

Payment Provisions and Cost Worksheets

1. Payment Related Terms in this Agreement

The provisions in this attachment supplement and/or supersede, where indicated below, the payment related and/or invoice terms appearing in the Department of General Services' (DGS) Information Technology General Provisions (GSPD 401IT) and/or one or more General Services' Special Provision exhibits identified below. The Contractor shall comply with the various payment and invoice related provisions located in the applicable attachments and exhibits incorporated into this Agreement and those appearing in the Master Agreement entered into with DGS. Said payment and invoice provisions may include, at a minimum, the provisions identified herein.

| Supplements / Supersedes | Exhibit Source – Provision Title | Clause # | Basic Description of Provision Content |
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| | GSPD 401 IT – Transportation Costs and Other Fees or Expenses | 13 | Allowable delivery, shipping, parcel, post, packing, and freight charges or fees. |
| | GSPD 401 IT – Termination for Non-Appropriation of Funds | 21 | Budget contingency conditions and affect on services and deliverables if funds are not appropriated in future years of multi-year contracts. |
| | GSPD 401 IT – Termination for the Convenience of the State | 22 (b) (iv) | Settlement of amounts payable following termination for convenience by the State |
| | GSPD 401 IT – Termination for the Default | 23 | Settlement of amounts payable following termination for default by Contractor. |
| | GSPD 401 IT – Rights and Remedies of State for Default | 25 | Contractor expenses resulting from termination for default by Contractor. |
| | GSPD 401 IT – Limitation of Liabilities | 26 | Contractor's liability for damages to the State. |
| Attachment 2 Provision 2 herein supersedes this item | GSPD 401 IT – Invoices | 29 | Identifies invoicing instructions. HIPAA Special Provisions deleted paragraph 29(a) in the GSPD 401 IT. |
| | GSPD 401 IT – Required Payment Date | 30 | Prompt payment requirements |
| | GSPD 401 IT – Taxes | 31 | Identifies allowable taxes eligible for reimbursement |

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| | Personal Services Special Provisions – Invoicing and Payment for Services | 5 | Application of 10% payment withhold to invoices for service and task orders. |
| | IT Software Special Provisions - Fees and Charges | 3 | Software license fees |
| | Attachment 5 – Federal Contract fund provisions | 2 | Terms relevant to federal contract funds |

2. Reimbursement Conditions

A. For services/deliverables satisfactorily rendered and accepted by DHCS, and upon receipt and approval of the invoices, DHCS agrees to compensate the Contractor for expenditures incurred in accordance with the Cost Worksheets attached hereto. All services rendered under this Agreement are on a firm fixed price basis and the Contractor is responsible for performing all tasks and responsibilities and providing all deliverables (if any) identified in this Agreement, at the rates and total price offered, regardless of any difference in the actual number of hours required to perform the work and those estimated in response to the RFO.

B. Invoices shall include the Agreement Number and shall be submitted in duplicate not more frequently than monthly in arrears to:

Brian Kentera
 Department of Health Care Services
 Children’s Medical Services Information Technology Section
 MS 8100
 P.O. Box 997413, 1515 K Street, Suite 400
 Sacramento, CA 95899-7413

DHCS, at its discretion, may designate an alternate invoice submission address. A change in the invoice address shall be accomplished via a written notice to the Contractor by DHCS and shall not require an amendment to this Agreement.

C. Invoices shall:

1. Be prepared on Contractor letterhead. If invoices are not on produced letterhead, invoices must be signed by an authorized official, employee or agent certifying that the expenditures claimed represent actual expenses for the service performed under this Agreement.
2. Bear the Contractor’s name as shown on the Agreement.
3. Identify the billing and/or performance period covered by the invoice.
4. Itemize costs for the billing period in the same or greater level of detail as indicated in this Agreement. Subject to the terms of this Agreement, reimbursement may only be sought for those costs and/or cost categories expressly identified as allowable in this Agreement and approved by DHCS.

D. Rates Payable

The Contractor will be reimbursed according to the rate schedule appearing in the incorporated Cost Worksheet(s) and the terms herein and in accordance with the applicable payment terms appearing in the Master Agreement between the Contractor and the Department of General Services (DGS).

3. Amounts Payable

- A. Reimbursement shall be made for allowable expenses accruing to the applicable state fiscal year in which services are performed and/or goods are received.
- B. The Contractor must maintain records reflecting actual expenditures for each state fiscal year covered by the term of this Agreement.

4. Progress Payment Withholds

The services to be performed and deliverables to be provided under this Agreement may be subject to progress payment withholds as described in the Department of General Services Personal Services Special Provisions – Item 5 entitled, “Invoicing and Payment for Services”.

5. Expense Allowability / Fiscal Documentation

- A. Invoices, received from a Contractor and accepted and/or submitted for payment by DHCS, shall not be deemed evidence of allowable agreement costs.
- B. Contractor shall maintain for review and audit and supply to DHCS upon request, adequate documentation of all expenses claimed pursuant to this agreement to permit a determination of expense allowability.
- C. If the allowability or appropriateness of an expense cannot be determined by DHCS because invoice detail, fiscal records, or backup documentation is nonexistent or inadequate according to generally accepted accounting principles or practices, all questionable costs may be disallowed and payment may be withheld by DHCS. Upon receipt of adequate documentation supporting a disallowed or questionable expense, reimbursement may resume for the amount substantiated and deemed allowable.