Agency Special Provisions

1. **Amendment Process**

Should either party, during the term of this Agreement, desire a change or amendment to the terms of this Agreement, such changes or amendments shall be proposed in writing to the other party, who will respond in writing as to whether the proposed changes/amendments are accepted or rejected. If accepted and after negotiations are concluded, the agreed upon changes shall be made through the State's official agreement amendment process. No amendment will be considered binding on either party until it is formally approved by both parties and approved by the Department of General Services (DGS) if such approval is required.

2. **Cancellation / Termination Provisions in this Agreement**

The Contractor shall comply with the various cancellation and termination related provisions located in the applicable attachments incorporated into its Master Agreement with the Department of General Services. Said cancellation and termination related provisions include, at a minimum, the provisions identified herein. Cancellation and/or termination notices shall be directed to the respective Agreement Representatives of both parties at the respective addresses.

Exhibit Source in Master Agreement with DGS – Provision Title	**Clause #**	**Basic Description of Provision Content**
(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 Convenience of the State	22	Stipulates the State's rights to cancel the agreement in whole or part upon notice; indicated Contractor requirements upon notice, and outlines payment settlement issues.
(GSPD 401 IT) Termination for Default	23	Stipulates the State's rights to terminate the agreement immediately for default and addresses settlement of amounts payable following termination for default

3. **Dispute Resolution Process**

A. This provision supplements and is in addition to provision #41 entitled, "Disputes" appearing in the document entitled, "General Provisions – Information Technology" that is incorporated into the Contractor's Master Agreement with DGS. Steps B1) through B3) of this provision are to be followed prior to initiating the process described in Provision #41 entitled, "Disputes".

B. If a dispute arises between the Contractor and DHCS, the Contractor must seek resolution using the process outlined below. DHCS may, at its discretion, waive a specific step outlined herein to progress settlement to the next appropriate level.

1) The Contractor should first informally discuss the problem with the DHCS program contract manager. If the problem cannot be resolved informally, the Contractor must direct the grievance together with any evidence, in writing, to the program Branch Chief. The grievance must state the issues in dispute, the legal authority or other basis for the Contractor's position and the remedy sought. The Branch Chief must render a decision within ten (10) working days after receipt of the written grievance from the Contractor. The

Branch Chief shall respond in writing to the Contractor indicating the decision and reasons therefore. Should the Contractor disagree with the Branch Chief's decision, the Contractor may appeal to the second level.

2) When appealing to the second level the Contractor must prepare an appeal indicating the reasons for disagreement with the Branch Chief's decision. The Contractor shall include with the appeal a copy of the Contractor's original statement of dispute along with any supporting evidence and a copy of the Branch Chief's decision. The appeal shall be addressed to the Deputy Director of the division in which the branch is organized within ten (10) working days from receipt of the Branch Chief's decision. The Deputy Director of the division in which the branch is organized or his/her designee shall meet with the Contractor to review the issues raised. A written decision signed by the Deputy Director of the division in which the branch is organized or his/her designee shall be directed to the Contractor within twenty (20) working days of receipt of the Contractor's second level appeal. Should the Contractor disagree with the Deputy Director's decision or his/her designee's decision, the Contractor may appeal to the next level.

3) If the dispute persists, Contractor shall submit to DHCS' Director or designee a written demand for a final DHCS decision regarding the disposition of the grievance or dispute. The written demand must indicate the reasons for disagreement with the Deputy Director's decision or that of his/her designee, attaching to it the Contractor's original statement of dispute along with any supporting evidence and a copy of the Deputy Director's decision or that of his or her designee.

4) There are organizational differences within DHCS' funding programs and the management levels identified in this dispute resolution provision may not apply in every contractual situation. When a grievance is received and organizational differences exist, the Contractor shall be notified in writing by the DHCS program contract manager of the level, name, and/or title of the appropriate management official that is responsible for issuing a decision at a given level.

5) If the Contractor is not satisfied with the decision of DHCS' Director or designee, the Contractor may appeal DHCS' decision to the Department of General Services, Deputy Director, Procurement Division. In the event that this Contract is for Information Technology services and/or goods, the decision may be appealed to an Executive Committee of State and Contractor personnel. See provision #41(a) entitled, "Disputes" appearing in "General Provisions Information Technology" for additional information.

4. **Subcontract Requirements**

(Applicable to agreements under which services are to be performed by subcontractors including independent consultants.)

A. With the exception of subcontractors identified in an RFO response, prior DHCS authorization will be required before the Contractor delegates contract services to a subcontractor.

1) When applicable, the Contractor must provide in its request for authorization, all particulars necessary for evaluating the necessity and desirability of acquiring a subcontractor.

2) The State may identify the information needed to fulfill this requirement.

B. Contractor shall maintain a copy of each subcontract entered into in support of this Agreement and shall, upon request by DHCS, make said copies available for approval, inspection, or audit.

C. The Contractor is responsible for all performance requirements under this Agreement even though performance may be carried out through a subcontract.

D. The Contractor shall ensure that all subcontracts for services include provision(s) requiring compliance with applicable terms and conditions specified in this Agreement and in the attachments incorporated by reference.

E. Unless otherwise stipulated in writing by DHCS, the Contractor shall be the subcontractor's sole point of contact for all matters related to performance and payment under this Agreement.

F. DHCS assumes no responsibility for making payment to any subcontractor used in performance of this Agreement. Contractor accepts sole responsibility for the payment of all subcontractors used in performance of this Agreement.

G. The Contractor agrees to include the following clause, relevant to record retention, in all subcontracts for services:

"(*Subcontractor Name*) agrees to maintain and preserve, until three years after termination of (*Agreement Number*) and final payment from DHCS, to permit DHCS or any duly authorized representative, to have access to, examine or audit any pertinent books, documents, papers and records related to this subcontract and to allow interviews of any employees who might reasonably have information related to such records."

5. **Insurance Requirements**

Contractor shall comply with the following insurance requirements:

A. This provision supplements and is in addition to provision #20 entitled, "Insurance" appearing in Exhibit C entitled, "General Provisions - Information Technology" within the Contractor's Master Agreement with the Department of General Services.

B. Commercial General Liability

The Contractor must furnish to DHCS a certificate of insurance stating that commercial general liability insurance of not less than $1,000,000 per occurrence for bodily injury and property damage liability combined is presently in effect for the Contractor. The commercial general liability insurance policy shall include coverage for liabilities arising out of premises, operations, independent contractors, products, completed operations, personal and advertising injury, and liability assumed under an insured agreement. The commercial general liability insurance shall apply separately to each insured against whom claim is made or suit is brought subject to the Contractor's limit of liability.

C. The certificate of insurance must be issued by an insurance company acceptable to the Department of General Services (DGS) Office of Risk and Insurance Management or be provided through partial or total self-insurance acceptable to DGS.

D. The certificate of insurance must include the following provisions:

1) The insurer will not cancel the insured's coverage without giving 30 days prior written notice to the California Department of Health Care Services, and

2) The State of California, its officers, agents, employees, and servants are included as additional insureds, but only with respect to work performed for the State of California under this agreement.

E. The Contractor agrees that the insurance required herein will remain in effect at all times during the term of the agreement. In the event said insurance coverage expires at any time or times during the term of this agreement, the Contractor agrees to provide, at least 30 calendar days before said expiration date, a new certificate of insurance evidencing insurance coverage as provided for herein for not less than the remainder of the term of the agreement or for a period of not less than one year. DHCS may, in addition to any other remedies it may have, terminate this agreement on the occurrence of such event. New certificates of insurance are subject to the approval of DGS, and the Contractor agrees that no work or services shall be performed prior to such approval.

F. DHCS will not be responsible for any premiums, deductibles, or assessments on the insurance policy.