal District Court of the Central District of California.

33.0 WAIVER

No breach of any provision hereof can be waived unless in writing. No waiver by County or Contractor of any breach of any provision of this Agreement shall constitute a waiver of any other breach or of such provision. Failure of County or Contractor to enforce at any time, or from time to time, any provision of this Agreement shall not be construed as a waiver thereof. The rights and remedies set forth in this Agreement shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Agreement.

34.0 AUTHORIZATION WARRANTY

Contractor and County represent and warrant that the person executing this Agreement or any Amendment thereto pursuant to Section 19.0, Change Notices and Amendments, on its behalf is an authorized agent who has actual authority to bind it to each and every term, condition and obligation of this Agreement, and that all requirements of Contractor and County have been fulfilled to provide such actual authority.

35.0 FORMS AND PROCEDURES

All existing forms and procedures used by Contractor in implementation of the provisions of this Agreement are deemed "approved" by County for purposes of this Section 35.0 . Any new forms and procedures which materially affect Contractor's performance of this Agreement, shall be subject to review and approval by County prior to use by Contractor.

36.0 MINIMUM AGE, LANGUAGE SKILLS AND LEGAL STATUS OF CONTRACTOR PERSONNEL AT FACILITY

Contractor cannot assign employees under the age of eighteen (18) to perform work under this Agreement. All of Contractor's employees working at County facilities must be able to communicate in English. Contractor's employees must be United State citizens or legally present and permitted to work in the United States.

37.0 VALIDITY AND SEVERABILITY

37.1 Validity

The invalidity of any provision of this Agreement shall not render the other provisions hereof invalid, unenforceable or illegal, unless the essential purposes of this Agreement shall be materially impaired thereby.

37.2 Severability

In a final judgment and after the exhaustion of any appellate rights, if a court of competent jurisdictions has found that any provision here is invalid or void, such provision shall be deemed severable from the remainder of this Agreement, if practicable, and shall in no way affect, impair or invalidate any other provision contained herein. If any such provision shall be deemed invalid to its scope or breadth, such provision shall be deemed valid to the extent of the scope or breadth permitted by law.

38.0 NOTICES

All notices or demands required or permitted to be given or made under this Agreement shall be in writing and shall be hand delivered with signed receipt or mailed by first-class registered or certified mail, postage prepaid, addressed to the parties at the following addresses. Notices shall be deemed given (i) at the time of signed receipt or refusal of receipt, in the case of hand delivery; and (ii) three (3) days after deposit in the United States mail, in the case of mail. Addresses may be changed by either party giving ten (10) days prior written notice thereof to the other party.

If to County:

(1) Auditor-Controller

Attention: Fernando Lemus
Los Angeles County Department of Auditor Controller, Audit Division
350 S. Figueroa St., 8th Floor
Los Angeles, CA 90071

If to Contractor:

Approva Corporation

Chief Financial Officer
1950 Roland Clark Place
Suite 300
Reston, VA 20191

39.0 ARM'S LENGTH NEGOTIATIONS

This Agreement is the product of arm's length negotiations between Contractor and County, with each party having had the opportunity to receive advice from and representation by independent counsel of its own choosing. As such, the parties agree that this Agreement is to be interpreted fairly as between them and is not to be strictly construed against either as the drafter or otherwise.

40.0 NONEXCLUSIVITY

Nothing herein is intended nor shall be construed as creating any exclusive arrangement with Contractor. This Agreement shall not restrict County from acquiring similar, equal or like goods and/or services from other entities or sources.

41.0 CAPTIONS AND PARAGRAPH HEADINGS

Captions and paragraph headings used in this Agreement are for convenience only, are not a part of this Agreement, and shall not be used in construing this Agreement. If there is a conflict when referencing a paragraph in this Agreement, between the paragraph heading title and its number, the paragraph heading title controls.

42.0 SURVIVAL

Unless otherwise specified herein, the provisions in the following Sections shall survive the expiration or termination of this Agreement.

- 5.0 Software License
- 11.0 Intellectual Property Warranty & Indemnification
- 15.0 Indemnification
- 16.0 Insurance
- 24.0 Disclosure of Information
- 25.0 Confidentiality
- 72.0 Compliance with Applicable Law
- 73.0 Fair Labor Standards
- 74.0 Compliance with Civil Rights Laws
- 76.0 Employment Eligibility Verification
- 79.0 Federal Access to Records
- 81.0 No Third Party Beneficiaries
- 92.0 Governing Law, Jurisdiction, and Venue
- 93.0 Validity

Any terms of this Agreement which by their nature extend beyond its termination remain in effect until fulfilled, and apply to respective successors and assignees.

43.0 NOTICE OF DELAYS

Exception as otherwise provided herein, when either party has knowledge that any actual or potential situation is delaying or threatens to delay the timely performance of this Agreement, that party shall, within five (5) business days, give notice thereof, including all relevant information with respect thereto, to the other party.

44.0 COUNTY AUDIT SETTLEMENTS

If, at any time during or after the term of this Agreement, representatives of County conduct an audit of Contractor regarding the work performed under this Agreement, and if such audit reasonably and accurately find that County's dollar liability for such work is less than payments made by County to Contractor, then the difference, together with County's reasonable costs of audit, shall be either repaid by Contractor to County by cash payment upon demand or deducted from any amounts due to Contractor from County, as determined by County. If such audit finds the County's dollar liability for such work is more than payments made by County to Contractor, then the difference shall be repaid to Contractor by cash payment.

[Section numbers 45.0 - 64.0 are reserved.]

65.0 TERMINATION FOR IMPROPER CONSIDERATION

65.1 County may, by written notice to Contractor, immediately terminate the right of Contractor to proceed under this Agreement if consideration, in any form, was offered or given by Contractor, either directly or through an intermediary, to any County officer, employee or agent with the intent of securing this Agreement or securing favorable treatment with respect to the award, amendment or extension of the Agreement or the making of any determinations with respect to the Contractor's performance pursuant to the Agreement. In the event of such termination, County shall be entitled to pursue the same remedies against Contractor as it could pursue in the event of default by Contractor.

65.2 Contractor shall immediately report any attempt by a County officer or employee to solicit such improper consideration. The report shall be made either to the County manager charged with the supervision of the employee or to the County's Auditor-Controller's Employee Fraud Hotline at (800) 544-6861.

65.3 Among other items, such improper consideration may take the form of cash, discounts, services, the provision of travel or entertainment, or tangible gifts.

66.0 TERMINATION FOR GRATUITIES

County may, by written notice to Contractor, terminate the right of Contractor to proceed under this Agreement upon one (1) calendar day's notice, if it is found that 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, employee, or agent of County with a view toward securing a contract or securing favorable treatment with respect to the awarding or amending, or the making of any determinations with respect to the performing, of such contract. In the event of such termination, County shall be entitled to pursue the same remedies against Contractor as it could pursue in the event of default by Contractor.

67.0 COUNTY'S OBLIGATION FOR FUTURE FISCAL YEARS

County's obligation may be limited if it is payable only and solely from funds appropriated for the purpose of this Agreement. Notwithstanding any other provision of this Agreement, County shall not be obligated for Contractor's performance hereunder or by any provision of this Agreement during any of County's future fiscal years unless and until County's Board of Supervisors appropriates funds for this Agreement in County's budget for each such future fiscal year. In the event that funds are not appropriated for this Agreement, then this Agreement shall terminate as of June 30 of the last fiscal year for which funds were appropriated. County will notify Contractor in writing of any such non-appropriation of funds at the earliest possible date.

68.0 RECORDS AND AUDITS

- 68.1 Contractor shall maintain accurate and complete financial records of its activities and operation relating to this Agreement in accordance with generally accepted accounting principles. Contractor agrees that County, or its authorized representatives, shall have access to and the right to examine, audit, excerpt, copy, or transcribe any pertinent transaction, activity, or records relating to this Agreement to the extent required by law. All such material shall be kept and maintained by Contractor during the term of this Agreement and for a period of five (5) years thereafter, unless County's written permission is given to dispose of any such material prior to such time. All such material shall be maintained by Contractor at a location in Los Angeles County, provided that if any such material is located outside Los Angeles County Contractor shall make the necessary arrangements at its own cost and expense to have such material made available to the County within the County's borders.
- 68.2 In the event that an audit is conducted of Contractor specifically regarding this Agreement by any Federal or State auditor, then Contractor shall file a copy of such audit report with County's Auditor-Controller within thirty (30) days of Contractor's receipt thereof, unless otherwise provided by applicable Federal or State law or under this Agreement. County shall make a reasonable effort to maintain the confidentiality of such audit report(s).
- 68.3 Failure on the part of Contractor to comply with any of the provisions of this Paragraph 68 shall constitute a breach of this Agreement upon which County may terminate or suspend this Agreement under the terms of Section 27.2, Termination for Default.

69.0 WARRANTY AGAINST CONTINGENT FEES

- 69.1 Contractor warrants that no person or selling agency has been employed or retained to solicit or secure this Agreement upon any 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 Contractor for the purpose of securing business.
- 69.2 For breach of this warranty, County shall have the right to terminate this Agreement and, at its sole discretion, deduct from the fees owed, or otherwise recover, the full amount of such commission, percentage, brokerage, or contingent fee.

70.0 MOST FAVORED PUBLIC ENTITY

Should Contractor, at any time during the term of this Agreement, provide the identical software, software models, components, goods or services under similar quantity and delivery conditions to the State of California or any county, municipality, or district of the State of California at prices below those set forth in this Agreement, then such lower prices shall be immediately extended to County. County shall have the right, at County's expense, to utilize a County auditor or an independent auditor to verify Contractor's compliance with this Section 70.0 by review of Contractor's books and records.

71.0 CONFLICT OF INTEREST

- 71.1 No County employee whose position with County enables such employee to influence the award of this Agreement or any competing agreements shall be employed in any capacity by Contractor or have any other direct financial interest in this Agreement. No officer or employee of Contractor, who may financially benefit from the performance of work hereunder, shall in any

way participate in County's approval or ongoing evaluation of such work, or in any way attempt to unlawfully influence County's approval or ongoing evaluation of such work.

- 71.2 Contractor shall comply with all conflict of interest laws, ordinances and regulations now in effect or hereafter to be enacted during the term of this Agreement which are applicable to it as a Software and Services provider. Contractor warrants that it is not now aware of any facts which do create an unlawful conflict of interest for Contractor. If a party hereafter becomes aware of any facts, which might reasonably be expected to create an unlawful conflict of interest for it, it shall immediately make full written disclosure of such facts to County. Full written disclosure shall include, but is not limited to, identification of all persons implicated and a complete description of all relevant circumstances.

72.0 COMPLIANCE WITH APPLICABLE LAWS

- 72.1 Contractor's activities hereunder shall comply with all applicable Federal, State, and local laws, rules, regulations, ordinances, guidelines and directives, which apply to this Agreement and all provisions required thereby to be included in this Agreement are hereby incorporated herein by reference. Contractor shall have up to fifteen (15) days to correct any noncompliance with such rules, regulations, ordinances, guidelines and directives following written notice from County including written copies of such applicable rules, regulations, ordinances, guidelines and/or directives.

- 72.2 Contractor shall indemnify, defend, and hold harmless County, its officers, employees, and agents from and against any and all liability (including but not limited to claims, demands, damages, liabilities, losses, costs and expenses, including, but not limited to, defense costs and legal, accounting and other expert, consulting or professional fees) arising from or related to any violation on the part of Contractor, its employees, agents or subcontractors of any such laws, rules, regulations, ordinances, guidelines or directives. Any legal defense pursuant to Contractor's indemnification obligations under this Section 72.2 shall be conducted by Contractor and performed by counsel selected by Contractor. Notwithstanding the preceding sentence, County shall have the right to participate in any such defense at its sole cost and expense.

73.0 FAIR LABOR STANDARDS

Contractor shall comply with all applicable provisions of the Federal Fair Labor Standards Act, and shall indemnify, defend, and hold harmless County, its officers, and employees from any and all third party liability for, wages, overtime pay, liquidated damages, penalties, court costs and attorneys' fees arising from acts engaged in by Contractor in violation of applicable wage and hour laws in the State of California and in the Federal Fair Labor Standards Act, for work performed by Contractor's employees for which County may be found jointly or solely liable, provided that County: (i) promptly notifies Contractor in writing of the claim; and (ii) allows Contractor to control, and cooperate with Contractor in, the defense and any related settlement negotiations.

74.0 COMPLIANCE WITH CIVIL RIGHTS LAWS

- 74.1 Contractor herein certifies and agrees, and will re-certify upon County request no more frequently than once per year, that all persons employed by it, its affiliates, subsidiaries and holding companies will be treated equally without regard to or because of race, color, religion, ancestry, national origin, sex, age, physical or mental handicap, marital status or political affiliation, in compliance with all applicable Federal and State anti-discrimination laws and regulations.

- 74.2 Contractor shall, pursuant to Los Angeles County Code Section 4.32, certify to and comply with the provisions of the Contractor's EEO Certification attached as Exhibit G.
- 74.3 Contractor shall ensure that applicants and employees are treated equally during employment, without regard to race, color, religion, ancestry, national origin, sex, age, physical or mental handicap, marital status or political affiliation, in compliance with all applicable Federal and State anti-discrimination laws and regulations. Such action shall include, but is not limited to: employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship.
- 74.4 Contractor herein certifies and agrees, and will re-certify upon County request no more frequently than once per year, that it will deal with its subcontractors, bidders or vendors without regard to or because of race, color, religion, ancestry, national origin, sex, age, physical or mental handicap, marital status or political affiliation, except to the extent necessary to comply with applicable Federal and State anti-discrimination laws and regulations.
- 74.5 Contractor herein certifies, and will re-certify upon County request no more frequently than once per year, that it, its affiliates, subsidiaries and holding companies are in compliance with all Federal, State, and local laws including, but not limited to:
1. Title VII, Civil Rights Act of 1964;
 2. Section 504, Rehabilitation Act of 1973;
 3. Age Discrimination Act of 1975;
 4. Title IX, Education Amendments of 1973, as applicable; and
 5. Title 43, Part 17, Code of Federal Regulations, Subparts A & B,
- and that no person shall, on the grounds of race, creed, color, national origin, political affiliation, marital status, sex, age, or handicap, be subject to discrimination as to any privileges or uses gained under this Agreement or under any project, program or activity supported by this Agreement.
- 74.6 Contractor shall allow County representatives access to Contractor's employment records during regular business hours to verify compliance with the provisions of this Paragraph 43 when so requested by County.
- 74.7 If County finds that any of the provisions of this Paragraph 74 have been violated, such violation shall, at the election of County, constitute a material breach of this Agreement upon which County may terminate or suspend this Agreement at County's option, either for material breach under Paragraph 27 of this Agreement, or for convenience under Paragraph 28 of this Agreement. While County reserves the right to determine independently that the anti-discrimination provisions of this Agreement have been violated, in addition, a determination by the California Fair Employment Practices Commission or the Federal Equal Employment Opportunity Commission that Contractor has violated State or Federal anti-discrimination laws or regulations shall constitute a finding by County that Contractor has violated the anti-discrimination provisions of this Agreement.
- 74.7 The parties agree that in the event Contractor is found to have violated the anti-discrimination provisions of this Agreement, and that such discrimination was directly associated with the performance of services provided under this Agreement, County may require, pursuant to Los Angeles County Code Section 4.32.010 (E), that Contractor pay the sum of Five hundred Dollars

(\$500) for each such violation, in lieu of termination or suspension hereof, as liquidated damages are extremely difficult to ascertain or calculate precisely. In the alternative, County may elect to terminate this Agreement pursuant to Paragraph 27, Termination for Default.

75.0 RESTRICTIONS ON LOBBYING

75.1 Federal Funds Projects

If any Federal funds are to be used to pay for any portion of Contractor's work under this Agreement, County shall notify Contractor in writing in advance of such payment and Contractor shall fully comply with all certification and disclosure requirements prescribed by Section 319 of Public law 101-121 (31 United States Code Section 1352) and any implementing regulations, and shall ensure that each of its subcontractors receiving funds provided under this Agreement also fully complies with all applicable certification and disclosure requirements.

75.2 County Projects

Contractor, and each County lobbyist or County lobbying firm, as defined in Los Angeles County Code Section 2.160.010, retained by Contractor, shall fully comply with County's Lobbyist Ordinance, Los Angeles County Code Chapter 2.160. Failure on the part of Contractor or any County lobbyist or County lobbying firm retained by Contractor to fully comply with County Lobbyist Ordinance shall constitute a material breach of this Agreement, upon which County may immediately terminate or suspend this Agreement at County's option, either for material breach under Paragraph 26 of this Agreement, or for convenience under Paragraph 27 of this Agreement.

76.0 EMPLOYMENT ELIGIBILITY VERIFICATION

76.1 Contractor warrants that it fully complies with all Federal and State statutes and regulations regarding employment of aliens and others and that all its employees performing Services under this Agreement meet the citizenship or alien status requirements contained in federal and state statutes and regulations including, but not limited to, the Immigration Reform and Control Act of 1986 (P.L. 99-603).

76.2 Contractor shall obtain from all employees performing under this Agreement all verification and other documentation of employment eligibility status required by Federal statutes and regulations as they currently exist and as they may be hereafter amended. Contractor shall retain such documentation for the period prescribed by law.

76.3 Contractor shall indemnify, defend, and hold harmless County, its officers, employees and agents from and against any and all claims, demands, damages, liabilities, losses, costs, and expenses, including, but not limited to, defense costs and legal, accounting and other expert, consulting or professional fees, arising out of or in connection with any employer sanctions and any other liability which may be assessed against Contractor or County in connection with any alleged violation of any Federal or State statutes or regulations pertaining to the eligibility for employment of any persons performing work under this Agreement.

77.0 CONTRACT HIRING

77.1 Consideration of Hiring County Employees Targeted for Layoffs

Should Contractor require additional or replacement personnel after the effective date of this Agreement to perform the work set forth herein, Contractor shall give first consideration for such employment openings to permanent County employees who are targeted for layoff or qualified former County employees who are on a re-employment list during the term of this Agreement.

77.2 Consideration of GAIN/GROW Program Participants for Employment

Should Contractor require additional or replacement personnel after the Effective Date, Contractor shall give consideration for any such employment openings to participants in the County's Department of Public Social Services' Greater Avenues for Independence (GAIN) Program or General Relief Opportunity for Work (GROW) Program who meet Contractor's minimum qualifications for the open position. For this purpose, consideration shall mean that Contractor will interview qualified candidates. County will refer GAIN participants by job category to Contractor.

In the event that both laid-off County employees and GAIN/GROW participants are available for hiring, Contractor shall give County employees first priority.

77.3 Prohibition against Inducement and Persuasion

Contractor and County agree that, during the term of this Agreement and for a period of one (1) year thereafter, neither party shall in any way intentionally induce or persuade any employee of one party to become an employee or agent of the other party. Notwithstanding the foregoing, such prohibition shall not apply to any hiring action initiated through a public announcement.

77.4 Notice to Employees Regarding the Federal Earned Income Credit

If required by applicable law, Contractor shall notify its employees, and shall require each subcontractor to notify its employees, that they may be eligible for the Federal Earned Income Credit under the Federal income tax laws. Such notice shall be provided, in accordance with the requirements set forth in Internal Revenue Service Notice 1015.

78.0 CONTRACTOR RESPONSIBILITY AND DEBARMENT

78.1 Responsible Contractor

A responsible contractor is a contractor who has demonstrated the attribute of trustworthiness, as well as quality, fitness, capacity and experience to satisfactorily perform the contract. It is the County's policy to conduct business only with responsible contractors.

78.2 Chapter 2.202 of the County Code

The Contractor is hereby notified that, in accordance with Chapter 2.202 of the County Code, if the County acquires information concerning the performance of the Contractor on this or other contracts which indicates that the Contractor is not responsible, the County may, in addition to other remedies provided in the Agreement, debar the Contractor from bidding or proposing on, or being awarded, and/or performing work on County contracts for a specified period of time, which generally will not exceed five years but may exceed five years or be permanent if warranted by the circumstances, and terminate any or all existing contracts the Contractor may have with the County.

78.3 Non-responsible Contractor

The County may debar a contractor if the Board of Supervisors finds, in its discretion, that the contractor has done any of the following: (1) violated a term of a contract with the County or a nonprofit corporation created by the County, (2) committed an act or omission which negatively reflects on the contractor's quality, fitness or capacity to perform a contract with the County, any other public entity, or a nonprofit corporation created by the County, or engaged in a pattern or practice which negatively reflects on same, (3) committed an act or offense which indicates a lack of business integrity or business honesty, or (4) made or submitted a false claim against the County or any other public entity.

78.4 Contractor Hearing Board

- 78.4.1 If there is evidence that the Contractor may be subject to debarment, the Department will notify the Contractor in writing of the evidence which is the basis for the proposed debarment and will advise the Contractor of the scheduled date for a debarment hearing before the Contractor Hearing Board.
- 78.4.2 The Contractor Hearing Board will conduct a hearing where evidence on the proposed debarment is presented. The Contractor and/or the Contractor's representative shall be given an opportunity to submit evidence at that hearing. After the hearing, the Contractor Hearing Board shall prepare a tentative proposed decision, which shall contain a recommendation regarding whether the Contractor should be debarred, and, if so, the appropriate length of time of the debarment. The Contractor and the Department shall be provided an opportunity to object to the tentative proposed decision prior to its presentation to the Board of Supervisors.
- 78.4.3 After consideration of any objections, or if no objections are submitted, a record of the hearing, the proposed decision, and any other recommendation of the Contractor Hearing Board shall be presented to the Board of Supervisors. The Board of Supervisors shall have the right to modify, deny, or adopt the proposed decision and recommendation of the Contractor Hearing Board.
- 78.4.4 If Contractor has been debarred for a period longer than five (5) years, Contractor may after the debarment has been in effect for at least five (5) years, submit a written request for review of the debarment determination to reduce the period of debarment or terminate the debarment. The County may, in its discretion, reduce the period of debarment or terminate the debarment if it finds that the Contractor has adequately demonstrated one or more of the following: (1) elimination of the grounds for which the debarment was imposed; (2) a bona fide change in ownership or management; (3) material evidence discovered after debarment was imposed; or (4) any other reason that is in the best interests of the County.
- 78.4.5 The Contractor Hearing Board will consider a request for review of a debarment determination only where (1) the contractor has been debarred for a period longer than five (5) years; (2) the debarment has been in effect for at least five (5) years; and (3) the request is in writing, states one or more of the grounds for reduction of the debarment period or termination of the debarment, and includes supporting documentation. Upon receiving an appropriate request, the Contractor Hearing Board will provide notice of the hearing on the request. At the hearing, the Contractor Hearing Board shall conduct a hearing where evidence on the proposed reduction of debarment period or termination of debarment is presented. This hearing shall be conducted and the request for review decided by the Contractor Hearing Board pursuant to the same procedures as for a debarment hearing.

78.4.6 The Contractor Hearing Board's proposed decision shall contain a recommendation on the request to reduce the period of debarment or terminate the debarment. The Contractor Hearing Board shall present its proposed decision and recommendation to the Board of Supervisors. The Board of Supervisors shall have the right to modify, deny, or adopt the proposed decision and recommendation of the Contractor Hearing Board.

78.5 Subcontractors of Contractor

These terms shall also apply to subcontractors of Contractor.

79.0 FEDERAL ACCESS TO RECORDS

If, and to the extent that Section 1861(v)(1)(I) of the Social Security Act (42 United States Code Section 1395x(v)(1)(i) is applicable, Contractor agrees that for a period of four (4) years following the furnishing of services under this Agreement, Contractor shall maintain and make available, upon written request, to the Secretary of the United States Department of Health and Human Services or the Comptroller General of the United States or to any of their authorized representatives, the contracts, books, documents and records of Contractor which are necessary to verify the nature and extent of the costs of services provided hereunder. Furthermore, if Contractor carries out any of the services described in 42 United States Code Section 1395 through any subcontract with a value or cost of Ten Thousand Dollars (\$10,000) or more over a twelve month period with a related organization (as that term is defined under Federal law), Contractor agrees that each such subcontract shall provide for such access to the subcontract, books, documents, and records of the subcontractor.

80.0 LICENSES, PERMITS, REGISTRATIONS, ACCREDITATIONS AND CERTIFICATES

Contractor shall obtain and maintain in effect during the term of this Agreement all licenses, permits, registrations, accreditations and certificates required by all Federal, State, and local laws, ordinances, rules, regulations, guidelines and directives, which are applicable to Contractor's provision of the Services under this Agreement. Contractor shall further ensure that all of its officers, employees, agents and Subcontractors who perform Services hereunder, shall obtain and maintain in effect during the term of this Agreement all licenses, permits, registrations, accreditations and certificates which are applicable to their performance hereunder. A copy of each such license, permit, registration, accreditation and certificate required by all applicable Federal, State, and local laws, ordinances, rules, regulations, guidelines and directives shall be provided, if required by law, in duplicate, to the Auditor-Controller's Audit Division, Attention:

Fernando Lemus
Los Angeles County Department of Auditor-Controller, Audit Division
350 S. Figueroa St., 8th Floor
Los Angeles, CA 90071

81.0 NO THIRD PARTY BENEFICIARIES

Notwithstanding any other provision of this Agreement, Contractor and County do not in any way intend that any person or entity shall acquire any rights as a third party beneficiary of this Agreement, except that this provision shall not be construed to diminish Contractor's indemnification obligations hereunder.

82.0 CONTRACTOR PERFORMANCE DURING CIVIL UNREST AND DISASTER

Contractor recognizes that County provides services essential to the residents of the communities it serves, and that these services are of particular importance at the time of a riot, insurrection, civil unrest, natural disaster or similar event. Notwithstanding any other provision of this Agreement, full performance by Contractor during any riot, insurrection, civil unrest, natural disaster or similar event is not excused if such performance remains physically possible without related danger to Contractor's or subcontractors' employees and suppliers. During any such event in which the health or safety of any of Contractor's staff members would be endangered by performing their services on-site, such staff members may perform any or all of their services remotely.

83.0 DAMAGE TO COUNTY FACILITIES, BUILDINGS OR GROUNDS

83.1 Contractor shall repair, or cause to be repaired, at its own cost, any and all damage to County facilities, buildings, or grounds caused by Contractor or employees or agents of Contractor. Such repairs shall be made immediately after Contractor has become aware of such damage, but in no event later than thirty (30) days after the occurrence.

83.2 If Contractor fails to make timely repairs, County may make any necessary repairs. All costs incurred by County, as determined by County, for such repairs shall be repaid by Contractor by cash payment upon demand or, without limitation of all County's other rights and remedies provided by law or under this Agreement, County may deduct such costs from any amounts due Contractor from County under this Agreement.

84.0 ACCESS TO COUNTY FACILITIES

Contractor, its employees and agents, will be granted access to County facilities, subject to Contractor's prior notification to County's Project Manager, for the purpose of executing Contractor's obligations hereunder. Access to County facilities shall be restricted to normal business hours, 8:00 a.m. until 5:00 p.m., Pacific Time, Monday through Friday, County observed holidays excepted. Access to County facilities outside of normal business hours must be approved in writing in advance by County's Project Manager, which approval will not be unreasonably withheld. Contractor shall have no tenancy, or any other property or other rights, in County facilities. While present at County facilities, Contractor's personnel shall be accompanied by County personnel at all times, unless this requirement is waived in writing prior to such event by County's Project Manager.

85.0 COUNTY FACILITY OFFICE SPACE

In order for Contractor to perform Services hereunder and only for the performance of such Services, County may elect, subject to County's standard administrative and security requirements, to provide Contractor with office space and equipment, as determined at the discretion of the applicable County's Project Manager at County facilities, on a non-exclusive use basis. County shall also provide Contractor with reasonable telephone service in such office space for use only for purposes of this Agreement. County disclaims any and all responsibility for the loss, theft or damage of any property or material left at such County office space by Contractor.

86.0 PHYSICAL ALTERATIONS

Contractor shall not in any way physically alter or improve any County facility without the prior written approval of the applicable County's Project Manager or Project Director, in their discretion.

87.0 STAFF PERFORMANCE WHILE UNDER THE INFLUENCE

Contractor shall use reasonable efforts to ensure that no employee of Contractor shall perform services hereunder while under the influence of any alcoholic beverage, medication, narcotic or other substance which might impair his or her physical or mental performance.

88.0 SAFELY SURRENDERED BABY LAW

88.1 As required by applicable law, Contractor shall notify and provide to its employees, and shall require each subcontractor to notify and provide to its employees, a fact sheet regarding the Safely Surrender Baby Law, its implementation in Los Angeles County, and where and how to safely surrender a baby. The fact sheet is available on the Internet at <http://babysafela.org> for printing purposes.

88.2 Contractor acknowledges that County places a high priority on the implementation of the Safely Surrendered Baby Law. Contractor understands that it is County's policy to encourage all County contractors to voluntarily post County's "Safely Surrendered Baby Law" poster in a prominent position at Contractor's place of business. Contractor will also encourage its subcontractors, if any, to post this poster in a prominent position in the subcontractor's place of business. County's Department of Children and Family Services will supply Contractor with the poster to be used.

89.0 RECYCLED PAPER

Consistent with the County's Board of Supervisors' policy to reduce the amount of solid waste deposited at the County landfills, Contractor agrees to use recycled-content paper to the maximum extent possible in this Project.

90.0 COMPLIANCE WITH THE COUNTY'S JURY SERVICE PROGRAM

90.1 Jury Service Program

This Agreement is subject to the provisions of the County's ordinance entitled Contractor Employee Jury Service ("Jury Service Program") as codified in Sections 2.203.020 through 2.203.090 of the Los Angeles County Code, a copy of which is attached as Exhibit H and incorporated herein.

90.2 Written Employee Jury Service Policy

90.2.1 Unless Contractor has demonstrated to the County's satisfaction either that Contractor is not a "Contractor" as defined under the Jury Service Program (Section 2.203.020 of the County Code) or that Contractor qualifies for an exception to the Jury Service Program (Section 2.203.070 of the County Code), Contractor shall have and adhere to a written policy that provides that its Employees shall receive from the Contractor, on an annual basis no less than five days of regular pay for actual jury service. The policy may provide that Employees deposit any fees received for such jury service with the Contractor or that the Contractor deduct from the Employee's regular pay the fees received for jury service.

90.2.2 For purposes of this Section, “Contractor” means a person, partnership, corporation or other entity which has a contract with the County or a subcontract with a County contractor and has received or will receive an aggregate sum of \$50,000 or more in any 12 month period under one or more County contracts or subcontract. “Employee” means any California resident who is a full time employee of Contractor. “Full time” means 40 hours or more worked per week, or a lesser number of hours if the lesser number is a recognized industry standard and is approved as such by the County. If Contractor uses any subcontractor to perform services for the County under the Contract, the subcontractor shall also be subject to the provisions of this Section. The provisions of this Section shall be inserted into any such subcontract agreement and a copy of the Jury Service Program shall be attached to the agreement.

90.2.3 If Contractor is not required to comply with the Jury Service Program when the Contract commences, Contractor shall have a continuing obligation to review the applicability of its “exception status” from the Jury Service Program, and Contractor shall immediately notify County if Contractor at any time either comes within the Jury Service Program’s definition of “Contractor” or if Contractor no longer qualifies for an exception to the Program. In either event, Contractor shall immediately implement a written policy consistent with the Jury Service Program’s definition of “Contractor” and/or Contractor continues to qualify for an exception to the Program.

90.2.4 Contractor’s violation of this Section of the contract may constitute a material breach of the Contract. In the event of such material breach, County may, in its sole discretion, terminate the Contract and/or bar Contractor from the award of future County contracts for a period of time consistent with the seriousness of the breach.

91.0 CONTRACTOR’S WARRANTY OF ADHERENCE TO COUNTY’S CHILD SUPPORT COMPLIANCE PROGRAM

91.1 The Contractor acknowledges that the County has established a goal of ensuring that all individuals who benefit financially from the County through Contract are in compliance with their court ordered child, family and spousal support obligations in order to mitigate the economic burden otherwise imposed upon the County and its taxpayers.

91.2 As required by the County’s Child Support Compliance Program (County Code Chapter 2.200) and without limiting the Contractor’s duty under this Contract to comply with all applicable provisions of law, the Contractor shall comply with employment and wage reporting requirements as required by the Federal Social Security Act (42 USC Section 653a) and California Unemployment Insurance Code Section 1073.5 relating to employment reporting for its employees, and shall fully comply with all lawfully served Wage and Earnings Withholding Orders or Child Support Services Department Notices of Wage and Earnings Assignment for Child Family or Spousal Support, pursuant to Code of Civil Procedure Section 706.031 and Family Code Section 5246(b).

91.3 Failure to comply with such state and federal reporting requirements, or failure to fully implement such lawfully served Orders or Notices, constitutes a default under the contract, and failure to cure the default within 90 days of notice by the County shall subject the contract to termination. Furthermore Contractor’s failure to comply with these requirements may be cause for debarment.

92.0 GOVERNING LAW, JURISDICTION, AND VENUE

This Contract shall be governed by, and construed in accordance with, the laws of the State of California. The Contractor agrees and consents to the exclusive jurisdiction of the courts of the State of California for all purposes regarding this Contract and further agrees and consents that venue of any action brought hereunder shall be exclusively in the County of Los Angeles.

93.0 VALIDITY

If any provision of this Contract or the application thereof to any person or circumstance is held invalid, the remainder of this Contract and the application of such provision to other persons or circumstances shall not be affected thereby.

IN WITNESS WHERE OF, the parties enter into this Agreement as the Effective Date.

Vendor Name: APPROVA CORPORATION

COUNTY OF LOS ANGELES

By: Leonard P. Kurtzman
(Authorized Signature)

By: _____
(Authorized Signature)

Name: LEONARD P. KURTZMAN
(Please Print)

Name: Wendy L. Watanabe
(Please Print)

Title: CFO

Title: Auditor-Controller

Date: 9/18/09

Date: _____

Approved as to form:

By: Thomas Fagan
(Authorized Signature)

Name: Tom Fagan
(Please Print)

Title: Princ. Dep. County Counsel

Date: 10-7-09

UPK

EXHIBIT C

SOFTWARE PRODUCT LIST AND PRICING SCHEDULE

Software Licensing Costs

1. Software licenses for the application software

Purchase to Payment	\$ 50,000
General Ledger	\$ 50,000
Authorizations Insight (SOD)	\$ 60,000
BizRights Platform	\$ 80,000
Insight Studio for CGI	\$ 40,000
Total =	\$ 280,000

2. **Other Licenses:** Approva has applied an enterprise license agreement discount to the minimum configuration requested above. For a period of 12 months from the Acceptance Date, the County of Los Angeles may purchase additional process insights at the discounted rate of \$50,000 per module.

Training, Software Support Maintenance & Others

1. Annual Maintenance per module

Purchase to Payment	@ 20% x \$ 50,000(license cost) = \$ 10,000
General Ledger	@ 20% x \$ 50,000(license cost) = \$ 10,000
Authorizations Insight	@ 20% x \$ 60,000(license cost) = \$ 12,000
BizRights Platform	@ 20% x \$ 80,000(license cost) = \$ 16,000
Insight Studio for CGI	@ 20% x \$ 40,000(license cost) = \$ 8,000
Subtotal	\$ 56,000

Note: Annual Maintenance & Support Service Fees for the initial year of Maintenance and Support Services will be for a period of 15 months from the Acceptance Date and shall be due and payable within sixty (60) days of the Acceptance Date. Thereafter, annual Maintenance & Support Service Fees will be for a 12 month period and shall be due and payable within thirty (30) days of the invoice date.

2. Training per module \$ 2,000/ day
 - a. Purchase to Payment \$ 4,000 (see Note)
 - b. General Ledger \$ Included (See Note)
 - c. BizRights platform \$ 4,000
 - d. Insight Studio \$ 4,000
 - e. Authorizations Insight \$ 4,000

Note: The modules a-b will be covered during the training for module a.

3. Other (Please specify): _____

Each module = \$ _____

Professional Services

1. Application and system software implementation & configuration services

(Consultant services) per module

a. Purchase to Payment	\$ 56,306
b. General Ledger	\$ 49,550
c. BizRights Platform	\$ 22,523
d. Authorizations Insight	\$ 96,847

Hourly Rate \$ 218.75 or \$1,750.00 per day

Total = \$ 225,226

All travel & misc. expenses included in the cost of the above items. Training costs are separate and called out in the Training Support and Software Maintenance section.

Assumptions:

- BizRights platform – There are 3 BizRights environments (1 Development Environment, 1 Production environment for Authorizations Insight and 1 Production Environment for Process Insights)
- Authorizations Insight – Approva will build up to 5 SOD custom rules for 5 identified business process including Procure to Pay, General Ledger and three (3) other mutually agreed upon areas.
- Process Insights - Approva estimates that the Process Insights requirements translate to approximately 34 rules for Procure to Pay and 12 rules for General Ledger. Should major adjustments be made to any requirements, Approva will work with the customer to re-scope the rule configuration estimates.
- Approva assumes that the Customer will provide the subject matter expertise on the business requirements and any custom tables that have been created for the CGI Advantage system
- Approva will perform as much work in a remote manner as possible in order to reduce T&E. Should re-scope of rules or controls be necessary and travel funds are available, Approva and the customer agree these funds could be used for Service hours as opposed to using the money for T & E.

In addition, an amount of ten percent (10%) from payment of each deliverable will be withheld for deferred payment until the end of the project when the last deliverable is fully accepted by the County.

Software Licensing Costs (Future Phases):

Additional licenses may be purchased based on funding availability and if deemed to be in the best interest of the County.

Based on the minimum configuration above Approva will extend a software price of \$50,000 per additional insight for a period of 12 months from the execution of this contract. Software maintenance on any module purchased under this proposal will be 20% of the additional license fees. Relevant services for configuration, etc... must be scoped by Approva and the same daily rate of \$1,750 a day shall apply.

Specifications:

For purposes of this Agreement, including without limitation, Section 8.0, the term “Specifications” shall mean that the Software has been installed and configured on a County server in such a way that the Software can successfully start up on command.

EXHIBIT D

NOT USED

EXHIBIT E

PARTICIPATING ENTITIES

PARTICIPATING PUBLIC AGENCIES

COUNTY AND VENDOR AGREE THAT OTHER GOVERNMENTAL ENTITIES, INCLUDING BUT NOT LIMITED TO: STATES, COUNTIES, CITIES, SPECIAL DISTRICTS, POLITICAL SUBDIVISIONS, SCHOOL DISTRICTS, HIGHER EDUCATION, AND OTHER MUNICIPALITIES ("PARTICIPATING PUBLIC AGENCIES") MAY PURCHASE PRODUCTS OR SERVICES DEFINED HEREIN ON THE SAME TERMS, CONDITIONS AND PRICING AS THE COUNTY, SUBJECT TO ANY APPLICABLE LOCAL PURCHASING ORDINANCES AND THE LAWS OF THE STATE OF PURCHASE.

THE COUNTY SHALL NOT BE CONSTRUED AS A DEALER, RE-MARKETER, REPRESENTATIVE, PARTNER OR AGENT OF ANY TYPE OF THE SUPPLIER.

PARTICIPATING PUBLIC AGENCIES SHALL BE RESPONSIBLE FOR THE ORDERING OF PRODUCTS UNDER THIS AGREEMENT. PAYMENT FOR PRODUCTS OR SERVICES AND INSPECTIONS AND ACCEPTANCE OF PRODUCTS OR SERVICES ORDERED BY A PARTICIPATING PUBLIC AGENCY SHALL BE THE EXCLUSIVE OBLIGATION OF SUCH PROCURING PARTY.

THE COUNTY SHALL NOT BE OBLIGATED, LIABLE OR RESPONSIBLE FOR ANY ORDER MADE BY ANY PARTICIPATING PUBLIC AGENCY OR ANY EMPLOYEE THEREOF FOR ANY PAYMENT REQUIRED TO BE MADE WITH RESPECT TO SUCH ORDER; AND THAT ANY DISPUTES BETWEEN A PARTICIPATING PUBLIC AGENCY AND THE VENDOR ARE NOT THE RESPONSIBILITY OF THE COUNTY. THE EXERCISE OF ANY RIGHTS OR REMEDIES BY THE PARTICIPATING PUBLIC AGENCY OR VENDOR SHALL BE THE EXCLUSIVE OBLIGATION OF SUCH PARTY.

THE COUNTY MAKES NO REPRESENTATION OR GUARANTY WITH RESPECT TO ANY MINIMUM PURCHASES BY THE COUNTY OR ANY PARTICIPATING PUBLIC AGENCY.

EXHIBIT F

CONTRACTOR ACKNOWLEDGEMENT AND CONFIDENTIALITY AGREEMENT

(Note: This certification is to be executed and returned to County with Contractor's executed Contract. Work cannot begin on the Contract until County receives this executed document.)

CONTRACTOR NAME _____ Contract No. _____

GENERAL INFORMATION:

The Contractor referenced above has entered into a contract with the County of Los Angeles to provide certain services to the County. The County requires the Corporation to sign this Contractor Acknowledgement and Confidentiality Agreement.

CONTRACTOR ACKNOWLEDGEMENT:

Contractor understands and agrees that the Contractor employees, consultants, Outsourced Vendors and independent contractors (Contractor's Staff) that will provide services in the above referenced agreement are Contractor's sole responsibility. Contractor understands and agrees that Contractor's Staff must rely exclusively upon Contractor for payment of salary and any and all other benefits payable by virtue of Contractor's Staff's performance of work under the above-referenced contract.

Contractor understands and agrees that Contractor's Staff are not employees of the County of Los Angeles for any purpose whatsoever and that Contractor's Staff do not have and will not acquire any rights or benefits of any kind from the County of Los Angeles by virtue of my performance of work under the above-referenced contract. Contractor understands and agrees that Contractor's Staff will not acquire any rights or benefits from the County of Los Angeles pursuant to any agreement between any person or entity and the County of Los Angeles.

CONFIDENTIALITY AGREEMENT:

Contractor and Contractor's Staff may be involved with work pertaining to services provided by the County of Los Angeles and, if so, Contractor and Contractor's Staff may have access to confidential data and information pertaining to persons and/or entities receiving services from the County. In addition, Contractor and Contractor's Staff may also have access to proprietary information supplied by other vendors doing business with the County of Los Angeles. The County has a legal obligation to protect all such confidential data and information in its possession, especially data and information concerning health, criminal, and welfare recipient records. Contractor and Contractor's Staff understand that if they are involved in County work, the County must ensure that Contractor and Contractor's Staff, will protect the confidentiality of such data and information. Consequently, Contractor must sign this Confidentiality Agreement as a condition of work to be provided by Contractor's Staff for the County.

Contractor and Contractor's Staff hereby agrees that they will not divulge to any unauthorized person any data or information obtained while performing work pursuant to the above-referenced contract between Contractor and the County of Los Angeles. Contractor and Contractor's Staff agree to forward all requests for the release of any data or information received to County's Project Manager.

Contractor and Contractor's Staff agree to keep confidential all health, criminal, and welfare recipient records and all data and information pertaining to persons and/or entities receiving services from the County, design concepts, algorithms, programs, formats, documentation, Contractor proprietary information and all other original materials produced, created, or provided to Contractor and Contractor's Staff under the above-referenced contract. Contractor and Contractor's Staff agree to protect these confidential materials against disclosure to other than Contractor or County employees who have a need to know the information. Contractor and Contractor's Staff agree that if proprietary information supplied by other County vendors is provided to me during this employment, Contractor and Contractor's Staff shall keep such information confidential.

Contractor and Contractor's Staff agree to report any and all violations of this agreement by Contractor and Contractor's Staff and/or by any other person of whom Contractor and Contractor's Staff become aware.

Contractor and Contractor's Staff acknowledge that violation of this agreement may subject Contractor and Contractor's Staff to civil and/or criminal action and that the County of Los Angeles may seek all possible legal redress.

SIGNATURE: Leonard P. Kurtzman DATE: 9 / 18 / 09
PRINTED NAME: LEONARD P. KURTZMAN
POSITION: CFO

EXHIBIT G

CONTRACTOR'S EEO CERTIFICATION

Approva Corporation
Contractor Name
1950 Roland Clarke Pl., Ste 300, Reston, VA 20191
Address
52-2360679
Internal Revenue Service Employer Identification Number

GENERAL CERTIFICATION

In accordance with Section 4.32.010 of the Code of the County of Los Angeles, the contractor, supplier, or vendor certifies and agrees that all persons employed by such firm, its affiliates, subsidiaries, or holding companies are and will be treated equally by the firm without regard to or because of race, religion, ancestry, national origin, or sex and in compliance with all anti-discrimination laws of the United States of America and the State of California.

CONTRACTOR'S SPECIFIC CERTIFICATIONS

1. The Contractor has a written policy statement prohibiting discrimination in all phases of employment. Yes ☒ No ☐
2. The Contractor periodically conducts a self analysis or utilization analysis of its work force. Yes ☒ No ☐
3. The Contractor has a system for determining if its employment practices are discriminatory against protected groups. Yes ☒ No ☐
4. Where problem areas are identified in employment practices, the Contractor has a system for taking reasonable corrective action, to include establishment of goals or timetables. Yes ☒ No ☐

LEONARD P. KURTZMAN CFO
Authorized Official's Printed Name and Title
Leonard P. Kurtzman 9/18/09
Authorized Official's Signature Date

EXHIBIT H

CONTRACTOR EMPLOYEE JURY SERVICE

2.203.010 Findings.

The board of supervisors makes the following findings. The county of Los Angeles allows its permanent, full-time employees unlimited jury service at their regular pay. Unfortunately, many businesses do not offer or are reducing or even eliminating compensation to employees who serve on juries. This creates a potential financial hardship for employees who do not receive their pay when called to jury service, and those employees often seek to be excused from having to serve. Although changes in the court rules make it more difficult to excuse a potential juror on grounds of financial hardship, potential jurors continue to be excused on this basis, especially from longer trials. This reduces the number of potential jurors and increases the burden on those employers, such as the county of Los Angeles, who pay their permanent, full-time employees while on juror duty. For these reasons, the county of Los Angeles has determined that it is appropriate to require that the businesses with which the county contracts possess reasonable jury service policies. (Ord. 2002-0015 § 1 (part), 2002)

2.203.020 Definitions.

The following definitions shall be applicable to this chapter:

- A. “Contractor” means a person, partnership, corporation or other entity which has a contract with the county or a subcontract with a county contractor and has received or will receive an aggregate sum of \$50,000 or more in any 12-month period under one or more such contracts or subcontracts.
- B. “Employee” means any California resident who is a full-time employee of a contractor under the laws of California.
- C. “Contract” means any agreement to provide goods to, or perform services for or on behalf of, the county but does not include:
 - 1. A contract where the board finds that special circumstances exist that justify a waiver of the requirements of this chapter; or
 - 2. A contract where federal or state law or a condition of a federal or state program mandates the use of a particular contractor; or
 - 3. A purchase made through a state or federal contract; or
 - 4. A monopoly purchase that is exclusive and proprietary to a specific manufacturer, distributor, or reseller, and must match and inter-member with existing supplies, equipment or systems maintained by the county pursuant to the Los Angeles County Purchasing Policy and Procedures Manual, Section P-3700 or a successor provision; or
 - 5. A revolving fund (petty cash) purchase pursuant to the Los Angeles County Fiscal Manual, Section 4.4.0 or a successor provision; or

6. A purchase card purchase pursuant to the Los Angeles County Purchasing Policy and Procedures Manual, Section P-2810 or a successor provision; or
 7. A non-agreement purchase with a value of less than \$5,000 pursuant to the Los Angeles County Purchasing Policy and Procedures Manual, Section A-0300 or a successor provision; or
 8. A bona fide emergency purchase pursuant to the Los Angeles County Purchasing Policy and Procedures Manual, Section PP-1100 or a successor provision.
- D. "Full time" means 40 hours or more worked per week, or a lesser number of hours if:
1. The lesser number is a recognized industry standard as determined by the chief administrative officer, or
 2. The contractor has a long-standing practice that defines the lesser number of hours as full time.
- E. "County" means the county of Los Angeles or any public entities for which the board of supervisors is the governing body. (Ord. 2002-0040 § 1, 2002: Ord. 2002-0015 § 1 (part), 2002)

2.203.030 Applicability.

This chapter shall apply to contractors who enter into contracts that commence after July 11, 2002. This chapter shall also apply to contractors with existing contracts which are extended into option years that commence after July 11, 2002. Contracts that commence after May 28, 2002, but before July 11, 2002, shall be subject to the provisions of this chapter only if the solicitations for such contracts stated that the chapter would be applicable. (Ord. 2002-0040 § 2, 2002: Ord. 2002-0015 § 1 (part), 2002)

2.203.040 Contractor Jury Service Policy.

A contractor shall have and adhere to a written policy that provides that its employees shall receive from the contractor, on an annual basis, no less than five days of regular pay for actual jury service. The policy may provide that employees deposit any fees received for such jury service with the contractor or that the contractor deduct from the employees' regular pay the fees received for jury service. (Ord. 2002-0015 § 1 (part), 2002)

2.203.050 Other Provisions.

- A. Administration. The chief administrative officer shall be responsible for the administration of this chapter. The chief administrative officer may, with the advice of county counsel, issue interpretations of the provisions of this chapter and shall issue written instructions on the implementation and ongoing administration of this chapter. Such instructions may provide for the delegation of functions to other county departments.
- B. Compliance Certification. At the time of seeking a contract, a contractor shall certify to the county that it has and adheres to a policy consistent with this chapter or will have and adhere to such a policy prior to award of the contract. (Ord. 2002-0015 § 1 (part), 2002)

2.203.060 Enforcement and Remedies.

For a contractor's violation of any provision of this chapter, the county department head responsible for administering the contract may do one or more of the following:

1. Recommend to the board of supervisors the termination of the contract; and/or,
2. Pursuant to chapter 2.202, seek the debarment of the contractor. (Ord. 2002-0015 § 1 (part), 2002)

2.203.070. Exceptions.

- A. Other Laws. This chapter shall not be interpreted or applied to any contractor or to any employee in a manner inconsistent with the laws of the United States or California.
- B. Collective Bargaining Agreements. This chapter shall be superseded by a collective bargaining agreement that expressly so provides.
- C. Small Business. This chapter shall not be applied to any contractor that meets all of the following:
 1. Has ten or fewer employees during the contract period; and,
 2. Has annual gross revenues in the preceding twelve months which, if added to the annual amount of the contract awarded, are less than \$500,000; and,
 3. Is not an affiliate or subsidiary of a business dominant in its field of operation.

"Dominant in its field of operation" means having more than ten employees and annual gross revenues in the preceding twelve months which, if added to the annual amount of the contract awarded, exceed \$500,000.

"Affiliate or subsidiary of a business dominant in its field of operation" means a business which is at least 20 percent owned by a business dominant in its field of operation, or by partners, officers, directors, majority stockholders, or their equivalent, of a business dominant in that field of operation. (Ord. 2002-0015 § 1 (part), 2002)

2.203.090. Severability.

If any provision of this chapter is found invalid by a court of competent jurisdiction, the remaining provisions shall remain in full force and effect. (Ord. 2002-0015 § 1 (part), 2002)

EXHIBIT I

SAFELY SURRENDERED BABY LAW

Posters and Fact Sheets are available in English and Spanish for printing purposes at the following website:

www.babysafela.org

Safely Surrendered



No shame. No blame. No names.

In Los Angeles County: 1-877-BABY SAFE • 1-877-222-9723

www.babysafela.org



Safely Surrendered *Baby Law*

What is the Safely Surrendered Baby Law?

California's Safely Surrendered Baby Law allows parents or other persons, with lawful custody, which means anyone to whom the parent has given permission to confidentially surrender a baby. As long as the baby is three days (72 hours) of age or younger and has not been abused or neglected, the baby may be surrendered without fear of arrest or prosecution.

How does it work?

A distressed parent who is unable or unwilling to care for a baby can legally, confidentially, and safely surrender a baby within three days (72 hours) of birth. The baby must be handed to an employee at a hospital or fire station in Los Angeles County. As long as the baby shows no sign of abuse or neglect, no name or other information is required. In case the parent changes his or her mind at a later date and wants the baby back, staff will use bracelets to help connect them to each other. One bracelet will be placed on the baby, and a matching bracelet will be given to the parent or other surrendering adult.

What if a parent wants the baby back?

Parents who change their minds can begin the process of reclaiming their baby within 14 days. These parents should call the Los Angeles County Department of Children and Family Services at 1-800-540-4000.

Can only a parent bring in the baby?

No. While in most cases a parent will bring in the baby, the Law allows other people to bring in the baby if they have lawful custody.

Does the parent or surrendering adult have to call before bringing in the baby?

No. A parent or surrendering adult can bring in a baby anytime, 24 hours a day, 7 days a week, as long as the parent or surrendering adult surrenders the baby to someone who works at the hospital or fire station.

Does the parent or surrendering adult have to tell anything to the people taking the baby?

No. However, hospital or fire station personnel will ask the surrendering party to fill out a questionnaire designed to gather important medical history information, which is very useful in caring for the baby. The questionnaire includes a stamped return envelope and can be sent in at a later time.

What happens to the baby?

The baby will be examined and given medical treatment. Upon release from the hospital, social workers immediately place the baby in a safe and loving home and begin the adoption process.

What happens to the parent or surrendering adult?

Once the parent or surrendering adult surrenders the baby to hospital or fire station personnel, they may leave at any time.

Why is California doing this?

The purpose of the Safely Surrendered Baby Law is to protect babies from being abandoned, hurt or killed by their parents. You may have heard tragic stories of babies left in dumpsters or public bathrooms. Their parents may have been under severe emotional distress. The mothers may have hidden their pregnancies, fearful of what would happen if their families found out. Because they were afraid and had no one or nowhere to turn for help, they abandoned their babies. Abandoning a baby is illegal and places the baby in extreme danger. Too often, it results in the baby's death. The Safely Surrendered Baby Law prevents this tragedy from ever happening again in California.

A baby's story

Early in the morning on April 9, 2005, a healthy baby boy was safely surrendered to nurses at Harbor-UCLA Medical Center. The woman who brought the baby to the hospital identified herself as the baby's aunt and stated the baby's mother had asked her to bring the baby to the hospital on her behalf. The aunt was given a bracelet with a number matching the anklet placed on the baby; this would provide some identification in the event the mother changed her mind about surrendering the baby and wished to reclaim the baby in the 14-day period allowed by the Law. The aunt was also provided with a medical questionnaire and said she would have the mother complete and mail back in the stamped return envelope provided. The baby was examined by medical staff and pronounced healthy and full-term. He was placed with a loving family that had been approved to adopt him by the Department of Children and Family Services.



Ley de Entrega de Bebés *Sin Peligro*



Los recién nacidos pueden ser entregados en forma segura al personal de cualquier hospital o cuartel de bomberos del Condado de Los Ángeles

Sin pena. Sin culpa. Sin nombres.

En el Condado de Los Ángeles: 1-877-BABY SAFE • 1-877-222-9723

www.babysafela.org



En el Condado de Los Ángeles: 1-877-BABY SAFE • 1-877-222-9723

www.babysafela.org

Ley de Entrega de Bebés Sin Peligro

¿Qué es la Ley de Entrega de Bebés sin Peligro?

La Ley de Entrega de Bebés sin Peligro de California permite la entrega confidencial de un recién nacido por parte de sus padres u otras personas con custodia legal, es decir cualquier persona a quien los padres le hayan dado permiso. Siempre que el bebé tenga tres días (72 horas) de vida o menos, y no haya sufrido abuso ni negligencia, pueden entregar al recién nacido sin temor de ser arrestados o procesados.

Cada recién nacido se merece la oportunidad de tener una vida saludable. Si alguien que usted conoce está pensando en abandonar a un recién nacido, infórmele que tiene otras opciones. Hasta tres días (72 horas) después del nacimiento, se puede entregar un recién nacido al personal de cualquier hospital o cuartel de bomberos del condado de Los Angeles.

¿Cómo funciona?

El padre/madre con dificultades que no pueda o no quiera cuidar de su recién nacido puede entregarlo en forma legal, confidencial y segura dentro de los tres días (72 horas) del nacimiento. El bebé debe ser entregado a un empleado de cualquier hospital o cuartel de bomberos del Condado de Los Ángeles. Siempre que el bebé no presente signos de abuso o negligencia, no será necesario suministrar nombres ni información alguna. Si el padre/madre cambia de opinión posteriormente y desea recuperar a su bebé, los trabajadores utilizarán brazaletes para poder vincularlos. El bebé llevará un brazalete y el padre/madre o el adulto que lo entregue recibirá un brazalete igual.

¿Qué pasa si el padre/madre desea recuperar a su bebé?

Los padres que cambien de opinión pueden comenzar el proceso de reclamar a su recién nacido dentro de los 14 días. Estos padres deberán llamar al Departamento de Servicios para Niños y Familias (Department of Children and Family Services) del Condado de Los Ángeles al 1-800-540-4000.

¿Sólo los padres podrán llevar al recién nacido?

No. Si bien en la mayoría de los casos son los padres los que llevan al bebé, la ley permite que otras personas lo hagan si tienen custodia legal.

¿Los padres o el adulto que entrega al bebé deben llamar antes de llevar al bebé?

No. El padre/madre o adulto puede llevar al bebé en cualquier momento, las 24 horas del día, los 7 días de la semana, siempre y cuando entreguen a su bebé a un empleado del hospital o cuartel de bomberos.

¿Es necesario que el padre/madre o adulto diga algo a las personas que reciben al bebé?

No. Sin embargo, el personal del hospital o cuartel de bomberos le pedirá a la persona que entregue al bebé que llene un cuestionario con la finalidad de recabar antecedentes médicos importantes, que resultan de gran utilidad para cuidar bien del bebé. El cuestionario incluye un sobre con el sello postal pagado para enviarlo en otro momento.

¿Qué pasará con el bebé?

El bebé será examinado y le brindarán atención médica. Cuando le den el alta del hospital, los trabajadores sociales inmediatamente ubicarán al bebé en un hogar seguro donde estará bien atendido, y se comenzará el proceso de adopción.

¿Qué pasará con el padre/madre o adulto que entregue al bebé?

Una vez que los padres o adulto hayan entregado al bebé al personal del hospital o cuartel de bomberos, pueden irse en cualquier momento.

¿Por qué se está haciendo esto en California? ?

La finalidad de la Ley de Entrega de Bebés sin Peligro es proteger a los bebés para que no sean abandonados, lastimados o muertos por sus padres. Usted probablemente haya escuchado historias trágicas sobre bebés abandonados en basureros o en baños públicos. Los padres de esos bebés probablemente hayan estado pasando por dificultades emocionales graves. Las madres pueden haber ocultado su embarazo, por temor a lo que pasaría si sus familias se enteraran. Abandonaron a sus bebés porque tenían miedo y no tenían nadie a quien pedir ayuda. El abandono de un recién nacido es ilegal y pone al bebé en una situación de peligro extremo. Muy a menudo el abandono provoca la muerte del bebé. La Ley de Entrega de Bebés sin Peligro impide que vuelva a suceder esta tragedia en California.

Historia de un bebé

A la mañana temprano del día 9 de abril de 2005, se entregó un recién nacido saludable a las enfermeras del Harbor-UCLA Medical Center. La mujer que llevó el recién nacido al hospital se dio a conocer como la tía del bebé, y dijo que la madre le había pedido que llevara al bebé al hospital en su nombre. Le entregaron a la tía un brazalete con un número que coincidía con la pulsera del bebé; esto serviría como identificación en caso de que la madre cambiara de opinión con respecto a la entrega del bebé y decidiera recuperarlo dentro del período de 14 días que permite esta ley. También le dieron a la tía un cuestionario médico, y ella dijo que la madre lo llenaría y lo enviaría de vuelta dentro del sobre con franqueo pagado que le habían dado. El personal médico examinó al bebé y se determinó que estaba saludable y a término. El bebé fue ubicado con una buena familia que ya había sido aprobada para adoptarlo por el Departamento de Servicios para Niños y Familias.



EXHIBIT J

CONTRACTOR'S OBLIGATIONS AS A "BUSINESS ASSOCIATE"

UNDER THE HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT OF 1996 (HIPAA)

Under this Agreement, Contractor ("Business Associate") provides services ("Services") to County ("Covered Entity") and Business Associate receives, has access to, or creates Protected Health Information in order to provide those Services. Covered Entity is subject to the Administrative Simplification requirements of the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and regulations promulgated thereunder, including the Standards for Privacy of Individually Identifiable Health Information ("the Privacy Regulations") and the Health Insurance Reform: Security Standards ("the Security Regulations") at 45 Code of Federal Regulations Parts 160 and 164 ("together, the "Privacy and Security Regulations").

The Privacy and Security Regulations require Covered Entity to enter into a contract with Business Associate in order to mandate certain protections for the privacy and security of Protected Health Information, and those Regulations prohibit the disclosure to or use of Protected Health Information by Business Associate if such a contract is not in place.

Therefore, the parties agree as follows:

1.0 DEFINITIONS

- 1.1 "Disclose" and "Disclosure" means, with respect to Protected Health Information, the release, transfer, provision of access to, or divulging in any other manner of Protected Health Information outside Business Associate's internal operations or to other than its employees.
- 1.2 "Electronic Media" has the same meaning as the term "electronic media" in 45 C.F.R. § 160.103. Electronic Media means (1) Electronic storage media including memory devices in computers (hard drives) and any removable/transportable digital memory medium, such as magnetic tape or disk, optical disk, or digital memory card; or (2) Transmission media used to exchange information already in electronic storage media. Transmission media include, for example, the internet (wide-open), extranet (using internet technology to link a business with information accessible only to collaborating parties), leased lines, dial-up lines, private networks, and the physical movement of removable/transportable electronic storage media. Certain transmissions, including of paper, via facsimile, and of voice, via telephone, are not considered to be transmissions via electronic media, because the information being exchanged did not exist in electronic form before the transmission.
- 1.3 "Electronic Protected Health Information" has the same meaning as the term "electronic protected health information" in 45 C.F.R. § 160.103. Electronic Protected Health Information means Protected Health Information that is (i) transmitted by electronic media; (ii) maintained in electronic media.
- 1.4 "Individual" means the person who is the subject of Protected Health Information, and shall include a person who qualifies as a personal representative in accordance with 45 C.F.R. § 164.502(g).

- 1.5 “Protected Health Information” has the same meaning as the term “protected health information” in 45 C.F.R. § 164.503, limited to the information created or received by Business Associate from or on behalf of Covered Entity. Protected Health Information includes information, whether oral or recorded in any form or medium, that (i) relates to the past, present, or future physical or mental health or condition of an Individual; the provision of health care to an Individual, or the past, present or future payment for the provision of health care to an Individual; (ii) identifies the Individual (or for which there is a reasonable basis for believing that the information can be used to identify the Individual); and (iii) is received by Business Associate from or on behalf of Covered Entity, or is created by Business Associate, or is made accessible to Business Associate by Covered Entity. “Protected Health Information” includes Electronic Health Information.
- 1.6 “Required By Law” means a mandate contained in law that compels an entity to make a Use or Disclosure of Protected Health Information and that is enforceable in a court of law. Required by law includes, but is not limited to, court orders and court-ordered warrants; subpoenas or summons issued by a court, grand jury, a governmental or tribal inspector general, or any administrative body authorized to require the production of information; a civil or an authorized investigative demand; Medicare conditions of participation with respect to health care providers participating in the program; and statutes or regulations that require the production of information, including statutes or regulations that require such information if payment is sought under a government program providing benefits.
- 1.7 “Security Incident” means the attempted or successful unauthorized access, Use, Disclosure, modification, or destruction of information in, or interference with system operations of, an Information System which contains Electronic Protected Health Information. However, Security Incident does not include attempts to access an Information System when those attempts are not reasonably considered by Business Associate to constitute an actual threat to the Information System.
- 1.8 “Services” has the same meaning as in the body of this Agreement.
- 1.9 “Use” or “Uses” mean, with respect to Protected Health Information, the sharing, employment, application, utilization, examination or analysis of such Information within Business Associate’s internal operations.
- 1.10 Terms used, but not otherwise defined, in this Paragraph shall have the same meaning as those terms in the HIPAA Regulations.

2.0 OBLIGATIONS OF BUSINESS ASSOCIATE

- 2.1 Permitted Uses and Disclosures of Protected Health Information. Business Associate:
- (a) shall Use and Disclose Protected Health Information as necessary to perform the Services, and as provided in Sub-sections 2.3, 2.4, 2.5, 2.6, 2.7, 2.8, 4.3 and 5.2 of this Agreement;
 - (b) shall Disclose Protected Health Information to Covered Entity upon request;
 - (c) may, as necessary for the proper management and administration of its business or to carry out its legal responsibilities:

- (i) Use Protected Health Information; and
- (ii) Disclose Protected Health Information if the Disclosure is Required by Law.

Business Associate shall not Use or Disclose Protected Health Information for any other purpose.

2.2 Adequate Safeguards for Protected Health Information. Business Associate:

- (a) shall implement and maintain appropriate safeguards to prevent the Use or Disclosure of Protected Health Information in any manner other than as permitted by this Paragraph. Business Associate agrees to limit the Use and Disclosure of Protected Health Information to the minimum necessary in accordance with the Privacy Regulation's minimum necessary standard.
- (b) effective as of April 20, 2005, specifically as to Electronic Health Information, shall implement and maintain administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of Electronic Protected Health Information.

2.3 Reporting Non-Permitted Use or Disclosure and Security Incidents. Business Associate shall report to Covered Entity each Non-Permitted Use or Disclosure that is made by Business Associate, its employees, representatives, agents or subcontractors, but is not specifically permitted by this Agreement, and effective as of April 20, 2005, shall report to Covered Entity each Security Incident of which Business Associate becomes aware. The initial report shall be made by telephone call to the Covered Entity's HIPAA Privacy Officer within forty-eight (48) hours from the time the Business Associate becomes aware of the Non-Permitted Use or Disclosure or Security Incident, followed by a full written report no later than ten (10) business days from the date the Business Associate becomes aware of the non-permitted Use or Disclosure or Security Incident to the Chief Privacy Officer at:

Chief HIPAA Privacy Officer, County of Los Angeles
Kenneth Hahn Hall of Administration
500 West Temple St.
Suite 410
Los Angeles, CA 90012
(213) 974-2164

- 2.4 Mitigation of Harmful Effect. Business Associate agrees to mitigate, to the extent practicable, any harmful effect that is known to Business Associate of a Use or Disclosure of Protected Health Information by Business Associate in violation of the requirements of this Paragraph.
- 2.5 Availability of Internal Practices, Books and Records to Government Agencies. Business Associate agrees to make its internal practices, books and records relating to the Use and Disclosure of Protected Health Information available to the Secretary of the federal Department of Health and Human Services for purposes of determining Covered Entity's compliance with the Privacy and Security Regulations. Business Associate shall immediately notify Covered Entity of any requests made by the Secretary and provide Covered Entity with copies of any documents produced in response to such request.
- 2.6 Access to Protected Health Information. Business Associate shall, to the extent Covered Entity determines that any Protected Health Information constitutes a "designated record set" as defined

by 45 C.F.R. § 164.501, make the Protected Health Information specified by Covered Entity available to the Individual(s) identified by Covered Entity as being entitled to access and copy that Protected Health Information. Business Associate shall provide such access for inspection of that Protected Health Information within two (2) business days after receipt of request from Covered Entity. Business Associate shall provide copies of that Protected Health Information within five (5) business days after receipt of request from Covered Entity.

- 2.7 Amendment of Protected Health Information. Business Associate shall, to the extent Covered Entity determines that any Protected Health Information constitutes a “designated record set” as defined by 45 C.F.R. § 164.501, make any amendments to Protected Health Information that are requested by Covered Entity. Business Associate shall make such amendment within ten (10) business days after receipt of request from Covered Entity in order for Covered Entity to meet the requirements under 45 C.F.R. § 164.526.

- 2.8 Accounting of Disclosures. Business Associate agrees to maintain documentation of the information required to provide an accounting of Disclosures of Protected Health Information in accordance with 45 C.F.R. § 164.528, and to make this information available to Covered Entity upon Covered Entity's request, in order to allow Covered Entity to respond to an Individual's request for accounting of disclosures. However, Business Associate is not required to provide an accounting of Disclosures that are necessary to perform its Services if such Disclosures are for either payment or health care operations purposes, or both. Additionally, such accounting is limited to disclosures that were made in the six (6) years prior to the request (not including disclosures that were made prior to the compliance date of the Privacy Rule, April 14, 2003) and shall be provided for as long as Business Associate maintains the Protected Health Information.

Any accounting provided by Business Associate under this Section 2.8 shall include: (a) the date of the Disclosure; (b) the name, and address if known, of the entity or person who received the Protected Health Information; (c) a brief description of the Protected Health Information disclosed; and (d) a brief statement of the purpose of the Disclosure. For each Disclosure that could require an accounting under this Sub-section 2.8, Business Associate shall document the information specified in (a) through (d), above, and shall securely maintain the information for six (6) years from the date of the Disclosure. Business Associate shall provide to Covered Entity, within ten (10) business days after receipt of request from Covered Entity, information collected in accordance with this Sub-section 2.8 to permit Covered Entity to respond to a request by an Individual for an accounting of disclosures of Protected Health Information in accordance with 45 C.F.R. § 164.528.

3.0 OBLIGATION OF COVERED ENTITY

- 3.1 Obligation of Covered Entity. Covered Entity shall notify Business Associate of any current or future restrictions or limitations on the use of Protected Health Information that would affect Business Associate's performance of the Services, and Business Associate shall thereafter restrict or limit its own uses and disclosures accordingly.

4.0 TERM AND TERMINATION

- 4.1 Term. The term of this Paragraph shall be the same as the term of this Agreement. Business Associate's obligations under Sections 2.1 (as modified by Section 4.2), 2.3, 2.4, 2.5, 2.6, 2.7, 2.8, 4.3 and 5.2 shall survive the termination or expiration of this Agreement.

4.2 Termination for Cause. In addition to and notwithstanding the termination provisions set forth in this Agreement, upon Covered Entity's knowledge of a material breach by Business Associate, Covered Entity shall either:

- (a) Provide an opportunity for Business Associate to cure the breach or end the violation, and terminate this Agreement if Business Associate does not cure the breach or end the violation within the time specified by Covered Entity; or
- (b) Immediately terminate this Agreement if Business Associate has breached a material term of this Paragraph and cure is not possible; or
- (c) If neither termination or cure are feasible, Covered Entity shall report the violation to the Secretary of the federal Department of Health and Human Services.

4.3 Disposition of Protected Health Information Upon Termination or Expiration

- (a) Except as provided in paragraph (b) of this section, upon termination for any reason or expiration of this Agreement, Business Associate shall return or destroy all Protected Health Information received from Covered Entity, or created or received by Business Associate on behalf of Covered Entity. This provision shall apply to Protected Health Information that is in the possession of subcontractors or agents of Business Associate. Business Associate shall retain no copies of the Protected Health Information.
- (b) In the event that Business Associate determines that returning or destroying the Protected Health Information is infeasible, Business Associate shall provide to Covered Entity notification of the conditions that make it infeasible. If return or destruction is infeasible, Business Associate shall extend the protections of this Agreement to such Protected Health Information and limit further Uses and Disclosures of such Protected Health Information to those purposes that make the return or destruction infeasible, for so long as Business Associate maintains such Protected Health Information.

5.0 MISCELLANEOUS

5.1 No Third Party Beneficiaries. Nothing in this Paragraph shall confer upon any person other than the parties and their respective successors or assigns, any rights, remedies, obligations, or liabilities whatsoever.

5.2 Use of Subcontractors and Agents. Business Associate shall require each of its agents and subcontractors that receive Protected Health Information from Business Associate, or create Protected Health Information for Business Associate, on behalf of Covered Entity, to execute a written agreement obligating the agent or subcontractor to comply with all the terms of this Agreement.

5.3 Relationship to Agreement Provisions. In the event that a provision of this Paragraph is contrary to any other provision of this Agreement, the provision of this Paragraph shall control. Otherwise, this Paragraph shall be construed under, and in accordance, with the terms of the Agreement.

5.4 Regulatory References. A reference in this Paragraph to a section in the Privacy or Security Regulations means the section as in effect or as amended.

- 5.5 Interpretation. Any ambiguity in this Paragraph shall be resolved in favor of a meaning that permits Covered Entity to comply with the Privacy and Security Regulations.
- 5.6 Amendment. The parties agree to take such action as is necessary to amend this Paragraph from time to time as is necessary for Covered Entity to comply with the requirements of the Privacy and Security Regulations.

EXHIBIT K

MAINTENANCE AND SUPPORT TERMS AND CONDITIONS

1. Definitions.

a. "Error" means any reproducible failure of the Software to perform any material function set forth in the accompanying documentation.

b. "New Release" means a new release of the Software issued by Approva provided for the purpose of materially enhancing the functionality or performance of the Software. New Release shall be identified by the numeral to the left of the first decimal point (e.g. a change from version 1.1 to 2.0).

c. "Maintenance Release" means a bug fix or minor enhancement to the Software, which is identified by the numeral to the right of the first decimal point in the Software (e.g., a change from version 1.1 to 1.2).

d. "Maintenance and Support Services" means that (a) Approva shall provide Licensee with all Maintenance Releases released during the term for which Maintenance and Support Services fees have been paid; (b) Approva shall answer questions from Licensee regarding the operation of the Software via telephone and e-mail, according to the escalation procedures set forth below; and (c) Approva shall use commercially reasonable efforts to correct any Errors in the Software reported by Licensee and confirmed by Approva in accordance with the priority level assigned to the Error by Approva, as described in the escalation procedures set forth below.

2. Licensee Obligations.

a. Licensee shall furnish descriptions and machine readable examples of Errors in the form requested by Approva technical support personnel. Licensee shall also assist Approva's efforts to duplicate any Errors or problems reported by Licensee.

b. Approva reserves the right to limit the number of individuals who are authorized to make requests for Maintenance and Support Services to a reasonable number, and requests Licensee to designate two (2) initial primary contacts. Such technical support contacts must be knowledgeable in the use of the Software and the Licensee's operating environment. Licensee agrees to notify Approva of any changes in primary support contacts within a reasonable time period. Licensee's initial technical support contacts shall be:

Name:	<u>Fernando Lemus</u>	Name:	<u>Jerry Mauter</u>
Title:	<u>Principal Accountant-Auditor</u>	Title:	<u>Chief Accounting Systems Analyst</u>
Address:	<u>350 S. Figueroa St., 8th Floor</u>	Address	<u>320 W. Temple St., Room 380</u>
Phone Number:	<u>(213) 253-0155</u>	Phone Number	<u>(213) 974-8387</u>
Fax Number:	<u>(213) 897-1561</u>	Fax Number	<u>(213) 621-2681</u>
Email Address:	<u>flemus@auditor.lacounty.gov</u>	Email Address:	<u>jmauter@auditor.lacounty.gov</u>

3. Help Desk; Escalation Procedures.

a. Approva shall provide the following support: answering of telephone calls placed to the customer support telephone number (703) 956-8400, and e-mail support at support@approva.net . Approva shall use commercially reasonable efforts to provide such support from 8 a.m. to 6 p.m. Eastern Standard Time, Monday through Friday excluding U.S. holidays. Errors may be reported any time.

b. Approva shall provide two (2) user identification and passwords for Licensee's use in accessing Approva's customer support website located at www.support.approva.net

c. Approva shall respond to Errors in accordance with the priority level indicated in the chart below, which priority level shall be determined by Approva.

Priority	Definition	Target Response for Initial Requests*	Actions
Priority 1	Error that renders the Software inoperative or causes the Software to fail catastrophically	Within 4 business hours	Approva shall promptly initiate the following procedures upon confirmation of the Error by Approva: (1) assign a senior technical support manager to correct the Error; (2) notify senior Approva management that a Priority 1 defect has been reported and that steps are being taken to correct the defect; (3) provide Licensee with periodic reports on the status of the resolution; (4) commence work to provide Licensee with a workaround or fix.
Priority 2	Error that materially restricts Licensee's use of the Software	Within 1 business day	Approva shall (1) assign technical support to correct the Error; (2) provide Licensee with periodic reports on the status of the resolution; and (3) commence work to provide Licensee with a workaround or fix.
Priority 3	Error that causes only a minor impact on Licensee's use of the Software and/or a defect for which a workaround is available.	Within 2 business days	Approva shall (1) assign technical support to correct the Error; (2) provide Licensee with periodic reports on the status of the resolution; and (3) commence work to provide Licensee with a workaround or fix.
Priority 4	A cosmetic or documentation Error that does not impact use of the Software	Within 2 business days	Approva shall (1) assign technical support to correct the Error; (2) provide Licensee with periodic reports on the status of the resolution; and (3) commence work to provide Licensee with a workaround or fix.

* Target response time for support requests by e-mail or other on-line facility is within one (1) business day.

d. The response times set forth in the chart above are target response times only. Approva's sole obligation is to use commercially reasonable efforts to respond to Errors within such time frames, not to have resolved them.

4. Exclusions and Limitations.

Approva shall have no obligation to support:

- a. Altered, damaged or modified Software;
- b. Software that is not the current release or the most recent previous release;
- c. Errors or other software problems caused by Licensee's negligence, changes made by any party other than Approva, hardware malfunction, and/or other causes beyond the reasonable control of Approva;
- d. Software installed in an operating or hardware environment not supported by Approva.

5. Maintenance Releases. Approva's obligations to provide Maintenance Releases shall only require Approva to supply such releases as soon as reasonably possible after such releases become generally available. This Maintenance and Support Services Exhibit shall not be construed to obligate Approva to provide Maintenance Releases to Licensee on any specific timetable.

6. Maintenance and Support Fees. Licensee shall pay to Approva, in accordance with the payment terms in Exhibit C. Approva may increase the fees for Maintenance and Support Services on each renewal of such Maintenance and Support for future years by an amount not to exceed the applicable annual cost of living adjustment applicable to employees of the County.

EXHIBIT L

STATEMENT OF WORK & ESTIMATED TIMELINE DOCUMENTATION



LA County Option 2
Plan Timeline v2.pdf

2.9.6	Section C	<i>Project Description for LA County</i> The services proposed in this response are required to support a successful installation and configuration of the BizRights suite of products and a foundational deployment of: • BizRights Platform - o Authorizations Insight for CGI Advantage - o Process Insights for CGI Advantage around the following processes: ▪ Procure to Pay ▪ General Ledger • PDE For Legacy Applications • Insight Studio The BizRights deployment will consist of multiple phases which will align with the requirements that were described in the RFP. Approva will provide the following deliverables: 1. Installation, Optimization, and System Administration Training 2. Discovery & Functional Training 3. Security Controls for CGI Advantage • Build and deploy integration of BizRights with CGI Advantage • Build the controls necessary to monitor SOD conflicts • Knowledge Transfer 4. Process Controls for CGI Advantage • CGI Advantage's Process Insights Feasibility & Design • Build and deploy integration of BizRights with CGI Advantage	
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		• Build the controls necessary to monitor Process Controls • Process controls design, develop, test and deploy around: - o Procure to Pay - o General Ledger • Knowledge Transfer The Approva consultant(s) will use the BizRights Deployment Methodology (BDM), which is a work stream based approach for deploying the BizRights platform and its associated processes in target organizations. Approva will integrate the BDM into existing LA COUNTY project management practices. Detailed task planning and deliverable allocation for the Approva team will be dependent on the definition of the overall LA COUNTY deployment plan, the final composition of the combined project team (i.e. inclusive of Approva and LA COUNTY resources), and the planned timing of the software deployment. <i>Approva Resourcing Approach</i> Approva will provide Consulting and Technical Consulting resources to support and work directly with the LA COUNTY deployment project team. The Approva resources will provide BizRights-specific expertise and deployment best practices and will directly participate in the execution of the activity streams outlined below and in the production of associated deliverables. Scope of Work Approva will provide Consulting services to LA COUNTY to complete the following major activity streams as agreed between Approva and LA COUNTY Project Manager. <i>Installation, Optimization, and System Administration Training</i> • BizRights Installation Tasks – These tasks will be performed onsite at LA COUNTY's IT office by the Technical Consultant - o Pre-installation meetings - o BizRights installation for 3 environments – 1 PRD for AI, 1 PRD for PI and 1 DEV BizRights Environments that is shared between AI and PI - o Insight installation/activation - o Extraction Execution - o Load sample test data and sample Rules - o Analysis Test Execution - o Reports Test Execution	
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		- o BizRights system administration – Training overview - o Capability transfer to LA COUNTY Technical Resources - o Ensure that Database Maintenance plan is completed - o BizRights Installation Report • Deliverables: - o Pre-installation meetings - o Insight installation/activation - o Extraction Execution - o Load sample test data and sample Rules - o Analysis Test Execution - o Reports Test Execution - o Up to 3 functioning BizRights environments with sample data and sample rules (2 Production and 1 Development environments) - o Technical Overview training - o Ensure that Database Maintenance plan is completed - o BizRights Installation Report <i>Discovery & Functional Training</i> • Support LA COUNTY with the scoping, planning and strategy (as defined below) for deployments for BizRights to the business users ▪ Discovery will include review of the following: • Rule Books/Rules processes and procedures • SOD and Access List Reporting process • Change Management procedures for Rule Books, Compensating controls, exclusions • Data Extraction/Reporting Process • Remediation Process • Integration of BizRights activities between work streams • Management of Approva resources and budget • Project planning • Issue management and status reporting • Functional Training for the BizRights Platform, Authorizations Insight and Process Insights	
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		• Deliverables: • Kickoff presentation for LA COUNTY team members • Project Roadmap • Definition of short, mid and long term goals for the project • Critical success factors - phase entrance and exit criteria • Project Plan • Project Roles and Responsibilities Document • Functional Training Security Controls for CGI ADVANTAGE • Feasibility & Design for Security Controls for CGI ADVANTAGE • Training of the project team and assistance in design and configuration of Rulebooks and Rules, to include: - o Segregation of Duties and Sensitive Access Rules • Remediation process will include standard notifications and reporting, as well as, compensating controls management. • Capability transfer to LA COUNTY project team resources. • Deliverables: • Rule / Rulebook Strategy Document • Rule Content Configured in BizRights • Approva will build up to 5 SOD custom rules for 5 business process • Configured compensating controls and exceptions • Remediation plan • Reporting automation plan • Extraction and Analysis schedules for Security Controls • ETL scripts for CGI Advantage for Security Controls Process Controls for CGI ADVANTAGE • Feasibility & Design for CGI ADVANTAGE Process Controls • Training of the project team and assistance in designing and configuring Process Controls • Process focus on Process Insights, to include: • Following processes and approximate number of rules/controls:	
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		• Procure to Pay - approximately 34 rules • General Ledger – approximately 12 rules • Data extraction - Extraction schedule • Rule development • Testing/Sign-off • Transfer to production • On-going support processes • Extraction scheduled • Analysis scheduled • Remediation process • Reporting and notification process • Remediation process will include standard notifications and reporting • Capability transfer to LA COUNTY project team resources • Deliverables: - o Feasibility & Design for CGI ADVANTAGE Process Controls - o Training of the project team and assistance in designing and configuring Process Controls - o Process focus on Process Insights, to include: ▪ Following processes and approximate number of rules/controls: • Procure to Pay - approximately 34 rules • General Ledger – approximately 12 rules • Data extraction - Extraction schedule Rule development • Testing/Sign-off - o Transfer to production - o Capability transfer to LA COUNTY project team resources	
		Deliverables Approva will provide LA COUNTY with the development of the following deliverables: <i>Installation, Optimization, and System Administration Training</i> • Approva will complete three successful installations of BizRights environments including successful extracts and analysis using the sample data and sample rules. This is dependent on LA COUNTY ensuring that all of the BizRights hardware and software pre-requisites	

		have been installed prior to Approva performing the BizRights installation. • After installation, Approva will supply Technical Overview to LA COUNTY resources for the BizRights version <i>Discovery & Functional Training</i> • Project Scoping and Objectives Document • Kickoff presentation for LA COUNTY team members • Project Roadmap • Definition of short, mid and long term goals for the project • Critical success factors - phase entrance and exit criteria • Project Plan • Project Roles and Responsibilities Document ▪ Project governance and stakeholders ▪ Project team ▪ Extended team ▪ End users • Functional Training: BizRights Platform <i>Security Controls for CGI ADVANTAGE</i> • Rule / Rulebook Strategy Document - o Current and end state rule ownership strategy - o Facilitation of development of rule book structure and change management process - o Alignment of rule book strategy and processes with BizRights rule management functionality - o Support of Business rule development and buy-in process [containing deliverable, design, configuration, and signoff, etc.] • Rule Content Configured in BizRights - o Facilitation of detailed review of current rule content - o Support of rule content depth (transaction code level vs. authorization and field value level) review activities - o Support of configuration of rules and rulebooks in BizRights.	
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		• Configured compensating controls and exceptions • Remediation plan • Reporting automation plan • Extraction and Analysis schedules for Security Controls • ETL scripts for CGI Advantage for Security Controls <i>Process Controls for CGI ADVANTAGE</i> • Rule / Rulebook Strategy Document for Process Insights - o Current and end state rule ownership strategy - o Facilitation of development of rule book structure and change management process - o Alignment of rule book strategy and processes with BizRights rule management functionality - o Support of Business rule development and buy-in process [containing deliverable, design, configuration, and signoff, etc.] • Rule Content Configured in BizRights for Process Insights - o Facilitation of detailed review of current rule content - o Support of rule content depth (transaction code level vs. authorization and field value level) review activities - o Support of configuration of rules and rulebooks in BizRights. • Remediation plan • Reporting automation plan • Extraction and Analysis schedules for Process Insights • ETL scripts for CGI Advantage for Process Insights	

Invoicing Procedures

- Approva will provide the Consulting Services under this SOW on a fixed fee basis based on the Deliverable schedule below.
- Fees for all services rendered under this SOW, will be invoiced to LA County on the completion of each Deliverable. All payments are due 30 days from receipt of invoice.
- Approva agrees that LA County will withhold 10% of each invoice as a hold back ("Services Hold Back") until the entire services project is complete. The entire Hold Back amount from the service engagement will be invoiced to LA County upon the completion of the project, and shall be payable to Approva within 30 days of the delivery of such invoice.

Deliverable Schedule

Deliverables listed below are based on the assumptions listed in the SOW above, and do not include any changes to the work effort that was agreed to by both parties. LA County agrees that if the scope of any of the Deliverables is changed during the engagement, that a change order will be required to assess the impact of the scope change, and LA County and Approva will agree on the additional fees that will be required as a result of such scope change.

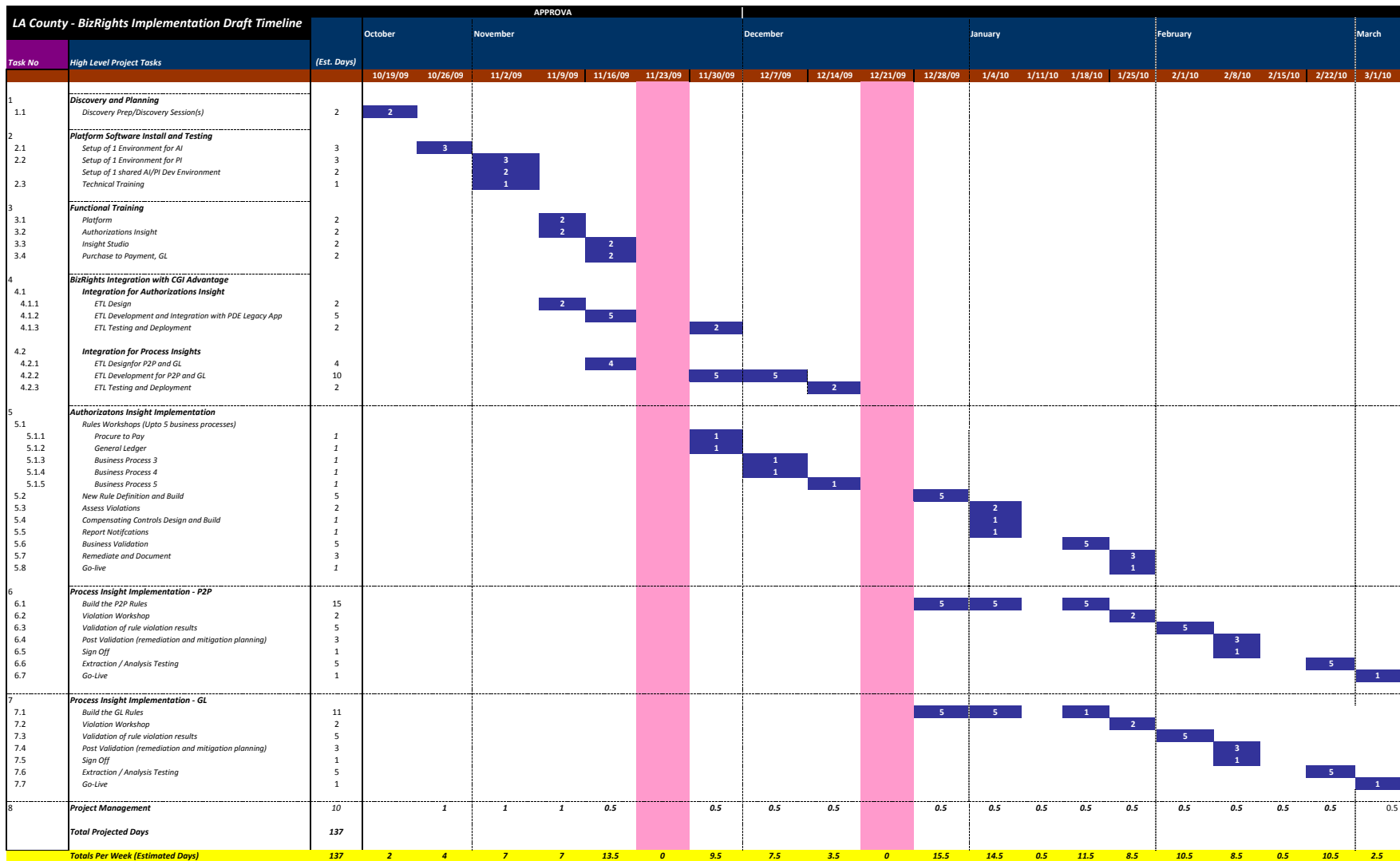
The BizRights deployment will consist of multiple phases. Approva will provide the following deliverables with the associated costs:

Installation & Optimization	\$22,522
System Administration training	\$4,000
Functional Training	\$12,000
Security Controls for CGI Advantage	
CGI Advantage Security Controls Feasibility and Design	\$32,282
Build and deploy integration of BizRights with CGI Advantage	\$32,282
Build the controls necessary to monitor SOD conflicts	\$32,282
Process Controls for CGI Advantage for Procure to Pay	
CGI Advantage's Process Insights Feasibility & Design for P2P	\$18,769
Build and deploy integration of BizRights with CGI Advantage for P2P	\$18,769
Build the controls necessary to monitor Process Controls for P2P	\$18,769
Process Controls for CGI Advantage for General Ledger	
CGI Advantage's Process Insights Feasibility & Design for GL	\$16,517
Build and deploy integration of BizRights with CGI Advantage for GL	\$16,517
Build the controls necessary to monitor Process Controls for GL	\$16,517

Totals	\$241,226
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Breakout (matches Exhibit C)

Training	16,000
Professional Services	<u>225,226</u>
	\$ 241,226



Legend	
Approva Resource	

DISCLAIMER: The estimated days and the planned dates are based on LA County's full readiness to deploy the BizRights solution. Full readiness includes the recommended hardware per Approva specifications, LA County's resource availability required for the implementation and Approva resource availability. After contract award, Approva will work with the LA County project manager to review the draft timeline and adjust accordingly based on the readiness of LA County to proceed with the BizRights implementation.

Exhibit M

Minimum Hardware Requirements

BizRights 4.5 Hardware Recommendations for LA County

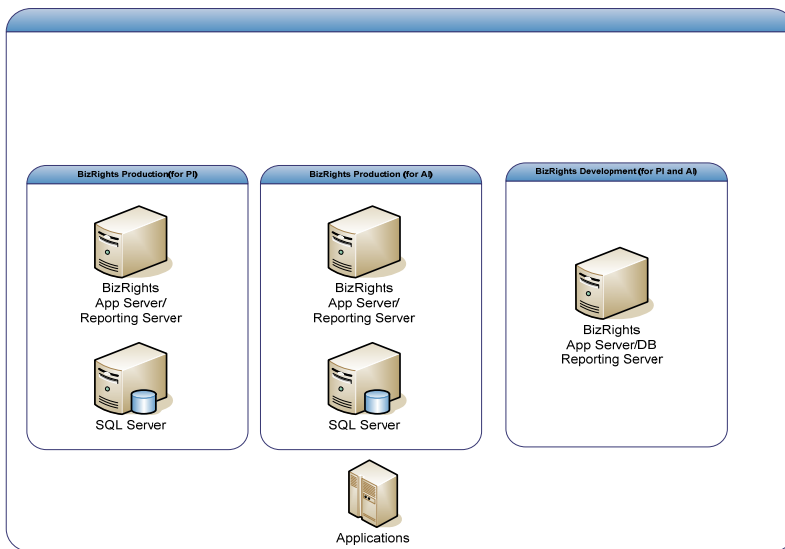
September 8, 2009

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Recommended BizRights Infrastructure (with both PI and AI)



VMware Considerations for BizRights

- BizRights can run in a VMware environment. If virtual servers are used, the customer must take care that the BizRights application still receives the required amount of resources. If, for example, another application is on the virtual server and happens to take or be given additional resources contention and performance issues could arise.
- BizRights is a database intensive application requiring the majority of the CPU and RAM available to ensure that it processes the extractions and rule analysis as quickly as possible whenever they are scheduled.
- In a shared environment (such as VMware) – BizRights can have a performance impact on other applications that are leveraging the same VMware infrastructure as well as other applications can have the same performance impact on BizRights.

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VMware Considerations for BizRights (Continued)

- For BizRights to perform optimally in a VMware environment, the customer's administrators have to consider carefully how they allocate CPUs, RAM and disk space to BizRights as well as to the other applications that are under the same VMware environment. If the CPUs, RAM or disk space is modified or allocated incorrectly to BizRights or other applications while BizRights is in the middle of its extractions or analysis, it can have a performance impact on the application as well as the end users.
- Customers that are running BizRights in a VMware environment have significant expertise in VMware deployments. Their administrators are able to monitor and adjust the CPUs, RAM and disk space as needed to ensure that BizRights always has the necessary required resources to run optimally.
- The virtual server requirements would be the same for the Approva instances – The full virtual server would need to be larger depending on what other applications are on that environment. The virtual server would need to be large enough to allocate all the necessary resources noted for both the Approva Database and application server.

4

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Hardware - Production Environment for BizRights 4.5

	BizRights Application Server (VMware Server)	BizRights Database Server (VMware Server)
Processor	Quad core, Dual proc [32 bit machine and OS]	Quad core, Dual proc [32 or 64 bit machine and OS]
Memory (RAM)	8 GB (/3GB /PAE switch)	8 GB (/3GB (only applicable for 32-bit OS) /PAE AWE switch)
Disk Space	100-150 GB	150 - 250 GB

5

Hardware – Development Environment for BizRights 4.5

	BizRights Application Server/DB Server (VMware server)
Processor	Quad core, Dual proc [32 bit machine and OS]
Memory (RAM)	8 GB (/3GB /PAE switch)
Disk Space	150-250 GB

6

Software Pre-requisites for BizRights 4.5

- BizRights Application Server
 - Windows 2003 Enterprise with SP2 (32 bit OS ONLY)
 - Microsoft .NET Framework 3.0 (non-service pack, SP1, or SP2)
 - Microsoft IIS 6.0
 - Microsoft SQL Server 2005 Enterprise Edition Client Tools with SP2 or SP3
 - Internet Explorer 6.01 (or later version)
- BizRights Database Server (64 bit OS is supported only if the BizRights application server is installed on a different machine)
 - Windows 2003 Enterprise with SP1 or SP2
 - SQL Server 2005 Enterprise Edition with SP2 or SP3
 - Collation must be set to: SQL_Latin1_General_CP1_CI_AS
 - Enable mixed authentication mode
 - Native SQL account with SA privileges is required during the installation process. After the install process is complete, the SA role can be revoked and replaced with dbo and bulk insert administrator privileges
 - Internet Explorer 6.01 (or later version)
 - Microsoft SQL Server Enterprise Edition Reporting Services (Can be installed on Application Server, Database Server or Separate Server)

Hardware Recommendations- Supplement

1. Virtual processor estimates

- 2 virtual CPUs for the BizRights application server
- 2 virtual CPUs for the BizRights database server

Virtual CPUs should run on physical CPU cores meeting or exceeding Xeon 2.0 GHz.

2. Detailed disk estimates

BizRights Application Server

- SYSTEM: 8 GB
- DATA: 90+ GB (Log files and temp data are within the application folders)

BizRights Database Server

- SYSTEM: 8 GB
- LOGS: 30 GB (required for extractions / analyses)
- TEMP: 20 GB
- DATA: 150+ GB (Based on products deployed / history to maintain online / volume of exceptions found)

3. Number of environments

There will be 3 BizRights environments:

- BizRights PI Production – This is the Production environment for the Process Insights which is focused on the process controls.
- BizRights AI Production – This is the Production environment for the Authorizations Insight which is focused on the security/SOD rules.
- BizRights Development – This is the Development environment which will have both Authorizations Insight and Process Insight installed.

Exhibit N

Warranty Specifications

1. Approva Product Documentation

To be delivered upon download of licensed software applications

2. Section D from Approva RFP response dated May 2009

BUSINESS AND TECHNICAL REQUIREMENTS

Proposers shall complete the following Business and Technical Requirements questionnaire for this Continuous Controls Monitoring (CCM) Request for Proposals (RFP). Proposers shall use the following coding to indicate how well their proposed CCM software solution meets each stated business and/or technical requirement:

Code	Short Description	Detailed Description
F	Fully Meets	The proposed CCM software solution fully meets the business and/or technical requirement
C	Configuration needed to meet	The proposed CCM software solution will need to be configured to meet the business and/or technical requirement
M	Customization needed to meet	The proposed CCM software solution will need to be customized to meet the business and/or technical requirement
N	Feature to be available in next software version	The proposed CCM software solution currently does not meet the business and/or technical requirement, but this feature will be available in the next planned software version
U	Future software upgrade	The proposed CCM software solution currently does not meet the business and/or technical requirement, but this feature will be available in a future software version
N/A	Not Available or Not Planned	The proposed CCM software solution currently does not meet the business and/or technical requirement and this feature is not currently planned to be included

Additionally, this questionnaire contains various narrative questions. Proposers shall provide detailed responses to each narrative question. If additional space is needed, please provide responses on a separate sheet (s) of paper and reference each answer to the appropriate question.

4.0	<u>CCM System Requirements:</u>	<u>Codin</u> <u>g</u>
General Requirements		
4.1	Software shall be browser-based (Internet Explorer 7).....	F
4.2	Software shall test extracted, exported, or accessed transactions data at the source level using native, industry-standard formats.....	F
4.3	Software shall be capable of monitoring for: • Segregation of Duties..... • Master Data Management..... • Application Configuration controls.....	F F F
4.4	Software can be provided in downloadable electronic files.....	F
4.5	Software provides for ease of use for the users and managers.....	F
4.6	Software runs on VMware virtual servers running either Microsoft Windows Server or Red hat Linux Enterprise operating systems.....	F
4.7	Software is compatible with Oracle database versions 10g and 11g.....	F
4.8	Software shall support XML for interfaces, as well as SQL. Proper must describe any other interface formats contained in proposal.....	F
4.9	Software shall be capable of exporting data in standard formats, such as XML, CSV, and Text. Proposer must describe any other export file formats contained in the proposal.	F
4.10	Software shall provide security native to the system, including LDAP and/or role-based security. Proposer must describe any other security native to the system.....	F
4.11	Software shall be preconfigured for joining and relating disparate source data from Oracle and other sources, as required.....	F
4.12	Software shall a low for flexibility in scheduling automatic audit testing based on a specific time, a recurring schedule, and/or a predefined business calendar.....	F

4.13	Software shall allow County administrators and users to easily modify and view exception thresholds and tolerances.....	F
4.14	Software shall allow County administrators to easily modify user access privileges and authorization profiles.....	F

4.0	<u>CCM System Requirements:</u>	<u>Coding</u>
4.15	Software shall be preconfigured to produce exception reports and capable of automatically publishing them in authorized users through the County intranet.....	F
4.16	Using the County's organizational structure and roles, the system shall provide internal data and security controls to restrict access based on specified user identification to respect existing levels of security from source system.....	F
4.17	Using the County's organizational structure and access to levels assigned to users, the system shall provide users the ability to view enterprise-wide results, specific levels of the summarized results, specific analysis results, and drill down to the specific details at the transaction level.....	F
4.18	Software shall provide capability of displaying and printing customizable summary reports, and exporting entire reports or specific pages or sections of a report into Excel, Word, Access, XML, PDF, text files, and/or other formats.....	F
4.19	Vendor shall provide an up-to-date user/training manual. Updates to the user/training manuals are included under maintenance.....	F
Procure to Pay Process Requirements		
4.20	Identify transactions by employees that are: a. Unauthorized to perform an activity..... b. Invalid employees..... c. Inactive employees.....	C C C
4.21	Identify transactions with unauthorized, debarred, or suspicious Vendors by: a. Name..... b. Vendor/Customer Code.....	C C
4.22	Identify improper segregation of duties: a. As defined by county segregation point requirements. Duties/roles may include creation (entry), approval (authorization), adjustments (corrections), crediting, or supplier set-up within and across the areas of requisitioning, purchasing, receiving, invoicing, payment, and inventory..... b. For system administration or ERP Super-User access/modifications.....	C C

	c. For hierarchical, or multi-level, approvals (overrides, increasing dollar value approvals, etc.).....	C
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<u>4.0</u>	<u>CCM System Requirements:</u>	<u>Coding</u>
4.23	Identify Split transactions for the purpose of overriding limits. a. Split requisition..... b. Split POs..... c. Split payments.....	C C C
4.24	Identify duplicates (requisitions, POs, or payments).....	C
4.25	Identify unmatched quantities/dollar or mismatches a. Requisition versus PO..... b. PO versus Receipt..... c. Receipt versus Invoice..... d. Receipt versus Inventory..... e. PO-receipt-invoice versus approved payment..... f. Approved Payment versus Payment.....	C C C C C C
4.26	Identify improper authorizations of requisitions, POs, or invoice payments a. Authorized by inappropriate position/personnel..... b. Not authorized within established time requirements.....	C C
4.27	Identify where invoice holds or disputes are not resolved within specified time requirements.....	C
4.28	Identify transaction sequences or timing anomalies for requisition-PO-receipt-invoice-payment cycle a. Out of sequence transactions..... b. Suspicious, unexpected, duplicate or non-sequential numbering of requisitions, PO's or receiving transactions..... c. Subsequent activity not performed within specified time requirements.....	C C C
4.29	Identify where spending limits have been exceeded.....	C
4.30	Identify purchase of unauthorized or restricted items.....	C

<u>4.0</u>	<u>CCM System Requirements:</u>	<u>Coding</u>
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4.31	Identify unusual or unexpected spending patterns or amounts	
	a. Anomalies using Benford testing.....	C
	b. Inordinate year-end activity or adjustments.....	C
	c. Unusual transaction volume by Vendor.....	C
	d. Unusual transaction frequency by Vendor.....	C
4.32	Identify potential vendor/employee associations	
	a. Matching name.....	C
	b. Matching address.....	C
	c. Matching phone #.....	C
	d. Matching TIN/SSN.....	C
4.33	Identify suspicious or unexpected data values or formats.....	C
4.34	Identify suspicious or repetitive adjustments, credits, or refunds.....	C

4.0	<u>CCM System Requirements:</u>	<u>Coding</u>
Purchasing Card Requirements		
4.35	Identify transactions by employees that are: a. Unauthorized cardholders..... b. Invalid employees..... c. Inactive employees.....	C C C
4.36	Identify unauthorized or deactivated card numbers.....	C
4.37	Identify transactions with unauthorized or suspicious Vendors by: a. Name..... b. Vendor/Customer Code.....	C C
4.38	Identify improper segregation of duties: a. As defined by County segregation point requirements. Duties/roles may include creation (entry), approval (authorization), adjustments (corrections), crediting, or supplier set-up within and across the areas of requisitioning, purchasing, receiving, invoicing, and payment..... b. For system administration or ERP Super-User access/modifications..... c. For hierarchical, or multi-level, approvals (overrides, increasing dollar value approvals, etc.).....	C C C
4.39	Identify split transactions for the purpose of overriding limits: a. To override individual card limits..... b. Multiple cards or override maximum spending limits.....	C C
4.40	Identify duplicates: a. Duplicates cards..... b. Duplicates transactions, single cards..... c. Duplicate transactions across cards.....	C C C

4.0	<u>CCM System Requirements:</u>	<u>Coding</u>
4.41	Identify unmatched quantities/dollar or mismatches: a. Purchase versus receipt log..... b. Purchase versus bank report..... c. Purchase versus Approved Payment..... d. Approved versus Payment.....	C C C C
4.42	Identify improper authorizations: a. Authorized by inappropriate position/personnel..... b. Not authorized within established time requirements.....	C C
4.43	Identify where the payment holds or disputes are not resolved within specified time requirements.....	C
4.44	Identify where spending limits have been exceeded.....	C
4.45	Identify purchase of unauthorized or restricted items.....	C
4.46	Identify unusual or unexpected spending patterns or amounts a. Anomalies using Benford testing..... b. Inordinate year-end activity or adjustments..... c. Unusual transaction volume by Vendor..... d. Unusual transaction frequency by Vendor.....	C C C C
4.47	Identify potential vendor/employee associations a. Matching name..... b. Matching address..... c. Matching phone #..... d. Matching TIN/SSN..... e. Matching bank account (for EFT/direct deposit vendors).....	C C C C C
4.48	Identify suspicious or unexpected data values or formats.....	C
4.49	Identify suspicious or repetitive adjustments, credits, or refunds.....	C

4.0	<u>CCM System Requirements:</u>	<u>Coding</u>
Payroll Requirements		
4.50	Identify unauthorized payroll transactions: a. Invalid employee ID..... b. Inactive, ghost or duplicate employees through employee records and address	C

	match.....	C
	c. Out-of-expected employee ID numbering sequence or range.....	C
	d. Invalid or incorrect SSN.....	C
4.51	Identify improper segregation of duties; a. As defined by County segregation point requirements. Duties/roles may include time entry, approval (authorization), adjustments (corrections), signoff, payroll batch preparation, payroll processing/disbursement, payroll distribution..... b. For system administration or ERP Super-User access/modifications.....	C C
4.52	Identify improper or suspicious payments based on start or termination dates.....	C
4.53	Identify transactions with invalid or manually adjusted pay rates, deductions or allowances.....	C
4.54	Check salary payment falls within employee salary range for specified class specification and that step advancements are within specified time frames and sequential.....	C
4.55	Identify excessive or inappropriate overtime payment based on County policy.....	C
4.56	Identify suspicious or excessive employee pay based on improper time entry in accordance with County policy.....	C
4.57	Identify off-cycle or manual checks.....	C
4.58	Identify unexpected or suspicious variations in payroll expense month to month and quarter to quarter, as well as comparing current payroll levels to budget and levels in prior years.....	C
4.59	Identify unusual adjustments, such as excessive payments without deductions, large payroll reversals near year-end, etc.....	C
4.60	Identify manual adjustments to payroll deductions, leave, or sick time accrual	C
4.0	<u>CCM System Requirements:</u>	<u>Coding</u>
4.61	Identify unmatched quantities/dollars or mismatches a. Individual payroll and payment amount..... b. Net authorized payroll expense versus funds actually Issued..... c. Payroll and post-payroll to the general ledger.....	C C C
4.62	Identify payroll transactions with suspicious or unexpected level of deductions for taxes or Social Security.....	C
4.63	Identify payroll transactions with suspicious or unusually large increases.....	C
4.64	Identify employees who have been absent for extended periods of time but still on the payroll.....	C

4.65	Identify duplicates: a. Employee Names, addresses, SSN..... b. Bank account, direct deposit information.....	C C
General Ledger Requirements		
4.66	Identify invalid or unauthorized users: a. Posting..... b. Account creation/deletion..... c. Adjustments.....	C C C
4.67	Identify improper segregation of duties: a. Duties/roles may include posting/entry, approval (authorization), adjustments (corrections), COA creation/modification..... b. For system administration or ERP Super-User access/modifications.....	C C
4.68	Identify split entries for the purpose of overriding limits.....	C
4.69	Identify duplicates (same account, same amount, etc.).....	C
4.70	Identify invalid postings, inappropriate account classifications.....	C
4.71	Identify amounts exceeding specified limits or in non-compliance with County Policy.	C
4.72	Identify unusual or suspicious entries (even/round dollar, restricted keyword/descriptors, etc.).....	C
4.0	<u>CCM System Requirements:</u>	<u>Coding</u>
4.73	Identify frequent reversal or adjustments.....	C
4.74	Identify unexpected weekend or holiday transactions.....	C
4.75	Identify suspicious or improper closing period cutoff entries.....	C
4.76	Identify suspicious or unexpected temporary/suspense account activity: a. Activity with specified time relevant to period end..... b. Inactivity or sustained balances.....	C C
Travel and Entertainment Requirements		
4.77	Identify transactions by employees that are a. Unauthorized cardholders..... b. Invalid employees..... c. Inactive employees.....	C C C
4.78	Identify improper segregation of duties: a. Duties/roles may include travel requestor, approval (authorization, adjustments (corrections), validation/verification, disbursement, distribution	C

	b. For system administration or ERP Super-User access/modification.....	C
4.79	Identify duplicates (claims, payments, merchants).....	C
4.80	Identify improper authorizations for travel, reimbursement, or payment: a. Authorized by inappropriate position/personnel..... b. Not authorized within established time requirements.....	C C

<u>4.0</u>	<u>CCM System Requirements:</u>	<u>Coding</u>
4.81	Identify individual or aggregate claims exceeding specified limits or in non-compliance with County policy.....	C
4.82	Identify claims/receipts for date when employee was inactive, or on time away from work (vacation, sick leave, etc.).....	C
4.83	Identify transactions with unauthorized, debarred, or suspicious Vendors by: a. Name..... b. Vendor/Customer Code.....	C C
4.84	Identify potential vendor/employee associations: a. Matching name..... b. Matching address..... c. Matching phone #..... d. Matching TIN/SSN..... e. Matching bank account (for EFT/direct deposit vendors).....	C C C C C
4.85	Identify unmatched quantities/dollar or mismatches: a. Expense reported and receipts scanned..... b. Expense reported and payment approved..... c. Cash advanced and reconcile to expense payment..... d. Approved Payment versus Payment.....	C C C C

<u>4.0</u>	<u>Narrative Questions</u>
Ad-hoc Data Analytics	
4.86	Describe any desktop-based software recommended by vendor for ad-hoc data mining and data analysis to supplement web-based functionality.....
Response:	Approva BizRights ships with a rich library of out-of-the-box, actionable reports, and no desktop-based software is required to effectively use the solution. That said, if the user would prefer to manipulate BizRights data within Microsoft Excel, for example, that is made easy via delivered OLAP cubes.
Reporting Requirements	
4.87	Identify and describe the software's reporting tool.....
Response:	BizRights out-of-the-box reporting is delivered by Microsoft SQL Reporting Services (SRS), which is a component of our technology stack.
4.88	Identify any and all pre-built reports and describe how reports are created, stored, and archived in the system.....
Response:	Out-of-the-box BizRights reports are provided at a trending, summary, and detail level, and report on exceptions identified by our business rules. End users are able to control data filtering and presentation via our GUI. New reports may also be created via the SRS report writer. Reports and all BizRights data are stored in the BizRights Microsoft SQL Server database.
4.89	Describe how the system will integrate with COGNOS, the County's standard reporting tool.....
Response:	COGNOS can report on BizRights data by creating a connection either to the BizRights SQL Server database, or our OLAP cubes using the COGNOS authoring tools.

4.0	<u>Narrative Questions</u>
Additional Controls Monitoring	
4.90	Describe any additional areas where vendor may provide controls, monitoring and business process enhancements.....
Response:	1. We allow user entered data enrichment of level II and III data for card and expense transactions. We will flag transactions missing this data and route it via workflow to cardholder/traveler for input. Reporting is monitored for responses with configurable reminders and escalations. 2. We can route exceptions for remediation through workflow. Open items are tracked for delinquency. Exceptions can be sent to multiple paths with escalations. Email interface for researching and collecting justification and evidence to resolve. 3. Automated costing of card and expense transactions and automatic update of GL. Can support, fund accounting, grant accounting, and level accounting 4. Certification Manager automates the periodic review and certification of user access to various systems across your organization. Also, any other type of data can be reviewed and certified (e.g., manual controls, Approva rules, etc.)
4.91	Describe in detail the library of pre-built analytics available in the system and how they would be applied to CGI's Advantage Financials. The County's preference is for a CCM software solution that utilizes the software's existing controls library and requires minimal customization. Proposer must indicate how much time would be needed for customization and identify the associated costs.....
Response:	Approva BizRights delivers a comprehensive library of business rules across all areas of CCM, including configuration, user access, master data, and transactions, and encompass all processes referenced in this RFP. Our easy to use, graphical rule building interface makes configuring them to meet LA County's needs very straightforward. A sample set of controls in respect to the Accounts Payable process is attached in Appendix A. Approva is responding to this RFP along with CGI. Only Approva and CGI can assure an accurate configuration of business rules against the CGI Advantage application. The knowledge of the CGI application and the business controls contained within CGI Advantage cannot be duplicated by any vendor other than the combined team of CGI and Approva. Integration of the CGI Advantage application and the Approva platform will be performed by the combined Approva and CGI team. The time and associated cost for configuration is included in the statement of work and cost proposal."
4.92	Propose a detailed project timeline for this implementation and describe and propose an implementation and roll-out approach, e.g. phased vs. "all-at-once"
Response:	The BizRights deployment will consist of multiple phases which will align with the milestones that were described in the RFP. 1. Installation, Optimization, and System Administration Training (10 days) • Milestone 1: Pre-Implementation Planning 2. Discovery & Functional Training (17 days) • Milestone 2: Implementation Design and Planning 3. Security Controls for CGI Advantage (60 days) • Build and deploy integration of BizRights with CGI Advantage • Build the controls necessary to monitor SOD conflicts • Knowledge Transfer • Milestone 3: Security Controls - Continuous Controls Monitoring Solution Implementation

	• Milestone 4: Security Controls - Implementation Assessment and Validation • Milestone 5: Security Controls - Continuous Controls Monitoring Production Implementation • Milestone 6: Security Controls - Implementation Assessment and Validation 4. Process Controls for CGI Advantage (245 days) • CGI Advantage's Process Insights Feasibility & Design • Process controls design, develop, test and deploy around: ▪ Procure to Pay ▪ Purchase Cards ▪ Payroll ▪ General Ledger ▪ Travel and Entertainment • Knowledge Transfer • Milestone 3: Process Controls - Continuous Controls Monitoring Solution Implementation • Milestone 4: Process Controls - Implementation Assessment and Validation • Milestone 5: Process Controls - Continuous Controls Monitoring Production Implementation • Milestone 6: Process Controls - Implementation Assessment and Validation 5. Project Management (40 days) • Provide project oversight • Status reports • Tracking budget • Tracking resource allocation
4.93	Describe how the system will be configured to minimize false-positives.....
Response:	BizRights features an easy to use, graphical rule building engine, and analyzes to the most granular levels of the application data to ensure false positives are avoided. Because rules are easily modified, the customer is able to tune the application to eliminate anything other than true control violations, without our involvement.

<u>4.0</u>	<u>Narrative Questions</u>
4.94	Describe how system will be interfaced to non-CGI systems.....
Response:	BizRights is inherently a cross-application controls monitoring solution, and is designed to easily extract data from a variety of systems. Microsoft SQL Integration Services, a component of our technology stack, offers an extensive array of connection options, and automates the process of extracting data from the target system, transforming it into the appropriate BizRights format, and loading it into our database.
4.95	Describe the system's capabilities to support cross- and multi-platform transactions.....
Response:	The BizRights rule engine allows for true cross-application / multi-platform analysis of configuration, user access, master data, and transactional data, out-of-the-box.
4.96	Describe the system's exception monitoring and remediation workflow capabilities.....
Response:	When BizRights identifies an exception via its business rules, the appropriate control

	owner is notified via email, and provided a link to the violation detail in BizRights. Violations are color-coded and prioritized by their severity, and full workflow with escalation is provided to automate the remediation process. All remediation activities are logged, and a full audit trail is retained.
4.97	Describe the level and type of support vendor would provide, including how vendor would handle all updates, upgrades, forms and workarounds while under maintenance
Response:	Software Updates provides customers with rights to Approva Product upgrades, maintenance releases, patches and documentation released during the subscription period. Software Updates is the base level access to Approva's Customer Support Portal and its associated features. Key Benefits • Stability – Receive and install the latest product releases to enhance the stability of your Approva-based system • Predictability – eliminate known problems; access the global knowledgebase of information on Approva. Approva Global Customer Support Approva Global Customer Support is a flexible, easy-to-use service that provides timely, effective support for all Approva software products. Approva Global Customer Support provides skilled technical assistance for all Approva products through the telephone or through Approval Customer Support Portal, which allows customers to log and track Cases as well as get complete access to Approva's global knowledge database for self-service. Approva Technical Account Managers (TAMS) are trained in problem analysis to take a focused and structured approach to solving critical and time-sensitive issues. Their rigorous technical and customer training, combined with practical hands-on experience with Approva products and operating systems, ensure consistent, reliable, and knowledgeable responses to your questions and problems. Approva Global Customer Support includes: • Real- time solutions through 24 x 7 web and telephone access to technical expertise. • Access to solutions from Approva Support and Approva Engineering • Support methodology based on global standards and best practices • Rich web-based technical resources – including technical repositories and the ability to log and track Cases using Approval Customer Support Portal Key Benefits • Keep your information systems available and reliable 24 x 7. • Maximize the value of your investment in Approva technology. • Achieve business objective by cutting downtime and increasing productivity. Web based services is the preferred method for Approva to provide support to its clients. The Internet is the single most critical piece of Approva's strategy to provide better, faster service to all clients. Approva's primary web tool is the Approval Customer Support Portal mentioned above. (Refer also to Q23 for more details.) Escalation/complaints are received via the CASE Escalation Process. This process is designed to allow a customer to request assistance from a member of the management team when they deem necessary. Reasons to engage an escalation manager may include dissatisfaction with the service, delay in resolution, change in critical deadlines

	impacting the customer, and wishing to convey congratulations or gratitude to the field TSE for a job well done. The CASE Escalation Process is invoked by simply calling the Approva Global Customer Support telephone hotline and requesting to speak to an escalation manager. The escalation manager will contact the customer within 60 minutes of the request, discuss the customer's concerns, and develop a mutually agreed upon action plan. The escalation manager will then engage the appropriate resources to resolve the issue and monitor the situation to resolution. Approval Customer Support Portal enables you to obtain updated information about Approva products and support solutions at your convenience. It can also help you manage and resolve your own technical issues at any time. Approval Customer Support Portal, an integral component of product support, uses a standard web interface to make obtaining information and solutions quicker and easier than ever before. In the Approval Customer Support Portal you can log, update, and check the status of Cases, browse electronic libraries for technical tips and product release schedules, and access interactive forums. Approval Customer Support Portal which you can customize to fit your business needs, is the ideal way to search for proven solutions in Approva's repository of knowledge, to download patches, to review technical and product documentation, and to have customized technical notification proactively emailed to the customer.
4.98	Describe how software modules map to COSO standards for internal controls.....
Response:	Approva's continuous controls monitoring software directly supports the components of the COSO internal control framework. In particular, one of the five components is about effectively monitoring internal controls. Approva technology has been designed from the beginning to automate this controls monitoring and manage information in a way that is accurate, actionable, and auditable for end users (who are often not technical experts and need information and context at the right level so they can make appropriate and timely decisions about risks that are identified in the business process).

<u>4.0</u>	<u>Narrative Questions</u>
4.99	Describe the application security provided for the system.....
Response:	BizRights easily integrates with LDAP-based authentication technologies to provide single sign-on to our application, and the product has its own role based security to control functional access within the product. In addition, connection level security is provided to ensure that users only have visibility to appropriate application and exception data.
4.100	The proposer must identify any third-party consultant who may assist Proposer with the integration of the CMM software to the County's CGI software and describe the third-party consultant's role in the integration.....
Response:	CGI, the creator of CGI Advantage will be assisting Approva with the integration of Approva BizRights and CGI Advantage. CGI and Approva have worked together to integrate CGI software and Approva before (see CGI qualifications). US Courts is a joint Approva and CGI reference. CGI will be assisting Approva with an understanding of the CGI security and database model and with the integration. This will give the County the best possible controls solution. Approva experience write up CGI develops and markets two comprehensive public sector ERP solutions, AMS Advantage for state and local government, and Momentum for federal agencies. CGI recently teamed up with Approva to provide a continuous control and monitoring solution that could be integrated with our ERP software. By integrating Approva BizRights with our ERP software, government agencies can more readily detect material misstatements in financial reports and continuously test whether their internal controls are functioning as designed. During the controls evaluation process, agency management teams can quickly gather evidence regarding how each internal control was applied, the consistency with which it was applied, and who applied it. The Administrative Office of the United States Courts (Courts) has been a long-term CGI client, using Momentum to manage their financial transactions and reporting for the past 13 years. CGI and Approva recently launched a four-phase project to deliver continuous controls monitoring for 94 Courts that make up the US Courts jurisdiction. The joint model of Momentum with Approva's BizRights, referred to by the Courts and ICE (internal controls evaluation), is designed to prevent and detect material misstatements in financial reports and continuously test whether Momentum's internal controls are functioning as configured for the Courts. The implementation is following a four phase approach, with the first three already completed: • Phase I ▪ Implement separation of duty (SoD) rules to fourteen district court clerk offices and one circuit court clerk's office. ▪ Completed - April 30, 2008. • Phase II ▪ Create and monitor Momentum transactions based on an initial set of 50 data mining reports provided by the Office of Audit. ▪ Completed- September 30, 2008. • Phase III ▪ Expand ICE to all other court units within the fifteen Phase I courts.

	▪ Completed– March 31, 2009. • Phase IV ▪ National implementation - Implement ICE to remaining 79 U.S. Courts. ▪ Scheduled completion – June 30, 2012 CGI currently provides operations and hosting services for Momentum and the Momentum/BizRights implementation within our Phoenix Data Center.
4.101	Describe the operating system and hardware platforms supported by the system.....
Response:	BizRights is built on the Microsoft .NET stack of technologies. The OS is Windows 2003 Enterprise Edition. Our interface is delivered via the Microsoft IIS web server, is accessed via Internet Explorer 6.01, or higher. All data is stored in a Microsoft SQL Server 2005 database.

Software Warranty applicable to Section D

For the period specified in Section 9.1 of the Agreement, the Software shall substantially conform in all material respects with the answers provided by Approva in Section D of its response dated May 2009 to LA County's RFP, but only to the extent those answers a) relate to the same Software licensed by Approva under this Agreement, and b) were based on the same assumptions applicable under the RFP (including, without limitation, with respect to Software configurations required by County, and with respect to the supporting hardware, software and services provided by the County.