County of Los Angeles

DEPARTMENT OF CHILDREN AND FAMILY SERVICES

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ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

September 29, 2026

32 September 29, 2026

EDWARD YEN
EXECUTIVE OFFICER

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:

RECOMMENDATION TO AWARD ONE CONTRACT TO PROVIDE REDACTION SERVICES (ALL SUPERVISORIAL DISTRICTS) (3 VOTES)

SUBJECT

The Department of Children and Family Services (DCFS) requests the Board's approval to enter into a contract with the next lowest responsive and responsible bidder for a recently completed Invitation for Bids (IFB) solicitation for Redaction Services. This action is necessary because the previously recommended bidder withdrew their bid on June 23, 2026, after the Board's approval on June 16, 2026. The contract will be effective upon execution through June 30, 2027, with the County's option to extend for an additional two one-year contract terms from July 1, 2027 through June 30, 2029.

IT IS RECOMMENDED THAT THE BOARD:

1. Delegate authority to the Director of DCFS, or designee, to execute a contract for Redaction Services, substantially similar to Attachment A, with the lowest qualifying bidder, contingent upon successful negotiations. The maximum annual contract amount is $1,208,000.00, financed using 25 percent federal funds and 75 percent local funds. The contract term is effective upon execution through June 30, 2027, with the County's option to extend for two additional one-year periods effective July 1, 2027 through June 30, 2029, at the County's sole option. Funding is included in DCFS' Fiscal Year (FY) 2026-2027 Adopted Budget and will be included in the Department's subsequent FY budget requests.

2. Delegate authority to the Director of DCFS, or designee, to exercise the County's options to extend the contract by amendment or written notice, provided that: a) sufficient funding is available; b) County Counsel approval is obtained; and c) DCFS notifies the Board and Chief Executive Office (CEO), in writing, within ten (10) business days of executing such amendments.

3. Delegate authority to the Director of DCFS, or designee, to negotiate and execute amendments to increase the Maximum Annual Contract Amount by over 10 percent, for additional services to meet the high demand for redaction services, provided that: a) sufficient funding is available; b) County Counsel approval is obtained; and c) DCFS notifies the Board and CEO, in writing, within ten (10) business days of executing such amendments.

4. Delegate authority to the Director of DCFS, or designee, to terminate the Redaction Services contract for convenience or contractor default, provided that: a) County Counsel approval is obtained and b) DCFS notifies the Board and CEO, in writing, within ten (10) business days of such termination.

5. Delegate authority to the Director of DCFS, or designee, to negotiate and execute amendments to the Redaction Services contract for any mergers, acquisitions or changes in ownership; for any revisions required by changes in local, state and federal regulations; or for necessary changes to meet DCFS' needs for redaction services, provided that: a) County Counsel approval is obtained and b) DCFS notifies the Board and CEO, in writing, within ten (10) business days of executing of such amendments.

6. Delegate authority to the Director of DCFS, or designee, to extend the contract by amendment or written notice for an additional six months beyond June 30, 2029, if such time is necessary to complete a solicitation, provided that: a) sufficient funding is available; b) County Counsel approval is obtained; and c) DCFS notifies the Board and CEO, in writing, within ten (10) business days of executing of such amendments.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Welfare and Institutions Code (WIC) 827 protects the confidentiality of minors and limits the access of information by certain persons or entities who are authorized to inspect juvenile case files without a court order or hearing. Prior to the release of juvenile case files, the files must be redacted pursuant to WIC Section 827, subdivision (a)(3) to remove portions of the files that are protected by state law, federal law, or regulation. On January 4, 2023, DCFS implemented the WIC 827 Unit to execute the requirements as stipulated in WIC 827.

The purpose of the recommended action is for the vendor to perform the redaction of documents to remove privileged and confidential information prior to being released to the courts, attorneys and those authorized to inspect juvenile case records.

Implementation of Strategic Plan Goals

The recommended actions are consistent with the principles of the Countywide Strategic Plan North Star 3 - Realize Tomorrow's Government Today by supporting vulnerable populations which drive interactions with the County's child welfare and justice systems.

FISCAL IMPACT/FINANCING

The Maximum Annual Contract Amount for Redaction Services is $1,208,000.00, financed using 25 percent federal funds and 75 percent local funds. The aggregate Maximum Contract Amount is $3,624,000.00. Funding is included in DCFS' Adopted Budget for FY 2026-27.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

On January 1, 2020, California Assembly Bill 218 extended the statute of limitations for childhood sexual assault survivors to file civil lawsuits, which prompted increased requests for juvenile case files and a greater need to redact documents prior to their release. In accordance with WIC 827, DCFS has a legal obligation to respond to requests for access to and disclosure of juvenile case files in a timely manner.

This Board letter requests your approval of the recommended contract for redaction services resulting from the completed IFB solicitation.

County Counsel and the CEO have reviewed this Board letter. County Counsel has approved the Contract (Attachment A) as to form.

CONTRACTING PROCESS

On August 29, 2025, DCFS released IFB #24-0035 to procure a vendor to provide redaction services for DCFS. The IFB was posted on the Internal Services Department Los Angeles County Solicitations website and the DCFS Contracts website. In addition, the contracting opportunity was advertised in eight local newspapers, covering all areas of Los Angeles County. DCFS did not receive any requests for Solicitation Requirements Reviews.

On September 16, 2025, a total of 20 individuals representing 11 vendors attended the Bidder's Conference held via Webex. DCFS received five bids from five vendors by the submission deadline of October 16, 2025.

The Community Business Enterprise (CBE) Information form was used to identify minority vendors/women/disadvantaged/disabled veterans/Lesbian, Gay, Bisexual, Transgender, Queer, and Questioning vendors responding to the IFB. The CBE Information form was required as part of the bid submission.

Responsiveness Reviews were conducted on the bids received by the submission deadline. Two of the five bids were disqualified due to not submitting financial statements or not providing sufficient information on their financial statements to demonstrate their financial viability. The Disqualification Notices and Transmittal to Request a Disqualification Review were sent to the disqualified bidders on November 12, 2025 and November 19, 2025. One of the disqualified bidders requested a Disqualification Review on December 3, 2025. The Disqualification Review was completed by a DCFS contract analyst who was not involved with the solicitation. The results of the review indicated that the bidder did not provide factual support to prove the disqualification was erroneous.

On November 14, 2025, the Cost Evaluations were completed. Of the three remaining viable bids, the lowest responsive and responsible bid was recommended for contract award without regard to race, creed, color or sex.

On March 11, 2026, DCFS distributed one tentative Notice of Selection and two Notices of Non-Selection. Following the distribution of the Notices of Non-Selection, both non-selected bidders submitted their Notices of Intent to Request a Proposed Contractor Selection Review (PCSR); however, only one non-selected bidder submitted a Request for a PCSR.

The PCSR was completed by a DCFS staff member who was not involved with the solicitation and

who subsequently determined the bidder's assertion had no merit. The non-selected bidder did not submit a request for a County Independent Review.

On June 16, 2026, the Board authorized DCFS to enter into a contract with the lowest responsive and responsible bidder resulting from the aforementioned IFB solicitation. However, on June 23, 2026, they formally withdrew their bid to provide redaction services. As a result, on July 1, 2026, DCFS reached out to the second lowest responsive and responsible bidder to initiate contract negotiations. However, on August 11, 2026, the Department formally notified the second lowest bidder that negotiations will not proceed due to inconsistencies with the services described during negotiations and their bid documents. As a result, on August 19, 2026, the Department reached out to the next lowest qualifying bidder who is now being recommended for a contract.

DCFS has evaluated and determined that the Living Wage Program (County Code Chapter 2.201) does not apply to the recommended contract.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

The approval of the new Redaction Services contract will allow DCFS to respond to requests by protecting the confidentiality of minors prior to releasing juvenile case files to those that are authorized to inspect such records.

This contract will not infringe on the role of the County in relation to its residents, and there is no change in risk exposure to the County.

CONCLUSION

Upon approval by the Board of Supervisors, it is requested that the Executive Officer/Clerk of the Board send an adopted stamped copy of the Board letter and attachments to the Department of Children and Family Services.

Respectfully submitted,

LISA E. MANDEL
Interim Director

LEM:RT:KR:LTIAO:MB:jmh

Enclosures

c: Chief Executive Officer
Executive Officer, Board of Supervisors
County Counsel

ATTACHMENT A

CONTRACT

BY AND BETWEEN

COUNTY OF LOS ANGELES

AND

(CONTRACTOR)

FOR

REDACTION SERVICES
Assistance Listing #93.658

TABLE OF CONTENTS

PARAGRAPH **PAGE**

RECITALS **1**

1.0 APPLICABLE DOCUMENTS **2**

2.0 DEFINITIONS **3**

2.1 Standard Definitions 3

3.0 WORK **4**

4.0 TERM OF CONTRACT **4**

5.0 CONTRACT SUM **5**

5.1 Total Contract Sum 5

5.2 Written Approval for Reimbursement 5

5.3 Notification of 75% of Total Contract Sum 5

5.4 No Payment for Services Provided Following Expiration-Termination of Contract 6

5.5 Invoices and Payments 6

5.6 Unresolved Disallowed Costs 9

5.7 Default Method of Payment: Direct Deposit or Electronic Funds Transfer 9

6.0 ADMINISTRATION OF CONTRACT – COUNTY **10**

6.1 County's Administration 10

6.2 County's Program Manager 10

6.3 County's Program Monitor 10

6.4 County's Contract Analyst 11

7.0 ADMINISTRATION OF CONTRACT - CONTRACTOR **11**

7.1 Contractor's Administration 11

7.2 Contractor's Program Manager 11

7.3 Approval of Contractor's Staff 11

7.4 Contractor's Staff Identification 11

7.5 Background and Security Investigations 11

7.6 Confidentiality 12

8.0 STANDARD TERMS AND CONDITIONS **14**

8.1 Amendments 14

8.2 Assignment and Delegation/Mergers or Acquisitions 14

TABLE OF CONTENTS

PARAGRAPH		PAGE
8.3	Authorization Warranty	15
8.4	Budget Reductions	15
8.5	Complaints	16
8.6	Compliance with Applicable Laws	16
8.7	Compliance with Civil Rights Laws	17
8.8	Compliance with County's Jury Service Program	17
8.9	Conflict of Interest	19
8.10	Consideration of Hiring County Employees Targeted for Layoffs or Who are on a County Re-Employment List	19
8.11	Consideration of Hiring GAIN/START Participants	19
8.12	Contractor Responsibility and Debarment	20
8.13	Contractor's Acknowledgement and Notice to its Employees of the Safely Surrendered Baby Law	22
8.14	Contractor's Warranty of Adherence to County's Child Support Compliance Program	22
8.15	County's Quality Assurance Plan	23
8.16	Damage to County Facilities, Buildings or Grounds	23
8.17	Employment Eligibility Verification	23
8.18	Counterparts and Electronic Signatures and Representations	24
8.19	Fair Labor Standards	24
8.20	Force Majeure	24
8.21	Governing Law, Jurisdiction, and Venue	25
8.22	Independent Contractor Status	25
8.23	Indemnification	26
8.24	General Provisions for All Insurance Coverage	26
8.25	Insurance Coverage	30
8.26	Liquidated Damages	31
8.27	Most Favored Public Entity	32
8.28	Nondiscrimination and Affirmative Action	33
8.29	Non-Exclusivity	34
8.30	Notice of Delays	34

TABLE OF CONTENTS

PARAGRAPH		PAGE
8.31	Notice of Disputes	34
8.32	Notice to Employees Regarding the Federal Earned Income Credit	34
8.33	Notices	35
8.34	Prohibition Against Inducement or Persuasion	35
8.35	Public Records Act	35
8.36	Publicity	36
8.37	Record Retention and Inspection-Audit Settlement	36
8.38	Recycled Bond Paper	37
8.39	Subcontracting	37
8.40	Termination for Breach of Warranty to Maintain Compliance with County's Child Support Compliance Program	38
8.41	Termination for Convenience	39
8.42	Termination for Default	39
8.43	Termination for Improper Consideration	40
8.44	Termination for Insolvency	41
8.45	Termination for Non-Adherence of County Lobbyist Ordinance	41
8.46	Termination for Non-Appropriation of Funds	41
8.47	Validity	42
8.48	Waiver	42
8.49	Warranty Against Contingent Fees	42
8.50	Warranty of Compliance with County's Defaulted Property Tax Reduction Program	42
8.51	Termination for Breach of Warranty to Maintain Compliance with County's Defaulted Property Tax Reduction Program	43
8.52	Time Off for Voting	43
8.53	Compliance with County's Zero Tolerance Policy on Human Trafficking	43
8.54	Intentionally Omitted	43
8.55	Compliance with Fair Chance Employment Hiring Practices	43
8.56	Compliance with the County Policy of Equity	44
8.57	Prohibition from Participation in Future Solicitation(s)	44
8.58	Injury and Illness Prevention Program	44

TABLE OF CONTENTS

PARAGRAPH **PAGE**

8.59 Campaign Contribution Prohibition Following Final Decision in Contract Proceeding 44

9.0 UNIQUE TERMS AND CONDITIONS 45

9.1 Child Abuse Prevention Reporting 45

9.2 Conduct of Program 45

9.3 Contract Negotiations 45

9.4 Contractor Accounting and Financial Reporting 46

9.5 Contractor Alert Reporting Database (CARD) 46

9.6 Contractor Mandatory Orientation 46

9.7 Contractor's Charitable Activities Compliance 46

9.8 Employee Benefits and Taxes 46

9.9 Federal Award Information 46

9.10 Fixed Assets 47

9.11 Former Foster Youth Consideration 47

9.12 Health Insurance Portability and Accountability Act of 1996 (HIPAA) 47

9.13 Hours of Operation 48

9.14 Information Security and Privacy Requirements 49

9.15 Shred Documents 49

9.16 State Energy Conservation Plan 49

9.17 Use of Funds 49

10.0 SURVIVAL 50

TABLE OF CONTENTS

PARAGRAPH **PAGE**

EXHIBITS

- **A** Statement of Work and Attachments
- **B** Price Sheet (Not Attached to Contract)
- **C** Line Item Budget and Budget Narrative (Not Attached to Contract)
- **D** County's Administration
- **E** Contractor's Administration
- **F** Forms Required at the Time of Contract Execution
  - **F1** Contractor Acknowledgment and Confidentiality Agreement
  - **F2** Contractor Employee Acknowledgment and Confidentiality Agreement
  - **F3** Contractor Non-Employee Acknowledgement and Confidentiality Agreement
- **G** Auditor-Controller Contract Accounting and Administration Handbook
- **H** Federal Award Information
- **I** Information Security and Privacy Requirements
- **J** Vendor Information Security Compliance Checklist for SharePoint Data Transfers
- **K** Confidentiality of CORI Information
- **L** User Compliant Report
- **M** Mutual Non-Disclosure Agreement (NDA)

CONTRACT BETWEEN
COUNTY OF LOS ANGELES
AND

_____
FOR
REDACTION SERVICES

This Contract ("Contract") is made and entered into this ____ day of _____ 20___ ("Execution Date"), by and between the County of Los Angeles, hereinafter referred to as "County," and Contractor Name, hereinafter referred to as "Contractor." (Contractor Name) is located at (Contractor Address.)

RECITALS

WHEREAS, pursuant to Government Code Sections 26227, 31000 and 53703, the County is permitted to contract for services; and

WHEREAS, the Contractor is a private firm of recognized professionals with extensive experience and training in their specialized field. In rendering these services, Contractor must, at minimum, exercise the ordinary care and skill expected from the average practitioner in Contractor's profession acting under similar circumstances; and

WHEREAS, County has determined that the services to be provided under this Contract are necessary to comply with the Welfare and Institutions Code Section 827, which sets forth that juvenile case records are confidential. Dependency court records and proceedings are confidential to protect the identity of children from public exposure. Records related to the abuse or neglect of minors generated and maintained by the Department of Children and Family Services (DCFS) and Juvenile Courts are confidential and must be accessible to only a specific class of persons or entities; and

WHEREAS, Contractor warrants that it possesses the competence, expertise and personnel necessary to provide such services; and

NOW THEREFORE, in consideration of the mutual covenants contained herein, and for good and valuable consideration, the parties agree to the following:

1.0 APPLICABLE DOCUMENTS

Exhibits A through M are attached to and form a part of this Contract. In the event of any conflict or inconsistency in the definition or interpretation of any word, responsibility, schedule, or the contents or description of any task, deliverable, goods, service, or other work, or otherwise between the base Contract and the Exhibits, or between Exhibits, such conflict or inconsistency will be resolved by giving precedence first to the Contract and then to the Exhibits according to the following priority.

Exhibits:

Exhibit A	Statement of Work and Attachments
Exhibit B	Price Sheet (Not attached to Contract)
Exhibit C	Line Item Budget and Budget Narrative (Not attached to Contract)
Exhibit D	County's Administration
Exhibit E	Contractor's Administration
Exhibit F	Forms Required at the Time of Contract Execution
F1	Contractor Acknowledgement and Confidentiality Agreement
F2	Contractor Employee Acknowledgement and Confidentiality Agreement
F3	Contractor Non-Employee Acknowledgement and Confidentiality Agreement
Exhibit G	Auditor-Controller Contract Accounting and Administration Handbook
Exhibit H	Federal Award Information
Exhibit I	Information Security and Privacy Requirements
Exhibit J	Vendor Information Security Compliance Checklist for SharePoint Data Transfers
Exhibit K	Confidentiality of CORI Information
Exhibit L	User Compliant Report
Exhibit M	Mutual Non-Disclosure Agreement (NDA)

This Contract and the Exhibits hereto constitute the complete and exclusive statement of understanding between the parties, and supersedes all previous Contracts, written and oral, and all communications between the parties relating to the subject matter of this Contract. No change to this Contract will be valid unless prepared pursuant to Paragraph 8.1 (Amendments) and signed by both parties.

2.0 DEFINITIONS

2.1 Standard Definitions

The headings herein contained are for convenience and reference only and are not intended to define the scope of any provision thereof. The following words as used herein will be construed to have the following meaning, unless otherwise apparent from the context in which they are used.

2.1.1 **Board of Supervisors (Board)**: The Board of Supervisors of the County acting as governing body.

2.1.2 **Contract**: This agreement executed between County and Contractor. Included are all supplemental agreements amending or extending the service to be performed. The Contract sets forth the terms and conditions for the issuance and performance of all tasks, deliverables, services, and other work.

2.1.3 **Contractor**: The person or persons, sole proprietor, partnership, joint venture, corporation or other legal entity who has entered into an agreement with the County to perform or execute the work covered by this Contract.

2.1.4 **Contractor's Program Manager**: The person designated by the Contractor to administer the Contract operations under this Contract.

2.1.5 **County's Contract Analyst**: The person designated by the County to manage and facilitate the administrative functions of the Contract.

2.1.6 **County's Program Manager**: Person designated by County's Program Director to manage the operations under this Contract.

2.1.7 **County's Program Monitor**: Person with responsibility to oversee the day-to-day activities of this Contract. Responsibility for inspections of any and all tasks, deliverables, goods, services and other work provided by the Contractor.

2.1.8 **County Observed Holidays**: Days on which County departments are closed for business in observance of significant events. A list of County observed holidays may be found on the County's website https://lacounty.gov/government/about-la-county/about/.

2.1.9 **Day(s)**: Calendar day(s) unless otherwise specified.

2.1.10 **Department**: The County of Los Angeles Department of Children and Family Services, which is entering into this Contract on behalf of the County of Los Angeles.

2.1.11 **Director**: Director of Department.

2.1.12 **Fiscal Year**: The twelve (12) month period beginning July 1st and ending the following June 30th.

2.1.13 **Statement of Work**: A written description of the work to be performed by Contractor to meet the needs of the County, including special provisions pertaining to the method, frequency, manner, and place of performing the contract services.

2.1.14 **Subcontract**: An agreement by the Contractor to employ a subcontractor to provide services to fulfill this Contract.

2.1.15 **Subcontractor**: Any individual, person or persons, sole proprietor, firm, partnership, joint venture, corporation, or other legal entity furnishing supplies, services of any nature, equipment, and/or materials to Contractor in furtherance of Contractor's performance of this Contract, at any tier, under oral or written agreement.

3.0 WORK

3.1 Pursuant to the provisions of this Contract, the Contractor must fully perform, complete and deliver on time, all tasks, deliverables, goods, services and other work as set forth herein.

3.2 If the Contractor provides any tasks, deliverables, goods, services, or other work, other than as specified in this Contract, the same will be deemed to be a gratuitous effort on the part of the Contractor, and the Contractor will have no claim whatsoever against the County.

3.3 County will issue a written start work notice to Contractor indicating when services under this Contract can begin. Contractor will not begin any services under this Contract without such written start work notice from the County. County has the right to issue a written stop work order whenever the County deems that it is in its best interest to do so, and Contractor must stop work immediately upon receipt of such written stop work notice.

4.0 TERM OF CONTRACT

4.1 The term of this Contract will commence upon execution by DCFS Director or designee, unless sooner terminated or extended, in whole or in part, as provided in this Contract.

4.2 The County will have the sole option to extend this Contract term for up to two (2) additional one (1)-year periods through June 30, 2029. Each such extension option will be exercised at the sole discretion of the DCFS Director or designee, as authorized by the Board of Supervisors.

The County maintains a database that tracks/monitors Contractor performance history. Information entered into the database may be used for a variety of purposes, including determining whether a bidder is responsible for the purposes of a future County contract or extension option.

4.3 The Contractor must notify Department when this Contract is within six (6) months from the expiration of the term as provided for hereinabove. Upon occurrence of this event, the Contractor must send written notification to Department at the address herein provided in Exhibit D (County's Administration).

4.4 The term of this Contract may also be extended by the DCFS Director by written notice to the Contractor sixty (60) days prior to the expiration of the contract term for a period not to exceed six (6) months beyond stated expiration date on a month-to-month basis, if such additional time is necessary to complete the negotiation or solicitation of a new contract.

5.0 CONTRACT SUM

5.1 Total Contract Sum

The Maximum Annual Contract Sum for this Contract is $1,208,000.

5.1.1 The Contract Sum under this contract will be the total monetary amount payable by County to Contractor for supplying all the tasks, deliverables, goods, services and other work specified under this Contract. Contractor will provide services at the rates identified in Exhibit B (Price Sheet).

5.1.2 The Department may increase the total contract amount by over ten percent (10%), as approved by the Board. The County does not warranty or represent that all, or any portion, of the not-to-exceed contract amount will be authorized, allocated, or expended by the County; nor does the County warranty or represent that it will authorize the selected contractor(s) to perform any work or services of any monetary amount.

5.2 Written Approval for Reimbursement

The Contractor will not be entitled to payment or reimbursement for any tasks or services performed, nor for any incidental or administrative expenses whatsoever incurred in or incidental to performance hereunder, except as specified herein. Assumption or takeover of any of the Contractor's duties, responsibilities, or obligations, or performance of same by any person or entity other than the Contractor, whether through assignment, subcontract, delegation, merger, buyout, or any other mechanism, with or without consideration for any reason whatsoever, must not occur except with the County's express prior written approval.

5.3 Notification of 75% of Total Contract Sum

The Contractor must maintain a system of record keeping that will allow the Contractor to determine when it has incurred seventy-five percent (75%) of the total contract authorization under this Contract. Upon occurrence of this event, the Contractor must send written notification to Department at the address herein provided in Exhibit D (County's Administration).

5.4 No Payment for Services Provided Following Expiration-Termination of Contract

The Contractor will have no claim against County for payment of any money or reimbursement, of any kind whatsoever, for any service provided by the Contractor after the expiration or other termination of this Contract. Should the Contractor receive any such payment it must immediately notify County and must immediately repay all such funds to County. Payment by County for services rendered after expiration/termination of this Contract will not constitute a waiver of County's right to recover such payment from the Contractor.

5.5 Invoices and Payments

5.5.1 The Contractor must invoice the County only for providing the tasks, deliverables, goods, services, and other work specified in Exhibit A (Statement of Work and Attachments) and elsewhere hereunder. The Contractor must prepare invoices, which will include the charges owed to the Contractor by the County under the terms of this Contract.

5.5.2 The Contractor must submit the monthly invoices to the County by the 15th calendar day of the month following the month of service.

5.5.3 County Approval of Invoices

The Contractor must submit monthly invoices and required supporting documentation under this Contract to the DCFS County Program Manager for review and approval. The Contractor must also submit an electronic copy via email to DCFS Accounting Services.

5.5.3.1 The electronic invoice must be emailed by a representative of the Contractor, whose email address has been approved by the Program Manager.

5.5.3.2 Invoices received from an email address not approved by the Program Manager will not be accepted.

5.5.3.3 Emails containing invoices must come from a contractor-specific domain and not from a generic third-party platform (e.g. Gmail, Hotmail, etc.)

5.5.3.4 Invoices and supporting documentation must be submitted to:

County of Los Angeles
Department of Children and Family Services
510 S. Vermont Avenue, 10th Floor
Los Angeles, CA 90020
Attn: Records Retention and Production Section
leecs@dcfs.lacounty.gov

And a duplicate copy to:

County of Los Angeles
Department of Children and Family Services
510 S. Vermont Avenue, 14th Floor
Los Angeles, CA 90020
Attn: Accounting Services, Contract Accounting Unit
ContractInvoices@dcfs.lacounty.gov

5.5.3.5 All invoices submitted by the Contractor for payment must have the written approval of the County's Program Manager prior to any payment thereof. In no event will the County be liable or responsible for any payment prior to such written approval. Approval for payment will not be unreasonably withheld.

5.5.3.6 Contractor must submit a monthly invoice in arrears for services rendered in the previous month. Contractor must make its best efforts to submit all invoices within fifteen (15) of the last day of the month in which the services were rendered. Any invoices submitted more than thirty (30) days after the last day of the month the services were rendered will constitute as "past due invoice." Past due invoices must be submitted no more than sixty (60) days after the last day of the month in which services were rendered. Notwithstanding any other provision of this Contract, Contractor and County agree that the County will have no obligation whatsoever to pay any past due invoices which are submitted more than sixty (60) days after the last day of the month in which services were rendered. County may, in its sole discretion, pay some or all of a past due invoice which Contractor has submitted more than sixty (60) days after the last day of the month in which services were rendered provided sufficient funds remain available under this Contract. These same timeframes will also apply to the submit of the Contractor's final invoice.

5.5.4 Whether or not Federal dollars will be utilized to pay for services under this Contract, expenditures made by Contractor in the operation of this Contract must be in compliance and in conformity with the Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards, 2 Code of Federal Regulations (CFR), Title 2, Part 200.

5.5.5 Payments to Contractor will be made in arrears monthly for services performed, provided that the Contractor is not in default under any

provision of this Contract. County has no obligation to pay for any work except those expressly authorized by this Contract.

5.5.6 In compliance with the Internal Revenue Services (IRS) requirements, Contractor must provide the Contractor's Tax Identification Number. Furthermore, the Tax Identification Number is necessary for processing payments, as required by the County Auditor-Controller.

5.5.7 Contractor is responsible for the accuracy of invoices submitted to County. Further, it is the responsibility of Contractor to reconcile or otherwise correct inaccuracies or inconsistencies in the invoices submitted by Contractor. Any overpayment received by Contractor, as determined by County Program Manager, or designee, must be returned to County by Contractor within thirty (30) days of receiving notification of such overpayment from the County, or may be set off at County's election against future payments due to Contractor. Notwithstanding any other provision of this Contract, Contractor must return to County any and all payments which exceeds the Maximum Annual Contract Sum for the corresponding contract year. Furthermore, Contractor must return said payments within thirty (30) days of receiving notification of overpayment from the County or immediately upon discovering such overpayment, whichever date is earlier.

5.5.8 Contractor will not be paid for expenditures beyond the Maximum Annual Contract Sum for the corresponding contract year, and Contractor agrees that County has no obligation, whatsoever, to pay for any expenditures by Contractor that exceeds the Maximum Annual Contract Sum for said contract year.

5.5.9 Suspension and Withholding of Payment: In addition to other remedies, County reserves the right to suspend or withhold all payments to Contractor if required reports are not provided to County on a timely basis; if there are continuing deficiencies in Contractor's reporting, record keeping or invoicing requirements; or if Contractor's performance of the work is not adequately evidenced or performed.

5.5.10 County and Contractor agree that this is a firm-fixed priced contract not to exceed the Maximum Annual Contract Sum. During the term of this Contract, County will compensate Contractor, as specified in Exhibit B (Price Sheet), for the services set forth in Exhibit A (Statement of Work and Attachments), in accordance with Section 5.5, Invoices and Payments, of this Contract.

5.5.11 Contractor must have no claim against County for, nor be entitled to, payment or reimbursement for any tasks or services performed, nor for any incidental or administrative expenses whatsoever incurred in or incidental to performance hereunder, except as specified herein.

5.5.12 Contractor's budget is attached hereto and incorporated by reference herein as Exhibit C (Line Item Budget and Budget Narrative). The line items must provide sufficient detail to determine the quality and quantity of services to be delivered. Contractor represents and warrants that the budget is true and correct in all respects and will deliver services in accordance with the budget. In the event of a change in the Maximum Annual Contract Sum, or a reallocation of the budget, or a material change to the scope of work, Contractor must amend the budget consistent with any changes and submit the budget to the County Program Manager for approval.

5.5.13 Contractor must purchase and provide all materials and equipment necessary for the services of this Contract.

5.5.14 Contractor must limit administrative and indirect costs to 10 percent (10%) of the total expenditures of the contract funds.

5.5.15 Preference Program Enterprises - Prompt Payment Program

Certified Prompt Payment Enterprises (PPEs) will receive prompt payment for services they provide to County Departments. Prompt payment is defined as fifteen (15) calendar days after receipt of an approved, undisputed invoice which has been properly matched against documents such as a receiving, shipping, or services delivered report, or any other validation of receipt document consistent with Board Policy 3.035 (Preference Program Payment Liaison and Prompt Payment Program).

5.6 Unresolved Disallowed Costs

Contractor must not invoice the County for disallowed costs under the Contract. Correspondingly, the Contractor must not have unresolved disallowed costs in excess of One Hundred Thousand Dollars ($100,000) that have been confirmed as disallowed costs by the contracting County department and remain unpaid for a period of six (6) months or more from the date of an Auditor-Controller (A-C) Report. Unless such disallowed costs are the subject of current good faith negotiations, as determined in the sole discretion of the County, non-compliance by Contractor regarding this provision will constitute a material breach of Contract and may result in termination for default, in addition to any other remedies available to the County. Further, if Contractor has been determined to have unresolved disallowed costs in excess of $100,000 for longer than six months since the date of the A-C Report, they will be disqualified from future County solicitations unless such disallowed costs are the subject of good faith negotiations to resolve the disallowed costs, in the sole opinion of the County, or have been resolved.

5.7 Default Method of Payment: Direct Deposit or Electronic Funds Transfer

5.7.1 The County, at its sole discretion, has determined that the most efficient and secure default form of payment for goods and/or services provided

under an agreement/contract with the County will be Electronic Funds Transfer (EFT) or direct deposit, unless an alternative method of payment is deemed appropriate by the Auditor-Controller (A-C).

5.7.2 The Contractor must submit a direct deposit authorization request via the website https://directdeposit.lacounty.gov with banking and vendor information, and any other information that the A-C determines is reasonably necessary to process the payment and comply with all accounting, record keeping, and tax reporting requirements.

5.7.3 Any provision of law, grant, or funding agreement requiring a specific form or method of payment other than EFT or direct deposit will supersede this requirement with respect to those payments.

5.7.4 At any time during the duration of the agreement/contract, a Contractor may submit a written request for an exemption to this requirement. Such request must be based on specific legal, business or operational needs and explain why the payment method designated by the A-C is not feasible and an alternative is necessary. The A-C, in consultation with the contracting department(s), will decide whether to approve exemption requests.

6.0 ADMINISTRATION OF CONTRACT – COUNTY

6.1 County's Administration

A listing of all County Administration referenced in the following Paragraphs are designated in Exhibit D (County's Administration). The County will notify the Contractor in writing of any changes as they occur.

6.2 County's Program Manager

The responsibilities of the County's Program Manager include:

6.2.1 Meeting with the Contractor's Program Manager on a regular basis; and

6.2.2 Inspecting any and all tasks, deliverables, goods, services, or other work provided by or on behalf of the Contractor.

The County's Program Manager is not authorized to make any changes in any of the terms and conditions of this Contract and is not authorized to further obligate County in any respect whatsoever.

6.3 County's Program Monitor

The County's Program Monitor is responsible for overseeing the day-to-day administration of this Contract; however, in no event will Contractor's obligation to fully satisfy all of the requirements of this Contract be relieved, excused or limited thereby. The County's Program Monitor reports to the County's Program Manager.

6.4 County's Contract Analyst

The role of the County's Contract Analyst is to manage and facilitate the administrative functions of the Contract. The County's Contract Analyst is not authorized to make any changes in any terms and conditions of this Contract and is not authorized to further obligate County in any respect whatsoever.

7.0 ADMINISTRATION OF CONTRACT - CONTRACTOR

7.1 Contractor's Administration

A listing of all of Contractor's Administration referenced in the following paragraphs is designated in Exhibit E (Contractor's Administration). The Contractor will notify the County in writing of any change as they occur.

7.2 Contractor's Program Manager

7.2.1 The Contractor's Program Manager is designated in Exhibit E (Contractor's Administration). The Contractor must notify the County in writing of any change to Exhibit E (Contractor's Administration), as changes occur.

7.2.2 The Contractor's Program Manager will be responsible for the Contractor's day-to-day activities as related to this Contract and must coordinate with County's Program Manager and County's Program Monitor on a regular basis.

7.3 Approval of Contractor's Staff

County has the absolute right to approve or disapprove all of the Contractor's staff performing work hereunder and any proposed changes in the Contractor's staff, including, but not limited to, the Contractor's Program Manager.

7.4 Contractor's Staff Identification

Contractor will provide, at Contractor's expense, all staff providing services under this Contract with a photo identification badge.

7.5 Background and Security Investigations

7.5.1 Each of Contractor's staff performing services under this Contract who is in a designated sensitive position, as determined by County in County's sole discretion, must undergo and pass a background investigation to the satisfaction of County as a condition of beginning and continuing to perform services under this Contract. Such background investigation must be obtained through fingerprints submitted to the California Department of Justice to include State, local, and federal-level review, which may include, but will not be limited to criminal conviction information. The fees associated with the background investigation will be at the expense of the Contractor,

regardless if the member of Contractor's staff passes or fails the background investigation.

7.5.2 If a member of Contractor's staff does not pass the background investigation, County may request that the member of Contractor's staff be immediately removed from performing services under the Contract at any time during the term of the Contract. County will not provide to Contractor or to Contractor's staff any information obtained through the County's background investigation.

7.5.3 County, in its sole discretion, may immediately deny or terminate facility access to any member of Contractor's staff that does not pass such investigation to the satisfaction of the County or whose background or conduct is incompatible with County facility access.

7.5.4 Contractor must immediately notify County of any arrest and/or subsequent conviction, other than for minor traffic offenses, of any employee, independent contractor, volunteer staff or subcontractor who may come into contact with children while providing services under this Contract when such information becomes known to Contractor.

7.5.5 Contractor agrees not to engage or continue to engage the services of any person convicted of any crime involving harm to children, or any crime involving conduct inimical to the health, morals, welfare or safety of others, including but not limited to the offenses specified in Health and Safety Code, Section 11590 (offenses requiring registration as a controlled substance offender) and those crimes listed in the Penal Code which involve murder, rape, kidnap, abduction, assault and lewd and lascivious acts.

7.5.6 These terms will also apply to subcontractors of County contractors.

7.5.7 Disqualification of any member of Contractor's staff pursuant to this Paragraph 7.5 will not relieve Contractor of its obligation to complete all work in accordance with the terms and conditions of this Contract.

7.6 Confidentiality

7.6.1 Contractor must maintain the confidentiality of all records and information in accordance with all applicable Federal, State and local laws, rules, regulations, ordinances, directives, guidelines, policies and procedures relating to confidentiality, including, without limitation, County policies concerning information technology security and the protection of confidential records and information.

7.6.2 Contractor must 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, without limitation, defense costs and legal, accounting and other expert,

consulting, or professional fees, arising from, connected with, or related to any failure by Contractor, its officers, employees, agents, or subcontractors, to comply with this Paragraph, as determined by County in its sole judgment. Any legal defense pursuant to Contractor's indemnification obligations under this Paragraph will be conducted by Contractor and performed by counsel selected by Contractor and approved by County. Notwithstanding the preceding sentence, County will have the right to participate in any such defense at its sole cost and expense, except that in the event Contractor fails to provide County with a full and adequate defense, as determined by County in its sole judgment, County will be entitled to retain its own counsel, including, without limitation, County Counsel, and reimbursement from Contractor for all such costs and expenses incurred by County in doing so. Contractor will not have the right to enter into any settlement, agree to any injunction, or make any admission, in each case, on behalf of County without County's prior written approval.

7.6.3 Contractor must inform all of its officers, employees, agents and subcontractors providing services hereunder of the confidentiality provisions of this Contract.

7.6.4 Contractor must sign and adhere to the provisions of Exhibit F1 (Contractor Acknowledgement and Confidentiality Agreement).

7.6.5 Contractor will cause each employee performing services covered by this Contract to sign and adhere to the provisions of Exhibit F2 (Contractor Employee Acknowledgment and Confidentiality Agreement).

7.6.6 Contractor will cause each non-employee performing services covered by this Contract to sign and adhere to the provisions of Exhibit F3 (Contractor Non-Employee Acknowledgment and Confidentiality Agreement).

7.6.7 Confidentiality Requirements for Probation

7.6.7.1 By State law (California Welfare and Institutions Code § 827 and 828, and Penal Code § 1203.05, and 1203.09 and 11140 through 11144) all juvenile records and Probation case information which is in the Contractor's case and possession is confidential, and no information relating to any adult or minor is to be in any way released to anyone except those authorized employees of the Los Angeles County Probation Department and law enforcement agencies.

7.6.7.2 Contractor's employees must be given copies of all cited code sections and Confidentiality of CORI Information (Exhibit K) to sign regarding confidentiality of the information in the juvenile

records. Copies of the form must be sent to County Program Manager (Probation) within five (5) business days of start of employment.

7.6.7.3 Contractor agrees to notify County in writing within twenty-four (24) hours of any actual or suspected misuse, misappropriation, unauthorized disclosure of, or unauthorized access to confidential information that may come to Contractor's attention, and that includes authorized access to Contractor's computer or computers (including those of any subcontractor involved in the relationship) containing Contractor's or Contractor's confidential information related to this Contract, including names and information of referred clients. Unauthorized access may include a virus or worm that penetrates and gains access to a computer and places a backdoor or keystroke logger on it, or a directed hack/crack that gains access to and some control over a computer.

8.0 STANDARD TERMS AND CONDITIONS

8.1 Amendments

8.1.1 For any change which affects the scope of work, contract term, Contract Sum, payments, or any term or condition included under this Contract, an Amendment must be prepared and executed by the Contractor and by the DCFS Director or designee.

8.1.2 The County's Board or Chief Executive Officer or designee may require the addition and/or change of certain terms and conditions in the Contract during the term of this Contract. The County reserves the right to add and/or change such provisions as required by the County's Board or Chief Executive Officer. To implement such changes, an Amendment to the Contract must be prepared and executed by the Contractor and by the DCFS Director or designee.

8.1.3 The DCFS Director or designee may, at their sole discretion, authorize extensions of time as defined in Paragraph 4.0 (Term of Contract). The Contractor agrees that such extensions of time will not change any other term or condition of this Contract during the period of such extensions. To implement an extension of time, an Amendment to the Contract must be prepared and executed by the Contractor and by the DCFS Director or designee.

8.2 Assignment and Delegation/Mergers or Acquisitions

8.2.1 The Contractor must notify the County of any pending acquisitions/mergers of its company unless otherwise legally prohibited from doing so. If the Contractor is restricted from legally notifying the

County of pending acquisitions/mergers, then it should notify the County of the actual acquisitions/mergers as soon as the law allows and provide to the County the legal framework that restricted it from notifying the County prior to the actual acquisitions/mergers.

8.2.2 The Contractor must not assign, exchange, transfer, or delegate its rights or duties under this Contract, whether in whole or in part, without the prior written consent of County, in its discretion, and any attempted assignment, delegation, or otherwise transfer of its rights or duties, without such consent will be null and void. For purposes of this paragraph, County consent will require a written amendment to the Contract, which is formally approved and executed by the parties. Any payments by the County to any approved delegate or assignee on any claim under this Contract will be deductible, at County's sole discretion, against the claims, which the Contractor may have against the County.

8.2.3 Any assumption, assignment, delegation, or takeover of any of the Contractor's duties, responsibilities, obligations, or performance of same by any person or 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, will be a material breach of the Contract which may result in the termination of this Contract. In the event of such termination, County will be entitled to pursue the same remedies against Contractor as it could pursue in the event of default by Contractor.

8.3 Authorization Warranty

The Contractor represents and warrants that the person executing this Contract for the Contractor is an authorized agent who has actual authority to bind the Contractor to each and every term, condition, and obligation of this Contract and that all requirements of the Contractor have been fulfilled to provide such actual authority.

8.4 Budget Reductions

In the event that the County's Board adopts, in any fiscal year, a County Budget which provides for reductions in the salaries and benefits paid to the majority of County employees and imposes similar reductions with respect to County Contracts, the County reserves the right to reduce its payment obligation under this Contract correspondingly for that fiscal year and any subsequent fiscal year during the term of this Contract (including any extensions), and the services to be provided by the Contractor under this Contract will also be reduced correspondingly. The County's notice to the Contractor regarding said reduction in payment obligation will be provided within thirty (30) calendar days of the Board's approval of such actions. Except as set forth in the preceding sentence, the Contractor must continue to provide all of the services set forth in this Contract.

8.5 Complaints

The Contractor must develop and maintain operating procedures for receiving, investigating and responding to complaints.

8.5.1 Within five (5) business days after Contract effective date, the Contractor must provide the County with the Contractor's procedures for receiving, investigating and responding to user complaints.

8.5.2 The County will review the Contractor's procedures and provide the Contractor with approval of said procedures or with requested changes.

8.5.3 If the County requests changes in the Contractor's procedures, the Contractor must make such changes and resubmit the procedures within five (5) business days for County approval.

8.5.4 If, at any time, the Contractor wishes to change the Contractor's procedures, the Contractor must submit proposed changes to the County for approval before implementation.

8.5.5 The Contractor must preliminarily investigate all complaints and notify the County's Program Manager of the status of the investigation within five (5) business days of receiving the complaint.

8.5.6 When complaints cannot be resolved informally, a system of follow-through will be instituted which adheres to formal plans for specific actions and strict time deadlines.

8.5.7 Copies of all written responses must be sent to the County's Program Manager within three (3) business days of mailing to the complainant.

8.5.8 Contractor must use the User Complaint Report (Exhibit L).

8.6 Compliance with Applicable Laws

8.6.1 In the performance of this Contract, Contractor must comply with all applicable Federal, State and local laws, rules, regulations, ordinances, directives, guidelines, policies and procedures, and all provisions required thereby to be included in this Contract are hereby incorporated herein by reference.

8.6.2 Contractor must 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, without limitation, defense costs and legal, accounting and other expert, consulting or professional fees, arising from, connected with, or related to any failure by Contractor, its officers, employees, agents, or subcontractors, to comply with any such laws, rules, regulations, ordinances, directives, guidelines, policies, or procedures, as determined by County in its sole judgment. Any legal defense pursuant to Contractor's indemnification obligations under this Paragraph will be

conducted by Contractor and performed by counsel selected by Contractor and approved by County. Notwithstanding the preceding sentence, County will have the right to participate in any such defense at its sole cost and expense, except that in the event Contractor fails to provide County with a full and adequate defense, as determined by County in its sole judgment, County will be entitled to retain its own counsel, including, without limitation, County Counsel, and reimbursement from Contractor for all such costs and expenses incurred by County in doing so. Contractor will not have the right to enter into any settlement, agree to any injunction or other equitable relief, or make any admission, in each case, on behalf of County without County's prior written approval.

8.7 Compliance with Civil Rights Laws

The Contractor hereby assures that it will comply with Subchapter VI of the Civil Rights Act of 1964, 42 USC Sections 2000 (e) (1) through 2000 (e) (17), to the end that no person will, on the grounds of race, creed, color, sex, religion, ancestry, age, condition of physical handicap, marital status, political affiliation, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under this Contract or under any project, program, or activity supported by this Contract. Additionally, Contractor certifies to the County:

8.7.1 That Contractor has a written policy statement prohibiting discrimination in all phases of employment.

8.7.2 That Contractor periodically conducts a self-analysis or utilization analysis of its work force.

8.7.3 That Contractor has a system for determining if its employment practices are discriminatory against protected groups.

8.7.4 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.

8.8 Compliance with County's Jury Service Program

8.8.1 Jury Service Program

This Contract is subject to the provisions of the County's ordinance entitled Contractor Employee Jury Service ("Jury Service Program") as codified in Sections 2.203.010 through 2.203.090 of the Los Angeles County Code.

8.8.2 Written Employee Jury Service Policy

8.8.2.1 Unless the Contractor has demonstrated to the County's satisfaction either that the Contractor is not a "Contractor" as defined under the Jury Service Program (Section 2.203.020

of the County Code) or that the Contractor qualifies for an exception to the Jury Service Program (Section 2.203.070 of the County Code), the Contractor must have and adhere to a written policy that provides that its Employees will 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.

8.8.2.2 For purposes of this Paragraph, "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 fifty thousand dollars ($50,000) or more in any twelve (12)-month period under one or more County contracts or subcontracts. "Employee" means any California resident who is a full-time employee of the Contractor. "Full-time" means forty (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 County, or 2) Contractor has a long-standing practice that defines the lesser number of hours as full-time. Full-time employees providing short-term, temporary services of ninety (90) days or less within a twelve (12)-month period are not considered full-time for purposes of the Jury Service Program. If the Contractor uses any Subcontractor to perform services for the County under the Contract, the Subcontractor will also be subject to the provisions of this Paragraph. The provisions of this Paragraph will be inserted into any such subcontract agreement and a copy of the Jury Service Program must be attached to the agreement.

8.8.2.3 If the Contractor is not required to comply with the Jury Service Program when the Contract commences, the Contractor will have a continuing obligation to review the applicability of its "exception status" from the Jury Service Program, and the Contractor must immediately notify the County if the Contractor at any time either comes within the Jury Service Program's definition of "Contractor" or if the Contractor no longer qualifies for an exception to the Jury Service Program. In either event, the Contractor must immediately implement a written policy consistent with the Jury Service Program. The County may also require, at any time during the Contract and at its sole discretion, that the Contractor demonstrate to the County's satisfaction that the

Contractor either continues to remain outside of the Jury Service Program's definition of "Contractor" and/or that the Contractor continues to qualify for an exception to the Program.

8.8.2.4 Contractor's violation of this Paragraph 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 the Contractor from the award of future County contracts for a period of time consistent with the seriousness of the breach.

8.9 Conflict of Interest

8.9.1 No County employee whose position with the County enables such employee to influence the award of this Contract or any competing Contract, and no spouse or economic dependent of such employee, will be employed in any capacity by the Contractor or have any other direct or indirect financial interest in this Contract. No officer or employee of the Contractor who may financially benefit from the performance of work hereunder will in any way participate in the County's approval, or ongoing evaluation, of such work, or in any way attempt to unlawfully influence the County's approval or ongoing evaluation of such work.

8.9.2 The Contractor must comply with all conflict of interest laws, ordinances, and regulations now in effect or hereafter to be enacted during the term of this Contract. The Contractor warrants that it is not now aware of any facts that create a conflict of interest. If the Contractor hereafter becomes aware of any facts that might reasonably be expected to create a conflict of interest, it must immediately make full written disclosure of such facts to the County. Full written disclosure must include, but is not limited to, identification of all persons implicated and a complete description of all relevant circumstances. Failure to comply with the provisions of this Paragraph will be a material breach of this Contract.

8.10 Consideration of Hiring County Employees Targeted for Layoffs or Who are on a County Re-Employment List

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

8.11 Consideration of Hiring GAIN/START Participants

8.11.1 Should the Contractor require additional or replacement personnel after the effective date of this Contract, the Contractor will 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 Skills and Training to Achieve Readiness for Tomorrow (START) Program who meet the Contractor's minimum qualifications for the open position. For this purpose, consideration will mean that the Contractor will interview qualified candidates. The County will refer GAIN/START participants by job category to the Contractor. Contractors must report all job openings with job requirements to: gainstart@dpss.lacounty.gov and BServices@opportunity.lacounty.gov and DPSS will refer qualified GAIN/START job candidates.

8.11.2 In the event that both laid-off County employees and GAIN/START participants are available for hiring, County employees must be given first priority.

8.12 Contractor Responsibility and Debarment

8.12.1 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.

8.12.2 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 Contract, 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.

8.12.3 Non-responsible Contractor

The County may debar a Contractor if the Board 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.

8.12.4 Contractor Hearing Board

8.12.4.1 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.

8.12.4.2 The Contractor Hearing Board will conduct a hearing where evidence on the proposed debarment is presented. The Contractor and/or the Contractor's representative will be given an opportunity to submit evidence at that hearing. After the hearing, the Contractor Hearing Board will prepare a tentative proposed decision, which will 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 will be provided an opportunity to object to the tentative proposed decision prior to its presentation to the Board.

8.12.4.3 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 will be presented to the Board. The Board of Supervisors will have the right to modify, deny, or adopt the proposed decision and recommendation of the Contractor Hearing Board.

8.12.4.4 If a Contractor has been debarred for a period longer than five (5) years, that 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.

8.12.4.5 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 will conduct a hearing where evidence on the proposed reduction of debarment period or termination of debarment is presented. This hearing will be conducted and the request for review decided by the Contractor Hearing Board pursuant to the same procedures as for a debarment hearing.

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

8.12.5 Subcontractors of Contractor

These terms will also apply to Subcontractors of County Contractors.

8.13 Contractor's Acknowledgement and Notice to its Employees of the Safely Surrendered Baby Law

The Contractor acknowledges that the County places a high priority on the implementation of the Safely Surrendered Baby Law. The Contractor must notify and provide to its employees, and will require each Subcontractor to notify and provide to its employees, a Fact Sheet regarding the Safely Surrendered Baby Law, its implementation in Los Angeles County, and information on where and how to safely surrender a baby. Additionally, the Contractor understands that it is the County's policy to encourage all County contractors to voluntarily post the County's "Safely Surrendered Baby Law Poster" (available in English/Spanish/Chinese/Korean) in a prominent position at the Contractor's place of business. The Contractor will also encourage its subcontractors, if any, to post this poster in a prominent position in the subcontractor's place of business.

The Contractor, and its subcontractor(s), can access posters and other program material at babysafela.org.

8.14 Contractor's Warranty of Adherence to County's Child Support Compliance Program

8.14.1 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.

8.14.2 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 warrants that it is now in compliance and will during the term of this Contract maintain in compliance with employment and wage reporting requirements as required by the Federal Social Security Act (42 USC Section 653a) and California Unemployment Insurance Code Section 1088.5, and will implement 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).

8.15 County's Quality Assurance Plan

The County or its agent(s) will monitor the Contractor's performance under this Contract on not less than an annual basis. Such monitoring will include assessing the Contractor's compliance with all Contract terms and conditions and performance standards. Contractor deficiencies which the County determines are significant or continuing and that may place performance of the Contract in jeopardy if not corrected will be reported to the Board and listed in the appropriate contractor performance database. The report to the Board will include improvement/corrective action measures taken by the County and the Contractor. If improvement does not occur consistent with the corrective action measures, the County may terminate this Contract or impose other penalties as specified in this Contract.

8.16 Damage to County Facilities, Buildings or Grounds

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

8.16.2 If the Contractor fails to make timely repairs, County may make any necessary repairs. All costs incurred by County, as determined by County, for such repairs must be repaid by the Contractor by cash payment upon demand.

8.17 Employment Eligibility Verification

8.17.1 The Contractor warrants that it fully complies with all Federal and State statutes and regulations regarding the employment of aliens and others and that all its employees performing work under this Contract meet the citizenship or alien status requirements set forth in Federal and State statutes and regulations. The Contractor must obtain, from all employees performing work hereunder, all verification and other

documentation of employment eligibility status required by Federal and State statutes and regulations including, but not limited to, the Immigration Reform and Control Act of 1986, (P.L. 99-603), or as they currently exist and as they may be hereafter amended. The Contractor must retain all such documentation for all covered employees for the period prescribed by law.

8.17.2 The Contractor must indemnify, defend, and hold harmless, the County, its agents, officers, and employees from employer sanctions and any other liability which may be assessed against the Contractor or the County or both 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 Contract.

8.18 Counterparts and Electronic Signatures and Representations

This Contract may be executed in two or more counterparts, each of which will be deemed an original but all of which together will constitute one and the same Contract. The facsimile, email or electronic signature of the parties will be deemed to constitute original signatures, and facsimile or electronic copies hereof will be deemed to constitute duplicate originals.

The County and the Contractor hereby agree to regard electronic representations of original signatures of authorized officers of each party, when appearing in appropriate places on the Amendments prepared pursuant to Paragraph 8.1 (Amendments) and received via communications facilities (facsimile, email or electronic signature), as legally sufficient evidence that such legally binding signatures have been affixed to Amendments to this Contract.

8.19 Fair Labor Standards

The Contractor must comply with all applicable provisions of the Federal Fair Labor Standards Act and must indemnify, defend, and hold harmless the County and its agents, officers, and employees from any and all liability, including, but not limited to, wages, overtime pay, liquidated damages, penalties, court costs, and attorneys' fees arising under any wage and hour law, including, but not limited to, the Federal Fair Labor Standards Act, for work performed by the Contractor’s employees for which the County may be found jointly or solely liable.

8.20 Force Majeure

8.20.1 Neither party will be liable for such party's failure to perform its obligations under and in accordance with this Contract, if such failure arises out of fires, floods, epidemics, quarantine restrictions, other natural occurrences, strikes, lockouts (other than a lockout by such party or any of such party's subcontractors), freight embargoes, or other similar events to those described above, but in every such case the failure to perform must be totally beyond the control and without any fault

or negligence of such party (such events are referred to in this Paragraph as "force majeure events").

8.20.2 Notwithstanding the foregoing, a default by a subcontractor of Contractor will not constitute a force majeure event, unless such default arises out of causes beyond the control of both Contractor and such subcontractor, and without any fault or negligence of either of them. In such case, Contractor will not be liable for failure to perform, unless the goods or services to be furnished by the subcontractor were obtainable from other sources in sufficient time to permit Contractor to meet the required performance schedule. As used in this Paragraph, the term “subcontractor” and “subcontractors” mean subcontractors at any tier.

8.20.3 In the event Contractor's failure to perform arises out of a force majeure event, Contractor agrees to use commercially reasonable best efforts to obtain goods or services from other sources, if applicable, and to otherwise mitigate the damages and reduce the delay caused by such force majeure event.

8.21 Governing Law, Jurisdiction, and Venue

This Contract will 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 and consents that venue of any action brought hereunder will be exclusively in the County.

8.22 Independent Contractor Status

8.22.1 This Contract is by and between the County and the Contractor and is not intended, and must not be construed, to create the relationship of agent, servant, employee, partnership, joint venture, or association, as between the County and the Contractor. The employees and agents of one party must not be, or be construed to be, the employees or agents of the other party for any purpose whatsoever.

8.22.2 The Contractor will be solely liable and responsible for providing to, or on behalf of, all persons performing work pursuant to this Contract all compensation and benefits. The County will have no liability or responsibility for the payment of any salaries, wages, unemployment benefits, disability benefits, Federal, State, or local taxes, or other compensation, benefits, or taxes for any personnel provided by or on behalf of the Contractor.

8.22.3 The Contractor understands and agrees that all persons performing work pursuant to this Contract are, for purposes of Workers' Compensation liability, solely employees of the Contractor and not employees of the County. The Contractor will be solely liable and responsible for furnishing any and all Workers' Compensation benefits

to any person as a result of any injuries arising from or connected with any work performed by or on behalf of the Contractor pursuant to this Contract.

8.22.4 The Contractor must adhere to the provisions stated in Paragraph 7.6 (Confidentiality).

8.23 Indemnification

The Contractor must indemnify, defend and hold harmless the County, its Special Districts, elected and appointed officers, employees, agents and volunteers ("County Indemnitees") 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 and/or relating to this Contract, except for such loss or damage arising from the sole negligence or willful misconduct of the County Indemnitees.

8.24 General Provisions for All Insurance Coverage

8.24.1 Without limiting Contractor's indemnification of County, and in the performance of this Contract and until all of its obligations pursuant to this Contract have been met, Contractor must provide and maintain at its own expense insurance coverage satisfying the requirements specified in Paragraphs 8.24 and 8.25 of this Contract. These minimum insurance coverage terms, types and limits (the "Required Insurance") also are in addition to and separate from any other contractual obligation imposed upon Contractor pursuant to this Contract. The County in no way warrants that the Required Insurance is sufficient to protect the Contractor for liabilities which may arise from or relate to this Contract.

8.24.2 Evidence of Coverage and Notice to County

8.24.2.1 Certificate(s) of insurance coverage (Certificate) satisfactory to County, and a copy of an Additional Insured endorsement confirming County and its Agents (defined below) has been given Insured status under the Contractor's General Liability policy, must be delivered to County at the address shown below and provided prior to commencing services under this Contract.

8.24.2.2 Renewal Certificates must be provided to County not less than ten (10) days prior to Contractor's policy expiration dates. The County reserves the right to obtain complete, certified copies of any required Contractor and/or Subcontractor insurance policies at any time.

8.24.2.3 Certificates must identify all Required Insurance coverage types and limits specified herein, reference this Contract by name or number, and be signed by an authorized

representative of the insurer(s). The Insured party named on the Certificate must match the name of the Contractor identified as the contracting party in this Contract. Certificates must provide the full name of each insurer providing coverage, its NAIC (National Association of Insurance Commissioners) identification number, its financial rating, the amounts of any policy deductibles or self-insured retentions exceeding fifty thousand ($50,000) dollars, and list any County required endorsement forms.

8.24.2.4 Neither the County's failure to obtain, nor the County's receipt of, or failure to object to a non-complying insurance certificate or endorsement, or any other insurance documentation or information provided by the Contractor, its insurance broker(s) and/or insurer(s), will be construed as a waiver of any of the Required Insurance provisions.

8.24.2.5 Certificates and copies of any required endorsements must be sent to:

County of Los Angeles
Department of Children and Family Services
Contracts Administration Division
Attention: Jeannie Moc Herrera, Contract Analyst
HerreJ3@dcfs.lacounty.gov
Cc: ContractorInsurance@dcfs.lacounty.gov

8.24.2.6 Contractor also must promptly report to County any injury or property damage accident or incident, including any injury to a Contractor employee occurring on County property, and any loss, disappearance, destruction, misuse, or theft of County property, monies or securities entrusted to Contractor. Contractor also must promptly notify County of any third party claim or suit filed against Contractor or any of its Subcontractors which arises from or relates to this Contract, and could result in the filing of a claim or lawsuit against Contractor and/or County.

8.24.3 Additional Insured Status and Scope of Coverage

The County, its Special Districts, Elected Officials, Officers, Agents, Employees and Volunteers (collectively County and its Agents) must be provided additional insured status under Contractor's General Liability policy with respect to liability arising out of Contractor's ongoing and completed operations performed on behalf of the County. County and its Agents additional insured status must apply with respect to liability and defense of suits arising out of the Contractor's acts or omissions, whether such liability is attributable to the Contractor or to the County.

The full policy limits and scope of protection also must apply to the County and its Agents as an additional insured, even if they exceed the County's minimum Required Insurance specifications herein. Use of an automatic additional insured endorsement form is acceptable providing it satisfies the Required Insurance provisions herein.

8.24.4 Cancellation of or Change in Insurance

Contractor must provide County with, or Contractor's insurance policies must contain a provision that County will receive, written notice of cancellation or any change in Required Insurance, including insurer, limits of coverage, term of coverage or policy period. The written notice must be provided to County at least ten (10) days in advance of cancellation for non-payment of premium and thirty (30) days in advance for any other cancellation or policy change. Failure to provide written notice of cancellation or any change in Required Insurance may constitute a material breach of the Contract, in the sole discretion of the County, upon which the County may suspend or terminate this Contract.

8.24.5 Failure to Maintain Insurance

Contractor's failure to maintain or to provide acceptable evidence that it maintains the Required Insurance will constitute a material breach of the Contract, upon which County immediately may withhold payments due to Contractor, and/or suspend or terminate this Contract. County, at its sole discretion, may obtain damages from Contractor resulting from said breach. Alternatively, the County may purchase the Required Insurance, and without further notice to Contractor, deduct the premium cost from sums due to Contractor or pursue Contractor reimbursement.

8.24.6 Insurer Financial Ratings

Coverage must be placed with insurers acceptable to the County with A.M. Best ratings of not less than A:VII unless otherwise approved by County.

8.24.7 Contractor's Insurance Must Be Primary

Contractor's insurance policies, with respect to any claims related to this Contract, must be primary with respect to all other sources of coverage available to Contractor. Any County maintained insurance or self-insurance coverage must be in excess of and not contribute to any Contractor coverage.

8.24.8 Waivers of Subrogation

To the fullest extent permitted by law, the Contractor hereby waives its rights and its insurer(s)' rights of recovery against County under all the Required Insurance for any loss arising from or relating to this Contract. The Contractor must require its insurers to execute any waiver of

subrogation endorsements which may be necessary to effectuate such waiver.

8.24.9 Subcontractor Insurance Coverage Requirements

Contractor must include all subcontractors as insureds under Contractor's own policies, or must provide County with each subcontractor's separate evidence of insurance coverage. Contractor will be responsible for verifying each subcontractor complies with the Required Insurance provisions herein, and must require that each subcontractor name the County and Contractor as additional insureds on the Subcontractor's General Liability policy. Contractor must obtain County's prior review and approval of any subcontractor request for modification of the Required Insurance.

8.24.10 Deductibles and Self-Insured Retentions (SIRs)

Contractor's policies will not obligate the County to pay any portion of any Contractor deductible or SIR. The County retains the right to require Contractor to reduce or eliminate policy deductibles and SIRs as respects the County, or to provide a bond guaranteeing Contractor's payment of all deductibles and SIRs, including all related claims investigation, administration and defense expenses. Such bond must be executed by a corporate surety licensed to transact business in the State of California.

8.24.11 Claims Made Coverage

If any part of the Required Insurance is written on a claims made basis, any policy retroactive date must precede the effective date of this Contract. Contractor understands and agrees it will maintain such coverage for a period of not less than three (3) years following Contract expiration, termination or cancellation.

8.24.12 Application of Excess Liability Coverage

Contractors may use a combination of primary, and excess insurance policies which provide coverage as broad as ("follow form" over) the underlying primary policies, to satisfy the Required Insurance provisions.

8.24.13 Separation of Insureds

All liability policies must provide cross-liability coverage as would be afforded by the standard ISO (Insurance Services Office, Inc.) separation of insureds provision with no insured versus insured exclusions or limitations.

8.24.14 Alternative Risk Financing Programs

The County reserves the right to review, and then approve, Contractor use of self-insurance, risk retention groups, risk purchasing groups, pooling arrangements and captive insurance to satisfy the Required Insurance provisions. The County and its Agents must be designated as an Additional Covered Party under any approved program.

8.24.15 County Review and Approval of Insurance Requirements

The County reserves the right to review and adjust the Required Insurance provisions, conditioned upon County's determination of changes in risk exposures.

8.25 Insurance Coverage

8.25.1 **Commercial General Liability** insurance (providing scope of coverage equivalent to ISO policy form CG 00 01), naming County and its Agents as an additional insured, with limits of not less than:

General Aggregate:	$2 million
Products/Completed Operations Aggregate:	$1 million
Personal and Advertising Injury:	$1 million
Each Occurrence:	$1 million

8.25.2 **Automobile Liability** insurance (providing scope of coverage equivalent to ISO policy form CA 00 01) with limits of not less than $1 million for bodily injury and property damage, in combined or equivalent split limits, for each single accident. Insurance must cover liability arising out of Contractor's use of autos pursuant to this Contract, including owned, leased, hired, and/or non-owned autos, as each may be applicable.

8.25.3 **Workers Compensation and Employers' Liability** insurance or qualified self- insurance satisfying statutory requirements, which includes Employers' Liability coverage with limits of not less than $1 million per accident. If Contractor will provide leased employees, or, is an employee leasing or temporary staffing firm or a professional employer organization (PEO), coverage also must include an Alternate Employer Endorsement (providing scope of coverage equivalent to ISO policy form WC 00 03 01 A) naming the County as the Alternate Employer. The written notice must be provided to County at least ten (10) days in advance of cancellation for non-payment of premium and thirty (30) days in advance for any other cancellation or policy change. If applicable to Contractor's operations, coverage also must be arranged to satisfy the requirements of any federal workers or workmen's compensation law or any federal occupational disease law.

8.25.4 Unique Insurance Coverage

8.25.4.1 Professional Liability/Errors and Omissions

Insurance covering Contractor's liability arising from or related to this Contract, with limits of not less than $1 million per claim and $3 million aggregate. Further, Contractor understands and agrees it will maintain such coverage for a period of not less than three (3) years following this Contract's expiration, termination or cancellation.

8.25.4.2 Cyber Liability Insurance

The Contractor must secure and maintain cyber liability insurance coverage with limits of $5 million per occurrence and in the aggregate during the term of the Contract, including coverage for: network security liability; privacy liability; privacy regulatory proceeding, defense, response, expenses and fines; technology professional liability (errors and omissions); privacy breach expense reimbursement (liability arising from the loss or disclosure of County Information no matter how it occurs); system breach; denial or loss of service; introduction, implantation, or spread of malicious software code; unauthorized access to or use of computer systems; and Data/Information loss and business interruption; any other liability or risk that arises out of the Contract. The Contractor must add the County as an additional insured to its cyber liability insurance policy and provide to the County certificates of insurance evidencing the foregoing upon the County's request. The procuring of the insurance described herein, or delivery of the certificates of insurance described herein, will not be construed as a limitation upon the Contractor's liability or as full performance of its indemnification obligations hereunder. No exclusion/restriction for unencrypted portable devices/media may be on the policy.

8.26 Liquidated Damages

8.26.1 If, in the judgment of the Director, or their designee, the Contractor is deemed to be non-compliant with the terms and obligations assumed hereby, the Director, or their designee, at their option, in addition to, or in lieu of, other remedies provided herein, may withhold the entire monthly payment or deduct pro rata from the Contractor's invoice for work not performed. A description of the work not performed and the amount to be withheld or deducted from payments to the Contractor from the County, will be forwarded to the Contractor by the Director, or their designee, in a written notice describing the reasons for said action.

8.26.2 If the Director, or their designee, determines that there are deficiencies in the performance of this Contract that the Director, or their designee, deems are correctable by the Contractor over a certain time span, the Director, or their designee, will provide a written notice to the Contractor to correct the deficiency within specified time frames. Should the Contractor fail to correct deficiencies within said time frame, the Director, or their designee, may: (a) Deduct from the Contractor's payment, pro rata, those applicable portions of the Monthly Contract Sum; and/or (b) Deduct liquidated damages. The parties agree that it will be impracticable or extremely difficult to fix the extent of actual damages resulting from the failure of the Contractor to correct a deficiency within the specified time frame. The parties hereby agree that under the current circumstances a reasonable estimate of such damages will be agreed upon at such time and that the Contractor will be liable to the County for liquidated damages in said amount per day per infraction, or as specified in the Performance Requirements Summary (PRS) Chart, as defined in Exhibit A, Statement of Work, Attachment 2, hereunder, and that the Contractor will be liable to the County for liquidated damages in said amount. Said amount will be deducted from the County's payment to the Contractor; and/or (c) Upon giving five (5) days notice to the Contractor for failure to correct the deficiencies, the County may correct any and all deficiencies and the total costs incurred by the County for completion of the work by an alternate source, whether it be County forces or separate private contractor, will be deducted and forfeited from the payment to the Contractor from the County, as determined by the County.

8.26.3 The action noted in Paragraph 8.26.2 must not be construed as a penalty, but as adjustment of payment to the Contractor to recover the County cost due to the failure of the Contractor to complete or comply with the provisions of this Contract.

8.26.4 This Paragraph must not, in any manner, restrict or limit the County's right to damages for any breach of this Contract provided by law or as specified in the PRS or Paragraph 8.26.2, and must not, in any manner, restrict or limit the County's right to terminate this Contract as agreed to herein.

8.27 Most Favored Public Entity

If the Contractor's prices decline, or should the Contractor at any time during the term of this Contract provide the same goods or services under similar quantity and delivery conditions to the State of California or any county, municipality, or district of the State at prices below those set forth in this Contract, then such lower prices must be immediately extended to the County.

8.28 Nondiscrimination and Affirmative Action

8.28.1 The Contractor certifies and agrees that all persons employed by it, its affiliates, subsidiaries, or holding companies are and will be treated equally without regard to or because of race, color, religion, ancestry, national origin, sex, age, physical or mental disability, marital status, or political affiliation, in compliance with all applicable Federal and State anti-discrimination laws and regulations.

8.28.2 Contractor certifies to the County each of the following:

8.28.2.1 That Contractor has a written policy statement prohibiting discrimination in all phases of employment.

8.28.2.2 That Contractor periodically conducts a self-analysis or utilization analysis of its work force.

8.28.2.3 That Contractor has a system for determining if its employment practices are discriminatory against protected groups.

8.28.2.4 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.

8.28.3 The Contractor must take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to race, color, religion, ancestry, national origin, sex, age, physical or mental disability, marital status, or political affiliation, in compliance with all applicable Federal and State anti-discrimination laws and regulations. Such action must 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.

8.28.4 The Contractor certifies and agrees 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 disability, marital status, or political affiliation.

8.28.5 The Contractor certifies and agrees that it, its affiliates, subsidiaries, or holding companies will comply with all applicable Federal and State laws and regulations to the end that no person will, on the grounds of race, color, religion, ancestry, national origin, sex, age, physical or mental disability, marital status, or political affiliation, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under this Contract or under any project, program, or activity supported by this Contract.

8.28.6 The Contractor will allow County representatives access to the Contractor's employment records during regular business hours to verify compliance with the provisions of this Paragraph 8.28 when so requested by the County.

8.28.7 If the County finds that any provisions of this Paragraph 8.28 have been violated, such violation will constitute a material breach of this Contract upon which the County may terminate or suspend this Contract. While the County reserves the right to determine independently that the anti-discrimination provisions of this Contract have been violated, in addition, a determination by the California Civil Rights Department or the Federal Equal Employment Opportunity Commission that the Contractor has violated Federal or State anti-discrimination laws or regulations will constitute a finding by the County that the Contractor has violated the anti-discrimination provisions of this Contract.

8.28.8 The parties agree that in the event the Contractor violates any of the anti discrimination provisions of this Contract, the County will, at its sole option, be entitled to the sum of Five Hundred Dollars ($500) for each such violation pursuant to California Civil Code Section 1671 as liquidated damages in lieu of terminating or suspending this Contract.

8.29 Non-Exclusivity

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

8.30 Notice of Delays

Except as otherwise provided under this Contract, when either party has knowledge that any actual or potential situation is delaying or threatens to delay the timely performance of this Contract, that party must, within one (1) business day, give notice thereof, including all relevant information with respect thereto, to the other party.

8.31 Notice of Disputes

The Contractor must bring to the attention of the County's Program Manager and/or County's Program Director any dispute between the County and the Contractor regarding the performance of services as stated in this Contract. If the County's Program Manager or County's Program Director is not able to resolve the dispute, the Director, or designee will resolve it.

8.32 Notice to Employees Regarding the Federal Earned Income Credit

The Contractor must notify its employees, and will 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 must be provided in

accordance with the requirements set forth in Internal Revenue Service Notice No. 1015.

8.33 Notices

All notices or demands required or permitted to be given or made under this Contract must be in writing and will be hand delivered with signed receipt or mailed by first class registered or certified mail, postage prepaid, addressed to the parties as identified in Exhibits D (County's Administration) and E (Contractor's Administration). Addresses may be changed by either party giving ten (10) days prior written notice thereof to the other party. The Director or designee will have the authority to issue all notices or demands required or permitted by the County under this Contract.

8.34 Prohibition Against Inducement or Persuasion

Notwithstanding the above, the Contractor and the County agree that, during the term of this Contract and for a period of one year thereafter, neither party will in any way intentionally induce or persuade any employee of one party to become an employee or agent of the other party. No bar exists against any hiring action initiated through a public announcement.

8.35 Public Records Act

8.35.1 Any documents submitted by the Contractor; all information obtained in connection with the County's right to audit and inspect the Contractor's documents, books, and accounting records pursuant to Paragraph 8.37 (Record Retention and Inspection/Audit Settlement) of this Contract; as well as those documents which were required to be submitted in response to the Invitation for Bids (IFB) used in the solicitation process for this Contract, become the exclusive property of the County. All such documents become a matter of public record and will be regarded as public records except for those documents determined to be non-disclosable or exempt pursuant to California Government Code sections 7921.000 et seq. and which are marked "trade secret", "confidential", or "proprietary". The County will not in any way be liable or responsible for the disclosure of any such records including, without limitation, those so marked, if disclosure is required by law, or by an order issued by a court of competent jurisdiction.

8.35.2 In the event the County is required to defend an action on a Public Records Act request for any of the aforementioned documents, information, books, records, and/or contents of a bid marked "trade secret", "confidential", or "proprietary", the Contractor agrees to defend and indemnify the County from all costs and expenses, including reasonable attorney's fees, in action or liability arising under the Public Records Act.

8.36 Publicity

8.36.1 The Contractor must not disclose any details in connection with this Contract to any person or entity except as may be otherwise provided hereunder or required by law. However, in recognizing the Contractor's need to identify its services and related clients to sustain itself, the County will not inhibit the Contractor from publishing its role under this Contract within the following conditions:

8.36.1.1 The Contractor must develop all publicity material in a professional manner; and

8.36.1.2 During the term of this Contract, the Contractor will not, and will not authorize another to, publish or disseminate any commercial advertisements, press releases, feature articles, or other materials using the name of the County without the prior written consent of the County's Program Director.

8.36.2 The Contractor may, without the prior written consent of County, indicate in its bids and sales materials that it has been awarded this Contract with the County, provided that the requirements of this Paragraph 8.36 (Publicity) will apply.

8.37 Record Retention and Inspection-Audit Settlement

8.37.1 The Contractor must maintain accurate and complete financial records of its activities and operations relating to this Contract in accordance with generally accepted accounting principles. The Contractor must also maintain accurate and complete employment and other records relating to its performance of this Contract. The Contractor agrees that the County, or its authorized representatives, will have access to and the right to examine, audit, excerpt, copy, or transcribe any pertinent transaction, activity, or record relating to this Contract. All such material, including, but not limited to, all financial records, bank statements, cancelled checks or other proof of payment, timecards, sign-in/sign-out sheets and other time and employment records, and proprietary data and information, will be kept and maintained by the Contractor and will be made available to the County during the term of this Contract and for a period of five (5) years thereafter unless the County's written permission is given to dispose of any such material prior to such time. All such material must be maintained by the Contractor at a location in Los Angeles County, provided that if any such material is located outside of Los Angeles County, then, at the County's option, the Contractor will pay the County for travel, per diem, and other costs incurred by the County to examine, audit, excerpt, copy, or transcribe such material at such other location.

8.37.2 In the event that an audit of the Contractor is conducted specifically regarding this Contract by any Federal or State auditor, or by any auditor or accountant employed by the Contractor or otherwise, then the Contractor must file a copy of such audit report with the County's Auditor Controller within thirty (30) days of the Contractor's receipt thereof, unless otherwise provided by applicable Federal or State law or under this Contract. Subject to applicable law, the County will make a reasonable effort to maintain the confidentiality of such audit report(s).

8.37.3 Failure on the part of the Contractor to comply with any of the provisions of this Paragraph 8.38 will constitute a material breach of this Contract upon which the County may terminate or suspend this Contract.

8.37.4 If, at any time during the term of this Contract or within five (5) years after the expiration or termination of this Contract, representatives of the County conduct an audit of the Contractor regarding the work performed under this Contract, and if such audit finds that the County's dollar liability for any such work is less than payments made by the County to the Contractor, then the difference must be either: a) repaid by the Contractor to the County by cash payment upon demand or b) at the sole option of the County's Auditor-Controller, deducted from any amounts due to the Contractor from the County, whether under this Contract or otherwise. If such audit finds that the County's dollar liability for such work is more than the payments made by the County to the Contractor, then the difference will be paid to the Contractor by the County by cash payment, provided that in no event will the County's maximum obligation for this Contract exceed the funds appropriated by the County for the purpose of this Contract.

8.38 Recycled Bond Paper

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

8.39 Subcontracting

8.39.1 The requirements of this Contract may not be subcontracted by the Contractor **without the advance approval of the County**. Any attempt by the Contractor to subcontract without the prior consent of the County may be deemed a material breach of this Contract.

8.39.2 If the Contractor desires to subcontract, the Contractor must provide the following information promptly at the County's request:

8.39.2.1 A description of the work to be performed by the Subcontractor;

8.39.2.2 A draft copy of the proposed subcontract; and

8.39.2.3 Other pertinent information and/or certifications requested by the County.

8.39.3 The Contractor must indemnify and hold the County harmless with respect to the activities of each and every Subcontractor in the same manner and to the same degree as if such Subcontractor(s) were the Contractor employees.

8.39.4 The Contractor will remain fully responsible for all performances required of it under this Contract, including those that the Contractor has determined to subcontract, notwithstanding the County's approval of the Contractor's proposed subcontract.

8.39.5 The County's consent to subcontract will not waive the County's right to prior and continuing approval of any and all personnel, including Subcontractor employees, providing services under this Contract. The Contractor is responsible to notify its Subcontractors of this County right.

8.39.6 The County's Program Director is authorized to act for and on behalf of the County with respect to approval of any subcontract and Subcontractor employees. After approval of the subcontract by the County, Contractor must forward a fully executed subcontract to the County for their files.

8.39.7 The Contractor will be solely liable and responsible for all payments or other compensation to all Subcontractors and their officers, employees, agents, and successors in interest arising through services performed hereunder, notwithstanding the County's consent to subcontract.

8.39.8 The Contractor must obtain certificates of insurance, which establish that the Subcontractor maintains all the programs of insurance required by the County from each approved Subcontractor. Before any Subcontractor employee may perform any work hereunder, Contractor must ensure delivery of all such documents to:

County of Los Angeles
Department of Children and Family Services
Records Retention and Production Section, Redaction Contract
901 Corporate Center Dr, Suite 100
Monterey Park, CA 91754

8.40 Termination for Breach of Warranty to Maintain Compliance with County's Child Support Compliance Program

Failure of the Contractor to maintain compliance with the requirements set forth in Paragraph 8.14 (Contractor's Warranty of Adherence to County's Child Support Compliance Program), will constitute default under this Contract. Without limiting the rights and remedies available to the County under any other provision of this Contract, failure of the Contractor to cure such default within ninety (90) calendar

days of written notice will be grounds upon which the County may terminate this Contract pursuant to Paragraph 8.42 (Termination for Default) and pursue debarment of the Contractor), pursuant to County Code Chapter 2.202.

8.41 Termination for Convenience

8.41.1 This Contract may be terminated, in whole or in part, from time to time, when such action is deemed by the County, in its sole discretion, to be in its best interest. Termination of work hereunder will be effectuated by notice of termination to the Contractor specifying the extent to which performance of work is terminated and the date upon which such termination becomes effective. The date upon which such termination becomes effective will be no less than ten (10) days after the notice is sent.

8.41.2 After receipt of a notice of termination and except as otherwise directed by the County, the Contractor must stop work under this Contract on the date and to the extent specified in such notice.

8.41.3 All material including books, records, documents, or other evidence bearing on the costs and expenses of the Contractor under this Contract must be maintained by the Contractor in accordance with Paragraph 8.37 (Record Retention and Inspection/Audit Settlement).

8.42 Termination for Default

8.42.1 The County may, by written notice to the Contractor, terminate the whole or any part of this Contract, if, in the judgment of County's Program Director:

8.42.1.1 Contractor has materially breached this Contract; or

8.42.1.2 Contractor fails to timely provide and/or satisfactorily perform any task, deliverable, service, or other work required either under this Contract; or

8.42.1.3 Contractor fails to demonstrate a high probability of timely fulfillment of performance requirements under this Contract, or of any obligations of this Contract and in either case, fails to demonstrate convincing progress toward a cure within five (5) working days (or such longer period as the County may authorize in writing) after receipt of written notice from the County specifying such failure.

8.42.2 In the event that the County terminates this Contract in whole or in part as provided in Paragraph 8.42.1, the County may procure, upon such terms and in such manner as the County may deem appropriate, goods and services similar to those so terminated. The Contractor will be liable to the County for any and all excess costs incurred by the County, as determined by the County, for such similar goods and services. The

Contractor will continue the performance of this Contract to the extent not terminated under the provisions of this Paragraph.

8.42.3 Except with respect to defaults of any Subcontractor, the Contractor will not be liable for any such excess costs of the type identified in Paragraph 8.42.2 if its failure to perform this Contract arises out of causes beyond the control and without the fault or negligence of the Contractor. Such causes may include, but are not limited to: acts of God or of the public enemy, acts of the County in either its sovereign or contractual capacity, acts of Federal or State governments in their sovereign capacities, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, and unusually severe weather; but in every case, the failure to perform must be beyond the control and without the fault or negligence of the Contractor. If the failure to perform is caused by the default of a Subcontractor, and if such default arises out of causes beyond the control of both the Contractor and Subcontractor, and without the fault or negligence of either of them, the Contractor will not be liable for any such excess costs for failure to perform, unless the goods or services to be furnished by the Subcontractor were obtainable from other sources in sufficient time to permit the Contractor to meet the required performance schedule. As used in this Paragraph 8.42.3, the terms "Subcontractor" and "Subcontractors" mean Subcontractor(s) at any tier.

8.42.4 If, after the County has given notice of termination under the provisions of this Paragraph 8.42, it is determined by the County that the Contractor was not in default under the provisions of this Paragraph 8.42, or that the default was excusable under the provisions of Paragraph 8.42.3, the rights and obligations of the parties will be the same as if the notice of termination had been issued pursuant to Paragraph 8.41 (Termination for Convenience).

8.42.5 The rights and remedies of the County provided in this Paragraph 8.42 will not be exclusive and are in addition to any other rights and remedies provided by law or under this Contract.

8.43 Termination for Improper Consideration

8.43.1 The County may, by written notice to the Contractor, immediately terminate the right of the Contractor to proceed under this Contract if it is found that consideration, in any form, was offered or given by the Contractor, either directly or through an intermediary, to any County officer, employee, or agent with the intent of securing the Contract or securing favorable treatment with respect to the award, amendment, or extension of the Contract or the making of any determinations with respect to the Contractor’s performance pursuant to the Contract. In the event of such termination, the County will be entitled to pursue the same

remedies against the Contractor as it could pursue in the event of default by the Contractor.

8.43.2 The Contractor must immediately report any attempt by a County officer, employee, or agent to solicit such improper consideration. The report must be made to the Los Angeles County Fraud Hotline at (800) 544-6861 or https://fraud.lacounty.gov/.

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

8.44 Termination for Insolvency

8.44.1 The County may terminate this Contract forthwith in the event of the occurrence of any of the following:

8.44.1.1 Insolvency of the Contractor. The Contractor will be deemed to be insolvent if it has ceased to pay its debts for at least sixty (60) days in the ordinary course of business or cannot pay its debts as they become due, whether or not a petition has been filed under the Federal Bankruptcy Code and whether or not the Contractor is insolvent within the meaning of the Federal Bankruptcy Code;

8.44.1.2 The filing of a voluntary or involuntary petition regarding the Contractor under the Federal Bankruptcy Code;

8.44.1.3 The appointment of a Receiver or Trustee for the Contractor; or

8.44.1.4 The execution by the Contractor of a general assignment for the benefit of creditors.

8.44.2 The rights and remedies of the County provided in this Paragraph 8.44 will not be exclusive and are in addition to any other rights and remedies provided by law or under this Contract.

8.45 Termination for Non-Adherence of County Lobbyist Ordinance

The Contractor, and each County Lobbyist or County Lobbying firm as defined in County Code Section 2.160.010 retained by the Contractor, must fully comply with the County's Lobbyist Ordinance, County Code Chapter 2.160. Failure on the part of the Contractor or any County Lobbyist or County Lobbying firm retained by the Contractor to fully comply with the County's Lobbyist Ordinance will constitute a material breach of this Contract, upon which the County may in its sole discretion, immediately terminate or suspend this Contract.

8.46 Termination for Non-Appropriation of Funds

Notwithstanding any other provision of this Contract, the County will not be obligated for the Contractor's performance hereunder or by any provision of this

Contract during any of the County's future fiscal years unless and until the County's Board appropriates funds for this Contract in the County's Budget for each such future fiscal year. In the event that funds are not appropriated for this Contract, then this Contract will terminate as of June 30 of the last fiscal year for which funds were appropriated. The County will notify the Contractor in writing of any such non-allocation of funds at the earliest possible date.

8.47 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 will not be affected thereby.

8.48 Waiver

No waiver by the County of any breach of any provision of this Contract will constitute a waiver of any other breach or of such provision. Failure of the County to enforce at any time, or from time to time, any provision of this Contract will not be construed as a waiver thereof. The rights and remedies set forth in this Paragraph 8.48 will not be exclusive and are in addition to any other rights and remedies provided by law or under this Contract.

8.49 Warranty Against Contingent Fees

8.49.1 The Contractor warrants that no person or selling agency has been employed or retained to solicit or secure this Contract upon any Contract or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by the Contractor for the purpose of securing business.

8.49.2 For breach of this warranty, the County will have the right to terminate this Contract and, at its sole discretion, deduct from the Contract price or consideration, or otherwise recover, the full amount of such commission, percentage, brokerage, or contingent fee.

8.50 Warranty of Compliance with County's Defaulted Property Tax Reduction Program

Contractor acknowledges that County has established a goal of ensuring that all individuals and businesses that benefit financially from County through contract are current in paying their property tax obligations (secured and unsecured roll) in order to mitigate the economic burden otherwise imposed upon County and its taxpayers.

Unless Contractor qualifies for an exemption or exclusion, Contractor warrants and certifies that to the best of its knowledge it is now in compliance, and during the term of this contract will maintain compliance, with Los Angeles County Code Chapter 2.206.

8.51 Termination for Breach of Warranty to Maintain Compliance with County's Defaulted Property Tax Reduction Program

Failure of Contractor to maintain compliance with the requirements set forth in Paragraph 8.50 (Warranty of Compliance with County's Defaulted Property Tax Reduction Program) will constitute default under this contract. Without limiting the rights and remedies available to County under any other provision of this contract, failure of Contractor to cure such default within ten (10) days of notice will be grounds upon which County may terminate this contract and/or pursue debarment of Contractor, pursuant to Los Angeles County Code Chapter 2.206.

8.52 Time Off for Voting

The Contractor must notify its employees, and must require each subcontractor to notify and provide to its employees, information regarding the time off for voting law (Elections Code Section 14000). Not less than ten (10) days before every statewide election, every Contractor and subcontractors must keep posted conspicuously at the place of work, if practicable, or elsewhere where it can be seen as employees come or go to their place of work, a notice setting forth the provisions of Section 14000.

8.53 Compliance with County's Zero Tolerance Policy on Human Trafficking

Contractor acknowledges that the County has established a Zero Tolerance Policy on Human Trafficking prohibiting contractors from engaging in human trafficking.

If a Contractor or member of Contractor's staff is convicted of a human trafficking offense, the County will require that the Contractor or member of Contractor's staff be removed immediately from performing services under the Contract. County will not be under any obligation to disclose confidential information regarding the offenses other than those required by law.

Disqualification of any member of Contractor's staff pursuant to this Paragraph will not relieve Contractor of its obligation to complete all work in accordance with the terms and conditions of this Contract.

8.54 Intentionally Omitted

8.55 Compliance with Fair Chance Employment Hiring Practices

Contractor, and its subcontractors, must comply with fair chance employment hiring practices set forth in California Government Code Section 12952, the California Code of Regulations Section 11017.1, and County Code Chapter 8.300 (Fair Chance Ordinance for Employers). Contractor, and its subcontractor(s), can access fair chance employment resources, including a Fair Chance Fact Sheet and Workplace Posters (English/Spanish), and other program material at https://dcba.lacounty.gov/fairchance/. Additional compliance resources, including an Employer Toolkit (Fair Chance Hiring: An Employer's Guide to Hiring System-Impacted Individuals), can be accessed at https://opportunity.lacounty.gov/fair-chance-hiring-campaign/.

Contractor's violation of this Paragraph of the Contract may constitute a material breach of the Contract. In the event of such material breach, County may, in its sole discretion, issue administrative penalties and/or seek additional remedies as provided within Section 8.300.100 of the Fair Chance Ordinance for Employers, and/or terminate the Contract.

8.56 Compliance with the County Policy of Equity

The contractor acknowledges that the County takes its commitment to preserving the dignity and professionalism of the workplace very seriously, as set forth in the County Policy of Equity (CPOE) (https://ceop.lacounty.gov/). The contractor further acknowledges that the County strives to provide a workplace free from discrimination, harassment, retaliation and inappropriate conduct based on a protected characteristic, and which may violate the CPOE. The contractor, its employees and subcontractors acknowledge and certify receipt and understanding of the CPOE. Failure of the contractor, its employees or its subcontractors to uphold the County's expectations of a workplace free from harassment and discrimination, including inappropriate conduct based on a protected characteristic, may subject the contractor to termination of contractual agreements as well as civil liability.

8.57 Prohibition from Participation in Future Solicitation(s)

A Bidder, or a Contractor or its subsidiary or Subcontractor ("Bidder/Contractor"), is prohibited from submitting a bid or proposal in a County solicitation if the Bidder/Contractor has provided advice or consultation for the solicitation. A Bidder/Contractor is also prohibited from submitting a bid or proposal in a County solicitation if the Bidder/Contractor has developed or prepared any of the solicitation materials on behalf of the County. A violation of this provision will result in the disqualification of the Contractor/Bidder from participation in the County solicitation or the termination or cancellation of any resultant County contract.

8.58 Injury and Illness Prevention Program

Contractor will be required to comply with the State of California's Cal OSHA's regulations. California Code of Regulations Title 8 Section 3203 requires all California employers to have a written, effective Injury and Illness Prevention Program (IIPP) that addresses hazards pertaining to the particular workplace covered by the program.

8.59 Campaign Contribution Prohibition Following Final Decision in Contract Proceeding

Pursuant to Government Code Section 84308, Contractor and its Subcontractors, are prohibited from making a contribution of more than Five Hundred Dollars ($500) to a County officer for twelve (12) months after the date of the final decision in the proceeding involving this Contract. Failure to comply with the provisions of Government Code Section 84308 and of this paragraph, may be a material breach of this Contract as determined in the sole discretion of the County.

9.0 UNIQUE TERMS AND CONDITIONS

9.1 Child Abuse Prevention Reporting

9.1.1 Contractor agrees that the safety of the child will always be the first priority. To ensure the safety of children, Contractor will immediately notify County and the Child Abuse Hotline at 1-800-540-4000 or the Child Abuse Reporting Electronic System at https://reportchildabusela.org whenever Contractor reasonably suspects that a child has been a victim of abuse or is in danger of future abuse. The Contractor will remain with the child if imminent risk is present.

9.1.2 Contractor must ensure that all known or suspected instances of child abuse are reported to a child protection agency as defined in Section 11164, et. Seq. of the Penal Code. This responsibility must include:

9.1.2.1 A requirement that all employees, consultants, or agents performing services under this Contract, who are required by the California Penal Code to report child abuse, sign a statement that he or she knows of the reporting requirements and will comply with them.

9.1.2.2 The establishment of procedures to ensure reporting even with employees, consultants or agents who are not required to report child abuse under California Penal Code gain knowledge of, or reasonably suspect that a child has been a victim of abuse or neglect.

9.1.2.3 The assurance that all employees of Contractor and subcontractors understand that the safety of the child is always the first priority.

9.2 Conduct of Program

Contractor must abide by all terms and conditions imposed and required by this Contract and must comply with all subsequent revisions, modifications, and administrative and statutory changes made by the State, and all applicable provisions of state and federal regulations. Failure by Contractor to comply with provisions, requirements or conditions of this Contract, including, but not limited to, performance documentation, report and evaluation requirements, will be a breach of this Contract and may result in the withholding of payments, financial penalties, and/or termination as stated herein.

9.3 Contract Negotiations

Contractor must not schedule or conduct any meetings or negotiations under this Contract on behalf of the County or DCFS.

9.4 Contractor Accounting and Financial Reporting

9.4.1 Contractor must establish and maintain an accounting system, including internal controls and financial reporting, which must meet the minimum requirements for Contract Accounting as described in Exhibit G, Auditor-Controller Contract Accounting and Administration Handbook.

9.4.2 Contractor must maintain supporting documentation for all accruals reported. Accruals which are not properly supported may be disallowed upon audit.

9.5 Contractor Alert Reporting Database (CARD)

The County maintains databases that track/monitor Contractor performance history. Information entered into such databases may be used for a variety of purposes, including determining whether the County will exercise a Contract term extension option.

9.6 Contractor Mandatory Orientation

Contractor must attend a mandatory orientation that will be provided by County within thirty (30) days of the Contract start date.

9.7 Contractor's Charitable Activities Compliance

The County seeks to ensure that all County Contractors which receive or raise charitable contributions comply with California law, including the "Nonprofit Integrity Act of 2004", as approved and codified in California Government Code, Sections 12580-12599.10, in order to protect the County and its taxpayers. The Supervision of Trustees and Fundraisers for Charitable Purposes Act regulates entities receiving or raising charitable contributions. A Contractor which receives or raises charitable contributions without complying with its obligations under California law commits a material breach subjecting it to either contract termination or debarment proceedings or both. (County Code Chapter 2.202)

9.8 Employee Benefits and Taxes

9.8.1 Contractor must be solely responsible for providing to, or on behalf of its employees, all legally required salaries, wages, benefits, or other compensation.

9.8.2 County will have no liability or responsibility for any taxes, including, without limitation, sales, income, employee withholding and/or property taxes which may be imposed in connection with or resulting from this Contract or Contractor's performance hereunder.

9.9 Federal Award Information

Title 2, Code of Federal Regulations (CFR) Part 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Part 200.332, requires the County to provide Contractors with the details of every

federal award and sub-award, as referenced in Exhibit H, Federal Award Information.

Payment for this Contract will be with 25% Federal funds

9.10 Fixed Assets

Title to all fixed assets purchased with County funds designated by the County for that purpose under this Contract must remain with County. A "Fixed Asset" is defined hereunder as an equipment costing Ten Thousand Dollars ($10,000) or more, with a useful life of more than one year. Such assets must be maintained and repaired by Contractor during the term of this Contract. Contractor must provide an accounting of such assets at the termination or expiration of this Contract and must deliver same to County upon County's written request. Contractor must have an option upon the expiration of termination of the Contract to acquire such assets at a price to be mutually agreed upon by County and Contractor.

9.11 Former Foster Youth Consideration

9.11.1 Should Contractor require additional or replacement personnel after the effective date of this Contract to perform services set forth herein, Contractor must give consideration (after County employees, and GAIN/START participants as described in Section 8.11) for any such position(s) to qualified former foster youth. Contractor must notify County of any new or vacant position(s) within Contractor's firm by sending via U.S. mail or email, a list denoting any position(s) for which hiring is anticipated to:

County of Los Angeles
Department of Children and Family Services
Attention: Division Chief, Youth Development Services
1933 S. Broadway, 6th Floor, Los Angeles, CA 90007
youthds@dcfs.lacounty.gov

9.11.2 The notice sent by Contractor must indicate the position(s)/title(s) for vacant or new employment opportunity, description of same, requirements/qualifications for position(s), anticipated pay rate or salary schedule, the location where application(s)/requests for application(s) may be sent, final date of acceptable for applications, and any special circumstances relevant to the hiring procedure for said position(s).

9.11.3 Contractor is exempt from the provisions of this Section if it is a governmental entity.

9.12 Health Insurance Portability and Accountability Act of 1996 (HIPAA)

9.12.1 Contractor expressly acknowledges and agrees that the provision of services under this Contract does not require or permit access by Contractor or any of its officers, employees, or agents, to any patient

medical records/patient information. Accordingly, Contractor will instruct its officers, employees, and agents, that they are not to pursue, or gain access to, patient medical records/patient information for any reason whatsoever.

9.12.2 Notwithstanding the forgoing, the parties acknowledge that in the course of the provision of services hereunder, Contractor or its officers, employees, and agents, may have inadvertent access to patient medical records/patient information. Contractor understands and agrees that neither it nor its officers, employees, or agents, are to take advantage of such access for any purpose whatsoever.

9.12.3 Additionally, in the event of such inadvertent access, Contractor and its officers, employees, and agents, must maintain the confidentiality of any information obtained and must notify the Director that such access has been gained immediately, or upon the first reasonable opportunity to do so. In the event of any access, whether inadvertent or intentional, Contractor must indemnify, defend, and hold harmless County, its officers, employees, and agents, from and against any and all liability, including but not limited to, actions, claims, costs, demands, expenses, and fees (including attorney and expert witness fees) arising from or connected with Contractor's or its officers', employees', or agents', access to patient medical records/patient information. Contractor agrees to provide appropriate training to its employees regarding their obligations as described hereinabove.

9.13 Hours of Operation

9.13.1 Contractor must adhere to the following hours of operation:

9.13.1.1 Service delivery regular hours, Monday through Friday, 8:00 a.m. to 5:00 p.m., Pacific Standard Time.

9.13.2 Contractor must obtain approval from the County Program Manager prior to any modification of service provider and/or service delivery hours.

9.13.3 Contractor must submit to the County Program Manager data outlining how DCFS needs will be met with any requests to modify service provider and/or service delivery hours of operation.

9.13.4 Contractor's Program Manager or County approved alternate must have full authority to act for Contractor on all matters related to the daily operation on this Contract, and must be available during County's regular business hours of Monday through Friday from 8:00 a.m. to 5:00 p.m. to respond to County inquires and to discuss program areas.

9.13.5 Contractor must not be required to work on the following County holidays:

- New Year's Day (January 1)
- Martin Luther King Jr.'s Birthday (Third Monday in January)
- President's Day (Third Monday in February)
- Cesar Chavez Day (Last Monday in March)
- Memorial Day (Last Monday in May)
- Juneteenth (June 19)
- Independence Day (July 4)
- Labor Day (First Monday in September)
- Indigenous People's Day (Second Monday in October)
- Veterans' Day (November 11)
- Thanksgiving Day (Fourth Thursday in November)
- Day after Thanksgiving (Friday after Thanksgiving Day)
- Christmas Day (December 25)

9.14 Information Security and Privacy Requirements

Contractor must comply with the requirements set forth in Exhibit I (Information Security and Privacy Requirements).

9.15 Shred Documents

9.15.1 Contractor must ensure that all confidential documents and papers, as defined under state law (include, but not limited to Welfare and Institutions Code Section 10850) relating to this Contract must be shredded and not put in trash containers when Contractor disposes of these documents and papers. All documents and papers to be shredded are to be placed in a lock or secured container/bin/box and labeled "shred" until they are destroyed. No confidential documents and papers are to be recycled.

9.15.2 Documents for record and retention purposes in accordance with Subsection 8.37.1 (Record Retention and Inspection-Audit Settlement) of this Contract are to be maintained for a period of five (5) years.

9.16 State Energy Conservation Plan

Contractor must be in compliance with the mandatory standards and policies related to energy efficiency in the State Conservation Plan (Title 24, California Administrative Code), Section 306 of the Federal Clean Air Act (42 USC 1857 (h)), Section 508 of the Clear Water Act (33 USC 1386), Executive Order 11738 and Environmental Protection Agency Regulations (40 CFR Part 15).

9.17 Use of Funds

All uses of funds paid to Contractor and other financial transactions related to Contractor's provision of services under this Contract are subject to review and/or audit by DCFS, County's Auditor-Controller or its designee, and the State of California. In the event of Contract is subject to audit exceptions, Contractor must

pay to County the full amount of Contractor's liability for such audit exceptions, as determined by DCFS, upon demand by County.

10.0 SURVIVAL

In addition to any terms and conditions of this Contract that expressly survive expiration or termination of this Contract by their terms, the following provisions will survive the expiration or termination of this Contract for any reason:

Paragraph 1.0	Applicable Documents
Paragraph 2.0	Definitions
Paragraph 3.0	Work
Paragraph 5.4	No Payment for Services Provided Following Expiration/Termination of Contract
Paragraph 7.6	Confidentiality
Paragraph 8.1	Amendments
Paragraph 8.2	Assignment and Delegation/Mergers or Acquisitions
Paragraph 8.6	Compliance with Applicable Laws
Paragraph 8.19	Fair Labor Standards
Paragraph 8.20	Force Majeure
Paragraph 8.21	Governing Law, Jurisdiction, and Venue
Paragraph 8.23	Indemnification
Paragraph 8.24	General Provisions for all Insurance Coverage
Paragraph 8.25	Insurance Coverage
Paragraph 8.26	Liquidated Damages
Paragraph 8.33	Notices
Paragraph 8.37	Record Retention and Inspection-Audit Settlement
Paragraph 8.41	Termination for Convenience
Paragraph 8.42	Termination for Default
Paragraph 8.47	Validity
Paragraph 8.48	Waiver
Paragraph 8.57	Prohibition from Participation in Future Solicitation(s)
Paragraph 8.59	Campaign Contribution Prohibition Following Final Decision in Contract Proceeding
Paragraph 9.14	Information Security and Privacy Requirements

Paragraph 10.0 Survival

COUNTY OF LOS ANGELES
DEPARTMENT OF CHILDREN AND FAMILY SERVICES
CONTRACT _____

IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Contract to be subscribed on its behalf by the Director of the Department of Children and Family Services and Contractor, has caused this Contract to be subscribed on its behalf by its duly authorized officer(s) as of the day, month and year first above written. The person(s) signing on behalf of Contractor warrants under penalty of perjury that they are authorized to bind Contractor in this Contract.

COUNTY OF LOS ANGELES

By:

_____
Lisa E. Mandel, Interim Director
Department of Children and Family Services

CONTRACTOR

_____
Vendor Name

_____
Tax Identification Number

By: _____
Signature

_____
Print Name

_____
Title

APPROVED AS TO FORM:
BY THE OFFICE OF COUNTY COUNSEL
DAWYN R. HARRISON, COUNTY COUNSEL

By: _____
David Beaudet, Senior Deputy County Counsel

EXHIBITS

- **A** Statement of Work and Attachments
- **B** Price Sheet (Not attached to Contract)
- **C** Line-Item Budget and Budget Narrative (Not attached to Contract)
- **D** County's Administration
- **E** Contractor's Administration
- **F** Forms Required at the Time of Contract Execution
  - **F1** Contractor Acknowledgement and Confidentiality Agreement
  - **F2** Contractor Employee Acknowledgement and Confidentiality Agreement
  - **F3** Contractor Non-Employee Acknowledgement and Confidentiality Agreement
- **G** Auditor-Controller Contract Accounting and Administration Handbook
- **H** Federal Award Information
- **I** Information Security and Privacy Requirements
- **J** Vendor Information Security Compliance Checklist for SharePoint Data Transfers
- **K** Confidentiality of CORI Information
- **L** User Compliant Report
- **M** Mutual Non-Disclosure Agreement (NDA)

EXHIBIT A

STATEMENT OF WORK (SOW)
AND
ATTACHMENTS

TABLE OF CONTENTS

PARAGRAPH **PAGE**

1.0 BACKGROUND AND SCOPE OF REDACTION 1
2.0 SCOPE OF WORK 1
3.0 DELIVERABLES 1
3.1 Redaction Software or Application 1
3.2 Document Delivery and Transfer 2
3.3 Training Requirements 2
3.4 Naming Convention 3
3.5 Redaction Requirement 3
3.6 Identification of Missed/Incorrect Redactions 4
3.7 Redaction Logs 4
3.8 Monthly Invoice 5
4.0 PERIOD OF PERFORMANCE 5
4.1 Estimated Time Schedule 5
5.0 QUALITY ASSURANCE PLAN 6
5.1 Development 6
5.2 Contract Discrepancy Report 6
5.3 County Observations 7
5.4 Meetings 7
6.0 QUALITY ASSURANCE MONITORING 7
6.1 Program Review 7
6.2 Corrective Action Plan 7
7.0 CONTRACTOR STAFF REQUIREMENTS 7
7.1 Contractor's Office 7
7.2 Contractor's Program Manager 7
7.3 Contractor Staff 8
7.4 Materials and Equipment 8
7.5 Los Angeles County Holidays 9
8.0 GREEN INITIATIVES 9
9.0 PERFORMANCE REQUIREMENTS SUMMARY 9

TABLE OF CONTENTS

PARAGRAPH **PAGE**

SOW ATTACHMENTS

1 Contract Discrepancy Report (CDR)

2 Performance Requirements Summary (PRS)

STATEMENT OF WORK (SOW)

1.0 BACKGROUND AND SCOPE OF REDACTION

Contractor must perform a redaction workflow to remove privileged and confidential information from the Los Angeles County, Department of Children and Family Services (DCFS) internal juvenile case files, pursuant to state or federal law, or court order, varying by petitioner or class requesting the documents, including but not limited to information as follows:

- Attorney-Client Privilege Communications
- Identity of Reporting Parties
- Mental Health Information (Diagnosis/Medication) Records
- Court Ordered Psychological Evaluations (730 Eval. – CA EC 730)
- Medical Information regarding AIDS/HIV/STD/Birth Control/Abortion
- Medical Information regarding Pregnancy
- Medical Records and Medical Information (Diagnosis/Prescriptions)
- Medical Information regarding Child's Wellness Exams
- Results of Drug Tests
- Sexual Orientation of LGBTQ Status of Youth
- Non-Subject Minor(s)
- Suspected Child Abuse Report (SCAR) and Electronic-SCAR (E-SCAR)
- Criminal History Reports (CLETS/Live Scan/CACI)
- DCFS Case History of Non-subject Minor and/or Non-Parental Family Members
- Personal Identification Numbers (PIN)
- Education Records (Individualized Education Plans/Report Cards/School Transcripts)
- Information Regarding Subject Child's School (Name, Location, Faculty)
- Adoption Records

2.0 SCOPE OF WORK

Contractor must review eight hundred thousand (800,000) pages and redact necessary information from digitized juvenile case files in a one-year (365-day) period from the Contract execution date. A page is a single Optical Character Recognition (OCR) text page, which may be in the form of a document form, report, chart, etc.

3.0 DELIVERABLES

3.1 Redaction Software or Application

3.1.1 Contractor must use a redaction software or application equipped with a search feature that allows users to input keywords and generate precise search queries, including alpha, numerical, and alphanumerical data. The software or application must be able to identify all specified data throughout the document.

3.1.2 Software or application must be able to search various document formats, typesets, and fonts.

3.1.3 Software or application must be able to apply text labeling or temporary transparent redaction, which must be intact throughout the document transmittal and export processes.

3.1.4 Software or application must be able to apply permanent traditional blackout redaction to the text labeling or temporary redaction upon County review and approval, which must be intact throughout the document transmittal and export processes.

3.1.5 Permanent blackout tool must assist with the auto-redaction of a requested redaction level throughout the document as required by the type of party requesting documents.

3.1.6 Contractor's software or application must generate detailed activity reports in lieu of Redaction Logs, as provided in Sub-paragraph 3.7.

3.1.7 Contractor is responsible for paying all software or application licensing fees.

3.1.8 Contractor must activate, troubleshoot, preview and demonstrate mastery of software or application for County or County's Program Manager (CPM); and implement within thirty (30) calendar days of Contract execution.

3.2 Document Delivery and Transfer

3.2.1 Contractor must provide a valid email address upon execution of the Contract to be granted access to the DCFS OneDrive site.

3.2.2 Contractor must deliver and transfer all documents via the designated DCFS OneDrive site.

3.2.3 Contractor must comply with new or alternative mediums or methods of delivery that DCFS may implement throughout the life of the contract.

3.2.4 Corrupt Files, Illegible Documents, Blank Pages

3.2.4.1 Corrupt Files – Contractor must notify DCFS immediately of corrupt files in need of rescanning.

3.2.4.2 Illegible Documents – Contractor must notify DCFS immediately of illegible documents for DCFS to determine whether the discrepancy can be remedied with rescanning or included with the file as part of the count. Blank pages are part of the review.

3.3 Training Requirements

3.3.1 Contractor must redact documents in accordance with Office of the Los Angeles County Counsel (LACC) provided training, and must adhere to regular instruction and feedback provided by LACC and DCFS throughout the life of the Contract.

3.3.2 Contractor must participate in all necessary LACC retraining(s), should DCFS determine a need to reinforce the requirements of the redaction process.

3.3.3 Contractor must impart LACC training to Contractor's staff and must submit a register of trained staff to County within seven (7) business days of the initial LACC training, and prior to assignment of actual work.

3.3.4 Contractor must train all new staff Contractor employs throughout the life of the Contract and must submit an updated roster to CPM, within seven (7) business days of the initial training and prior to assignment of actual work.

3.3.5 Contractor must provide continuing in-service training to Contractor staff at the request of the County and must submit a register of staff participants to CPM within seven (7) business days of County's request.

3.3.6 Contractor staff whom County or Contractor identifies to have committed repeated or a pattern of errors must receive additional training, either by Contractor determination or by the request of the County.

3.3.7 Contractor must train and ensure all staff have knowledge of the technology; hardware, software and peripherals, required of the Contract and must submit confirming roster to the CPM, prior to assignment of actual work.

3.4 Naming Convention

County will transmit files using a standard naming convention with the following structure: Case Last Name, Case First Name, Minor Last Name, Minor First Name, Minor Date of Birth (MMDDYYYY), folder number in a series, total number in the folder series, total image/page count, and must utilize underscoring in lieu of delimiters and spaces.

Example: Doe_John_Doe_Junior_12091980_1_of_3_1958

When submitting redacted files, Contractor must use a prescribed naming convention for each file. The naming convention must adhere to the following structure: Case Last Name, Case First Name, Date of Birth (MMDDYYYY), folder number in a series, total number in the folder series, total image/page count, "Redacted," Requester Type, and must utilize underscoring in lieu of delimiters and spaces.

Example: Doe_John_Doe_Junior_12091980_1_of_3_1958_Redacted_CPS

3.5 Redaction Requirement

3.5.1 Contractor must use Text Labeling Redactions during the initial stage of redaction within the redaction application or software, so that each redaction contains a label naming the redacted information or the proposed redacted information remains visible for inspection.

3.5.2 Upon County review and approval, Contractor must convert the Text Labeled Redactions to the Traditional Blackout Redaction, which is the final product document with the permanent removal of privileged and confidential information, without transparencies or tags.

3.5.3 Contractor must deliver the final redacted document to DCFS via the designated DCFS OneDrive site.

3.5.4 Contractor must preserve and maintain both the final permanent abstracted version and original untouched version of each juvenile case file, and must provide either version at the request of the County.

3.6 Identification of Missed/Incorrect Redactions

3.6.1 Missed/Incorrect redactions due to Contractor oversight.

3.6.1.1 Contractor must correct missed redactions, over redactions, or any inaccuracies identified by DCFS quality control and must return the corrected file to DCFS within seven (7) business days of the correction request.

3.6.1.2 Contractor must not invoice for corrections resulting from Contractor oversight, which may include a discretionary assessment as provided in the Performance Requirements Summary (PRS) Chart, Attachment II.

3.6.2 Missed/Incorrect redactions due to DCFS oversight.

3.6.2.1 Contractor must correct errors resulting from DCFS oversight, which includes but are not limited to requests of incorrect level of redaction, transmittal of incorrect files, or requests that are inconsistent with the requirements of the Statement of Work.

3.6.2.2 Contractor must make corrections within the same timeframe of a new request, unless a seven (7) business day timeframe is otherwise necessary, as pursuant to Court rulings.

3.6.2.3 Contractor must invoice at the standard rate for corrections resulting from DCFS oversight.

3.7 Redaction Logs

3.7.1 Contractor must develop and maintain an external Redaction Log and must record all redactions, corrections, and actions for each document if Contractor utilizes software or applications that are unable to generate reports, see Paragraph 3.1.6.

3.7.2 Contractor must submit a draft of the Reaction Log template to the CPM for approval prior to the start of actual work. The Redaction Log must contain, but may not be limited to the following categories:

A. Markup Text (Type of Redaction, e.g., Minor Name, Mother's Name, Reporting Party's Name, DOB, etc.).

B. Page Number of the specific redaction.

C. Document ID (workspace identifier in which the redaction was made).

D. File Name of Redacted Document.

E. Number of pages redacted per each File Name.

F. Folder Name of Redacted Document.

G. Errors (inconsistencies and inaccuracies identified by DCFS) and corrections (Contractor's applied actions to the identified errors).

H. Metadata, including time/date/user for each redaction.

I. Any new category or categories determined during the CPM review of the draft template.

3.8 Monthly Invoice

3.8.1 Contractor's monthly invoices must identify and itemize each redacted file, must distinguish original redactions from corrected work, must include the total pages per file, and must identify Contractor's staff who performed the redaction(s).

3.8.2 Contractor must submit the Redaction Log; see Paragraph 3.7, as an attachment to the invoice. Redaction Logs must substantiate invoice charges.

3.8.3 Contractor must submit Invoices and Redaction Logs on the fifteenth day of the month following the month services were rendered

3.8.4 Contractor must submit Invoices and Redaction Logs no later than the next business day if the fifteenth day falls on a weekend or holiday.

4.0 PERIOD OF PERFORMANCE

4.1 Estimated Time Schedule

4.1.1 Rush Requests – Contractor must deliver traditional black out redacted documents within seven (7) business days of initial file transmittal from DCFS. Deadline extension may be considered for files exceeding 5,000 pages.

4.1.2 Priority Requests – Contractor must deliver traditional black out redacted documents within fourteen (14) business days of initial file transmittal from DCFS.

4.1.3 General Requests – Contractor must deliver traditional black out redacted documents within thirty (30) calendar days of initial file transmittal from DCFS.

5.0 QUALITY ASSURANCE PLAN

5.1 Development

5.1.1 Contractor must implement and maintain a Quality Assurance Plan (QAP) to ensure compliance with the requirements of the Contract.

5.1.2 Contractor must submit a draft of its QAP to demonstrate how Contractor plans to meet the requirements of the Contract. The County will evaluate the QAP and provide feedback as needed.

5.1.3 Contractor must implement revisions and provide a finalized copy of the plan to the CPM within thirty (30) days of the Contract start date.

5.1.4 Contractor's original QAP and any revisions thereto must include, but not be limited to, the following:

5.1.4.1 Contractor's methods used to ensure the quality of service performed fully meets the performance requirements set forth in this Statement of Work. Contractor must include methods for identifying and preventing deficiencies in the quality of service performed before the level of performance becomes unacceptable, meaning, performance that would jeopardize or interrupt services.

5.1.4.2 Contractor's methods for ensuring uninterrupted service in the event of any potential disruption in service, which may include Contractor's staff medical leaves, vacations, pandemics, resignations, or any work action that would jeopardize or interrupt services.

5.1.4.3 Contractor must provide to the County upon request, all records of inspection, records of corrective action, which identifies the date and time the incident, a clear description of the incident, and the corrective action.

5.1.5 County and Contractor Program Managers will review QAP annually and revise if needed.

5.2 Contract Discrepancy Report

5.2.1 Contractor must telephonically notify CPM of a Contract discrepancy. The discrepancy must be resolved within a mutually agreed upon time-period. CPM must determine if the discrepancy warrants a formal Contract Discrepancy Report (CDR) (Attachment I).

5.2.2 Contractor must respond to CPM in writing within three (3) business days of receipt of the CDR, either to acknowledge the reported discrepancies or to present contrary evidence.

5.2.3 Contractor must submit a response to the Corrective Action Plan (CAP) of all deficiencies identified in the CDR to the CPM within three (3)

business days from the date of confirmation, should CPM substantiate the reported discrepancy.

5.3 County Observations

CPM may authorize additional County staff to observe Contractor performance, activities, and review documents relevant to this Contract at any time during normal business hours. However, County staff may not interfere with the Contractor's performance without reasonable cause.

5.4 Meetings

Contractor must attend meetings as scheduled.

6.0 QUALITY ASSURANCE MONITORING

CPM or authorized County staff will monitor and evaluate Contractor's performance under this contract using the quality assurance procedures specified in this Statement of Work, Performance Requirements Summary (Paragraph 9.0). County will conduct all monitoring in accordance with Section 8.15, County's Quality Assurance Plan, of the Contract.

6.1 Program Review

6.1.1 Contractor is subject to program review by the County, at a minimum of one review annually, for the life of the contract. Contractor must make available to the County, upon request, all documents, including but not limited to invoices, reports, and logs, as specified in this Statement of Work.

6.2 Corrective Action Plan

6.2.1 Contractor must submit a response to the CAP for all identified area(s), including billing deficiencies, within the timeframe specified by the CPM or County issued Review Letter.

7.0 CONTRACTOR STAFF REQUIREMENTS

7.1 Contractor's Office

Contractor must maintain contact information in the company's name. Contractor must be available and responsive, by telephone or email, during regular business hours, 8:00 a.m. to 5:00 p.m., Monday through Friday, Pacific Standard Time (PST).

7.2 Contractor's Program Manager

7.2.1 Contractor must provide a full-time Program Manager and a designated alternate. County and DCFS must have access to the Contractor's Program Manager or alternate between the hours of 8:00 a.m. to 5:00 p.m., PST, through both telephone and email.

7.2.2 Contractor's Program Manager or alternate must serve as the central point of contact for the County and DCFS. In the absence of the

Program Manager and alternate, Contractor must provide staff who can act in the same capacity.

7.2.3 Contractor's Program Manager or alternate must have full authority to act on behalf of Contractor on all matters relating to the daily operation of the Contract.

7.2.4 Contractor's Program Manager must communicate effectively in both spoken and written English.

7.3 Contractor Staff

7.3.1 Contractor must employ at least one staff who has at least two years bona fide working experience in the area of juvenile dependency or a related legal services discipline, as determined by the County. Training as a lawyer or paralegal may meet this requirement. Consistent with the requirements of this Contract, experience includes, but is not limited to supervising, advising and counseling all levels of staff in the handling of assigned cases, and in the ethical and legal principles associated with the performance of their duties.

7.3.2 Contractor staff must have working knowledge of principle laws pertaining to the application of Welfare and Institutions Code Section 827 and relevant codes, including Code of Federal Regulations, California Welfare and Institutions Code, Family Code, Civil Code, Evidence Code, Penal Code, regulations of the California Department of Social Services and Child Protected Services, and the Rules of the Court.

7.3.3 Contractor staff must have working knowledge of legal research methods, trial procedures, and must have the ability to present statements of facts, law and argument, clearly and logically, in both written and spoken format.

7.3.4 Contractor must assign a sufficient number of staff to perform the required work. At least one of Contractor's staff must be available and authorized to act on behalf of Contractor in the absence of Contractor's Program Manager or alternate.

7.3.5 Contractor staff with less than two years of juvenile dependency experience or a related legal services discipline can be trained to perform redaction services under this Contract, provided the qualified manager with the required experience oversees staff, which includes checking the accuracy and quality of the work.

7.4 Materials and Equipment

7.4.1 Contractor must purchase and provide all materials and equipment necessary for the services of this Contract.

7.4.2 County will not provide a work site, hardware, software or any properties, materials or resources required to perform the work of this Contract.

7.5 Los Angeles County Holidays

Contractor is not required to provide services on Los Angeles County holidays.

New Year's Day – January 1st

Martin Luther King Jr.'s Birthday – the 3rd Monday in January

President's Day – the 3rd Monday in February

Cesar Chavez Day – the last Monday in March

Memorial Day – the last Monday in May

Juneteenth – June 19th

Independence Day – July 4th

Labor Day – the 1st Monday in September

Columbus Day/Indigenous People's Day – the 2nd Monday in October

Veteran's Day – November 11th

Thanksgiving Day – the 4th Thursday in November

Friday after Thanksgiving – the 4th Friday in November

Christmas Day – December 25th

8.0 GREEN INITIATIVES

8.1 Contractor must use reasonable efforts to initiate green practices for environmental and energy conservation benefits.

8.2 Contractor must notify CPM of Contractor's new green initiatives prior to Contract commencement.

9.0 PERFORMANCE REQUIREMENTS SUMMARY

Contractor must adhere to the measures established in Attachment II of this SOW.

CONTRACT DISCREPANCY REPORT

Department of Children and Family Services
Juvenile Court Services
WIC 827 Records Request Unit

Contractor Response Due By: _____

Date:		**Contractor Response Received:**
Contractor:	**Contract No.**	**County's Program Manager:**
Contact Person:	**Telephone:**	**County's Program Manager Signature:**
Email:		**Email:**

A contract discrepancy(s) is specified below. The Contractor will take corrective action and respond back to the County personnel identified above by the date specified. Failure to take corrective action or respond to this Contract Discrepancy Report by the date specified may result in the deduction of damages.

No.	Contract Discrepancy	Contractor's Response*	County Use Only		
			Date Correction Due	Date Completed	Approved
1					
2					
3					

*Use additional sheets if necessary

_____ _____

Contractor's Representative's Signature *Date*

Additional Comments:

PERFORMANCE REQUIREMENTS SUMMARY (PRS) CHART

SPECIFIC PERFORMANCE REFERENCE	SERVICE	MONITORING METHOD	DEDUCTIONS/FEES TO BE ASSESSED
SOW: Paragraph 3.4 – Naming Convention	Contractor must use a prescribed naming convention for each file.	Review	Five business day grace period following first delivered case file. Thereafter, $100 per occurrence. Possible termination for default of contract.
SOW: Paragraph 3.5 – Redaction Requirement	Contractor must apply traditional blackout redaction, which is the permanent abstraction of privileged and confidential information, without transparencies or tags. Contractor must deliver the final redacted document to DCFS via the designated DCFS OneDrive site.	Review Review	Forty-five calendar day grace period from contract start date, $50 for initial occurrence. Thereafter, $100 per occurrence. Possible termination for default of contract.
SOW: Paragraph 3.6 – Identification of Missed/Incorrect Redactions	Contractor must correct missed redactions, over redactions, or any inaccuracies identified by DCFS quality control and must return the corrected file to DCFS within seven (7) business days of the correction request. Contractor must return the corrected file to DCFS within seven (7) business days of the correction request.	Review Review	For the first three invoices, a 5% error rate will be allowed. Anything above the 5% error rate will have a deduction taken in the amount of $0.10 per page of the billed invoice. Starting on the fourth invoice, error rates above 3% will have a deduction taken in the amount of $0.20 per page of the billed invoice. Beginning on the 8th day, the Contractor will be charged $25 per case file per business day.

	Contractor must not invoice for corrections resulting from Contractor oversight.	Invoice Review	Possible termination for default of contract.
	Contractor must correct errors resulting from DCFS oversight, which includes but are not limited to requests of incorrect level of redaction, transmittal of incorrect files, or requests that are inconsistent with the requirements of the Statement of Work.	Review	Any error rates above 3% will have a deduction taken in the amount of $0.20 per page of the billed invoice. Possible termination for default of contract.
	Contractor must invoice at the standard rate for corrections resulting from DCFS oversight.	Invoice Review	Possible termination for default of contract.
SOW: Paragraph 4.1 – Estimated Time Schedule	Rush Requests – Contractor must deliver traditional black out redacted documents within 7 (seven) business days of initial file transmittal from DCFS.	Review	For the first sixty days from the contract start date, for any late delivery of a complete case file there will be a deduction of $0.10 per page of the billed invoice. Possible termination for default of contract. Starting on the sixty-first day, from the contract start date, for any late delivery of a complete case file, there will be a deduction of $0.20 per page of the invoice billed. Possible termination for default of contract.
	Priority Requests – Contractor must deliver traditional black out redacted documents within fourteen (14) business days of initial file transmittal from DCFS.	Review	For the first sixty days from the contract start date, for any late delivery of a complete case file there will be a deduction of $0.10 per page of the billed invoice. Possible termination for default of contract. Starting on the sixty-first day, from the contract start date, for any late delivery of a complete case file, there will be a deduction of $0.20 per page of the invoice billed. Possible termination for default of contract

	General Requests – Contractor must deliver traditional black out redacted documents within thirty (30) calendar days of initial file transmittal from DCFS.	Review	For the first sixty days from the contract start date, for any late delivery of a complete case file there will be a deduction of $0.10 per page of the billed invoice. Possible termination for default of contract. Starting on the sixty-first day, from the contract start date, for any late delivery of a complete case file, there will be a deduction of $0.20 per page of the invoice billed. Possible termination for default of contract.

PRICE SHEET

NOT ATTACHED TO CONTRACT

LINE-ITEM BUDGET AND BUDGET NARRATIVE

NOT ATTACHED TO CONTRACT

COUNTY'S ADMINISTRATION

CONTRACT NUMBER: _____

COUNTY'S PROGRAM MANAGER:

Name: _____

Title: _____

Address: _____

_____

Telephone: _____

E-mail Address: _____

COUNTY'S CONTRACT ANALYST:

Name: _____

Address: _____

_____

Telephone: _____

E-mail Address: _____

COUNTY'S PROGRAM MANAGER:

Name: _____

Title: _____

Address: _____

_____

Telephone: _____

E-mail Address: _____

COUNTY'S PROGRAM MONITOR:

Name: _____

Title: _____

Address: _____

_____

Telephone: _____

E-mail Address: _____

CONTRACTOR'S ADMINISTRATION

CONTRACTOR'S NAME: _____

CONTRACT NUMBER: _____

CONTRACTOR'S PROGRAM MANAGER:

Name: _____

Title: _____

Address: _____

_____

Telephone: _____

E-mail Address: _____

CONTRACTOR'S AUTHORIZED OFFICIAL(S):

Name: _____

Title: _____

Address: _____

_____

Telephone: _____

E-mail Address: _____

Name: _____

Title: _____

Address: _____

_____

Telephone: _____

E-mail Address: _____

NOTICES TO CONTRACTOR:

Name: _____

Title: _____

Address: _____

_____

Telephone: _____

E-mail Address: _____

FORMS REQUIRED AT THE TIME OF CONTRACT EXECUTION

NON-IT CONTRACTS

F1 Contractor Acknowledgement and Confidentiality Agreement

F2 Contractor Employee Acknowledgement and Confidentiality Agreement

F3 Contractor Non-Employee Acknowledgement and Confidentiality Agreement

CONTRACTOR ACKNOWLEDGEMENT AND CONFIDENTIALITY AGREEMENT

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 must 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: _____ DATE: _____

PRINTED NAME: _____

POSITION: _____

CONTRACTOR EMPLOYEE ACKNOWLEDGEMENT AND CONFIDENTIALITY AGREEMENT

Contractor Name: _____ Contract No: _____

Employee Name: _____

GENERAL INFORMATION:

Your employer referenced above has entered into a contract with the County of Los Angeles to provide certain services to the County. The County requires your signature on this Contractor Employee Acknowledgement and Confidentiality Agreement.

EMPLOYEE ACKNOWLEDGEMENT:

I understand and agree that the Contractor referenced above is my sole employer for purposes of the above-referenced contract. I understand and agree that I must rely exclusively upon my employer for payment of salary and any and all other benefits payable to me or on my behalf by virtue of my performance of work under the above-referenced contract.

I understand and agree that I am not an employee of the County of Los Angeles for any purpose whatsoever and that I 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. I understand and agree that I do not have and 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.

I understand and agree that I may be required to undergo a background and security investigation(s). I understand and agree that my continued performance of work under the above-referenced contract is contingent upon my passing, to the satisfaction of the County, any and all such investigations. I understand and agree that my failure to pass, to the satisfaction of the County, any such investigation will result in my immediate release from performance under this and/or any future contract.

CONFIDENTIALITY AGREEMENT:

I may be involved with work pertaining to services provided by the County of Los Angeles and, if so, I may have access to confidential data and information pertaining to persons and/or entities receiving services from the County. In addition, I 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. I understand that if I am involved in County work, the County must ensure that I, too, will protect the confidentiality of such data and information. Consequently, I understand that I must sign this agreement as a condition of my work to be provided by my employer for the County. I have read this agreement and have taken due time to consider it prior to signing.

I hereby agree that I will not divulge to any unauthorized person any data or information obtained while performing work pursuant to the above-referenced contract between my employer and the County of Los Angeles. I agree to forward all requests for the release of any data or information received by me to my immediate supervisor.

I 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 or by me under the above-referenced contract. I agree to protect these confidential materials against disclosure to other than my employer or County employees who have a need to know the information. I agree that if proprietary information supplied by other County vendors is provided to me during this employment, I must keep such information confidential.

I agree to report to my immediate supervisor any and all violations of this agreement by myself and/or by any other person of whom I become aware. I agree to return all confidential materials to my immediate supervisor upon completion of this contract or termination of my employment with my employer, whichever occurs first.

SIGNATURE: _____ DATE: _____

PRINTED NAME: _____

POSITION: _____

CONTRACTOR NON-EMPLOYEE ACKNOWLEDGEMENT AND CONFIDENTIALITY AGREEMENT

Contractor Name: _____ Contract No: _____

Non-Employee Name: _____

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 your signature on this Contractor Non-Employee Acknowledgement and Confidentiality Agreement.

NON-EMPLOYEE ACKNOWLEDGEMENT:

I understand and agree that the Contractor referenced above has exclusive control for purposes of the above-referenced contract. I understand and agree that I must rely exclusively upon the Contractor referenced above for payment of salary and any and all other benefits payable to me or on my behalf by virtue of my performance of work under the above-referenced contract.

I understand and agree that I am not an employee of the County of Los Angeles for any purpose whatsoever and that I 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. I understand and agree that I do not have and 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.

I understand and agree that I may be required to undergo a background and security investigation(s). I understand and agree that my continued performance of work under the above-referenced contract is contingent upon my passing, to the satisfaction of the County, any and all such investigations. I understand and agree that my failure to pass, to the satisfaction of the County, any such investigation will result in my immediate release from performance under this and/or any future contract.

CONFIDENTIALITY AGREEMENT:

I may be involved with work pertaining to services provided by the County of Los Angeles and, if so, I may have access to confidential data and information pertaining to persons and/or entities receiving services from the County. In addition, I 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. I understand that if I am involved in County work, the County must ensure that I, too, will protect the confidentiality of such data and information. Consequently, I understand that I must sign this agreement as a condition of my work to be provided by the above-referenced Contractor for the County. I have read this agreement and have taken due time to consider it prior to signing.

I hereby agree that I will not divulge to any unauthorized person any data or information obtained while performing work pursuant to the above-referenced contract between the above-referenced Contractor and the County of Los Angeles. I agree to forward all requests for the release of any data or information received by me to the above-referenced Contractor.

I 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 or by me under the above-referenced contract. I agree to protect these confidential materials against disclosure to other than the above-referenced Contractor or County employees who have a need to know the information. I agree that if proprietary information supplied by other County vendors is provided to me, I must keep such information confidential.

I agree to report to the above-referenced Contractor any and all violations of this agreement by myself and/or by any other person of whom I become aware. I agree to return all confidential materials to the above-referenced Contractor upon completion of this contract or termination of my services hereunder, whichever occurs first.

SIGNATURE: _____ DATE: _____

PRINTED NAME: _____

POSITION: _____

AUDITOR-CONTROLLER
CONTRACT ACCOUNTING AND ADMINISTRATION HANDBOOK

- REVISED JULY 2025 -

TABLE OF CONTENTS

A. ACCOUNTING AND FINANCIAL RECORDS 1

1.0 Basis of Accounting 1

1.1 Accrual Basis 1

1.2 Cash Basis 2

1.3 Prepaid Expenditures 2

2.0 Accounting System 2

2.1 General Journal 2

2.2 Cash Receipts Journal 3

2.3 Cash Disbursements Journal 3

2.4 General Ledger 4

2.5 Chart of Accounts 4

2.6 Payroll Register 4

3.0 Information and Supporting Documentation Requirements 5

3.1 Filing 9

3.2 Referencing 9

3.3 Security Over Documentation 9

3.4 Retention 10

3.5 Protection of Electronically Stored Information 10

4.0 Donations and Other Sources of Revenue 10

5.0 Audits 11

6.0 Single Audit Requirements 11

7.0 Unique Entity Identifier and System for Award Management Requirements 11

B. INTERNAL CONTROLS 12

1.0 Internal Controls Overview 12

2.0 Cash and Revenues 12

2.1 Separate Fund or Cost Center 12

2.2 Manual Deposits 12

2.3 Separation of Duties Over Deposits and Cash 13

2.4 Bank Reconciliations 13

2.5 Bonding 13

3.0 Disbursements 13

3.1 Approvals and Separation of Duties Over Disbursements 14

TABLE OF CONTENTS

3.2 Credit Cards 14
3.3 Petty Cash 15
3.4 Other Liquid Assets 16
4.0 Payroll and Personnel Records 17
4.1 Timecards 18
4.2 Benefit Balances 18
4.3 Incentive Compensation 18
4.4 Limitations on Positions and Salaries 19
4.5 Retroactive Payroll Adjustments and Payments 19
4.6 Separation of Duties Over Payroll and Personnel 19
4.7 Security Over Payroll and Personnel Records 20
5.0 Procurement 20
5.1 Methods of Procurement 20
6.0 Capital and Non-Capital Assets 21
6.1 Capital Assets 22
6.2 Acquisition 22
6.3 Non-Capital Asset Equipment 22
6.4 Asset Identification and Inventory 23
6.5 Security Over Assets 23
6.6 Asset Management 23
7.0 Information Technology 24
7.1 Information Technology Controls 24
7.2 Information Technology Security Management 25
7.3 Separation of Duties Over Systems 26
8.0 Electronic Signatures 26
9.0 Subcontracts 27
9.1 Subcontractor Monitoring 27
C. COST PRINCIPLES 27
1.0 Purpose of Program Funds 27
1.1 Limitations and Requirements for Program Expenditures 28
1.2 Limitations on Payments to Affiliated Organizations or Persons (i.e., Related Party/Less-Than-Arm's-Length Transactions) 28

TABLE OF CONTENTS

1.3 Unallowable Expenditures 29
1.4 Depreciation 29
1.5 Rental Costs of Buildings and Equipment 30
1.6 Budget Limitation 30
1.7 Expenditures Incurred Outside the Agreement Period 30
1.8 Unallowable Activities 30
1.9 Unspent Program Funds 30
2.0 Allocable Expenditures 31
2.1 Direct Costs 31
2.2 Indirect Costs 32
2.3 Acceptable Indirect Cost Allocation Methods 32
2.4 Indirect Cost Limitations 34
2.5 Cost Allocation Plan 34
3.0 Overpayments 34

D. GOVERNANCE 35

1.0 Governance Overview 35
1.1 Board of Directors' Requirements 35
1.2 Board of Directors' Fiduciary Responsibilities 36
1.3 Oversight Mechanisms 36
1.4 Board Meetings 37
1.5 Audit Committee 38

E. REPORTING FRAUD/MISCONDUCT 39

F. RESOURCES 39

G. HANDBOOK ADMINISTRATION AND INQUIRIES 40

EXHIBITS

Bank Reconciliation Example ..... Exhibit A
Petty Cash Log Example ..... Exhibit B
Liquid Assets Log Example ..... Exhibit C
Indirect Cost Allocation Methods Examples ..... Exhibit D

The purpose of the Auditor-Controller Contract Accounting and Administration Handbook (Handbook) is to provide organizations (CONTRACTORS) that contract with the County of Los Angeles (COUNTY) with guidance on key accounting, financial reporting, internal control, and contract administration standards, along with best practices and recommended approaches that will help to promote accountability, protect the integrity of assets and financial information, and minimize the risk of fraud.

The accounting, financial reporting, and internal control standards presented in this Handbook are fundamental and derived from applicable federal, State, and COUNTY regulations and guidelines (see Section F). These standards are not intended to be all inclusive or replace acceptable existing procedures, preclude the use of more sophisticated methods, or supersede any laws or requirements imposed by the applicable funding source(s) (i.e., federal, State, and COUNTY agencies) that may be more restrictive and/or stringent. Instead, this Handbook includes the minimum federal, State, and COUNTY required procedures and controls that must be incorporated into a CONTRACTOR'S accounting and financial reporting system to ensure compliance, as well as guidance on other recommended procedures and controls. The internal control standards described apply to organizations with adequate staffing. Organizations with insufficient staff to implement the internal controls as described herein must adopt alternative controls (e.g., use of appropriate alternative staff and/or board members) to comply with the intent of the standards to ensure effective internal control systems are in place within the organization. The CONTRACTOR'S subcontractors must also follow these standards unless otherwise stated in the COUNTY Agreement.

For additional resources, please see Section F, and for any inquiries, please see Section G.

A. ACCOUNTING AND FINANCIAL RECORDS

1.0 Basis of Accounting

Unless otherwise specified by the applicable funding source(s), CONTRACTORS may elect to use either the accrual or cash basis of accounting during the year for recording financial transactions. CONTRACTOR must ensure their basis of accounting is adequately documented in their accounting policies. Monthly invoices must be prepared on the same basis used for recording financial transactions.

The COUNTY generally recommends the use of the accrual basis for recording financial transactions when appropriate.

1.1 Accrual Basis

Under the accrual basis for recording financial transactions, revenues are recorded in the accounting period earned (rather than when cash is received). Expenditures

are recorded in the accounting period incurred (rather than when cash is disbursed).

Recorded accruals (e.g., to estimate expenditures) should be reversed in the subsequent accounting period or when deemed appropriate and/or necessary to ensure revenues and expenditures are not double counted, and are in compliance with Generally Accepted Accounting Principles (GAAP).

1.2 Cash Basis

If a CONTRACTOR elects to use the cash basis for recording financial transactions during the year:

- Necessary adjustments must be made to record the accruals at the beginning and the end of each year of the COUNTY Agreement, and at the end of the COUNTY Agreement.

- All computations, supporting records, and explanatory notes used in converting from the cash basis to the accrual basis must be retained.

1.3 Prepaid Expenditures

Prepaid expenditures (e.g., insurance, service agreements, lease agreements) must be expensed during the appropriate COUNTY Agreement year to the extent goods and services are received, or are applicable to that COUNTY Agreement year.

2.0 Accounting System

Each CONTRACTOR must maintain a ***double entry accounting system*** (utilizing debits and credits) and adequate, accurate, and reliable financial records in accordance with GAAP. The financial records must provide a comprehensive audit trail, and typically include, but may not be limited to a General Journal, a Cash Receipts Journal, a General Ledger, a Cash Disbursements Journal, and a Payroll Register or equivalent records as described in this Handbook. Postings to the General Ledger and Journals must be made timely, at least on a monthly basis. The CONTRACTOR must maintain separate cost centers, which clearly identify funds received and expended on services provided under the COUNTY Agreement.

2.1 General Journal

A General Journal (or equivalent records) must be maintained to ensure transactions are recorded accurately and timely in the order they occur, and for recording adjusting entries, reversing entries, closing entries, and other financial transactions not normally recorded in the Cash Receipts Journal or Cash Disbursements Journal (or their equivalent records). Entries in the General

Journal (or equivalent record) must be adequately documented and entered in chronological order with sufficient explanatory notations to support the transaction.

Example:

	Debit	Credit
Rent Expenditure	100	
Rent Payable		100

To record accrued rent to March 31, 20XX

2.2 Cash Receipts Journal

A Cash Receipts Journal (or equivalent records) must be maintained for recording and identifying all cash inflows and sources of income (e.g., COUNTY warrants, contributions, interest income), and should, at a minimum, contain the following information:

- Date
- Invoice, Reference and/or Receipt Number (if applicable)
- Amount of Cash or Income Received
- Names of Accounts Debited (e.g., Cash) and Credited (e.g., Income) for the following:
  - COUNTY payments
  - Contributions/Donations
  - Other Income (e.g., grants, sales of supplies/services, rental income, miscellaneous revenue, fees)
- Description to clearly specify the source of cash receipts

2.3 Cash Disbursements Journal

A Cash Disbursements Journal (or equivalent records) must be maintained for recording all cash outflows or disbursements (e.g., rent, utilities, maintenance) to manage and track outgoing funds, and should, at a minimum, contain the following information:

- Date
- Invoice, Reference, and/or Check Number (if applicable)
- Amount of Cash Disbursed
- Names of Accounts Debited or Credited
- Payment Method (e.g., cash, check, electronic transfer)
- Description to clearly specify the nature of the cost and the corresponding cost classification, if not included in the column heading.

Checks should not be written to employees (other than payroll, reimbursements for small incidental out-of-pocket costs, mileage reimbursements, travel reimbursements, and petty cash fund custodian checks).

A ***Check Register*** may be substituted for the Cash Disbursements Journal (or equivalent records), but this is not recommended. If used, the Check Register (or equivalent records) must contain the same cost classifications and description information required when a Cash Disbursements Journal (or equivalent records) is used.

2.4 General Ledger

A General Ledger (or equivalent records) must be maintained with accounts for all assets, liabilities, fund balances/net assets, revenues, and expenditures to ensure the accuracy, consistency, and transparency of all financial transactions in accordance with GAAP. Separate accounts or cost centers must be maintained for the revenues (e.g., donations, grants, rental income, miscellaneous revenue) and expenditures of each of the CONTRACTOR'S programs and activities (both COUNTY and non-COUNTY).

2.5 Chart of Accounts

A Chart of Accounts (or equivalent records) must be maintained to organize and classify financial transactions accurately and consistently in accordance with GAAP:

- The COUNTY recommends that CONTRACTORS use the same expenditure account titles on the monthly invoice submitted to the COUNTY.

- If the CONTRACTOR uses account titles which differ from the account titles on the monthly invoice, each account title should clearly identify the nature of the transaction(s) posted to the account.

- CONTRACTOR must consistently post transactions that are of a similar nature to the same account. For example, all expenditures for travel can be posted to an account titled "travel," but must not be intermixed with other expenditure accounts.

2.6 Payroll Register

A Payroll Register (or equivalent records) must be maintained to manage payroll activities, detail the necessary payroll information, and ensure payroll transactions and payments are accurate. The Payroll Register (or equivalent records) should contain the following information for each employee:

- Name
- Position
- Unique code identifying each employee (e.g., employee number/ID)
- Salary or hourly wage
- Payment Record including:

- Accrual Period
- Gross Pay
- Itemized Payroll Deductions
- Net Pay Amount
- Check/Payment Number

CONTRACTOR must ensure compliance with:

- All applicable federal and State requirements for withholding payroll taxes (e.g., FIT, FICA, FUTA, SIT, SIU), reporting, filing (e.g., 941, DE-7, W-2, W-4, 1099), and all applicable tax deposits.

- Internal Revenue Service and State guidelines to properly classify employees and independent contractors.

3.0 Information and Supporting Documentation Requirements

CONTRACTOR must retain the original source document for inspection by COUNTY. All revenues and expenditures charged to the COUNTY must be supported by original vouchers, invoices, receipts, or other documentation to clearly establish the nature and the reasonableness of the expenditure and its relevance to the COUNTY program, and evidence of actual payment (e.g., canceled checks, proof of electronic funds transfer). Internally generated documents (e.g., vouchers, request for check forms, requisitions), and bank and credit card account statements alone do not constitute supporting documentation for revenues and expenditures.

If the CONTRACTOR is unclear as to the appropriate documentation that must be maintained to support an expenditure, CONTRACTOR should consult with the COUNTY **before** the expenditure is charged to the COUNTY. Unsupported or inadequately supported expenditures will be disallowed upon audit. CONTRACTOR will be required to repay COUNTY for all disallowed costs.

Electronic documentation is permitted when the source documentation originated electronically (e.g., electronic bills and bank statements). To the extent the source for electronic documentation is an original hardcopy document (e.g., PDF scans of original vendor invoices), COUNTY at its sole discretion may accept photocopies (including scanned images) of supporting documentation in preference to the original documents subject to any limitations imposed by the applicable funding source(s) (i.e., federal, State, and COUNTY agencies), and if the CONTRACTOR maintains adequate internal controls over their information technology systems and data (e.g., electronically stored information, records, or documentation) as required by the standards described in this Handbook (e.g., see Sections A.3.5 and B.7.0 through B.7.3) and any other applicable federal, State, and COUNTY requirements (e.g., COUNTY Agreement). Failure to provide original hardcopy documents and/or maintain an adequate system of

internal controls over electronic documentation to support expenditures charged to the COUNTY will result in inadequately supported expenditures and will be disallowed upon audit.

For the following categories of expenditures, adequate supporting documentation may include, but not be limited to:

Payroll

- Timecards and attendance records signed and dated by the employee and the employee's supervisor (in ink or electronically) certifying the accuracy and approval of the reported time.
- Time distribution records by program, accounting for total work time on a daily basis for each employee.
- Records showing actual expenditures for payroll, Social Security and unemployment insurance.
- State and federal quarterly tax returns, federal W-2 forms, federal W-4 forms, and any other records to support payroll tax payments.

Personnel Files

- Documentation supporting approved employee pay rates.
- Proof of employees having the required education, practical experience, and license(s)/certification(s) for their position.
- Criminal record clearances as required.

Contracted/Consultant Services

- Contracts detailing the nature and scope of services to be provided, and the method and rate of compensation (e.g., cost reimbursement, fixed fee, fee for service, rate per hour) for each service.
- Itemized invoices or other documentation detailing specific service(s) provided and rate(s) of compensation applied to support total amounts charged.
- Time and attendance records or other documentation detailing when services were provided.
- Travel vouchers detailing purpose, time, and location of travel reimbursed by CONTRACTOR.
- Purchase orders, itemized invoices, and proof of receipt of good/services for amount reimbursed by CONTRACTOR.
- Copies of all completed federal Form 1099s, establishing that all payments to contractors/consultants were reported timely to federal and State taxing agencies.

Payments to Affiliated Organizations or Persons (i.e., Related Party/Less-Than-Arm's-Length Transactions)

- Financial records (e.g., general ledgers, payroll registers, labor distributions, invoices/receipts) of the affiliated or related organizations/persons
- Price and rate quotations for the same services/goods from an adequate number of independent and qualified sources
- Cost and price analysis
- Vendor selection analysis
- Other documentation to support payments to affiliated organizations or persons did not exceed the lesser of actual costs of the affiliated or related organizations/persons or the reasonable costs for services rendered or items purchased (see Section C.1.2 for additional guidance)

Loans (including, but not limited to, loans to the CONTRACTOR from employees and/or related parties)

- Written loan agreement approved by the CONTRACTOR'S board of directors.
- Documentation showing that loaned funds were deposited into a CONTRACTOR bank account.
- Documentation showing that loan proceeds were actually used for COUNTY programs.

To the extent that the loan agreement provides for the payment of interest, the interest may not be an allowable expenditure under the Agreement. If the payment of interest is allowable, interest must not be accrued at a rate which exceeds the COUNTY Treasury Rate plus one percent.

Travel

- Travel policies (written) of the CONTRACTOR
- Travel expenditure vouchers
- For travel related to conferences, meetings, seminars, symposiums, workshops, and other similar events, CONTRACTOR must at a minimum, retain literature, such as agendas and handouts, or other documentation detailing the purpose of the event, as part of the CONTRACTOR'S documentation of the propriety of the travel expenditure
- Itemized receipts for all travel expenditures (e.g., lodging for approved out-of-town travel, airfare, car rentals, meals, ground transportation, parking).

  Note: Reimbursement for actual receipts or per diem rates for lodging and meal expenditures must not exceed the COUNTY'S maximum reimbursement rate for employees. CONTRACTOR should obtain the COUNTY'S maximum reimbursement rate for each fiscal year from the COUNTY before travel expenditures are charged.

Vehicle Expenditures

- Invoices/receipts for repairs, maintenance, fuel, etc.
- Vehicle registration card
- Vehicle title
- Insurance policy
- Purchase or financing agreement
- Vehicle lease or rental agreement
- For vehicles owned/leased by the CONTRACTOR and personal vehicles that are primarily used for business purposes, a vehicle mileage log (or equivalent record) must be maintained establishing the extent to which the vehicles are used for business versus non-business purposes. The mileage log (or equivalent record) must identify:
  - Trip dates
  - Origin and destination addresses of the trip
  - Purpose of the trip and how it relates to the Agreement services
  - Beginning and ending odometer readings and the resulting mileage for all trips (including non-business trips) to account for 100% use of the vehicle
- For personal vehicles that are not primarily used for business purposes, documentation to support reimbursements to employees for mileage and parking must include:
  - Date and time of travel
  - Origin and destination addresses of the trip and the resulting mileage
  - Purpose of the trip and how it relates to the Agreement services
  - Rates claimed (**Note:** Reimbursement rates for mileage must not exceed applicable federal guidelines.)
  - Itemized receipts for reimbursed parking and toll charges

All supporting documentation must include sufficient information to identify the vehicle the expenditures are related to, which should include, but not be limited to, vehicle make and model, vehicle license number, and vehicle identification number.

CONTRACTOR must only charge the COUNTY for vehicle expenditures (e.g., gasoline, repairs/maintenance, insurance, depreciation) to provide COUNTY Agreement services. CONTRACTOR must pro-rate vehicle expenditures based on vehicle usage to exclude the portion of expenditures related to non-COUNTY and non-business use (i.e., non-COUNTY program services, personal use, employee transportation to and from work).

Operating Expenditures (e.g., utilities, office supplies, equipment rentals)

- Bona fide contracts or lease agreements, if applicable
- Invoices and receipts detailing the cost and items purchased
- Documentation acknowledging the receipt of purchased goods and services (e.g., itemized delivery confirmations, stock received reports, packing slips, or

other documentation) signed by the employee(s) who verified the good/services were approved and received

Outside Meals

- Itemized receipts and/or invoices for all meals
- Documentation detailing the nature and business purpose of each meal
- Documentation identifying the participants of each meal

3.1 Filing

All relevant supporting documentation for reported revenues and program expenditures must be filed in a systematic and consistent manner. It is recommended that supporting documents be filed as follows:

- Checks/Payments – Numerically
- Invoices – Vendor name and date
- Vouchers – Numerically
- Receipts – Chronologically
- Timecards – Pay period and alphabetically

3.2 Referencing

Accounting transactions posted to the CONTRACTOR'S books must be appropriately cross-referenced to supporting documentation. When applicable, it is recommended that expenditure transactions on the CONTRACTOR'S books be cross-referenced to the supporting documentation as follows:

- Invoices – Vendor name and date
- Checks – Number
- Vouchers – Number

Supporting documentation for non-payroll expenditures (i.e., operating expenditures) should be cross-referenced to the evidence of actual payment (e.g., corresponding check issued for payment, bank statement). If multiple invoices are paid with one check or transaction, all related invoices should be cross-referenced to the evidence of actual payment.

3.3 Security Over Documentation

Adequate care must be exercised to safeguard the financial records, including accounting records and supporting documentation. Any destruction or theft of the CONTRACTOR'S financial records must be immediately reported to the COUNTY. CONTRACTOR must report, to the local law enforcement agency having jurisdiction, any act(s), which may reasonably constitute a crime and appear to have resulted in the destruction, damage, or alteration of any record subject to the

provisions of this Handbook. CONTRACTOR must make their report to the local law enforcement agency within twenty-four hours of becoming aware of the acts which resulted in the destruction, damage, or alteration of the record.

A copy of the resulting crime/incident report must be retained by the CONTRACTOR for the same period of time the underlying records that were destroyed/damaged were required to be retained (see Section A.3.4), and must be retained for a longer period in the case of unresolved litigation or audit.

3.4 Retention

All financial records, including accounting records (e.g., journals, ledgers) and supporting documentation, must be retained for a minimum of three years after the termination of the CONTRACTOR'S Agreement or the date of submission of the final invoice, billing, or expenditure report, unless a longer retention period is prescribed by the Agreement or applicable laws and regulations, in which case the CONTRACTOR must comply with the longer retention period and all other retention requirements set forth in the Agreement or the applicable laws and regulations.

3.5 Protection of Electronically Stored Information

CONTRACTOR must employ sufficient security measures to safeguard all COUNTY non-public information (e.g., confidential information including, but not limited to, the names and addresses of individuals, Social Security numbers, credit card information) that is electronically stored and used. CONTRACTOR is also responsible for the security of any COUNTY non-public information that is transmitted, exchanged, or shared with other authorized individuals and/or organizations including, but not limited to, third-party vendors/providers, subcontractors, contractors/consultants, or other external parties.

Information security and privacy safeguards (e.g., policies, access restrictions, employee background checks, training programs, cyber liability insurance, encryption) and standards must be developed, implemented, and maintained in accordance with applicable standards described in this Handbook (e.g., see Sections B.7.0 through B.7.3), the COUNTY Board of Supervisors (Board) Policy 5.200, and any other applicable federal, State, and COUNTY requirements (e.g., COUNTY Agreement, applicable sections of the Board Policy Manual).

4.0 Donations and Other Sources of Revenue

For CONTRACTORS that use donations and/or other sources of revenue (e.g., grants, sales of supplies/services, rental income, miscellaneous revenue, fees) to pay for expenditures related to a COUNTY service, the CONTRACTOR must maintain accounting and other financial records that clearly identify the specific expenditures that were paid for with the other source(s) of revenue. Restricted donations and other sources of revenue, earmarked specifically for the

COUNTY program, must be utilized on allowable COUNTY Agreement expenditures. Similarly, income from investments (e.g., interest, dividends), where the source of the amount invested is COUNTY program funds, must be deemed restricted revenue that must be utilized on allowable COUNTY program expenditures, or returned to the COUNTY as specified under the COUNTY Agreement.

5.0 Audits

For routine audits and inspections, CONTRACTOR will make available to COUNTY representatives, upon request, during working hours, during the duration of the COUNTY Agreement and for a period of three years thereafter (unless a longer period is specified under the Agreement, or by applicable laws and regulations), all of its books and records, including, but not limited to, those which relate to its operation of each project or business activity, which is funded in whole or part with governmental monies, whether or not such monies are received through the COUNTY. All such books and records must be made available upon request at a location within or near Los Angeles County.

In general, audits will normally be performed during normal business hours, Monday through Friday. However, COUNTY retains the right to inspect and conduct investigations of CONTRACTOR'S program/fiscal operations and compliance with the COUNTY Agreement at any time, without prior notice to CONTRACTOR seven days a week, when the COUNTY has information which it, in its sole discretion, justifies such an unannounced visit, inspection, audit or investigation.

6.0 Single Audit Requirements

Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) "Audit Requirements" requires organizations that expend the applicable threshold (e.g., $750,000 (prior to October 1, 2024), $1,000,000) or more in federal awards during their fiscal year (including pass-through awards) to have a single audit conducted in accordance with Generally Accepted Government Auditing Standards for that year. Additional details regarding single audit requirements are included in Uniform Guidance.

A copy of any single audit report must be filed with the COUNTY upon request or within the timeframes prescribed by the COUNTY Agreement, or any extended timeframes granted by the federal Office of Management and Budget (OMB).

7.0 Unique Entity Identifier and System for Award Management Requirements

Title 2 United States Code of Federal Regulations "Unique Entity Identifier and System for Award Management" requires organizations receiving federal funds to have a "Unique Entity Identifier (UEI)" and register with the System for Award Management (SAM.gov), unless exempted by federal statute. CONTRACTOR

must maintain documentation to demonstrate they have a current and active UEI and registration in SAM.gov, if applicable. Additional details regarding UEI requirements are included in the Electronic Code of Federal Regulations (eCFR) and SAM.gov.

B. INTERNAL CONTROLS

1.0 Internal Controls Overview

Internal controls are processes designed to provide reasonable assurance regarding the achievement of the CONTRACTOR'S objectives relating to operations, reporting, and compliance, and should safeguard the CONTRACTOR'S assets from misappropriations and misuse. Each CONTRACTOR must prepare necessary written procedures establishing internal controls for its personnel's use. The CONTRACTOR must instruct all personnel in these procedures and continuously monitor operations to ensure compliance with their own policies and procedures, and any other applicable funding source requirements (e.g., Uniform Guidance).

2.0 Cash and Revenues

Cash or cash equivalents (e.g., checks, money orders, other liquid assets such as prepaid/EBT/gift cards) and revenue must be adequately monitored to ensure they are properly accounted for, safeguarded, and accurately reported.

2.1 Separate Fund or Cost Center

All COUNTY Agreement revenues must be maintained in a bank account. If revenues from other sources are maintained in the same bank account, revenues for each source must be clearly identifiable in the accounting records through the use of cost centers or separate accounts.

2.2 Manual Deposits

When cash or cash equivalents are received by mail, two employees should be assigned to open the mail and list all collections received on a receipts/check remittance log.

All COUNTY checks should be restrictively endorsed upon receipt.

Cash and cash equivalents received should be recorded on pre-numbered receipts and the receipts/check remittance log should be reconciled to the amount being deposited.

Voided receipts must be retained and the sequence of receipts issued/voided must be periodically accounted for.

Cash and cash equivalents totaling $500 or more must be deposited within one day of receipt, or as soon as reasonably possible. Collections of less than $500 may be held and must be secured and deposited weekly or when the total reaches $500, whichever occurs first. If CONTRACTOR can establish that a larger limit is warranted, CONTRACTOR may request authorization from COUNTY to increase the limit to an amount greater than $500.

Deposit slips should be retained in an organized manner, and must contain sufficient reference information for comparison to the Cash Receipts Journal (or equivalent records) and individual receipts, if applicable. A recommended best practice is to retain a photocopy of the deposit slip and the COUNTY warrants reflected on each deposit slip, or record the individual warrant numbers on the deposit slip.

2.3 Separation of Duties Over Deposits and Cash

Employees' duties must be separated to ensure that one individual does not control all key aspects (e.g., receiving, receipting, depositing, disbursing, reconciling, recording) of a transaction. For example, an employee who does not handle cash or cash equivalents should record all receipts in the CONTRACTOR'S accounting records.

2.4 Bank Reconciliations

Bank statements should be received and reconciled by someone with no cash handling or check writing/preparation responsibilities. The person reconciling the bank account(s) should receive the bank statement(s) directly from the bank.

Monthly bank reconciliations should be prepared and reviewed by management for appropriateness and accuracy within 30 days of the bank statement date. The bank reconciliations should be signed and dated by both the preparer and the reviewer. See Exhibit A for a suggested bank reconciliation format.

Reconciling items should be reviewed, researched, and resolved immediately. If an item cannot be resolved within the next bank statement period, the CONTRACTOR should monitor the reconciling item to ensure the reconciling item is resolved timely.

2.5 Bonding

All officers, employees, and contractors who handle cash or have access to the CONTRACTOR'S funds (e.g., prepare checks) must be bonded.

3.0 Disbursements

All disbursements (other than those made for petty cash purchases), must be made using a CONTRACTOR check, electronic funds transfer, or debit/credit card.

Blank check stock must be secured and accounted for to preclude unauthorized use.

Checks must NOT be payable to "cash" or signed in advance. Similarly, electronic debits to "cash" or withdrawals of cash must not be made. Checks written to employees for reimbursement of out-of-pocket costs must be supported by receipts and invoices.

Voided checks must be marked void. If paper checks are used, the signature block must be cut out. Voided checks must be maintained with the canceled checks.

Returned or undelivered checks must be canceled regularly, but no less frequent than monthly.

Unclaimed checks must be canceled periodically, but no less frequent than every six months.

All supporting documentation should reference the payment made for the expenditure (e.g., check number, transaction number for an electronic funds transfer, credit card payment) and marked "paid" or otherwise canceled to prevent duplicate payments or reuse.

Disbursements without adequate supporting documentation and/or without adequate controls over electronic documentation (See Section A.3.0 regarding the use of electronic documentation) will be disallowed upon audit.

A second signature is also recommended on all checks over $500, unless otherwise specified in the COUNTY Agreement.

3.1 Approvals and Separation of Duties Over Disbursements

Employees responsible for approving cash disbursements and/or signing checks should examine all supporting documentation at the time the checks are approved and signed.

All disbursements, excluding petty cash purchases, should be approved by persons independent of check preparation and bookkeeping activities.

In instances where the payee is also a signor on the check, the disbursement must be reviewed and approved by a higher-level employee or board member who must also sign the check. If the bookkeeper signs checks, a second signature must be required on the checks, regardless of limits specified in the COUNTY Agreement.

3.2 Credit Cards

Credit cards issued in the CONTRACTOR'S name must be adequately safeguarded and usage monitored to ensure that only authorized and necessary

items are purchased.

Credit card purchases should be pre-approved by CONTRACTOR management to ensure that they are reasonable and necessary.

The use of an employee's personal credit card on behalf of the CONTRACTOR for authorized and necessary items must be limited to purchases where established purchasing and disbursement practices are not suitable.

All credit card disbursements must be supported by original invoices, store receipts, or other external authenticating documents indicating each item purchased, the employee making the purchase, and the justification for the purchase. ***Credit card statements alone are not sufficient support for credit card purchases.*** See Section A.3.0 regarding the use of electronic documentation.

Employee duties must be separated so that the same person cannot approve purchases, reconcile credit card statements, approve reconciliations, or approve payments. Cardholders should not perform any of these duties.

Monthly credit card statements should be reconciled to the source documentation for the expenditure and reviewed by management in a timely manner for appropriateness and accuracy. Any discrepancies must be reviewed, researched, and resolved immediately. The credit card reconciliations should be signed and dated by the reconciler and reviewer.

3.3 Petty Cash

Petty cash must NOT be used as a substitute for normal purchasing and disbursement practices (i.e., payment by check).

A CONTRACTOR may establish a petty cash fund up to $500 to pay for **small** incidental expenditures incurred (e.g., postage due, parking meters, small purchases of office supplies), and may establish multiple petty cash funds when appropriate (i.e., petty cash fund for each location where services are rendered). CONTRACTOR must obtain written approval from the COUNTY to establish a single petty cash fund greater than $500. Applicable policies and procedures must be established to ensure accountability and restrict the usage of petty cash to the intended purpose of the fund.

Petty cash disbursements must be supported by original invoices, store receipts, or other external authenticating documents indicating each item purchased and the employee making the purchase. If external supporting documentation is not obtainable for minor disbursements (under $10), such as parking meters, fees, etc., then some written documentation should be maintained and approved by a supervisory employee not associated with the transaction. See Section A.3.0 regarding the use of electronic documentation.

The petty cash fund should be maintained on an imprest (fixed) basis. A check should be drawn to set up the fund and to periodically replenish the fund up to the imprest amount. Receipts, vouchers, etc., supporting each fund replenishment should be cross referenced to the reimbursement check.

A petty cash log (or equivalent record) must be maintained for each petty cash fund to track the usage and replenishment of petty cash. Petty cash logs should be reviewed monthly by a higher-level employee not having responsibilities over the respective petty cash fund to ensure petty cash funds are being used for their intended purposes. See Exhibit B for a suggested petty cash log format.

There should be a separate petty cash fund custodian assigned for each petty cash fund established. The petty cash fund custodian should:

- Not have any other cash handling responsibilities (e.g., sign checks).
- Be responsible for maintaining and disbursing the petty cash funds and requesting replenishment of the fund up to its imprest amount, when necessary.
- Reconcile the petty cash fund amount to the cash-on-hand, receipts/invoices for which replenishment has not yet been requested, and replenishment requests in process, but not yet received, each day the petty cash fund is used.

Petty cash must be secured at all times in a locked safe, file cabinet, or cash drawer. Access to the petty cash fund should be limited to the petty cash fund custodian and one other employee in case of absence or emergency.

Surprise cash counts of each petty cash fund should be conducted periodically, but no less than quarterly, to ensure the petty cash fund is being maintained as required. The cash counts should be conducted by a higher-level employee not having cash handling responsibilities over the specific fund being counted. Documentation should be maintained to support each cash count conducted and should be signed and dated by the employee conducting the cash count.

3.4 Other Liquid Assets

Liquid assets must NOT be used as a substitute for normal purchasing and disbursement practices (e.g., payment by check).

CONTRACTOR must centrally monitor any liquid assets that can easily be converted to personal use (e.g., bus tokens/passes, prepaid/EBT/gift cards, tickets, vouchers). Applicable policies and procedures must be established to ensure accountability and restrict the usage of liquid assets to their intended purposes.

The distribution and usage of liquid assets must be supported by a log and/or external authenticating documents. The documents must clearly identify each item distributed/used, amounts issued, the date of distribution/usage, and the name and signature of the recipient/user. If the liquid assets (e.g., gift cards, prepaid cards)

are used to pay for other expenditures, additional documentation must be maintained to support the expenditures as required by Section A.3.0. See Exhibit C for a suggested liquid assets log format.

Logs and/or other external authenticating documents should be reviewed monthly by a higher-level employee not having responsibilities over the respective liquid asset to ensure liquid assets are being used for their intended purposes.

A custodian should be assigned to monitor liquid assets, and should:

- Not have any other cash handling responsibilities (e.g., sign checks).
- Be responsible for maintaining and distributing the liquid assets and requesting replenishment when necessary.
- Reconcile the log to the liquid assets-on-hand and the documentation supporting the distribution and usage of the liquid assets to-date, each day liquid assets are distributed and used.

Liquid assets must be safely secured at all times (e.g., in a locked safe, file cabinet, or drawer). Access to liquid assets should be limited to the custodian and one other employee in case of absence or emergency.

Surprise counts of each liquid asset should be conducted periodically, but no less than quarterly, to ensure liquid assets are being maintained as required. The counts should be conducted by a higher-level employee not having responsibilities over the liquid asset being counted. Documentation should be maintained to support each count conducted and should be signed and dated by the employee conducting the count.

4.0 Payroll and Personnel Records

Adequate payroll and personnel records must be maintained to support payroll transactions. Payroll and/or personnel records should include, but not be limited to, the following:

- Employee's authorized salary rate
- Employee information sheet (e.g., employee contact information, emergency contact information)
- Resume and/or application
- Proof of qualifications for the position, if required (e.g., job description, notarized copy or original diploma, academic transcripts, license(s))
- Hiring and termination (if applicable) documents
- Employment history and performance evaluations
- Criminal record clearance (if required)
- Citizenship Status
- Benefit balances (e.g., paid time off, sick time, vacation)
- Health Clearances (if required)

In addition, personnel records should also include disclosures of any relationships with other CONTRACTOR employees or associates.

4.1 Timecards

Timecards or time reports must be prepared for each employee each pay period. If an employee works on multiple COUNTY/non-COUNTY programs and/or activities, the total hours charged to each of the programs and/or activities must be based on actual conditions (e.g., total hours worked each day by program and the total hours charged to each of the CONTRACTOR'S programs, time studies, full-time equivalents).

Time or budget estimates (i.e., estimates determined before the services are performed) alone do not qualify as support for payroll expenditures and will be disallowed upon audit. Time or budget estimates may be used for interim accounting purposes, unless prohibited by the COUNTY Agreement or applicable funding source(s), provided that the system for establishing the estimates produces reasonable approximations of the activity actually performed. Significant changes in work activity must be identified and adjusted in the financial records in a timely manner. The CONTRACTOR'S system of internal controls must include processes to review after-the-fact interim charges made using time or budget estimates, and be adequately documented. All necessary adjustments must be made such that the final amount charged to the COUNTY is accurate, allowable, appropriately allocated, and based on actual conditions.

All timecards and time reports must be signed and dated by the employee and the employee's supervisor (in ink or electronically) to certify the accuracy and approval of the reported time.

To the extent the CONTRACTOR utilizes electronic timecards and time reports, the CONTRACTOR'S electronic time reporting system must be designed to comply with the internal control standards described in this Handbook (e.g., see Sections A.3.5 and B.7.0 through B.7.3), and any other applicable federal, State, and COUNTY requirements (e.g., COUNTY Agreement), and support the reporting of accurate and reliable financial information.

4.2 Benefit Balances

Employee benefit balances (e.g., paid time off, sick time, vacation) should be maintained on at least a monthly basis. Benefit balances must be increased when benefit hours are earned and decreased as hours are used.

4.3 Incentive Compensation

Incentive compensation paid to employees should be reasonable, based on a measurable performance metric (e.g., cost reduction, efficient performance, suggestion awards, safety awards), and in accordance with the CONTRACTOR'S

established policy or agreement with employees. The CONTRACTOR must maintain documentation to support any incentive compensation payments to employees.

Any bonuses, gifts, or other payments provided to employees that are solely intended to improve employee morale will be disallowed upon audit, unless expressly allowed by the COUNTY Agreement and/or the applicable funding source(s).

4.4 Limitations on Positions and Salaries

The CONTRACTOR should not pay any salaries higher than those authorized in the COUNTY Agreement or by the applicable funding source(s) (i.e., federal, State, and COUNTY agencies).

Payroll expenditures for employees working on more than one agreement, program, or activity must be equitably allocated in accordance with the applicable sections of Uniform Guidance and any other applicable federal, State, and COUNTY requirements (e.g., COUNTY Agreement). If an employee serves in the same or dual capacities under more than one agreement or program, time charged to the agreements or programs taken as a whole may not exceed 100% of the employee's actual time worked.

Salaried employees should be paid a salary that corresponds with the employee's work schedule. For example, a half-time salaried employee performing the same or similar work should be paid proportionately less than a full-time salaried employee.

4.5 Retroactive Payroll Adjustments and Payments

The CONTRACTOR must not charge the COUNTY for any retroactive adjustments to an employee's authorized hourly/salary rate or benefits that result in additional compensation to an individual or group of employees without written approval from the COUNTY.

Retroactive payments to employees to correct underpayment errors may be charged to the COUNTY provided that adequate documentation is maintained to support an employee was underpaid in a prior pay period and the retroactive payment is necessary.

4.6 Separation of Duties Over Payroll and Personnel

Payroll checks should be distributed by persons not involved in timekeeping (e.g., preparing/recording, approving, processing, and reporting of payroll transactions), or reconciling bank accounts.

All employee hires and terminations, or pay rate changes, must be approved in writing by authorized persons independent of payroll responsibilities.

4.7 Security Over Payroll and Personnel Records

Adequate security must be maintained over payroll and personnel records with access restricted to authorized individuals. Any automated payroll and personnel records which contain confidential information, such as, but not limited to, employee addresses and medical information, must be adequately safeguarded using the information security and privacy standards discussed in Section A.3.6 to prevent unauthorized access and use.

5.0 Procurement

Written policies and procedures must be established to ensure goods and services are procured in a manner providing full and open competition and in accordance with the requirements of Uniform Guidance and any other applicable funding source(s) (i.e., federal, State, and COUNTY agencies). The written policies and procedures must also cover conflicts of interest where the CONTRACTOR and/or its directors, officers, or key employees are unable (or appear to be unable) to be impartial in conducting a procurement action.

CONTRACTOR must maintain sufficient records to support the history of procurement. At a minimum, the records should detail the rationale for the procurement method, the selection of the contract type (e.g., cost reimbursement, fixed-price), reasoning/justification for contractor or vendor selection or rejection, and the basis for the contract price/rate.

The procurement of any goods and/or services with an aggregate value that exceeds the lesser of $5,000 or the amount required by the CONTRACTOR'S policy must be approved by the CONTRACTOR'S board of directors.

Failure to procure goods and services as required and maintain adequate documentation to support expenditures charged to the COUNTY may result in inadequately supported expenditures and may be disallowed upon audit.

5.1 Methods of Procurement

Uniform Guidance describes the following methods for procuring goods and services:

- Informal Procurement
- Formal Procurement
- Noncompetitive Procurement

Informal Procurement

When the aggregate value of the goods and/or services being procured is less than $10,000, the CONTRACTOR must ensure the price is reasonable based on research, experience, purchase history, and/or other relevant information.

Where the aggregate value of the goods and/or services being procured is between $10,000 and $249,999, the CONTRACTOR must ensure the price is reasonable by obtaining price or rate quotations from an adequate number of qualified sources. CONTRACTOR should consider obtaining price or rate quotations from at least three qualified sources.

Formal Procurement

When the aggregate value of the goods and/or services being procured is $250,000 or more, the CONTRACTOR must ensure the price is reasonable by formally and publicly advertising and soliciting sealed bids or competitive proposals from an adequate number of qualified sources.

Sealed bids are generally solicited for firm-fixed price contracts (lump sum or unit price). The contract should be awarded to a responsible bidder whose bid conforms with all material terms and conditions of the invitation for bids and is the lowest price.

Competitive proposals are generally solicited when conditions are not appropriate for the use of sealed bids and can be used for either cost reimbursement or fixed price type contracts. The contract should be awarded to the offeror whose proposal is most advantageous to the CONTRACTOR and should be based on price and other relevant factors.

Noncompetitive Procurement

Noncompetitive procurements should only be used when the aggregate value of the goods or services is less than $10,000, the goods or services can only be obtained from a single source, there is an immediate need for the goods or services and delays from publicizing a competitive solicitation are not permitted, or a competitive solicitation was conducted and competition was determined to be inadequate.

The CONTRACTOR must obtain written approval from the COUNTY and/or the applicable funding source(s) prior to using a noncompetitive procurement that does not meet one of the conditions described above.

6.0 Capital and Non-Capital Assets

Controls over capital and non-capital assets are necessary to safeguard investments, establish responsibility for the custody of each asset, provide

necessary data for financial reporting, and provide required information and documentation for depreciation, insurance, audit, and other purposes.

6.1 Capital Assets

Capital assets are tangible or intangible assets of significant value having a useful life that extends beyond the current year and include land, buildings and improvements, equipment, and intellectual property (including software). All applicable assets with an acquisition cost of $5,000 or more must be capitalized in accordance with GAAP.

Acquisition cost means the net invoice unit price of an item, including shipping costs and sales taxes, the cost of any modifications, attachments, accessories, or auxiliary apparatus necessary to make it usable for the purpose for which it was acquired. Acquisition costs for software include those development costs capitalized in accordance with GAAP.

Capital asset purchases must be approved by the CONTRACTOR'S board of directors or their authorized representative.

Capital assets should not be ordered or purchased and charged to the COUNTY during the last three months of the term of the Agreement, unless the acquisition is pre-approved by the COUNTY or the CONTRACTOR'S Agreement with the COUNTY is renewed or extended.

6.2 Acquisition

CONTRACTOR must submit a purchase versus lease analysis to COUNTY and obtain written authorization before making a capital asset purchase where the acquisition cost is $25,000 or more, and all, or a portion of the cost of the capital asset will be charged to the COUNTY Agreement. If the cost of the capital asset will be charged to multiple COUNTY Agreements, the CONTRACTOR only needs to obtain written authorization from the COUNTY department(s) where the CONTRACTOR anticipates expenditures charged will exceed the lesser of 10% of the acquisition cost of the capital asset or $5,000, unless more restrictive and/or stringent requirements over acquisitions are required by the COUNTY Agreement and/or the applicable funding source(s).

6.3 Non-Capital Asset Equipment

Non-capital asset equipment is defined as equipment containing COUNTY non-public information, or equipment with a unit cost of more than $250 but less than $5,000, a useful life over one year, and can generally be easily carried or moved; especially by hand (e.g., personal computers, scanners, other portable assets).

6.4 Asset Identification and Inventory

All capital assets and non-capital asset equipment (assets) purchased in full, or in part, with COUNTY Agreement funds are to be used for the benefit of the COUNTY Agreement and should be appropriately tagged.

CONTRACTOR must maintain an accurate, complete, and current listing of assets. The listing should include the item description, serial number, date of purchase, acquisition cost, source(s) of funding, location, and the specific employee(s) the asset is assigned to or controlled by, when applicable. Unassigned assets must also be identified on the listing.

An inventory of all assets must be conducted at least once every two years to ensure that all assets are accounted for, used, maintained in proper working order, and needed. Documentation must be maintained to support the inventory conducted, and any depreciation charges in accordance with Uniform Guidance.

6.5 Security Over Assets

Physical security must be adequately maintained over all assets to prevent the misuse, theft, or destruction of COUNTY property and non-public information. To the extent necessary, physical security controls over assets should include the use of badges/identification cards, locks, security cables, and/or assorted barriers to prevent physical tampering, damage, theft, or unauthorized physical access.

6.6 Asset Management

The CONTRACTOR must assume responsibility and accountability for the maintenance of all assets purchased, leased, or rented with COUNTY Agreement funds, or any other assets containing COUNTY non-public information.

The CONTRACTOR must maintain documentation to support all cases of theft, loss, damage, or destruction of assets purchased with COUNTY Agreement funds or containing COUNTY non-public information. The documentation should, at a minimum, contain item identification, recorded value, facts relating to loss, and, where appropriate, a copy of the law enforcement report. In cases where the loss resulted from suspected criminal activity (e.g., theft, vandalism, arson), the incident must be reported to the local law enforcement agency with jurisdiction over the location of the suspected crime.

The supporting documentation, including a copy of any related crime/incident reports, must be retained by the CONTRACTOR for a period of time under which the underlying records were destroyed or damaged were required to be retained and must be retained for a longer period in the case of unresolved litigation or audit.

The CONTRACTOR must promptly report in writing to the COUNTY, and provide copies of all relevant supporting documentation described above, all cases of theft, loss, damage, or destruction of:

- Any capital assets purchased with COUNTY Agreement funds.
- Any non-capital asset equipment purchased with COUNTY Agreement funds with an acquisition cost or aggregate costs of $950 or more.
- Any capital or non-capital assets that electronically stored, used, and/or transmitted COUNTY non-public information.

CONTRACTOR must safely and securely dispose of or return to the COUNTY all capital and non-capital assets in accordance with the Agreement.

7.0 Information Technology

Information technology (IT) controls are necessary to protect the security, integrity, and availability of COUNTY non-public information, Protected Health Information (PHI), IT resources (e.g., systems and networks, accounting management software/applications, electronic time reporting systems), and data (e.g., electronically stored information, records, or documentation).

7.1 Information Technology Controls

It is the CONTRACTOR'S sole obligation to design and implement appropriate and reasonable IT controls to, at a minimum:

- Secure and protect its IT resources and data against internal/external threats and risks.
- Help ensure the accuracy and integrity of CONTRACTOR'S electronic records and data is not compromised.
- Ensure adequate safety mechanisms (e.g., unique log-on identifications, computer access codes, account codes, passwords, multi-factor authentication tokens, transaction approval/authorization controls) are in place to limit user (e.g., employees, subcontractors, contractors/consultants) access privileges to protect COUNTY non-public information, PHI, IT resources, and data related to the COUNTY Agreement from unauthorized or unlawful access, use, disclosure, alteration or destruction.
    - Users must only receive access to non-public information that is necessary to perform their assigned job duties, and must not be given an access authorization level that is higher than needed.

- CONTRACTOR must review, and update, if necessary, user access rights/permissions at least annually, or when a user's job assignment and/or responsibilities change, to ensure access capabilities are consistent with the user's job duties. In addition, guest user access and inactive users, including terminated employees, contractors/consultants, and other unnecessary access should be reviewed and removed or disabled timely.

- Ensure adequate and ongoing IT and cyber security awareness training is provided to applicable CONTRACTOR employees.

- Capture sufficient audit trail information to identify the individual user(s) who performed key components (e.g., entry, approval) of critical or high risk (e.g., disbursement, payroll) transactions.

- Ensure all data/transactions entered into an information system are processed completely and accurately, duplicate transactions are prevented and/or detected timely, inputs and modifications to data are authorized, and all data is protected from improper or unauthorized deletion and alteration. For example, procedures for reviewing and approving source documents for reasonableness and proper authorization prior to entering information should be established, when applicable.

- Ensure any output (e.g., paper printouts, digital information, electronic records) containing non-public information or regulated data and transactions is adequately protected and clear individual accountability is maintained, when applicable.

7.2 Information Technology Security Management

CONTRACTOR must establish and implement IT policies and procedures that align with the applicable IT standards described in this Handbook, COUNTY Board Policy 5.200, and any other applicable federal, State, and COUNTY requirements (e.g., COUNTY Agreement, applicable sections of the Board Policy Manual). A good IT policy should address, at a minimum, such issues as:

- Security management
- Security awareness training
- Security and privacy violations/breaches, incident reporting, and response protocols
- Cyber security (e.g., encryption, malware/ransomware protection, vulnerability testing and monitoring)
- Separation of duties
- User access (including remote access) to system(s) data
- Authorization of transactions
- Exception/error resolution
- Back-up recovery and restart protocols (e.g., disaster recovery and business

contingency planning)
- Change controls (e.g., for maintenance, enhancements, or modifications to application systems, networks, and software), if applicable

CONTRACTOR must also ensure their IT policies are periodically reviewed and updated/modified when changes are necessary (e.g., to implement new systems or changes in procedures, adopt new security protocols, address new risks or circumstances).

To the extent CONTRACTOR exchanges or shares information with other authorized external parties (e.g., third-party vendors/providers, subcontractors, contractors/consultants), CONTRACTOR must also establish policies and procedures to ensure the security, reliability, and integrity of such information.

Any applicable security incidents (e.g., loss of COUNTY non-public information, breach of confidentiality, non-permitted use or disclosure of PHI) must be reported in accordance with the standards described in this Handbook, and any other applicable federal, State, and COUNTY requirements (e.g., COUNTY Agreement).

7.3 Separation of Duties Over Systems

CONTRACTOR must ensure sufficient checks and balances exist, and adequate separation of duties are maintained over IT systems to help minimize the risk of fraudulent activity and user error, and ensure transactions (e.g., accounting, payroll, time reporting, disbursements) are properly initiated approved, processed, reported, and reconciled.

Work should be divided among two or more employees so that one employee does not have control over multiple key aspects of an IT system, and the functions performed by one employee may be checked by functions performed by other employees. For example, employees who have access to add or change vendor information (e.g., vendor and contact names, addresses, phone numbers) must not have access to process invoices.

8.0 Electronic Signatures

Electronic signatures (e-Signatures) may be used to represent an individual's acknowledgment, acceptance, or approval of an agreement, transaction, report, record, or form, unless otherwise prohibited by the COUNTY Agreement and/or applicable funding source(s). Various types of e-Signatures exist. The most secure forms of e-Signatures will provide a digital audit trail that confirms when a document was signed, provides assurance that the individual claiming to be the signor is the signor through effective authentication methods (e.g., unique log-on identifications, account codes, passwords), and can safeguard documents from being altered after they have been signed. When determining which type of e-Signature to use, CONTRACTOR should consider the associated risks and level of assurance needed for the signature or document, and any other applicable

federal, State, and COUNTY requirements (e.g., COUNTY Agreement).

9.0 Subcontracts

CONTRACTOR must not subcontract services without the prior written consent of the COUNTY. Payments for subcontracted services without the prior written consent of the COUNTY may be disallowed upon audit.

CONTRACTOR must provide the COUNTY with copies of all executed subcontracts and must be responsible for the performance of their subcontractors. CONTRACTOR may submit an electronic copy of executed subcontracts in preference to a hardcopy, unless original signed subcontracts are required by the COUNTY Agreement or the applicable funding source(s).

9.1 Subcontractor Monitoring

CONTRACTOR must monitor the activities of their subcontractors as necessary, but no less than annually, to ensure governmental monies are used for their intended purposes, compliance with applicable federal, State, and COUNTY requirements, and performance goals are achieved. For example, the monitoring must include, but not be limited to:

- Performing reviews of the subcontractor's fiscal and program operations (e.g., verifying expenditures charged to the subaward are adequately supported, allowable, and appropriately allocated; verifying internal controls are maintained as required; and verifying subcontracted services are meeting required performance standards).
- Performing reviews of required financial and performance reports.
- Verifying all subcontractors are audited as required.
- Following-up and ensuring appropriate corrective action is taken on all deficiencies pertaining to the subcontract.

C. COST PRINCIPLES

1.0 Purpose of Program Funds

It is the intent of the COUNTY to provide funds for the purpose of the CONTRACTOR to provide the services required by the Agreement. CONTRACTOR must use these funds on actual expenditures in an economical and efficient manner, and ensure they are reasonable, proper, and necessary costs of providing services and allowable in accordance with the applicable sections of Uniform Guidance, and any other applicable funding source(s) (i.e., federal, State, and COUNTY agencies) requirements.

1.1 Limitations and Requirements for Program Expenditures

CONTRACTOR must comply with all limitations and requirements for COUNTY Program expenditures in the Agreement, the applicable sections of Uniform Guidance, and/or any other applicable funding source(s) (i.e., federal, State, and COUNTY agencies). If a CONTRACTOR is unsure of the allowability of any particular type of expenditure, the CONTRACTOR should request advance written approval from the COUNTY and/or applicable funding source(s) prior to incurring the expenditure.

1.2 Limitations on Payments to Affiliated Organizations or Persons (i.e., Related Party/Less-Than-Arm's-Length Transactions)

For purposes of the COUNTY Agreement, COUNTY must be solely responsible for determining affiliation unless otherwise allowed and approved by federal, State, or COUNTY agencies. Organizations or persons will be considered affiliated when one party is able to control or substantially influence the actions of the other. Affiliation includes, but is not limited to, a relationship between the CONTRACTOR and:

- An organization related through legal organization (i.e., corporation, partnership, parent company, subsidiary organization, association).
- An organization under common control through its common officers, directors, or members.
- A director, trustee, officer, or key employee, or an individual related by blood, marriage, or affinity, either directly or through corporations, trusts, or similar arrangements in which they hold a controlling interest.

Prior to making payments to affiliated organizations or persons (i.e., related party/less-than-arm's-length transactions), CONTRACTOR must complete and submit to the COUNTY a disclosure statement identifying the nature of the relationship with the affiliated or related organizations/persons.

CONTRACTOR must not make payments to affiliated organizations or persons for program expenditures (e.g., salaries, services, rent) that exceed the lesser of actual costs of the affiliated or related organizations/persons or the reasonable costs for services rendered and/or items purchased. A reasonable cost is the price that would be paid by one party to another when the parties are dealing at arm's length (fair market price).

Payments to affiliated organizations or persons will be disallowed upon audit to the extent the payments exceed the lesser of actual costs of the affiliated or related organizations/persons or the reasonable costs (fair market value) for services rendered or items purchased.

1.3 Unallowable Expenditures

Uniform Guidance addresses the allowability of a variety of costs. For all costs, there are certain restrictions and limitations; however, the following are examples of costs that are generally unallowable, unless expressly allowed by the COUNTY Agreement and/or the applicable funding source(s):

- Bad debts
- Bonuses, gifts, and other expenditures solely intended to improve employee morale
- Contingency provisions
- Contributions and donations
- Entertainment, social activities, and other similar expenditures (unless there is a programmatic purpose)
- Fines and penalties (e.g., Non-sufficient Funds Check Fees, Traffic Citation Fees)
- Fundraising activities
- Interest
- Losses on other awards

1.4 Depreciation

Unless otherwise approved by the COUNTY, compensation for the use of buildings, capital improvements, equipment, and software projects may be made through depreciation in accordance with the applicable sections of Uniform Guidance:

- The computation of depreciation is based on the acquisition cost of the asset(s).

- The computation should exclude the cost of:
  - Land
  - Buildings and equipment donated by governmental agencies
  - Buildings and equipment contributed by the CONTRACTOR to satisfy funding matching requirements
  - Any asset acquired solely for the performance of a non-Federal award.

- For depreciation, an appropriate useful life must be established for the asset(s), which considers factors such as the type of construction, nature of the asset used, susceptibility to technological obsolescence or technological developments in the particular area, historical data, and the renewal and replacement policies followed for the assets involved, etc.

- Appendix B to IRS Publication 946, "How to Depreciate Property," contains guidelines for establishing an asset's useful life.

1.5 Rental Costs of Buildings and Equipment

Rental costs are allowable to the extent that the rates are reasonable considering rental costs of comparable property, market conditions in the area, condition of the property being leased, etc.

- Under a "sale and leaseback" arrangement, rental costs would be allowable up to the amount that would be allowed if the CONTRACTOR had continued to own the property. This amount generally includes expenditures such as depreciation, maintenance, taxes, and insurance.

- Under a "less-than-arms-length" lease, costs are only allowable up to the amount that would be allowable had title to the property vested in the CONTRACTOR. This amount generally includes expenditures such as depreciation, maintenance, taxes, and insurance.

1.6 Budget Limitation

Expenditures must not exceed the maximum limits in the COUNTY Agreement budget.

1.7 Expenditures Incurred Outside the Agreement Period

Expenditures charged against program funds may not be incurred prior to the effective date of the COUNTY Agreement or subsequent to the COUNTY Agreement termination, or expiration date. Similarly, current period expenditures related to events or activities that occurred prior to the effective date of the COUNTY Agreement may not be allowable. For example, legal costs incurred prosecuting or defending a lawsuit stemming from events which occurred during a period not covered by a valid COUNTY Agreement between CONTRACTOR and COUNTY are not allowable.

1.8 Unallowable Activities

COUNTY program funds, materials, property, or services must not be used for investments where there is a risk of loss or for the performance of any political activity, the election of any candidate, or the defeat of any candidate for public office.

1.9 Unspent Program Funds

CONTRACTOR must return any unspent program funds to the COUNTY, unless otherwise permitted by the COUNTY Agreement. In addition, the COUNTY will determine the disposition of unspent program funds upon termination of the COUNTY Agreement.

2.0 Allocable Expenditures

For CONTRACTORS that operate programs or provide services in addition to the services required under the COUNTY Agreement, the CONTRACTOR must allocate expenditures to all benefiting programs, activities (including unallowable activities, such as fundraising and investment activities), and funding sources using an equitable basis.

In accordance with the applicable sections of Uniform Guidance, CONTRACTORS must define their allocable expenditures as either direct or indirect costs (as defined below) and allocate each cost using the basis most appropriate and feasible. ***Actual conditions must be taken into account when selecting the method and/or base to be used to allocate expenditures to ensure expenditures are allocated equitably to each benefiting program, activity, and funding source.***

The CONTRACTOR must maintain documentation for allocated expenditures (e.g., timecards, time studies, calculation of full-time equivalents, square footage measurements).

Under no circumstances can allocated expenditures be charged to an extent greater than 100% of actual expenditures or the same expenditure be charged both directly and indirectly.

2.1 Direct Costs

Unless otherwise set forth in the COUNTY Agreement, or required by the applicable funding source(s), direct costs are defined as those costs that can be identified specifically with a particular final cost objective (e.g., a particular program, service, or other direct activity of an organization). Examples of direct costs include salaries and benefits of employees working on the program, supplies and other items purchased specifically for the program, costs related to space used by employees working on the program.

For all employees, other than general and administrative, the hours spent on each program (activity) should be recorded on the employees' timecards and the payroll expenditures should be treated as direct charges and distributed on the basis of the actual recorded hours spent on each program or using another equitable basis based on actual conditions.

Shared costs (i.e., costs that benefit more than one program or activity) that can be distributed in reasonable proportion to the benefits received may also be direct costs.

Examples of bases for allocating shared costs as direct costs:

- Number of direct hours spent on each program

- Full-time equivalents for each program
- Square footage occupied by each program
- Other relevant and equitable methods of allocation

2.2 Indirect Costs

Indirect costs are those costs that have been incurred for common or shared purposes and cannot be readily identified with a particular final cost objective. Examples of indirect costs include the salaries and benefits of executive officers and administrative personnel (e.g., accounting, human resources, information technology), depreciation and use allowances for administrative buildings, and other costs related to the general administration of the organization. Only expenditures that are allowable in accordance with the applicable sections of Uniform Guidance and any other applicable funding source(s) (i.e., federal, State, and COUNTY agencies) can be included as indirect costs and allocated to the COUNTY program(s).

Examples of bases for allocating indirect costs:

- Total direct salaries and wages.
- Total direct costs, excluding unallowable costs that do not represent an activity of the CONTRACTOR (e.g., fines, penalties, bad debts), capital expenditures, and other distorting items such as significant one-time expenditures, or subcontractor payments.
- Modified total direct costs, including all direct salaries and wages, applicable fringe benefits, materials and supplies, services, travel, and up to the applicable threshold (e.g., $25,000 (prior to October 1, 2024), $50,000) of each subaward (regardless of the period of performance of the subawards under the award). It excludes equipment, capital expenditures, charges for patient care, rental costs, tuition remission, scholarships and fellowships, participant support costs, and the portion of each subaward in excess of the applicable threshold (e.g., $25,000 (prior to October 1, 2024), $50,000) as required by Uniform Guidance.

2.3 Acceptable Indirect Cost Allocation Methods

Uniform Guidance describes the following allowable methods for allocating and charging indirect costs:

- Simplified allocation method
- Direct allocation method
- Multiple allocation base method
- Negotiated indirect cost rate
- De minimis rate

CONTRACTOR must ensure the indirect cost allocation methodology chosen is clearly described in their Cost Allocation Plan and is used consistently to allocate indirect costs. See Exhibit D for examples of how to allocate indirect costs using these methods.

Simplified Allocation Method

This method can be used when an organization's major functions benefit from its indirect costs to approximately the same degree. Using this method, all allocable costs are considered indirect costs and an indirect cost rate is determined by dividing total allowable indirect costs by an equitable distribution base (see Exhibit D.1 for example).

Direct Allocation Method

This method can also be used when an organization's major functions benefit from its indirect costs to approximately the same degree. Using this method, all costs except general administration and general expenditures are treated as direct costs. Shared costs, such as depreciation, facility and equipment rentals, facilities maintenance, telephone, and other similar expenditures, are prorated individually to each direct activity on a basis appropriate for that type of cost.

The remaining costs, which consist exclusively of general administration and general expenditures, are then allocated using the simplified allocation method previously discussed (see Exhibit D.2 for example).

Multiple Base Allocation Method

This method can be used when an organization's major functions benefit from its indirect costs in varying degrees. Using this method, indirect costs are grouped to permit allocation of each grouping on the basis of the benefits provided to the major functions. Each grouping is then allocated individually using the basis most appropriate for the grouping being allocated (see Exhibit D.3 for example).

Negotiated Indirect Cost Rates

CONTRACTORS have the option of negotiating an indirect cost rate or rates for use on all their federal programs. The CONTRACTOR must submit a cost allocation plan to the federal agency with the largest dollar value of federal awards funded to the organization. The approved indirect cost rate is then applied to the total approved direct cost base (see Exhibit D.4 for example).

If CONTRACTOR has a federally approved indirect cost rate, CONTRACTOR must submit a copy of the approval letter to COUNTY upon request.

De Minimis Rate

A CONTRACTOR that does not have a current negotiated (including provisional) federally approved indirect cost rate may elect to charge indirect costs based on the applicable de minimis rate (e.g., 10% (prior to October 1, 2024), up to 15%) of modified total direct costs. If elected, this rate may be used indefinitely, but must be used consistently to charge indirect costs to all programs and activities (see Exhibit D.5 for example).

2.4 Indirect Cost Limitations

CONTRACTOR must ensure indirect costs charged to the COUNTY program(s) are within any maximum limitations established by statutory requirements. Any amounts charged in excess of maximum limitations will be disallowed upon audit unless otherwise allowed and approved by the applicable federal, State, or COUNTY agency.

2.5 Cost Allocation Plan

CONTRACTOR must maintain an annual Agency-wide Cost Allocation Plan (Plan), and submit the Plan to the County if required by the COUNTY Agreement, and/or when requested by the COUNTY. The Cost Allocation Plan must be prepared in accordance with the applicable sections of Uniform Guidance, and any other applicable federal, State, and COUNTY requirements (e.g., COUNTY Agreement, COUNTY instructions) and include the following information:

- CONTRACTOR's general accounting policies:
  - Fiscal year
  - Method for allocating indirect costs (e.g., simplified, direct, multiple, negotiated rate, de minimis rate)
  - Indirect cost rate allocation base (e.g., direct salaries and wages, direct costs).

- Identify the CONTRACTOR'S direct, shared, and indirect costs (by category) and describe the cost allocation methodology for each category.

- Signature of CONTRACTOR management certifying the accuracy of the plan.

3.0 Overpayments

If upon audit, or at any time during the Agreement year, it is determined that cost reports or invoices submitted to the COUNTY which were used as a basis for payments to the CONTRACTOR were inaccurate, the COUNTY may determine the total overpayment and require the CONTRACTOR to repay the COUNTY. The COUNTY may withhold payments from CONTRACTOR'S future payments unless otherwise prohibited by federal and/or State regulations.

D. GOVERNANCE

1.0 Governance Overview

Large numbers of nonprofit corporations, organized for public benefit, receive public funds through contracts with the COUNTY. Many COUNTY service contracts support key public initiatives, including protecting children, providing health care, fostering employment, and reducing the effects of mental impairments and substance abuse.

Nonprofit organizations doing business with the COUNTY must conduct their work in a manner consistent with their charitable mission and the public purposes embodied in the COUNTY Agreement. This demands that nonprofit agency governing boards be conscious of their fiduciary responsibilities in providing proper oversight and direction, and making decisions.

1.1 Board of Directors' Requirements

Nonprofit agencies doing business with the COUNTY must have a governing board of at least three (3) directors in accordance with State law (e.g., Sections 12331 and 5227 of California Corporations Code). At no time should more than 49% of the persons serving on the board of directors (board or directors) be "interested persons." An "interested person" includes:

- Any person currently being compensated by the CONTRACTOR for services rendered within the previous 12 months, whether as a full-or part -time employee, independent contractor, or otherwise.

- Any brother, sister, ancestor, descendant, spouse, brother-in-law, sister-in-law, son-in law, daughter-in-law, mother-in law, or father-in law of any such person (e.g., directors, CONTRACTOR or subcontractor employees).

The majority of the directors should not have a direct or indirect material financial interest in the organization, or any other relationship that could create a conflict of interest on the part of the director(s). A financial interest may exist for reasons of business, investment, or family relationship. "Financial interest" means an actual or potential ownership, investment, or compensation arrangement in or with any entity or individual with which the organization has, or is negotiating, a transaction or arrangement.

Directors, officers, and employees of nonprofit corporations with which the COUNTY contracts must not:

- Permit or benefit from self-dealing transactions (unless permitted by law), or unreasonable compensation.

- Misuse or dissipate scarce public resources.

Additional details regarding governance and directors' requirements are included in State Law (e.g., California Corporations Code, Section 12586 of California Government Code).

1.2 Board of Directors' Fiduciary Responsibilities

All members of a nonprofit organization's governing board must perform their duties in good faith and in a manner they believe to be in the best interests of the CONTRACTOR and with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances. Although directors may delegate management of CONTRACTOR operations, activities, and affairs, to officers, employees, management companies, or committees, the directors are ultimately responsible for the direction and oversight of the organization. Directors' fiduciary responsibilities include, but are not limited to, the following:

- Monitoring the organization's fiscal and programmatic performance.
- Overseeing the organization's risk management, control processes, usage of funds, and protection of the organization's assets.
- Ensuring the organization's compliance with applicable federal, State, and COUNTY regulations.
- Making, reviewing, and/or approving decisions that are in the best interest of the organization (not in the best interest of any individual or other organization). For example, the board should review and approve all significant transactions (e.g., less-than-arm's length transactions, purchases of capital assets, loans, incentive compensation to the organization's management and employees).
- Recognizing and disclosing conflicts of interest.

1.3 Oversight Mechanisms

An organization's governing board must provide for its governance by:

- Adopting and disclosing the organization's governance standards, including director qualifications, responsibilities, and compensation. The standards may provide for "just and reasonable" compensation and benefits consistent with the compensation amount or guidelines established in the organization's contract(s) with the COUNTY. Compensation and benefits of directors, officers, and employees should be comparable to agencies of similar size and function (see Section B.4.4, "Limitations on Positions and Salaries"). No employee may receive compensation or benefits for more than one organization job. For example, the Chief Executive Officer (CEO) cannot receive compensation or benefits for the job of CEO and another job such as program manager, etc.

- Adopting and disclosing a code of business conduct and ethics for directors, officers, and employees, and promptly disclosing to the County any waivers (e.g., authorized exemptions, exceptions) of the code affecting organization directors, officers, or employees.

- Reviewing, no less than annually, the CONTRACTOR'S compliance with COUNTY Agreement terms and conditions/provisions (e.g., insurance, internal controls, federal and State reporting, payment requirements for payroll withholding) and report any applicable deviations to the COUNTY .

An organization's governance guidelines and code of ethics must:

- Provide for an annual process to distribute to and obtain from directors, officers and employees written acknowledgments of their adherence to the CONTRACTOR'S governing standards.
- Incorporate a mechanism for disclosing and addressing possible conflicts of interest.

- Provide appropriate record-keeping, particularly of transactions and arrangements required to be reviewed by the governing board and where significant organization resources are expended by or for officers, directors and employees.

1.4 Board Meetings

A CONTRACTOR'S board must meet periodically to ensure the directors' fiduciary responsibilities (see Section D.1.2) are carried out as required. It is recommended a CONTRACTOR'S board meet at least four times a year. Board members may participate in meetings using conference telephone or electronic communication. Additional details are included in State Law (e.g., Section 5211 of California Corporations Code).

Board meeting minutes must be written (or in any form capable of being converted into clearly legible tangible form), maintained for each meeting, and certified by the board secretary (or an assistant secretary/alternate) in accordance with State Law (e.g., Sections 5215 and 6320 of California Corporations Code). In addition, the meeting minutes should include:

- The names of the board members who are present and absent.
- The date and time the meeting begins and ends.
- A summary of all discussions, deliberations, and actions taken by the board.
- The names of board members making and seconding motions, and a breakdown of the votes on the motions.
- A summary of future action items/steps and who is responsible for them.

1.5 Audit Committee

The board must establish an audit committee when applicable in accordance and compliance with the Nonprofit Integrity Act of 2004 (SB 1262 Chapter 919) and State law (e.g., Section 12586 of California Government Code).

Annual Audit Duties

The Audit Committee:

- Is responsible for making recommendations to the board on the hiring and firing of the CONTRACTOR'S independent auditor to perform annual audits.

- Must confer with the CONTRACTOR'S independent auditor to satisfy audit committee members that the financial affairs of the CONTRACTOR are in order, review each audit and decide whether to accept it, and ensure that the COUNTY receives a copy of the annual audit report and all other audits, reviews, and other third-party reports.

Additional Audit Committee Duties

The audit committee must:

- Establish procedures for receiving and addressing complaints regarding accounting, internal controls, and auditing matters.

- Monitor and take steps to ensure proper management response to major performance or fiscal deficits, such as any material weaknesses and/or significant deficiencies identified during an audit.

- Pre-approve all audit and non-audit services provided by the auditor. Non-audit services are defined as any professional services provided other than those provided in connection with an audit or review of the financial statements of the CONTRACTOR. The following is a list of non-audit services for which the independent auditor cannot perform unless the firm follows the independence standard in the Yellow Book issued by the U.S. Comptroller General:

  - ✓ Bookkeeping or other services related to the accounting records or financial statements of the audit client
  - ✓ Financial information systems design and implementation
  - ✓ Internal audit outsourcing services
  - ✓ Management functions or human resources
  - ✓ Investment adviser or investment banking services
  - ✓ Legal services and expert services unrelated to the audit

E. REPORTING FRAUD/MISCONDUCT

CONTRACTORS are required to report suspected fraud, waste, or misuse of public monies, as well as misconduct involving COUNTY personnel to the Los Angeles County Fraud Hotline (Hotline). CONTRACTORS are also required to report suspected fraud committed by their employees and subcontractors when that fraud affects their Agreement with the COUNTY. Reportable conditions include, but are not limited to:

- Requests for bribes/kickbacks/gratuities.
- Favoritism/nepotism in the awarding of COUNTY Agreements, or selection of vendors.
- Embezzlement, theft, or misuse of any COUNTY funds, resources, time, equipment, or information.
- CONTRACTOR or vendor improprieties (e.g., inappropriate or unethical actions/behaviors such as unfair business practices, disregard for laws, abuse of power, corruption, etc.)

Reportable conditions must be reported to the Hotline upon their discovery by CONTRACTOR. Failure to report the types of fraud/misconduct discussed above may be grounds for contract termination.

The reporting party may remain anonymous. Reports can be made via telephone, mail, e-mail, or online to:

Online:	https://fraud.lacounty.gov/
E-mail:	fraud@auditor.lacounty.gov
Call:	(213) 89-FRAUD or (213) 893-7283
Toll Free:	(800) 544-6861
Fax:	(213) 947-5809
U.S. Mail:	County of Los Angeles Department of Auditor-Controller Office of County Investigations 500 West Temple Street, Suite 514 Los Angeles, CA 90012

F. RESOURCES

As noted in the introduction of this Handbook, the accounting, financial reporting, and internal control standards described in this Handbook are compiled from various federal, State, and COUNTY regulations and guidelines. The sources cited in this Handbook include, but are not limited to, those listed below. CONTRACTORS can refer to these sources for additional information and guidance on the federal, State, and COUNTY regulations and guidelines applicable to their organization (since some regulations and guidelines may not apply to every CONTRACTOR).

- Electronic Code of Federal Regulations - www.ecfr.gov
  - Uniform Guidance - https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200?toc=1
- Internal Revenue Service - www.irs.gov

- United States Department of Labor - www.dol.gov
  - Heath Insurance Portability and Accountability Act (HIPAA) - https://www.dol.gov/agencies/ebsa/laws-and-regulations/laws/hipaa
- The System for Award Management (SAM.gov) - https://sam.gov
- The Sarbanes-Oxley Act of 2002 - https://www.govinfo.gov/content/pkg/COMPS-1883/pdf/COMPS-1883.pdf
- Financial Accounting Standards Board - https://fasb.org
  - Accounting Standards Codification (including Generally Accepted Accounting Principles) - https://asc.fasb.org
- State of California
  - Laws (including Corporations, Government, Labor, Civil, and Welfare and Institutions Codes) - www.leginfo.legislature.ca.gov
  - Department of Justice Office of the Attorney General - www.oag.ca.gov
    - Guide for Charities - https://oag.ca.gov/charities/guide-live
  - Franchise Tax Board - www.ftb.ca.gov
  - Secretary of the State - www.sos.ca.gov
- COUNTY Board Policy Manual - https://library.municode.com/ca/la_county_-_bos/codes/board_policy
- The Committee of Sponsoring Organizations of the Treadway Commission (COSO) - www.coso.org
  - COSO sponsoring organizations:
    - The American Accounting Association - www.aaahq.org
    - The American Institute of Certified Public Accountants - www.aicpa.org
    - The Government Finance Officers Association - https://www.gfoa.org
    - The Financial Executives International - www.financialexecutives.org
    - The Institute of Internal Auditors - www.theiia.org
    - The Association of Accountants and Financial Professionals in Business - www.imanet.org
  - COSO's Guidance on Internal Control Integrated Framework - https://www.coso.org/guidance-on-ic

G. HANDBOOK ADMINISTRATION AND INQUIRIES

This Handbook is intended to be a continual work in progress. Changes are made by Auditor-Controller staff on an ongoing basis. As conditions and the accumulation of changes warrant, the online version that is available to COUNTY departments and CONTRACTORS is replaced with the latest version.

COUNTY departments and CONTRACTORS may make inquiries regarding the standards and guidance described in this Handbook by completing the inquiry form linked below. All inquiry forms will be submitted to the Auditor Controller's Countywide Contract Monitoring Division. When submitting an inquiry form, please provide as much information as possible to assist in ensuring all inquiries are properly addressed.

Inquiry Form: https://forms.office.com/g/HNDS8DL8VX

Exhibit A

Bank Reconciliation Example

Agency Name
Bank and Account #
For the Month Ended June 30, 202X

Balance Per Bank Statement			$ 35,000.00	
Add:	Deposit(s) in Transit		$ 4,000.00	
	Bank Service Charge (erroneously posted -- to be reversed next month)		$ 20.00	[1]
Less:	Outstanding Checks			
	#100	$ 1,000.00		
	#101	$ 500.00		
	#102	$ 500.00	$ (2,000.00)	
	Bank Posting Error (to be reversed next month)		$ (120.00)	[1]
Adjusted Bank Balance			**$ 36,900.00**	
Balance Per Book			$ 36,950.00	
Less:	Bank Charges	$ 40.00		
	Post Error	$ 10.00	$ (50.00)	[1]
Adjusted Book Balance			**$ 36,900.00**	

Prepared by: _____ Date _____

Reviewed by: _____ Date _____

[1] Reconciling items.

Exhibit B

Petty Cash Log Example

Petty Cash Log

January 202X

Program/Location: _____ **Approved Petty Cash Fund Amount:** _____

Date of Transaction	Description of Transaction	Account Code	Cash Out	Amount of Transaction	Cash Received	Balance
				Beginning Petty Cash on Hand		**$ 500.00**
1/1/202X	Parking	XX-XXX	$ 10.00	$ 10.00		$ 490.00
1/5/202X	Postage	XX-XXX	$ 10.00	$ 10.00		$ 480.00
1/8/202X	Supplies (Posterboard)	XX-XXX	$ 5.00	$ 5.00		$ 475.00
1/12/202X	Replenishment Check #101	XX-XXX			$ 25.00	$ 500.00
Total			**$ 25.00**	**$ 25.00**	**$ 25.00**	
				Ending Petty Cash on Hand		**$ 500.00**

_____ _____

Petty Cash Custodian Signature Date

_____ _____

Petty Cash Log Reviewer Signature Date

Liquid Assets Log Example

Liquid Asset Disbursement/Usage Log

Type: Gift Cards to ABC, Inc. Grocery Store

January 202X

Data Issued	Liquid Asset No.	Purpose/ Description	Quantity	Amount	Authorized by	Recipient	Recipient Signature
		Beginning Liquid Assets on Hand	25	$ 500			
1/1/202X	XX-XXXX-X1	Gift card for client	1	$ 20	John Smith	Jane Doe	Jane Doe
1/10/202X	XX-XXXX-X2	Gift card for client	1	$ 20	John Smith	Robert Jones	Robert Jones
1/25/202X	XX-XXXX-X3	Gift card for client	2	$ 40	John Smith	Jane Doe	Jane Doe
1/26/202X	XX-XXXX-X4	Gift card for client	1	$ 20	John Smith	Robert Jones	Robert Jones
		Total Disbursed/Used	5	$ 100			
		Ending Liquid Assets on Hand	20	$ 400			

Liquid Asset Custodian Signature **Date**

Liquid Asset Log Reviewer Signature **Date**

Indirect Cost Allocation Methods Examples

D.1 - Simplified Allocation Method Example

ABC, Inc. operates two programs, uses direct salaries as their distribution base for indirect costs, and reported the following costs:

Agency-wide Indirect Costs	$250,000
Program A Direct Salaries	$100,000
Program B Direct Salaries	$900,000

Step 1: Classify all costs as either direct or indirect (as indicated above).

Step 2: Calculate the indirect cost rate by dividing the total indirect costs by total direct salaries.

Indirect Costs	$250,000	
Total Direct Salaries	$1,000,000	= $100,000 + $900,000
Indirect Cost Rate	25%	= $250,000 / $1,000,000

Step 3: Allocate indirect costs to each program by multiplying the indirect cost rate by the direct salaries for each respective program.

Indirect Costs Allocated to Program A	**$25,000**	= $100,000 x 25%
Indirect Costs Allocated to Program B	**$225,000**	= $900,000 x 25%

D.2 - Direct Allocation Method Example

ABC, Inc. operates two programs and conducts fundraising activities. The Agency uses square footage as their distribution base for shared facility rent and maintenance costs and direct costs as their distribution base for indirect costs. ABC, Inc. reported the following costs:

General Administration and General Expenses (Indirect Costs)	$250,000
Shared Costs: Facility Rent and Maintenance	$150,000
Program A Direct Costs	$100,000
Program B Direct Costs	$850,000
Fundraising Direct Costs	$50,000

Step 1: Separate costs into three basic categories:

- General Administration and General Expenses (Indirect Costs)
- Direct Programs and Activities
- Fundraising

Step 2: Calculate the percentage of square footage occupied by each program and activity. ABC, Inc.'s facilities have a total of 4,000 square feet and the Agency determined Program A occupies 2,800 square feet, Program B occupies 1,000 square feet, and fundraising activities occupies 200 square feet, respectively.

Program A Square Footage	2,800	70%
Program B Square Footage	1,000	25%
Fundraising Square Footage	200	5%
Total Square Footage	4,000	100%

Step 3: Allocate the shared facility rent and maintenance costs based on the percentage of square footage used by each program and activity.

Shared Costs: Facility Rent and Maintenance	$150,000	
Shared Costs Allocable to Program A	$105,000	= $150,000 x 70%
Shared Costs Allocable to Program B	$37,500	= $150,000 x 25%
Shared Costs Allocable to Fundraising	$7,500	= $150,000 x 5%

Step 4: Calculate the total direct costs for each program and activity by adding the direct costs to the shared costs allocated to each respective program.

Program A Direct Costs	$100,000
+ Program A Shared Costs	$105,000
Total Program A Direct Costs	$205,000

Program B Direct Costs	$850,000
+ Program B Shared Costs	$37,500
Total Program B Direct Costs	$887,500

Fundraising Direct Costs	$50,000
+ Fundraising Shared Costs	$7,500
Total Fundraising Direct Costs	$57,500

Step 5: Calculate the indirect cost rate by dividing the total indirect costs by total direct costs.

Total Indirect Costs	$250,000		
Total Direct Costs	$1,150,000	=	$205,000 + $887,500 + $57,500
Indirect Cost Rate	21.74%	=	$250,000 / $1,150,000

Step 6: Allocate indirect costs to each program and activity by multiplying the indirect cost rate by the total direct costs for each respective program and activity.

Indirect Costs Allocable to Program A	**$44,565**	= $205,000 x 21.74%
Indirect Costs Allocable to Program B	**$192,935**	= $887,500 x 21.74%
Indirect Costs Allocable to Fundraising	**$12,500**	= $57,500 x 21.74%

D.3 - Multiple Allocation Base Method Example

ABC, Inc. operates two programs and conducts fundraising activities. The Agency uses square footage as their distribution base for indirect facilities costs and modified total costs[(1)] as their distribution base for indirect administration costs. ABC, Inc. reported the following costs:

(1) *Modified total costs (MTC) are the modified total direct costs (MTDC) plus allocated indirect costs. MTDC includes all direct salaries and wages, applicable fringe benefits, materials and supplies, services, travel, and up to the first $50,000 (effective October 1, 2024) of each subaward (regardless of the period of performance of the subawards under the award). It excludes equipment, capital expenditures, charges for patient care, rental costs, tuition remission, scholarships and fellowships, participant support costs, and the portion of each subaward in excess of $50,000 (effective October 1, 2024).*

Indirect Depreciation	$100,000
Indirect Interest	$150,000
indirect Operation and Maintenance Expenses	$550,000
Indirect General Administration	$700,000
Indirect General Expenses	$500,000
Program A Modified Total Direct Costs	$7,250,000
Program B Modified Total Direct Costs	$1,500,000
Fundraising Modified Total Direct Costs	$250,000

Step 1: Establish separate indirect cost groupings based on the benefits provided to the programs and activities. The cost groupings are classified within two broad categories, "Facilities" and "Administration", and should include the following indirect cost pools:

Facilities
- Depreciation
- Interest
- Operation and Maintenance Expenses

Administration
- General Administration and General Expenses

Indirect Facilities Costs

Indirect Depreciation	$100,000
Indirect Interest	$150,000
Indirect Operation and Maintenance Expenses	$550,000
Total Indirect Facilities Costs	$800,000

Indirect Administration Costs

Indirect General Administration	$700,000
Indirect General Expenses	$500,000
Total Indirect Administration Costs	$1,200,000

Step 2: Calculate the percentage of square footage occupied by each program and activity. ABC, Inc.'s facilities have a total of 10,000 square feet and the Agency determined Program A occupies 5,000 square feet, Program B occupies 2,000 square feet, fundraising activities occupies 500 square feet, and administration occupies 2,500 square feet, respectively.

Program A Square Footage	5,000	50%
Program B Square Footage	2,000	20%
Fundraising Square Footage	500	5%
Administration Square Footage	2,500	25%
Total Square Footage	10,000	100%

Step 3: Allocate "Facilities" costs to all benefiting programs and activities based on the percentage of square footage used by each program and activity.

Indirect Facilities Costs Allocated to Program A	**$400,000**	= $800,000 x 50%
Indirect Facilities Costs Allocated to Program B	**$160,000**	= $800,000 x 20%
Indirect Facilities Costs Allocated to Fundraising	**$40,000**	= $800,000 x 5%
Indirect Facilities Costs Allocated to Administration	**$200,000**	= $800,000 x 25%

Step 4: Calculate the modified total costs for each program and activity to allocate indirect administration costs by adding the MTDC to the allocated indirect costs calculated above.

Program A - MTDC	$7,250,000
+ Indirect Facilities Costs Allocated to Program A	$400,000
Program A - MTC	$7,650,000

Program B - MTDC	$1,500,000
+ Indirect Facilities Costs Allocated to Program B	$160,000
Program B - MTC	$1,660,000

Fundraising - MTDC	$250,000
+ Indirect Facilities Costs Allocated to Fundraising	$40,000
Fundraising - MTC	$290,000

Program A - MTC	$7,650,000
Program B - MTC	$1,660,000
Fundraising - MTC	$290,000
Total MTC	$9,600,000

Program A - MTC	$7,650,000
Program B - MTC	$1,660,000
Fundraising - MTC	$290,000
Total MTC	$9,600,000

Step 5: Calculate the total indirect administration costs.

Indirect Administration Costs	$1,200,000
+ Indirect Facilities Costs Allocated to Administration	$200,000
Total Indirect Administration Costs	$1,400,000

Step 6: Calculate the indirect cost rate by dividing the total administration costs by the total modified costs.

Total Administration Costs	$1,400,000
÷ Total MTC	$9,600,000
Indirect Cost Rate	14.58%

Step 7: Allocate "Administration" costs to all benefiting programs and activities based on modified total costs.

Indirect Administration Costs Allocated to Program A	**$1,115,625**	= $7,650,000 x 14.58%
Indirect Administration Costs Allocated to Program B	**$242,083**	= $1,660,000 x 14.58%
Indirect Administration Costs Allocated to Fundraising	**$42,292**	= $290,000 x 14.58%

D.4 - Negotiated Indirect Cost Rate Example

ABC, Inc. operates two programs and has a negotiated indirect cost rate. The negotiated indirect cost rate agreement indicates the Agency's indirect cost rate is 15% and the distribution base is total direct costs excluding capital expenditures and equipment. ABC. Inc. reported the following costs:

	Program A	Program B
Salaries	$ 2,000,000	$ 1,250,000
Benefits	$ 1,100,000	$ 400,000
Capital Expenditures	$ -	$ 200,000
Equipment	$ 60,000	$ 15,000
Travel	$ 40,000	$ 25,000
Materials and Supplies	$ 60,000	$ 35,000
Total Direct Costs	$ 3,260,000	$ 1,925,000

Step 1: Calculate the direct costs distribution base for each program as required by the negotiated indirect cost rate agreement.

	Program A	Program B
Salaries	$ 2,000,000	$ 1,250,000
Benefits	$ 1,100,000	$ 400,000
Travel	$ 40,000	$ 25,000
Materials and Supplies	$ 60,000	$ 35,000
Direct Costs Base [(1)]	$ 3,200,000	$ 1,710,000

[(1)] Direct cost base does not include capital expenditures and equipment.

Step 2: Calculate the indirect costs charged to each program by multiplying the direct costs base for each respective program by the negotiated indirect cost rate.

	Program A	Program B
Direct Cost Base	$ 3,200,000	$ 1,710,000
x Indirect Cost Rate	15%	15%
Indirect Costs Charged	**$ 480,000**	**$ 256,500**

D.5 - De Minimis Rate Example

ABC, Inc. operates two programs and reported the following direct costs:

	Program A	Program B
Salaries	$ 750,000	$ 100,000
Benefits	$ 250,000	$ 20,000
Equipment	$ 50,000	$ 5,500
Travel	$ 20,000	$ 7,000
Materials and Supplies	$ 40,000	$ 4,000
Rent	$ 60,000	$ 12,000
Total Direct Costs	$ 1,170,000	$ 148,500

Step 1: Calculate the modified total direct costs (MTDC)[(1)] for each program.

(1) MTDC includes all direct salaries and wages, applicable fringe benefits, materials and supplies, services, travel, and up to the first $50,000 (effective October 1, 2024) of each subaward (regardless of the period of performance of the subawards under the award). It excludes equipment, capital expenditures, charges for patient care, rental costs, tuition remission, scholarships and fellowships, participant support costs, and the portion of each subaward in excess of $50,000 (effective October 1, 2024).

	Program A	Program B
Salaries	$ 750,000	$ 100,000
Benefits	$ 250,000	$ 20,000
Travel	$ 20,000	$ 7,000
Materials and Supplies	$ 40,000	$ 4,000
MTDC[(1)]	$ 1,060,000	$ 131,000

(1) MTDC does not include the costs of equipment and rent.

Step 2: Calculate the indirect costs charged to each program by multiplying the MTDC for each respective program by the 15% de minimis rate (effective October 1, 2024)

	Program A	Program B
MTDC	$ 1,060,000	$ 131,000
x De Minimis Rate	15%	15%
Indirect Costs Charged	**$ 159,000**	**$ 19,650**

EXHIBIT

DEPARTMENT OF CHILDREN AND FAMILY SERVICES
CONTRACTS ADMINISTRATION DIVISION
FEDERAL AWARD INFORMATION (2CFR 200.332)
FISCAL YEAR 2026-2027

Date of Notification: _____ **Subrecipient Name:** _____

Contract Number: _____ **Federal Award Identification Number (FAIN):** _____

Federal Award Date: _____

Subaward Period of Performance: _____ **Subaward Budget Period:** _____

Amount of Federal funds obligated by the pass-through entity: _____

Amount of Federal funds obligated to the subrecipient by the pass-through entity includes the current obligation: _____

_____

Total Amount of Federal Award committed to the subrecipient: _____

Federal Award Project description as required by FFATA: _____

_____

_____

Name of Federal Awarding Agency: _____ **Agency's Assistance Listing Number:** _____

(Formerly Catalog of Federal Domestic Assistance)

Does Subrecipient have an Aid to Families with Dependent Children – Foster Care Rate Letter? Yes _____ **No** _____

If yes, provide the Subrecipient's AFDC-FC Program Number: _____

If not applicable to this contract, mark this box: _____

(Sub recipient must use the federal sharing ratios, provided and updated annually by the California Department of Social Services when calculating and reporting their Federal Revenue.)

Indirect Cost Rate letter: Yes _____ **No** _____ **Agency's Unique Entity Identifier:** (formerly DUNS Number) _____

Acknowledgment: As pursuant to CFR Section 200.332(a)(1)(xii), this is to acknowledge that (Agency's Legal Name): _____ does not engage in any Research and Development under this contract.

I confirm that the following AFDC-FC Program Number is correct: _____
(Print AFDC-FC Program Number)

_____ _____
Agency's Representative *(Print Name)* Signature

_____ _____
Title *(Print Title)* Date

Please complete and return to _____ **at** _____
Analyst Name E-mail Address

Date of Notification: _____ **Sub recipient Name:** _____1_____

Contract Number: _____2_____ **Federal Award Identification Number (FAIN):** _____3_____

Federal Award Date: _____4_____

Sub award Period of Performance: _____5_____ **Sub award Budget Period:** _____6_____

Amount of Federal funds obligated by the pass-through entity: _____7_____

Amount of Federal funds obligated to the subrecipient by the pass-through entity include the current obligation: _____8_____

_____

Total Amount of Federal Award committed to the subrecipient: _____9_____

Federal Award Project description as required by FFATA: _____10_____

_____

_____

Name of Federal Awarding Agency: _____11_____ **Agency's Assistance Listing Number:** _____12_____

(Formerly Catalog of Federal Domestic Assistance)

13. Does Sub recipient have an Aid to Families with Dependent Children – Foster Care Rate Letter? Yes _____ **No** _____

If yes, provide the Sub recipient's AFDC-FC Program Number: _____

If not applicable to this contract, mark this box: _____

(Sub recipient must use the federal sharing ratios, provided and updated annually by the California Department of Social Services when calculating and reporting their Federal Revenue).

Agency Representative please complete: Agency's DUNS number: _____14_____

15. Indirect Cost Rate letter: Yes _____ **No** _____

16. Acknowledgment: As pursuant to CFR Section 200.332(b)(1)(xiii), this is to acknowledge that (Agency's Legal Name): _____ does not engage in any Research and Development under this contract.

17. I confirm that the following AFDC-FC Program Number is correct: _____

_____ _____

Agency's representative (Print Name) Signature

_____ _____

Title Date

Please complete and return to (Analyst Name) at: name@dcfs.lacounty.gov

200.332 Requirements for pass-through entities. As of October 5, 2023:

All pass-through entities must:

(a) Ensure that every sub award is clearly identified to the sub recipient as a sub award and includes the following information at the time of the sub award and if any of these data elements change, include the changes in subsequent sub award modification. When some of this information is not available, the pass-through entity must provide the best information available to describe the Federal award and sub award. Required information includes:

(1) Federal award identification.

1. Contractors Name: Sub recipient name (which must match the name associated with its unique entity identifier);
2. Contract Number: Number assigned by each CAD Section to identify the contract.
3. FAIN: Federal Award Identification Number (FAIN);
4. Federal Award Date: Federal Award Date (see the definition of *Federal award date* in § 200.1 of this part) of award to the recipient by the Federal agency (*Federal award date* means the date when the Federal award is signed by the authorized official of the Federal awarding agency);
5. Contract Term: Sub award Period of Performance Start and End Date;
6. Budget Term Sub award Budget Period Start and End Date (*Budget period* means the time interval from the start date of a funded portion of an award to the end date of that funded portion during which recipients are authorized to expend the funds awarded, including any funds carried forward or other revisions pursuant to §200.308.);
7. Use percent of Federal Funds: Amount of Federal Funds Obligated by this action by the pass-through entity to the sub recipient (*Include the percent of federal funds that will be used to pay for the service category);*
8. Use percent of Federal Funds: Total Amount of Federal Funds Obligated to the sub recipient by the pass-through entity including the current financial obligation (*include the percent of federal funds for the service category and include a summary of how the contractor is paid. Example; State approved rate, fee for service, cost reimbursement, etc.);*
9. Use percent of Federal Award: Total Amount of the Federal Award committed to the sub recipient by the pass-through entity; (*Include the percent of federal funds for the service category)*
10. **Use CFL:** Federal award project description, as required to be responsive to the Federal Funding Accountability and Transparency Act (FFATA);
11. Federal Awarding Agency: Name of Federal awarding agency, pass-through entity, and contact information for awarding official of the Pass-through entity;
12. Previously Catalog of Federal Domestic Assistance (CFDA) No.: Assistance Listings number and Title; the pass-through entity must identify the dollar amount made available under each Federal award and the Assistance Listings Number at time of disbursement;
13. AFDC-FC Rate Letter: Analyst to complete with a yes or no. If yes, the AFDC-FC Program Number must be provided.
14. DUNs number: Sub recipient's unique entity identifier;
15. (Indirect) Rate Letter: Indirect cost rate for the Federal award (including if the de Minimis rate is charged) per § 200.414. This is not the Aid to Families for Dependent Children- Foster Care (AFDC-FC) Rate Letter identifying Foster Care Rate Payments

16. Research and Development: Identification of whether the award is Research and Development (R&D); and
17. AFDC-FC Program number: Agency to confirm and write the AFDC-FC program number.

INFORMATION SECURITY AND PRIVACY REQUIREMENTS EXHIBIT

The County of Los Angeles ("County") is committed to safeguarding the Integrity of the County systems, Data, Information and protecting the privacy rights of the individuals that it serves. This Information Security and Privacy Requirements Exhibit ("Exhibit") sets forth the County and the Contractor's commitment and agreement to fulfill each of their obligations under applicable state or federal laws, rules, or regulations, as well as applicable industry standards concerning privacy, Data protections, Information Security, Confidentiality, Availability, and Integrity of such Information. The Information Security and privacy requirements and procedures in this Exhibit are to be established by the Contractor before the Effective Date of the Contract and maintained throughout the term of the Contract.

These requirements and procedures are a minimum standard and are in addition to the requirements of the underlying base agreement between the County and Contractor (the "Contract") and any other agreements between the parties. However, it is the Contractor's sole obligation to: (i) implement appropriate and reasonable measures to secure and protect its systems and all County Information against internal and external Threats and Risks; and (ii) continuously review and revise those measures to address ongoing Threats and Risks. Failure to comply with the minimum requirements and procedures set forth in this Exhibit will constitute a material, non-curable breach of Contract by the Contractor, entitling the County, in addition to the cumulative of all other remedies available to it at law, in equity, or under the Contract, to immediately terminate the Contract. To the extent there are conflicts between this Exhibit and the Contract, this Exhibit will prevail unless stated otherwise.

1. DEFINITIONS

Unless otherwise defined in the Contract, the definitions herein contained are specific to the uses within this exhibit.

a. **Availability:** the condition of Information being accessible and usable upon demand by an authorized entity (Workforce Member or process).

b. **Confidentiality:** the condition that Information is not disclosed to system entities (users, processes, devices) unless they have been authorized to access the Information.

c. **County Information:** all Data and Information belonging to the County.

d. **Data:** a subset of Information comprised of qualitative or quantitative values.

e. **Incident:** a suspected, attempted, successful, or imminent Threat of unauthorized electronic and/or physical access, use, disclosure, breach, modification, or destruction of information; interference with Information Technology operations; or significant violation of County policy.

f. **Information:** any communication or representation of knowledge or understanding such as facts, Data, or opinions in any medium or form, including electronic, textual, numerical, graphic, cartographic, narrative, or audiovisual.

g. **Information Security Policy:** high level statements of intention and direction of an organization used to create an organization's Information Security Program as formally expressed by its top management.

h. **Information Security Program:** formalized and implemented Information Security Policies, standards and procedures that are documented describing the program management safeguards and common controls in place or those planned for meeting the County's information security requirements.

i. **Information Technology:** any equipment or interconnected system or subsystem of equipment that is used in the automatic acquisition, storage, manipulation, management, movement, control, display, switching, interchange, transmission, or reception of Data or Information.

j. **Integrity**: the condition whereby Data or Information has not been improperly modified or destroyed and authenticity of the Data or Information can be ensured.

k. **Mobile Device Management (MDM):** software that allows Information Technology administrators to control, secure, and enforce policies on smartphones, tablets, and other endpoints.

l. **Privacy Policy:** high level statements of intention and direction of an organization used to create an organization's Privacy Program as formally expressed by its top management.

m. **Privacy Program:** A formal document that provides an overview of an organization's privacy program, including a description of the structure of the privacy program, the resources dedicated to the privacy program, the role of the organization's privacy official and other staff, the strategic goals and objectives of the Privacy Program, and the program management controls and common controls in place or planned for meeting applicable privacy requirements and managing privacy risks.

n. **Risk:** a measure of the extent to which the County is threatened by a potential circumstance or event, Risk is typically a function of: (i) the adverse impacts that would arise if the circumstance or event occurs; and (ii) the likelihood of occurrence.

o. **Threat:** any circumstance or event with the potential to adversely impact County operations (including mission, functions, image, or reputation), organizational assets, individuals, or other organizations through an Information System via unauthorized access, destruction, disclosure, modification of Information, and/or denial of service.

p. **Vulnerability:** a weakness in a system, application, network or process that is subject to exploitation or misuse.

q. **Workforce Member:** employees, volunteers, and other persons whose conduct, in the performance of work for Los Angeles County, is under the direct control of Los Angeles County, whether or not they are paid by Los Angeles County. This includes, but may not be limited to, full and part time elected or appointed officials, employees, affiliates, associates, students, volunteers, and staff from third party entities who provide service to the County.

2. INFORMATION SECURITY AND PRIVACY PROGRAMS

a. **Information Security Program.** The Contractor must maintain a company-wide Information Security Program designed to evaluate Risks to the Confidentiality, Availability, and Integrity of the County Information covered under this Contract.

Contractor's Information Security Program must include the creation and maintenance of Information Security Policies, standards, and procedures. Information Security Policies, standards, and procedures will be communicated to all Contractor employees in a relevant, accessible, and understandable form and will be regularly reviewed and evaluated to ensure operational effectiveness, compliance with all applicable laws and regulations, and addresses new and emerging Threats and Risks.

The Contractor must exercise the same degree of care in safeguarding and protecting County Information that the Contractor exercises with respect to its own Information and Data, but in no event less than a reasonable degree of care. The Contractor will implement, maintain, and use appropriate administrative, technical, and physical security measures to preserve the Confidentiality, Integrity, and Availability of County Information.

The Contractor's Information Security Program must:

- Protect the Confidentiality, Integrity, and Availability of County Information in the Contractor's possession or control;
- Protect against any anticipated Threats or hazards to the Confidentiality, Integrity, and Availability of County Information;
- Protect against unauthorized or unlawful access, use, disclosure, alteration, or destruction of County Information;
- Protect against accidental loss or destruction of, or damage to, County Information; and
- Safeguard County Information in compliance with any applicable laws and regulations which apply to the Contractor.

b. **Privacy Program.** The Contractor must establish and maintain a company-wide Privacy Program designed to incorporate Privacy Policies and practices in its business operations to provide safeguards for Information, including County Information. The Contractor's Privacy Program must include the development of, and ongoing reviews and updates to Privacy Policies, guidelines, procedures and appropriate workforce privacy training within its organization. These Privacy Policies, guidelines, procedures, and appropriate training will be provided to all Contractor employees, agents, and volunteers. The Contractor's Privacy Policies, guidelines, and procedures must be continuously reviewed and updated for effectiveness and compliance with applicable laws and regulations, and to appropriately respond to new and emerging Threats and Risks. The Contractor's Privacy Program must perform ongoing monitoring and audits of operations to identify and mitigate privacy Threats.

   The Contractor must exercise the same degree of care in safeguarding the privacy of County Information that the Contractor exercises with respect to its own Information, but in no event less than a reasonable degree of care. The Contractor will implement, maintain, and use appropriate privacy practices and protocols to preserve the Confidentiality of County Information.

   The Contractor's Privacy Program must include:

   - A Privacy Program framework that identifies and ensures that the Contractor complies with all applicable laws and regulations;
   - External Privacy Policies, and internal privacy policies, procedures and controls to support the privacy program;
   - Protections against unauthorized or unlawful access, use, disclosure, alteration, or destruction of County Information;
   - A training program that covers Privacy Policies, protocols and awareness;
   - A response plan to address privacy Incidents and privacy breaches; and
   - Ongoing privacy assessments and audits.

3. PROPERTY RIGHTS TO COUNTY INFORMATION

All County Information is deemed property of the County, and the County will retain exclusive rights and ownership thereto. County Information must not be used by the Contractor for any purpose other than as required under this Contract, nor will such or any part of such be disclosed, sold, assigned, leased, or otherwise disposed of, to third parties by the Contractor, or commercially exploited or otherwise used by, or on behalf of, the Contractor, its officers, directors, employees, or agents. The Contractor may assert no lien on or right to withhold from the County, any County Information it receives from, receives addressed to, or stores on behalf of, the County. Notwithstanding the foregoing, the Contractor may aggregate, compile, and use County Information in order to improve, develop or enhance the System Software and/or other services offered, or to be offered, by the Contractor, provided that (i) no County Information in such aggregated or compiled pool is identifiable as originating from, or can be traced back to the County, and (ii) such Data or Information cannot be associated or matched with the identity of an individual alone, or linkable to a specific individual. The Contractor specifically consents to the County's access to such County Information held, stored, or maintained on any and all devices Contactor owns, leases or possesses.

4. CONTRACTOR'S USE OF COUNTY INFORMATION

The Contractor may use County Information only as necessary to carry out its obligations under this Contract. The Contractor must collect, maintain, or use County Information only for the purposes specified in the Contract and, in all cases, in compliance with all applicable local, state, and federal laws and regulations governing the collection, maintenance, transmission, dissemination, storage, use, and destruction of County Information, including, but not limited to, (i) any state and federal law governing the protection of personal Information, (ii) any state and federal security breach notification laws, and (iii) the rules, regulations and directives of the Federal Trade Commission, as amended from time to time.

5. SHARING COUNTY INFORMATION AND DATA

The Contractor must not share, release, disclose, disseminate, make available, transfer, or otherwise communicate orally, in writing, or by electronic or other means, County Information to a third party for monetary or other valuable consideration.

6. CONFIDENTIALITY

a. **Confidentiality of County Information.** The Contractor agrees that all County Information is Confidential and proprietary to the County regardless of whether such Information was disclosed intentionally or unintentionally, or marked as "confidential".

b. **Disclosure of County Information.** The Contractor may disclose County Information only as necessary to carry out its obligations under this Contract, or as required by law, and is prohibited from using County Information for any other purpose without the prior express written approval of the County's contract administrator in consultation with the County's Chief Information Security Officer and/or Chief Privacy Officer. If required by a court of competent jurisdiction or an administrative body to disclose County Information, the Contractor must notify the County's contract administrator immediately and prior to any such disclosure, to provide the County an opportunity to oppose or otherwise respond to such disclosure, unless prohibited by law from doing so.

c. **Disclosure Restrictions of Non-Public Information.** While performing work under the Contract, the Contractor may encounter County Non-public Information ("NPI") in the course of performing this Contract, including, but not limited to, licensed technology, drawings,

schematics, manuals, sealed court records, and other materials described and/or identified as "Internal Use", "Confidential" or "Restricted" as defined in Board of Supervisors Policy 6.104 – Information Classification Policy as NPI. The Contractor must not disclose or publish any County NPI and material received or used in performance of this Contract. This obligation is perpetual.

d. **Individual Requests.** The Contractor must acknowledge any request or instructions from the County regarding the exercise of any individual's privacy rights provided under applicable federal or state laws. The Contractor must have in place appropriate policies and procedures to promptly respond to such requests and comply with any request or instructions from the County within seven (7) calendar days. If an individual makes a request directly to the Contractor involving County Information, the Contractor must notify the County within five (5) calendar days and the County will coordinate an appropriate response, which may include instructing the Contractor to assist in fulfilling the request. Similarly, if the Contractor receives a privacy or security complaint from an individual regarding County Information, the Contractor must notify the County as described in Section 14 SECURITY AND PRIVACY INCIDENTS, and the County will coordinate an appropriate response.

e. **Retention of County Information.** The Contractor must not retain any County Information for any period longer than necessary for the Contractor to fulfill its obligations under the Contract and applicable law, whichever is longest.

7. CONTRACTOR EMPLOYEES

The Contractor must perform background and security investigation procedures in the manner prescribed in this section unless the Contract prescribes procedures for conducting background and security investigations and those procedures are no less stringent than the procedures described in this section.

To the extent permitted by applicable law, the Contractor must screen and conduct background investigations on all Contractor employees and Subcontractors as appropriate to their role, with access to County Information for potential security Risks. Such background investigations must be obtained through fingerprints submitted to the California Department of Justice to include State, local, and federal-level review and conducted in accordance with the law, may include criminal and financial history to the extent permitted under the law, and will be repeated on a regular basis. The fees associated with the background investigation will be at the expense of the Contractor, regardless of whether the member of the Contractor's staff passes or fails the background investigation. The Contractor, in compliance with its legal obligations, must conduct an individualized assessment of their employees, agents, and volunteers regarding the nature and gravity of a criminal offense or conduct; the time that has passed since a criminal offense or conduct and completion of the sentence; and the nature of the access to County Information to ensure that no individual accesses County Information whose past criminal conduct poses a risk or threat to County Information.

The Contractor must require all employees, agents, and volunteers to abide by the requirements in this Exhibit, as set forth in the Contract, and sign an appropriate written Confidentiality/non-disclosure agreement with the Contractor.

The Contractor must supply each of its employees with appropriate, annual training regarding Information Security procedures, Risks, and Threats. The Contractor agrees that training will cover, but may not be limited to the following topics:

a) **Secure Authentication:** The importance of utilizing secure authentication, including proper management of authentication credentials (login name and password) and multi-factor authentication.

b) **Social Engineering Attacks:** Identifying different forms of social engineering including, but not limited to, phishing, phone scams, and impersonation calls.

c) **Handling of County Information:** The proper identification, storage, transfer, archiving, and destruction of County Information.

d) **Causes of Unintentional Information Exposure:** Provide awareness of causes of unintentional exposure of Information such as lost mobile devices, emailing Information to inappropriate recipients, etc.

e) **Identifying and Reporting Incidents:** Awareness of the most common indicators of an Incident and how such indicators should be reported within the organization.

f) **Privacy:** The Contractor's Privacy Policies and procedures as described in Section 2b. Privacy Program.

The Contractor must have an established set of procedures to ensure the Contractor's employees promptly report actual and/or suspected breaches of security.

8. SUBCONTRACTORS AND THIRD PARTIES

The County acknowledges that in the course of performing its services, the Contractor may desire or require the use of goods, services, and/or assistance of Subcontractors or other third parties or suppliers. The terms of this Exhibit will also apply to all Subcontractors and third parties. The Contractor or third party will be subject to the following terms and conditions: (i) each Subcontractor and third party must agree in writing to comply with and be bound by the applicable terms and conditions of this Exhibit, both for itself and to enable the Contractor to be and remain in compliance with its obligations hereunder, including those provisions relating to Confidentiality, Integrity, Availability, disclosures, security, and such other terms and conditions as may be reasonably necessary to effectuate the Contract including this Exhibit; and (ii) the Contractor will be and remain fully liable for the acts and omissions of each Subcontractor and third party, and fully responsible for the due and proper performance of all Contractor obligations under this Contract.

The Contractor must obtain advanced approval from the County's Chief Information Security Officer and/or Chief Privacy Officer prior to subcontracting services subject to this Exhibit.

9. STORAGE AND TRANSMISSION OF COUNTY INFORMATION

All County Information must be rendered unusable, unreadable, or indecipherable to unauthorized individuals. Without limiting the generality of the foregoing, the Contractor will encrypt all workstations, portable devices (such as mobile, wearables, tablets,) and removable media (such as portable or removable hard disks, floppy disks, USB memory drives, CDs, DVDs, magnetic tape, and all other removable storage media) that store County Information in accordance with Federal Information Processing Standard (FIPS) 140-2 or otherwise approved by the County's Chief Information Security Officer.

The Contractor will encrypt County Information transmitted on networks outside of the Contractor's control with Transport Layer Security (TLS) or Internet Protocol Security **(**IPSec**)**, at a minimum cipher strength of 128 bit or an equivalent secure transmission protocol or method approved by County's Chief Information Security Officer.

In addition, the Contractor must not store County Information in the cloud or in any other online storage provider without written authorization from the County's Chief Information Security Officer. All mobile devices storing County Information must be managed by a Mobile Device Management system. Such system must provide provisions to enforce a password/passcode on enrolled mobile devices. All workstations/Personal Computers (including laptops, 2-in-1s, and tablets) will maintain the latest operating system security patches, and the latest virus definitions. Virus scans must be performed at least monthly. Request for less frequent scanning must be approved in writing by the County's Chief Information Security Officer.

10. RETURN OR DESTRUCTION OF COUNTY INFORMATION

The Contractor must return or destroy County Information in the manner prescribed in this section unless the Contract prescribes procedures for returning or destroying County Information and those procedures are no less stringent than the procedures described in this section.

a. **Return or Destruction.** Upon County's written request, or upon expiration or termination of this Contract for any reason, Contractor must (i) promptly return or destroy, at the County's option, all originals and copies of all documents and materials it has received containing County Information; or (ii) if return or destruction is not permissible under applicable law, continue to protect such Information in accordance with the terms of this Contract; and (iii) deliver or destroy, at the County's option, all originals and copies of all summaries, records, descriptions, modifications, negatives, drawings, adoptions and other documents or materials, whether in writing or in machine-readable form, prepared by the Contractor, prepared under its direction, or at its request, from the documents and materials referred to in Subsection (i) of this Section. For all documents or materials referred to in Subsections (i) and (ii) of this Section that the County requests be returned to the County, the Contractor must provide a written attestation on company letterhead certifying that all documents and materials have been delivered to the County. For documents or materials referred to in Subsections (i) and (ii) of this Section that the County requests be destroyed, the Contractor must provide an attestation on company letterhead and certified documentation from a media destruction firm consistent with subdivision b of this Section. Upon termination or expiration of the Contract or at any time upon the County's request, the Contractor must return all hardware, if any, provided by the County to the Contractor. The hardware should be physically sealed and returned via a bonded courier, or as otherwise directed by the County.

b. **Method of Destruction.** The Contractor must destroy all originals and copies by (i) cross-cut shredding paper, film, or other hard copy media so that the Information cannot be read or otherwise reconstructed; and (ii) purging, or destroying electronic media containing County Information consistent with NIST Special Publication 800-88, "Guidelines for Media Sanitization" such that the County Information cannot be retrieved. The Contractor will provide an attestation on company letterhead and certified documentation from a media destruction firm, detailing the destruction method used and the County Information involved, the date of destruction, and the company or individual who performed the destruction. Such statement will be sent to the designated County contract manager within ten (10) days of termination or expiration of the Contract or at any time upon the County's request. On termination or expiration of this Contract, the County will return or destroy all Contractor's Information marked as confidential (excluding items licensed to the County hereunder, or that provided to the County by the Contractor hereunder), at the County's option.

11. PHYSICAL AND ENVIRONMENTAL SECURITY

All Contractor facilities that process County Information will be located in secure areas and protected by perimeter security such as barrier access controls (e.g., the use of guards and entry badges) that provide a physically secure environment from unauthorized access, damage, and interference.

All Contractor facilities that process County Information will be maintained with physical and environmental controls (temperature and humidity) that meet or exceed hardware manufacturer's specifications.

12. OPERATIONAL MANAGEMENT, BUSINESS CONTINUITY, AND DISASTER RECOVERY

The Contractor must: (i) monitor and manage all of its Information processing facilities, including, without limitation, implementing operational procedures, change management, and Incident response procedures consistent with Section 14 SECURITY AND PRIVACY INCIDENTS; and (ii) deploy adequate anti-malware software and adequate back-up systems to ensure essential business Information can be promptly recovered in the event of a disaster or media failure; and (iii) ensure its operating procedures are adequately documented and designed to protect Information and computer media from theft and unauthorized access.

The Contractor must have business continuity and disaster recovery plans. These plans must include a geographically separate back-up data center and a formal framework by which an unplanned event will be managed to minimize the loss of County Information and services. The formal framework includes a defined back-up policy and associated procedures, including documented policies and procedures designed to: (i) perform back-up of data to a remote back-up data center in a scheduled and timely manner; (ii) provide effective controls to safeguard backed-up data; (iii) securely transfer County Information to and from back-up location; (iv) fully restore applications and operating systems; and (v) demonstrate periodic testing of restoration from back-up location. If the Contractor makes backups to removable media (as described in Section 9 STORAGE AND TRANSMISSION OF COUNTY INFORMATION), all such backups must be encrypted in compliance with the encryption requirements noted above in Section 9 STORAGE AND TRANSMISSION OF COUNTY INFORMATION.

13. ACCESS CONTROL

Subject to and without limiting the requirements under Section 9 STORAGE AND TRANSMISSION OF COUNTY INFORMATION, County Information (i) may only be made available and accessible to those parties explicitly authorized under the Contract or otherwise expressly approved by the County Project Director or Project Manager in writing; and (ii) if transferred using removable media (as described in Section 9 STORAGE AND TRANSMISSION OF COUNTY INFORMATION) must be sent via a bonded courier and protected using encryption technology designated by the Contractor and approved by the County's Chief Information Security Officer in writing. The foregoing requirements will apply to back-up media stored by the Contractor at off-site facilities.

The Contractor must implement formal procedures to control access to County systems, services, and/or Information, including, but not limited to, user account management procedures and the following controls:

a. Network access to both internal and external networked services must be controlled, including, but not limited to, the use of industry standard and properly configured firewalls;

b. Operating systems will be used to enforce access controls to computer resources including, but not limited to, multi-factor authentication, use of virtual private networks (VPN), authorization, and event logging;

c. The Contractor will conduct regular, no less often than semi-annually, user access reviews to ensure that unnecessary and/or unused access to County Information is removed in a timely manner;

d. Applications will include access control to limit user access to County Information and application system functions;

e. All systems will be monitored to detect deviation from access control policies and identify suspicious activity. The Contractor must record, review and act upon all events in accordance with Incident response policies set forth in Section 14 SECURITY AND PRIVACY INCIDENTS; and

f. In the event any hardware, storage media, or removable media (as described in Section 9 STORAGE AND TRANSMISSION OF COUNTY INFORMATION) must be disposed of or sent off-site for servicing, the Contractor must ensure all County Information, has been eradicated from such hardware and/or media using industry best practices as discussed in Section 9 STORAGE AND TRANSMISSION OF COUNTY INFORMATION.

14. SECURITY AND PRIVACY INCIDENTS

In the event of a Security or Privacy Incident, the Contractor must:

a. Promptly notify the County's Chief Information Security Officer, the Departmental Information Security Officer, and the County's Chief Privacy Officer of any Incidents involving County Information, within twenty-four (24) hours of detection of the Incident. All notifications must be submitted via encrypted email and telephone.

County Chief Information Security Officer and Chief Privacy Officer email
CISO-CPO_Notify@lacounty.gov

Chief Information Security Officer:
James Thurmond
Acting Chief Information Security Officer
320 W Temple, 7th Floor
Los Angeles, CA 90012
(213) 253-5660
JThurmond@cio.lacounty.gov

Chief Privacy Officer:
Lillian Russell
Chief Privacy Officer
320 W Temple, 7th Floor
Los Angeles, CA 90012
(213) 351-5363
LRussell@ceo.lacounty.gov

Departmental Information Security Officer:
Allen Ohanian
DCFS Chief Information Security Officer
(562) 345-6606

AOhanian@dcfs.lacounty.gov

b. Include the following Information in all notices:

   i. The date and time of discovery of the Incident,

   ii. The approximate date and time of the Incident,

   iii. A description of the type of County Information involved in the reported Incident, and

   iv. A summary of the relevant facts, including a description of measures being taken to respond to and remediate the Incident, and any planned corrective actions as they are identified.

   v. The name and contact information for the organizations official representative(s), with relevant business and technical information relating to the incident.

c. Cooperate with the County to investigate the Incident and seek to identify the specific County Information involved in the Incident upon the County's written request, without charge, unless the Incident was caused by the acts or omissions of the County. As Information about the Incident is collected or otherwise becomes available to the Contractor, and unless prohibited by law, the Contractor must provide Information regarding the nature and consequences of the Incident that are reasonably requested by the County to allow the County to notify affected individuals, government agencies, and/or credit bureaus.

d. Immediately initiate the appropriate portions of their Business Continuity and/or Disaster Recovery plans in the event of an Incident causing an interference with Information Technology operations.

e. Assist and cooperate with forensic investigators, the County, law firms, and and/or law enforcement agencies at the direction of the County to help determine the nature, extent, and source of any Incident, and reasonably assist and cooperate with the County on any additional disclosures that the County is required to make as a result of the Incident.

f. Allow the County or its third-party designee at the County's election to perform audits and tests of the Contractor's environment that may include, but are not limited to, interviews of relevant employees, review of documentation, or technical inspection of systems, as they relate to the receipt, maintenance, use, retention, and authorized destruction of County Information.

Notwithstanding any other provisions in this Contract and Exhibit, The Contractor will be (i) liable for all damages and fines, (ii) responsible for all corrective action, and (iii) responsible for all notifications arising from an Incident involving County Information caused by the Contractor's weaknesses, negligence, errors, or lack of Information Security or privacy controls or provisions.

15. NON-EXCLUSIVE EQUITABLE REMEDY

The Contractor acknowledges and agrees that due to the unique nature of County Information there can be no adequate remedy at law for any breach of its obligations hereunder, that any such breach may result in irreparable harm to the County, and therefore, that upon any such breach, the County will be entitled to appropriate equitable remedies, and may seek injunctive relief from a court of competent jurisdiction without the necessity of proving actual loss, in addition to whatever remedies are available within law or equity. Any breach of Section 6 CONFIDENTIALITY will constitute a material breach of this Contract and be grounds for immediate termination of this Contract in the exclusive discretion of the County.

16. AUDIT AND INSPECTION

a. **Self-Audits.** The Contractor must periodically conduct audits, assessments, testing of the system of controls, and testing of Information Security and privacy procedures, including penetration testing, intrusion detection, and firewall configuration reviews. These periodic audits will be conducted by staff certified to perform the specific audit in question at Contractor's sole cost and expense through either (i) an internal independent audit function, (ii) a nationally recognized, external, independent auditor, or (iii) another independent auditor approved by the County.

   The Contractor must have a process for correcting control deficiencies that have been identified in the periodic audit, including follow up documentation providing evidence of such corrections. The Contractor must provide the audit results and any corrective action documentation to the County promptly upon its completion at the County's request. With respect to any other report, certification, or audit or test results prepared or received by the Contractor that contains any County Information, the Contractor must promptly provide the County with copies of the same upon the County's reasonable request, including identification of any failure or exception in the Contractor's Information systems, products, and services, and the corresponding steps taken by the Contractor to mitigate such failure or exception. Any reports and related materials provided to the County pursuant to this Section must be provided at no additional charge to the County.

b. **County Requested Audits.** At its own expense, the County, or an independent third-party auditor commissioned by the County, will have the right to audit the Contractor's infrastructure, security and privacy practices, Data center, services and/or systems storing or processing County Information via an onsite inspection at least once a year. Upon the County's request the Contractor must complete a questionnaire regarding Contractor's Information Security and/or program. The County will pay for the County requested audit unless the auditor finds that the Contractor has materially breached this Exhibit, in which case the Contractor must bear all costs of the audit**;** and if the audit reveals material non-compliance with this Exhibit, the County may exercise its termination rights underneath the Contract.

   Such audit will be conducted during the Contractor's normal business hours with reasonable advance notice, in a manner that does not materially disrupt or otherwise unreasonably and adversely affect the Contractor's normal business operations. The County's request for the audit will specify the scope and areas (e.g., Administrative, Physical, and Technical) that are subject to the audit and may include, but are not limited to physical controls inspection, process reviews, policy reviews, evidence of external and internal Vulnerability scans, penetration test results, evidence of code reviews, and evidence of system configuration and audit log reviews. It is understood that the results may be filtered to remove the specific Information of other Contractor customers such as IP address, server names, etc. The Contractor must cooperate with the County in the development of the scope and methodology for the audit, and the timing and implementation of the audit. This right of access will extend to any regulators with oversight of the County. The Contractor agrees to comply with all reasonable recommendations that result from such inspections, tests, and audits within reasonable timeframes.

   When not prohibited by regulation, the Contractor will provide to the County a summary of: (i) the results of any security audits, security reviews, or other relevant audits, conducted by the Contractor or a third party; and (ii) corrective actions or modifications, if any, the Contractor will implement in response to such audits.

17. CYBER LIABILITY INSURANCE

The Contractor must secure and maintain cyber liability insurance coverage in the manner prescribed in this section unless the Contract prescribes cyber liability insurance coverage provisions and those provisions are no less stringent than those described in this section.

The Contractor must secure and maintain cyber liability insurance coverage with limits of at least $5,000,000 per occurrence and in the aggregate during the term of the Contract, including coverage for: network security liability; privacy liability; privacy regulatory proceeding defense, response, expenses and fines; technology professional liability (errors and omissions); privacy breach expense reimbursement (liability arising from the loss or disclosure of County Information no matter how it occurs); system breach; denial or loss of service; introduction, implantation, or spread of malicious software code; unauthorized access to or use of computer systems; and Data/Information loss and business interruption; any other liability or risk that arises out of the Contract. The Contractor must add the County as an additional insured to its cyber liability insurance policy and provide to the County certificates of insurance evidencing the foregoing upon the County's request. The procuring of the insurance described herein, or delivery of the certificates of insurance described herein, must not be construed as a limitation upon the Contractor's liability or as full performance of its indemnification obligations hereunder. No exclusion/restriction for unencrypted portable devices/media may be on the policy.

18. PRIVACY AND SECURITY INDEMNIFICATION

In addition to the indemnification provisions in the Contract, the Contractor agrees to indemnify, defend, and hold harmless the County, its Special Districts, elected and appointed officers, agents, employees, and volunteers from and against any and all claims, demands liabilities, damages, judgments, awards, losses, costs, expenses or fees including reasonable attorneys' fees, accounting and other expert, consulting or professional fees, and amounts paid in any settlement arising from, connected with, or relating to:

- The Contractor's violation of any federal and state laws in connection with its accessing, collecting, processing, storing, disclosing, or otherwise using County Information;
- The Contractor's failure to perform or comply with any terms and conditions of this Contract or related agreements with the County; and/or,
- Any Information loss, breach of Confidentiality, or Incident involving any County Information that occurs on the Contractor's systems or networks (including all costs and expenses incurred by the County to remedy the effects of such loss, breach of Confidentiality, or Incident, which may include (i) providing appropriate notice to individuals and governmental authorities, (ii) responding to individuals' and governmental authorities' inquiries, (iii) providing credit monitoring to individuals, and (iv) conducting litigation and settlements with individuals and governmental authorities).

Notwithstanding the preceding sentences, the County will have the right to participate in any such defense at its sole cost and expense, except that in the event contractor fails to provide County with a full and adequate defense, as determined by County in its sole judgment, County will be entitled to retain its own counsel, including, without limitation, County Counsel, and to reimbursement from contractor for all such costs and expenses incurred by County in doing so. Contractor will not have the right to enter into any settlement, agree to any injunction or other equitable relief, or make any admission, in each case, on behalf of County without County's prior written approval.

LA COUNTY DEPARTMENT OF CHILDREN AND FAMILY SERVICES (DCFS)

Vendor Information Security Compliance Checklist for SharePoint Data Transfers

1. Purpose

The purpose of this checklist is to ensure that vendors transferring documents via SharePoint comply with the Department of Children and Family Services (DCFS) Information Security and Privacy Requirements. This document aligns with industry standards, including the National Institute of Standards and Technology (NIST), ISO 27001, Microsoft Security Best Practices, and Federal Information Processing Standards (FIPS) 140-2 encryption.

2. Scope

This checklist applies to all vendors, contractors, and third-party service providers handling DCFS data through SharePoint. It outlines mandatory security measures to ensure the confidentiality, integrity, and availability of sensitive information, including Personally Identifiable Information (PII) and Protected Health Information (PHI).

3. Compliance Requirements

Vendor Access & Authentication

- ✅ Vendor must use Multi-Factor Authentication (MFA) for all SharePoint access.
- ✅ Access to SharePoint must be restricted using Role-Based Access Control (RBAC).
- ✅ Only authorized vendor personnel should have access (least privilege principle).
- ✅ No sharing of login credentials is allowed.
- ✅ All access must be logged and auditable.

Data Protection & Classification

- ✅ All files must be classified under the County Data Classification Policy before upload.
- ✅ Confidential/Restricted data must be labeled and protected using Microsoft Sensitivity Labels.
- ✅ No unauthorized data storage outside of DCFS SharePoint is permitted.
- ✅ Data retention policy (as per contract) must be enforced (e.g., auto-delete after 60/90 days).

Secure File Transfer & Encryption

- ✅ Files must be encrypted in transit using TLS 1.2+ or IPSec.
- ✅ Files must be encrypted at rest using AES-256.
- ✅ No public or anonymous file sharing (only specific user access allowed).
- ✅ External links must have expiration dates and be restricted to specific email domains.
- ✅ Microsoft DLP (Data Loss Prevention) policies must be in place to prevent sensitive data leaks.

Vendor Security & Compliance Measures

- ✅ Vendor must have an active Information Security Program (aligned with NIST 800-53).

LA COUNTY DEPARTMENT OF CHILDREN AND FAMILY SERVICES (DCFS)

Vendor Information Security Compliance Checklist for SharePoint Data Transfers

- ✅ Vendor must provide proof of annual security audits and compliance (SOC 2, ISO 27001, etc.).
- ✅ Vendor employees must pass background checks before handling DCFS data.
- ✅ All vendor employees accessing SharePoint must complete cybersecurity awareness training.

Incident Response & Data Breach Protocol

- ✅ Vendor must report any security incidents or breaches within 24 hours to DCFS IT Security.
- ✅ Vendor must provide a full forensic analysis report within 7 days after a breach.
- ✅ Vendor must cooperate with DCFS in breach containment and mitigation efforts.
- ✅ Vendor must have a documented Incident Response Plan (IRP) in place.

Data Retention & Destruction

- ✅ Vendor must follow the contract's data retention policy (e.g., automatic deletion after 60/90 days).
- ✅ Vendor must not store DCFS data in any other location (e.g., personal OneDrive, email, USB).
- ✅ Upon contract termination, vendor must return or securely delete all DCFS data (NIST 800-88).
- ✅ Vendor must provide a Certificate of Data Destruction (CODD) if data is deleted.

Auditing & Compliance Monitoring

- ✅ Vendor must provide logs of user activity, file access, and modifications upon request.
- ✅ Vendor must allow DCFS to audit SharePoint security configurations at least once per year.
- ✅ Vendor must ensure that Microsoft Purview Compliance Center logs are enabled and retained for at least 90 days.
- ✅ Vendor must comply with DCFS vulnerability assessments and penetration testing.

Third-Party & Subcontractor Compliance

- ✅ Vendor must not share DCFS data with third parties without explicit approval.
- ✅ Any subcontractors must comply with DCFS security requirements.
- ✅ Vendor must notify DCFS before engaging any third-party service provider.

Ongoing Security & Policy Updates

- ✅ Vendor must stay updated on SharePoint and Microsoft security best practices.
- ✅ Vendor must comply with any new DCFS security policies introduced during the contract.

LA COUNTY DEPARTMENT OF CHILDREN AND FAMILY SERVICES (DCFS)

Vendor Information Security Compliance Checklist for SharePoint Data Transfers

Final Approval & Sign-Off

Vendor Security Officer Name: _____

DCFS IT Security Contact: _____

Checklist Completion Date: _____

Signature & Acknowledgment:

_____

CONFIDENTIALITY OF CORI INFORMATION

Criminal Offender Record Information (CORI) is that information which is recorded as the result of an arrest, detention or other initiation of criminal proceedings including any consequent proceedings related thereto. As an employee of _____ during the legitimate course of duties, you may have access to CORI. The Probation Department has a policy of protecting the confidentiality of Criminal Offender Record Information.

You are required to protect the information contained in the case files against disclosure to all individuals who do not have a right-to-know this information.

The use of any information obtained from case files or other related sources of CORI to make contacts with probationers or other relatives, or make CORI available to anyone who has no real and proper reason to have access to this information as determined solely by the Probation Department is considered a breach of confidentiality, inappropriate and unauthorized.

Any _____ employee engaging in such activities is in violation of the Probation Department's confidentiality policy and will be subject to appropriate disciplinary action and/or criminal action pursuant to Section 11142 of the Penal Code.

I have read and understand the Probation Department's policy concerning the confidentiality of CORI records.

_____
Signature

_____
Print Name

_____
Title

_____
Date

Copy to be forwarded to Probation Contract Manager within five (5) business days of start of employment.

EXHIBIT L

USER COMPLAINT REPORT

This form is to be used by DCFS users of Redaction Services to report service discrepancies and/or failure to provide training as specified. This User Complaint Report must be delivered immediately to the County Program Manager for this Contract.

Date of Report: _____

DCFS Office Address: _____

DCFS User Name: _____

E-mail Address: _____

Phone No.: _____

Date(s) of Incident(s): _____

Below, please check the appropriate boxes and explain each incident separately:

☐ Redaction Services Contractor is not responding to messages.

☐ Redaction Services Contractor is/was not available or not responding to messages.

☐ Redaction Services Contractor is making staff changes without notification to the County.

☐ Illegal or inappropriate behavior by Redaction Services Contractor.

☐ Redaction Services Contractor is/or has not been submitting reports or maintaining records as required.

☐ Redaction Services Contractor not complying with the quality assurance requirements as specified in the Contract.

☐ Other (describe):

_____

_____

_____

_____

_____

_____

LA COUNTY DEPARTMENT OF CHILDREN AND FAMILY SERVICES (DCFS)

MUTUAL NON-DISCLOSURE AGREEMENT (NDA)

Los Angeles County (LA County or County) requires its contractors, subcontractors, and agents to keep confidential all data, records and information (in any form, format or medium, in-transit and at-rest) that are deemed, designated or marked as Confidential Information as prescribed herein. This Mutual Non-Disclosure Agreement (NDA) is made and entered into by and between DCFS (also referred to as "Discloser"), and _____ (referred to as the "Customer" and/or the "Recipient") (hereinafter individually called "Party" and collectively "Parties"). The NDA sets forth the terms and conditions that govern the disclosure of confidential data and information.

1. DEFINITION OF CONFIDENTIAL INFORMATION. "Confidential Information" means any data and information in any form, format, medium, in-transit and at-rest (i.e., oral, written, graphic, machine-readable form) including without limitation: (a) any technical and non-technical information related to Discloser's business and current, future, and proposed products and services of Discloser, including for example and without limitation, information concerning Discloser's research, development, case details, design details and specifications, financial information, information about Information Technology assets and resources, procurement, client/customer lists, business forecasts, data analytics, and business plans, expenses, trade secrets; and (b) any information Discloser has received from others and which Discloser is obligated to treat as confidential or proprietary for example and without limitation, data and information that is exempt from public disclosure in specific legislation or which is identified as personal, sensitive, or confidential such as personally identifiable information (PII), individually identifiable health information (PHI), medical records (MI), employment and education records, and non-public information as specified in all applicable federal, State and local laws and regulations and County policies**.**

2. NON-DISCLOSURE AND NON-USE OBLIGATIONS. Recipient will not use, disseminate or disclose any of Discloser's Confidential Information except to the extent necessary for internal evaluations in connection the Proposed Transaction. Furthermore, neither party may disclose the existence of any negotiations, discussions or consultations in progress between the parties to any form of public media without the prior written approval of the other party. Recipient will treat all of Discloser's Confidential Information with the same degree of care as Recipient accords to Recipient's own confidential information, but in no case will Recipient use less than reasonable care. Recipient will disclose Discloser's minimum necessary Confidential Information only to those of Recipient's employees, consultants and contractors who have a need to know such information and who have agreed, either as a condition of employment or in order to obtain the Confidential Information, to be bound by terms and conditions substantially similar to those terms and conditions applicable to Recipient under this Agreement. Recipient will immediately give notice to Discloser of any unauthorized use or disclosure of Discloser's Confidential Information. Recipient will assist Discloser in remedying any such unauthorized use or disclosure of Discloser's Confidential Information. Managing or handling (access, view, disclosure, storage, transmission, or usage) County Confidential Information shall be restricted only to within the contiguous United States, Alaska and Hawaii, and as permitted and agreed under this agreement.

3. OWNERSHIP AND RETURN OF CONFIDENTIAL INFORMATION AND OTHER MATERIALS. All of Discloser's Confidential Information is the property of Discloser and no license, intellectual property rights, or other rights to such Confidential Information is granted or implied hereby. In addition, all materials furnished to Recipient by Discloser (whether or not they contain or disclose Discloser's Confidential Information) are the property of Discloser. Upon termination of the agreement or within five (5) days after any request by Discloser, Recipient will deliver to Discloser, or thoroughly and irretrievably purge, clear, shred, sanitize or destroy in fashion that it is rendered unusable, unreadable, or indecipherable to unauthorized individuals at Discloser's option: (a) all such Discloser-furnished materials, and (b) all materials in Recipient's possession or control (even if not furnished by Discloser) that contain any of Discloser's Confidential Information. Recipient will provide Discloser with written certification of Recipient's compliance with its obligations under this Section.

4. TERM AND TERMINATION. This Agreement shall terminate automatically seven (7) years after the Effective date, subject to the following provisions: (a) either party may terminate this Agreement on

LA COUNTY DEPARTMENT OF CHILDREN AND FAMILY SERVICES (DCFS)

MUTUAL NON-DISCLOSURE AGREEMENT (NDA)

written notice to the other; and (b) upon termination by written notice, Recipient's obligations under Section 2 ("Non-disclosure and Non-use Obligations") shall continue for five (5) years. With respect to trade secrets, the obligations of Non-disclosure and Non-use shall survive any termination of this Agreement and shall continue in perpetuity or until such obligations no longer apply.

5. NO ASSIGNMENT. Neither party will assign or transfer any rights or obligations under this Agreement without the prior written consent of the other party, which consent will not be unreasonably withheld.

6. INJUNCTIVE RELIEF. A breach of this Agreement may cause irreparable and continuing damage for which money damages are insufficient, and the effected Party will be entitled to seek injunctive relief, a decree for specific performance, and such other relief as may be proper (including money damages, if appropriate).

7. NOTICES. Any notice required or permitted by this Agreement will be in writing and will be delivered as follows, with notice deemed given as indicated: (a) by personal delivery, when delivered personally, (b) by overnight courier, upon written verification of receipt, or (c) by certified or registered mail, return receipt requested, upon verification of receipt. Notice will be sent to the addresses set forth below or to such other address as either party may provide in writing.

8. GOVERNING LAW; VENUE; LEGAL FEES. This Agreement will be governed in all respects in accordance with all applicable federal, State of California, local, and LA County data and information protection rules, laws, regulations, mandates, ordinances, standards, best practices, guidelines, directives, policies and procedures including without limitation, the California Public Records Act, the California Education Code, California Information Practices Act of 1977, the Federal Privacy Act of 1974, and the Federal Family Education Rights and Privacy Act of 1974, California Civil Code Section 1798.82, California Penal Code Section 502, Health Insurance Portability and Accountability Act of 1996 (HIPAA) Health Information Technology for Economic and Clinical Health Act (HITECH), and Los Angeles County Board of Supervisors Policy Manual Chapters 3 (3.040 - Records Management and Archive of County Records), 5 (5.200 - Contractor Protection of Electronic County Information) and 6 of County's Policy Manual, which can be accessed at https://library.municode.com/ca/la_county_-_bos/codes/board_policy?nodeId=CH6INTE.

9. SEVERABILITY. If any provision of this Agreement is held by a court of law to be illegal, invalid or unenforceable: (a) that provision will be deemed amended to achieve an economic effect that is as near as possible to that provided by the original provision and (b) the legality, validity and enforceability of the remaining provisions of this Agreement will not be affected.

10. EXPORT ADMINISTRATION. U.S. export control laws and the export and import control laws of other countries may govern the use of Confidential Information. Each party to this Agreement agrees to comply fully with all relevant export laws and regulations, including the U.S. Export Administration Act and Regulations, to assure that no Confidential Information or any portion thereof is exported, directly or indirectly, in violation of law.

11. MODIFICATION; WAIVER. The terms of this Agreement may be amended or modified only in a writing signed by both Parties. For avoidance of doubt, emails with a typed name and/or signature block do not constitute signed writings. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provisions hereof (whether or not similar) nor shall such waiver constitute a continuing waiver.

12. DISCLOSURE OF SECURITY INCIDENT AND DATA BREACH. Upon discovery or reasonable belief of any unauthorized access, use, modification, exposure, acquisition, disclosure, compromise, or loss of County or DCFS data and information ("Security Incident"), Recipient shall notify the County no later than (48) hours. Breach reports of shall include, to the extent available, the identification of each individual whose Data has been, or is reasonably believed to have been accessed, viewed, acquired, or disclosed during such breach.

13. PROTECTION OF CONFIDENTIAL DATA AND INFORMATION. Recipient will hold Discloser's Confidential Information in confidence for a period of seven (7) years from the Effective Date of this Agreement unless required by law, not to make Discloser's Confidential Information available in any

LA COUNTY DEPARTMENT OF CHILDREN AND FAMILY SERVICES (DCFS)

MUTUAL NON-DISCLOSURE AGREEMENT (NDA)

form to any third party for any purposes. Recipient agree: (a) use Confidential Information, as set forth in this Agreement and otherwise for the purposes or projects approved by the County; (b) ensure individual anonymity and adhere to the mandates for confidentiality; (c) not disclose or disseminate any Confidential Information including without limitation, Personally Identifiable Information (PII), Protected Health Information (PHI) and Medical Information (MI) to the public; and (d) implement reasonable and adequate measures and safeguards to protect and preserve the privacy, confidentiality, availability and integrity of County Confidential Information (electronic and hard copy) including without limitation, necessary measures to timely identify, detect, protect, respond, mitigate, and prevent against any (intentional or accidental) unauthorized acquisition, access, use, modification, disclosure, loss or damage of County Confidential Information by any cause (manmade and natural).

14. DATA HOSTING. HOSTING OR STORING Prior to storage or transmission of any County or DCFS electronic data and information to non-County Cloud environment, Recipient shall: (a) obtain an official written authorization and approval from DCFS; (b) at minimum, adhere to and comply with one of the latest Cloud security and privacy standards, including but not limited to, Cloud Security Alliance (CSA), The National Institute of Standards and Technology (NIST), and/or Information Security Management System Standards 27001, 27002, and 27017:2015 promulgated by the International Organization for Standardization (ISO) and International Electrotechnical Commission (IEC).

15. ENCRYPTION REQUIREMENT. Recipient shall adequately secure and encrypt all LA County and DCFS electronic data and information while in-transit) At storage (e.g., servers, workstations, portable/mobile devices, wearables, tablets, thumb drives, external hard drives, etc.) using Advanced Encryption Standard (AES) with a minimum cipher strength of 256-bit in accordance with: (a) Federal Information Processing Standard Publication (FIPS) 140-2; (b) National Institute of Standards and Technology (NIST) Special Publication 800-57 Recommendation for Key Management; (c) NIST Special Publication 800-57 Recommendation for Key Management – Part 2: Best Practices for Key Management Organization; and (d) NIST Special Publication 800-111 Guide to Storage Encryption Technologies for End User Devices. II) In-transit using the latest stable version of Secure Sockets Layer (SSL)/Transport Layer Security (TLS) with a minimum cipher strength of 128-bit in accordance with: (a) NIST Special Publication 800-52 Guidelines for the Selection and Use of Transport Layer Security Implementations; and (b) NIST Special Publication 800-57 Recommendation for Key Management – Part 3: Application–Specific Key Management Guidance.

16. ENTIRE AGREEMENT. This Agreement sets forth the entire agreement with respect to the Confidential Information disclosed hereunder and supersedes all prior or contemporaneous agreements concerning such Confidential Information, whether written or oral. All additions or modifications to this Agreement must be made in writing and must be signed by authorized representatives of both parties. If any term of this Agreement is found to be invalid or unenforceable, the remaining provisions will remain effective.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Effective Date: _____

LA County DCFS	**Recipient Name:**
Authorized Signature: _____ **Name:** Allen Ohanian **Title:** DCFS Chief Information Security Officer **Address:** 12440 Imperial Hwy, Room# 504 Norwalk, California 90650	**Authorized Signature:** _____ **Name:** **Title:** **Address:**