

CHILLER MAINTENANCE AND INCIDENTAL REPAIR

1. INTRODUCTION/SERVICES

- A. Contractor shall provide services, as specified, to the California Department of Veterans Affairs (CalVet). Contractor shall provide services at the Veterans Home (Home), located at 10900 Telephone Road, Ventura, CA 93004. Contractor shall provide all labor, materials, staff, transportation, license, permits, and every other item of expense necessary to perform the services described in this Exhibit, unless otherwise stated, to provide Chiller Maintenance and Incidental Repair Services. Services shall be provided at the Home, upon request and in compliance with the terms of this Agreement.
- B. All work shall be coordinated and approved by the CalVet Contract Manager or designated representative. Services shall be performed during standard business hours 7:00 a.m. to 4:00 p.m., Monday through Friday, unless otherwise specified. No work is to be performed on State holidays or on an overtime basis unless prior approval is received in writing from the CalVet Contract Manager, prior to this work taking place. Any services performed outside the scope of this Agreement or not approved by the CalVet Contract Manager, or designated representative will be at the sole risk and expense of the Contractor.
- C. Contractor must be able to perform the tasks associated with providing services under the scope of their license. Contractor will provide services in accordance with federal and state laws and regulations and CalVet policies.
- D. The Contractor is not authorized to deliver or commence performance of services as described in the Agreement until written approval has been obtained from the CalVet Contract Manager and the Contractor has received an executed contract from CalVet. Any delivery or performance of service commenced prior to the Contractor obtaining all written approvals shall be considered voluntary on the part of the Contractor.

2. EQUIPMENT

- A. The following equipment is included in this Agreement:

2 each	Chiller Manufacturer: Commercial HVAC Model #: WA030.1AG.44.C Serial #: FF0010D277Q0321-2, FF0010D277Q0321-1
2 each	Cooling Tower Manufacturer: Evapco Model #: ATW643H2 Serial #: 8353510, 8353509
4 each	Air Handler Manufacturer: Energy Labs Ac-1 model # 0802-3477 Ac-2 model # 0802-3477 Ac-3 Model # 0802-3477 Ac-4 Model # 0802-3477
3 each	Chill Water VFD Manufacturer: Dan Foss
3 each	Condenser VFD Manufacturer: Dan Foss
2 each	Cooling Tower Fan Manufacturer: Dan Foss
2each	Cooling tower Water Pumps Manufacturer: evapco

- B. The State reserves the right to delete or add similar equipment listed above. Additional equipment will be serviced as specified herein at the rates indicated in Exhibit B-1. Contractor will be notified in writing by the CalVet Contract Manager of equipment that has been added and/or removed from the list.

3. **MINIMUM QUALIFICATIONS**

All services performed under this Agreement shall be performed by qualified service technicians in the employ or under the direction of the Contractor.

Contractor shall provide technicians trained and experienced in maintaining the listed equipment Contractor shall provide the State with proof of the required training for each service technician providing services under this Agreement. Acceptable proof may be a resume showing experience, training, and factory school completion.

The contractor shall be registered with the California Department of Industrial Relations (DIR) as a Public Works Contractor pursuant to Labor Code section 1725.5 prior to the execution of the agreement and for the duration of the contract.

The contractor shall maintain an active and valid DIR Public Works Contractor Registration (PWCR) at all times while performing work under this agreement. Failure to maintain a valid DIR registration shall render the contractor ineligible to perform services and may result in suspension of work, withholding of payment, or termination of the agreement.

The contractor shall provide proof of DIR registration upon request and shall immediately notify the Contract Manager of any change in registration status.

4. **CONTRACTOR'S RESPONSIBILITIES**

- A. The Contractor shall provide the following services:

Maintenance and incidental repair services are for two (2) Smardt 60 Ton Turborcor Chillers, two (2) Cooling towers, four (4) air handlers, three (3) chilled water pumps, three (3) condenser pumps, two (2) cooling tower fans, and two (2) cooling tower water pumps, which will include emergency service to trouble-shoot any problems that occur and annual cooling season start-up inspections. Services shall include all associated motors, condenser water pumps, chiller water pumps, cooling tower pumps, and VFD drives.

The maintenance and incidental repair services must meet the manufacturer's requirements to properly maintain and service the chillers. Verify operation per manufacturer specifications.

1. Annual Cooling Season Start-up and Inspection: Chiller annual service (one time between January and March) in order to prepare for the summer months. Contractor must perform the following tasks:
 - A. Check auxiliary equipment operation.
 - B. Check refrigerant levels
 - C. Check and test all operating and safety controls.
 - D. Check for proper voltage and starter operation.
 - E. Megger check motor windings on all compressors.
 - F. Calibrate all controls and transducers.
 - G. Check for proper sub-cooling and superheat temperatures.
 - H. Log all operating conditions after the unit stabilizes.
 - I. Review operating procedures with the CalVet Contract Manager or designated representative.

- J. Brush condenser tubes yearly on 2 chillers.
 - K. Perform eddy current testing and inspect the tubes
 - L. Annual leak checks on each chiller and provide an AQMD report to the CalVet Contract Manager or designated representative.
 - M. Check and clean the cooling towers for proper operation.
 - N. Check all pumps and VFD drives for proper operation.
 - O. Verify operation per manufacturer specifications
2. Refrigerant Conservation Services: Contractor will perform refrigerant leak detection, storage of refrigerant, and use of recycling equipment to ensure compliance with Clean Air Act and other State, local, and EPA regulations.
3. Annual Maintenance Service on two (2) Smardt 60 Ton Turbo-Core Chiller
- A. Perform 12-Point workplace safety check.
 - B. Check general equipment operation.
 - C. Check control, power and piping.
 - D. Check safety / operating controls.
 - E. Check starter wiring and contacts.
 - F. Check gauges / indicator lights.
 - G. Check mechanical equipment.
 - H. Secure power circuit; lock and tag.
 - I. Tighten connections, torque as specified.
 - J. Clean contacts of main contactors.
 - K. Clean filters, grilles and louvers.
 - L. Clean heat sink and cooling fans.
 - M. Clean internal components (clean boards, if necessary).
 - N. Restore power.
 - O. Remove motor leads.
 - P. Reconnect motor leads.
 - Q. Check all electrical connections
4. Semi-Annual Services
- Services to be performed: Chiller services for operational checks. This service shall last at least four (4) hours. The operational inspections are as follows:
- A. Check and test all operating and safety controls.
 - B. Log all operating conditions, pressure and temperature, and amps.
 - C. Visual check for refrigerant leaks.
 - D. Check for unusual noise and vibration.
 - E. Provide written field service report.

5. Contractor shall provide the CalVet Contract Manager with a phone number for technical support.

5. **EMERGENCY SERVICE**

Contractor shall provide any necessary emergency repairs upon request from the CalVet Contract Manager. Contractor must respond to requests for emergency repair and provide acknowledgment within 2 hours. When possible, emergency repairs will be performed during normal business hours as specified herein. The State may, at its discretion, allow access to the equipment during non-business hours when necessary.

Emergency services provided by the Contractor, if at the specific request of the State, will be compensated for actual hours worked on site at the Contractor's emergency call hourly rate, as specified in Exhibit B-1, Rate Sheet. Any emergency repair service provided shall be completed the same working day, unless written notification delay is submitted to the CalVet Contract Manager immediately upon diagnosis of equipment deficiency. Any parts requiring replacement will be replaced in accordance with the Parts Replacement section specified herein.

6. **INCIDENTAL REPAIR SERVICE**

A. Contractor must provide unlimited visits for any repair services requested or necessary to keep the equipment fully operational. Repair services that are not provided during regularly scheduled maintenance visits, or not covered by the Guarantee section of the Scope of Work, must be compensated by the State for actual hours worked on-site at the Contractor's Repair Hourly Rate as specified in Exhibit B-1, Rate Sheet. Any parts requiring replacement will be replaced in accordance with the Parts Section. Repair service will be provided upon written request from the Contract Manager. Contractor shall respond to requests for repair service within 24 hours of initial notification. Every effort shall be made to perform repair services during normal business hours. The State may, at its discretion, allow access to the equipment during non-business hours when necessary.

B. Upon service completion, the Contractor shall notify the CalVet Contract Manager to schedule a building walk-through. A list will be created which addresses all work that does not comply or meet the approval of the CalVet Contract Manager. The Contractor, at his own expense, must promptly correct work that does not comply with the requirements of the Agreement. Completion work will consist of:

1. Check and calibrate operational and safety control devices.
2. Recharge refrigerant.
3. Pressurize and leak check system.
4. Start up and test equipment and control devices.
5. Provide two (2) complete sets of reports on all work, including conclusions and recommendations.

7. **DOCUMENTATION REQUIREMENTS**

After completion of service, the Contractor shall submit documentation to the CalVet Contract Manager of the services provided within 24 hours of service, including any repairs. The report shall include refrigerant tracking requirements:

- A. Date of service.
- B. Description of service provided, including replacement of any worn parts.
- C. Name and signature of service technician.
- D. Location of equipment.
- E. Equipment Make, Model, and Serial Number.
- F. Description of any noted deficiencies and suggested corrective action.
- G. Total labor hours expended.
- H. Signature of State employee certifying indicated services were performed.

8. LICENSES, PERMITS, AND CERTIFICATION REQUIREMENTS

- A. Contractor must be licensed to conduct business in California.
- B. Contractor shall ensure all licenses, permits, and certification requirements are verified and current throughout the term of this Agreement.
- C. Contractor shall possess and maintain a current and valid State of California State Contractors License Board (CSLB) license appropriate for the work described in this Agreement, including either:
 - 1. C-38 Refrigeration Contractor, or
 - 2. C-20 Heating, Ventilating and Air Conditioning (HVAC) Contractor.The license shall remain active and in good standing throughout the term of the Agreement.
- D. Contractor and subcontractors must maintain an active DIR PWCR.
- E. Contractor personnel performing confined space entry shall maintain current confined space entry certification in compliance with OSHA/Cal/OSHA requirements. Contractor personnel performing work involving refrigerants shall maintain a valid EPA Section 608 certification appropriate to the work performed.

9. PREVAILING WAGES

- A. In accordance with the provisions of Section 1770 of the Labor Code, the Department has determined that the general prevailing wages rates are applicable in the county in which the work is being performed and are the rates established and published by the Director of Industrial Relations, <http://www.dir.ca.gov/oprl/pwd/>.
 - 1. The Notice to Contractors stipulates the prevailing wage rates are applicable to the classes of labor to be used on this project.
 - 2. Pursuant to Labor Code Section 1776 completed certified payroll reporting forms for all workers involved in this project shall be submitted to the CalVet Contract Manager prior to the authorization of any payment for work under this contract.
- B. Both parties shall retain a copy of the prevailing rates on file. Copies of the prevailing rate of per diem wages are on file with the California Department of Veterans Affairs and shall be made available to any interested party on request. LC § 1773.2.
- C. Pursuant to Labor Code Section 1775, the Contractor and any subcontractor under the contractor shall, as a penalty to the state or political subdivision on whose behalf the contract is made or awarded, forfeit not more than two hundred dollars (\$200.00) for each calendar day, or portion thereof, for each worker paid less than the prevailing wage rates as determined by the director for the work or craft in which the worker is employed for any public work done under the contract by the contractor or, except as provided in subdivision (b) by any subcontractor under the contractor. This provision shall not apply to properly indentured apprentices.
- D. Pursuant to Labor Code Section 1813, the contractor or subcontractor shall, as a penalty to the state or political subdivision on whose behalf the contract is made or awarded, forfeit twenty-five (\$25) for each work employed in the execution of the contract by the respective contractor or subcontractor for each calendar day during which the worker is required or permitted to work more than 8 hours in any one calendar day and 40 hours in any one calendar week in violation of the provisions of this article. In awarding any contract for public work, the awarding body shall cause to be inserted in the contract a stipulation to this effect. The awarding body shall take cognizance of all violations of this article committed in the course of the execution of the contract, and shall report them to the Division of Labor Standards Enforcement.

10. PARTS REPLACEMENT

- A. This Agreement shall include replacement of any part that becomes worn or inoperable, or that otherwise affects the equipment's operability in any way. A written estimate of the required part(s) must be submitted to the CalVet Contract Manager and approved before replacement in all cases. Parts replaced under this Agreement shall be new, factory manufactured, or exceeding Original Equipment Manual (OEM) specifications. Contractor should maintain an adequate supply and/or must be able to obtain within a reasonable amount of time any necessary replacement parts to perform repairs and maintenance in a timely manner. Consumables and other supply items are hereby excluded.
- B. Contractor shall provide all replacement parts costing up to \$500 per repair, non-accumulative, which are necessary to keep equipment performing within the manufacturer's specifications. Contractor shall complete repairs at no additional charge to the Home. If repairs exceed \$500, contractor is to provide a written estimate to the Contract Manager. If approved, parts shall be billed under the parts allocation outlined in the budget detail.
- C. Any parts replaced shall remain the property of the Home. The only exception is when the CalVet Contract Manager authorizes the Contractor to use the part(s) as a refund for "core" charges. If the Contractor is authorized to use the part for "core" exchange, the invoice must reflect the reduced cost of the parts based on "core" exchange value.
- D. The State assumes no responsibility and shall not reimburse the Contractor for parts ordered by the Contractor and/or labor if the part was installed prior to authorization by the CalVet Contract Manager. Contractor shall be responsible for the replacement of parts necessitated by the Contractor's negligence at no expense to the State.

11. GUARANTEE

The Contractor will guarantee all services performed by Contractor's service technicians, including any replaced parts, for a minimum of ninety (90) days from the date of service performance. If it is determined that failure has occurred due to defective parts or workmanship, the Contractor shall correct the failure at no additional expense to the State. Labor is guaranteed for ninety (90) days from the date of service, and all replacement parts are covered in accordance with the manufacturer's warranty.

12. SAFETY, PROTECTION AND CLEAN-UP

- A. All work shall conform to and be in compliance with the State of California, Occupational Health and Safety Division, General Safety Orders, Title 8, including but not limited to Sections 3282-3299.
- B. The State of California reserves the right to review the U.S. Occupational Safety and Health Review Commission report web site at any time throughout the term of this Agreement to confirm continued safety regulation compliance. Any citations or penalties resulting from OSHA inspections may result in termination as outlined in Exhibit D, paragraph 8, Right to Terminate.
- C. Notification and Safety Data Sheets (SDS) must be provided to the Chief of Plant Operations 24 hours before applications. Contractor shall not utilize materials in the performance of its services, which will create noxious fumes.
- D. The Contractor shall maintain and implement all required safety programs applicable to chiller, HVAC, and mechanical system maintenance, including but not limited to: Lockout/Tagout (LOTO), Hazard Communication, Confined Space Entry, Respiratory Protection (if applicable), Heat Illness Prevention, and Injury and Illness Prevention Program (IIPP). Contractor shall ensure all employees performing work under this Agreement are trained in these programs and can provide documentation upon request.

13. ACCIDENT/DAMAGE

- A. Any damage to existing facilities or structures resulting from this work shall be reported immediately to the State and be repaired immediately by the Contractor to the satisfaction of and at no cost to the State. Such repairs shall comply with all applicable provisions of this Agreement.
- B. Damage caused to the equipment covered herein due to fire, abuse, Act of God, accident, unauthorized alterations, disasters, the elements, failure of electrical power, misuse, use of authorized agents, vandalism or negligence by the State or its officers, agents, employees, or Home residents, are not covered by this agreement except on a time and material basis. Such repairs will be performed by the Contractor at the Contractor's current, published rates at the time service is required, but only after the Contractor has made an estimate of all costs involved and written documentation has been provided to the CalVet Contract Manager. The State is solely responsible for deciding what, if any, repairs shall be made. Contractor shall submit written incident report within 24 hours

14. BUILDING SECURITY

All Contractor personnel are to sign in and out, as required by the Veterans Homes security provisions.

15. PERSONNEL

Contractor's employees must adhere to the following:

- A. Be neatly attired at all times and must wear clothing with Contractor's name identification.
- B. Designate an on-site supervisor and provide in writing the name and telephone number to the CalVet Contract Manager two (2) weeks prior to the starting date. The "supervisor" means a qualified, responsible and knowledgeable person designated in writing by the Contractor, having authority to act for the Contractor on a day-to-day basis at the work site.
- C. Contractor shall notify the CalVet Contract Manager of any necessary utilities that will be required in the performance of the work at the site. Water, electric light and power, elevator and restroom facilities are available free of charge. However, these facilities shall be kept clean at all times and are not to be used for anything other than their intended purpose.
- D. All Contractor personnel shall wear appropriate PPE required for the work being performed and shall display a visible identification badge showing their name, photograph, and company affiliation while on State property.

16. WORK AREA

While working on equipment, Contractor agrees to perform services with as little disruption to the State's operations as possible. Maintain safe access at all times.

17. WORKMANSHIP

All work provided by the Contractor shall conform to the latest requirements of Federal, State, City and County regulations. This includes but is not limited to Titles 17, 19 and 22 of the California Code of Regulations. Contractor is responsible for compliance with all applicable laws, codes, rules and regulations on connection with work performed under this Agreement. Any services performed by the Contractor will be inspected by the State after completion. The State is solely responsible for determining acceptability of the work performed and the operability of the equipment.

18. INDEPENDENT CONTRACTOR STATUS

- A. The Contractor/Providers shall be considered “Independent Contractors” in relation to CalVet and the State. Therefore, the Contractor/Providers shall not be considered employee(s) of the Home and shall not be entitled to any employee benefits from the CalVet or the State including, but not limited to, the following:
1. Premium Pay, Overtime Pay, or Holiday Pay,
 2. Medical Insurance,
 3. Vacation or Sick Leave,
 4. Worker’s Compensation, and
 5. Other employee benefits.

19. CONTACT INFORMATION

- A. The project representatives during the term of this Agreement will be:
1. **CalVet Representative/Contract Manager:**
California Veterans Ventura Home
Contract Manager: TBD
Address: 10900 Telephone Road,
Ventura, CA 93004
Phone: (805)659-7542
Email:
 2. **Contractor Representative:**
TBD
- B. Contract Representatives, addresses, and phone/fax numbers may be changed by issuing a 20-day prior written notification and shall not require a formal amendment to this Agreement. The notifying party shall provide complete contact information for the replacement Contract Representative including, name, title, mailing address, phone/fax numbers, and email address. All other changes require a formal written amendment to this Agreement.

1. STANDARD BUDGET DETAIL AND PAYMENT PROVISIONS

A. Invoicing and Payment

1. For services satisfactorily rendered, and upon receipt and approval of the invoices, the State agrees to compensate the Contractor for services rendered in accordance with the rates in Exhibit B-1.
2. Invoices shall include the Agreement Number and shall be submitted in not more frequently than monthly in arrears to:

<u>Original Invoice</u>	<u>Approval Copy</u>
Department of Veterans Affairs CalVet Accounting Office 1227 "O" Street Room 402 Sacramento, CA 95814 APInvoices@calvet.ca.gov	Veterans Home of California – Ventura Attn: TBD 10900 Telephone Rd. Ventura, CA 93004

B. Budget Contingency Clause

1. It is mutually agreed that if the Budget Act of the current year and/or any subsequent years covered under this Agreement does not appropriate sufficient funds for the program, this Agreement shall be of no further form and effect. In this event, the State shall have no liability to pay any funds whatsoever to Contractor or to furnish any other considerations under this Agreement and Contractor shall not be obligated to perform any provisions of this Agreement.
2. If funding for any fiscal year is reduced or deleted by the Budget Act for purposes of this program, the State shall have the option to either cancel this Agreement with no liability occurring to the State, or offer an Agreement amendment to Contractor to reflect the reduced amount.

C. Prompt Payment Clause

Payment will be made in accordance with, and within the time specified in, Government Code, Chapter 4.5, commencing with Section 927.

2. SPECIAL BUDGET DETAIL AND PAYMENT PROVISIONS

Submissions of Invoices/Claims

- A. All invoices/claims must be completed thoroughly and legibly, with all applicable fields completed. Invoices/claims that are submitted to the appropriate location but have been altered, or are inaccurate, or do not provide all necessary information will not be accepted and will be returned to the Contractor for correction.
- B. Any changes to this provision relating to the invoice/claim submittal process, including but not limited to an address, form, or process change, shall be an administrative change managed through the appropriate designated CalVet office **and shall not require a contract amendment.**
- C. Contractor shall submit monthly invoices to the CalVet Contract Manager for approval and processing. Invoices/claims submitted shall include the following information in order to be considered complete and acceptable for processing, or the invoice/claim will be returned:
 - 1) Contractor's Company name exactly as it appears on the Payee Data Record (STD.204)
 - 2) Contractor's Company address, phone number and e-mail
 - 3) Date of invoice/claim
 - 4) Invoice/claim number
 - 5) CalVet location where services were performed
 - 6) Contract/Agreement Number

- 7) Date(s) of Service
- 8) Total dollar amount being billed
- 9) First and Last name of Contractor or Provider performing services, if applicable
- 10) Contractor's or Provider's Classification, whichever is applicable
- 11) Contractor's final invoice must be clearly marked as "Final Invoice"

3. CONTRACTOR OVERPAYMENTS

- A. If the State determines that an overpayment has been made to the Contractor, the State will seek recovery immediately upon discovery of the overpayment by: (a) calling the Contractor's accounting office to request a refund of the overpayment amount, or (b) offsetting subsequent Contractor payments by the amount of the overpayment if Contractor repayment or credit is not received within thirty (30) days from the date of notice.
- B. If Contractor discovers it has received an overpayment, Contractor must notify the State and refund the overpayment immediately.

4. DVBE Withhold

- A. For contracts with DVBE subcontractors pursuant to Mil. & Vet. Code Section 999.7, ten thousand dollars (\$10,000) will be withheld from the final payment, or the full final payment if less than ten thousand dollars (\$10,000), until the prime contractor complies with the certification requirements of subdivision (d) of Mil. & Vet. Code Section 999.5. Prime contractor shall be given 30 days' notice to cure the defect. If, after 30 calendar days from the date of notice, the prime contractor refuses to comply with the certification requirements, CalVet shall permanently deduct ten thousand dollars (\$10,000) from the final payment, or the full payment if less than ten thousand dollars (\$10,000).
- B. CalVet shall maintain all records of the information provided by the prime contractor pursuant to Section 999.5 and shall establish appropriate review procedures for those records to ensure the accuracy and completeness of the award amounts and paid amounts reported. The records shall be maintained in a manner that facilitates access and review by external auditors. Records collected pursuant to this section shall be retained for a minimum of six years after collection. (Mil. & Vet. Code Section 999.55)

RATE SHEET

The Contractor must be able to provide the services listed below. Subcontractors may be used to comply with this requirement. Subcontractor Agreements may be used to comply with this requirement. Subcontractor(s) information must be identified on Bidder Declaration (GSPD-05-105). If additional Subcontractors are added during the term of the Agreement, an updated GSPD-05-105 must be submitted.

The rates listed below are in effect for the term of the Agreement, including any extension of the term through an amendment.

Description of Service	Cost Per Service
Annual Cooling Season Start-Up & Inspection Service for the Chiller. (includes all labor, tools, equipment, materials)	
Annal All-inclusive Maintenance Services (includes all labor, tools, equipment, materials, oil, fluids, air handlers)	
Description of Service	Hourly Rate
Semi-Annual All-inclusive Services (includes all labor, tools, equipment, materials, oil, fluids, refrigerant, incidentals)	
Non-Emergency Repairs Monday to Friday 7:00AM to 4:00PM	
Emergency Repairs Monday to Friday 7:00AM to 4:00PM	
Emergency Repairs Monday-Friday 4:00PM-7:00AM AND All day - Saturday, Sunday, and Holidays	
Refrigerant	\$20,000
Parts	\$30,000

1. General Terms and Conditions

A. General Terms and Conditions (GTCs)

The (GTCs) are hereby incorporated by reference and made part of this agreement as if attached. hereto. These documents may also be viewed at the California Department of General Services website: <https://www.dgs.ca.gov/-/media/Divisions/OLS/Resources/GTC-Updates/GTC-225-February-2025.pdf>

1. EXCISE TAX

The State of California is exempt from Federal Excise Taxes, and no payment will be made for any taxes levied on employees' wages. The State will pay for any applicable State of California or local sales or use taxes on the services rendered or equipment or parts supplied pursuant to this Contract. California may pay any applicable sales or use tax imposed by another state.

2. STATUTORY AND REGULATORY PROVISIONS

A. This Contract shall be governed and construed in accordance with all applicable statutory and regulatory provisions including, but not limited to:

- 1) Title XVIII of the Federal Social Security Act
- 2) Title XIX of the Federal Social Security Act
- 3) Chapters 7 and 8 (commencing with Section 14000), Part 3, Division 9, Welfare and Institutions Code
- 4) Division 3, Title 22, California Code of Regulations (CCR)
- 5) Health and Safety Code Section 1340 et seq.
- 6) All applicable Federal provisions which regulate the administration of health care programs and budget revisions, as contained in the Code of Federal Regulations (CFR), Title 42, and Title 45, Part 74, Title 42 United States Code, Sections 1395 et seq. and 1396 et seq.
- 7) Sub-chapter 13 (commencing with Section 6800), Chapter 4, Part 1, Title 17, CCR; and
- 8) All other applicable laws and regulations.

B. Any provision of this Contract in conflict with the applicable laws and regulations is hereby amended to conform to the provisions of those laws and regulations. Such amendment of the Contract shall be effective on the effective date of the statutes or regulations necessitating it, and shall be binding on the parties even though the amendment may not have been reduced to writing and formally agreed upon and executed by the parties. If, due to amendment in laws or regulations, Contractor is unable or unwilling to comply with the provisions of the amendment(s), State or Contractor may terminate this Contract in accordance with the Termination provision of this Contract.

3. EXAMINATION AND AUDIT

A. Contractor shall allow the State and its related entities, the Comptroller General of the United States, Department of Justice (DOJ), and the Bureau of Medi-Cal Fraud, or their duly authorized representatives, to inspect or otherwise evaluate the quality, appropriateness, and timeliness of services performed under this Contract, and to inspect, evaluate, and audit any and all books, records, and facilities maintained by the Contractor and Subcontractors pertaining to services under this Contract at any time during normal business hours.

B. Contractor shall be subject to the examination and audit of the State Auditor for a period of three (3) years after final payment under this Contract in accordance with *Government Code, Section 85467.7*. The examination and audit shall be confined to those matters directly connected with the performance of the contract, including, but not limited to, the costs of administering the Contract.

C. Books and records include, but are not limited to, all physical records originated or prepared pursuant to the performance under this Contract, including working papers, reports, financial records, and books of account, Medical Records, prescriptions files, Subcontracts, and any other documentation pertaining to medical and non-medical services for residents of the Home. Upon request, at any time during the term of this Contract, the Contractor shall furnish any record or copy.

4. RESOLUTION OF DISPUTES

- A. The Contractor may dispute and appeal a decision or action by the State arising out of the Interpretation or administration of this Contract. A written dispute notice shall be submitted to the Contract Manager within thirty (30) calendar days from the date the Contractor receives notice of the decision or action in dispute.

The Contractor's dispute notice shall state the following, based on the most accurate information available to the Contractor:

- 1) That it is a dispute pursuant to this Section.
 - 2) The date, nature, and circumstances of the conduct, which is the subject of dispute.
 - 3) The names, telephone numbers, function, and activity of each contractor, subcontractor, State official, or employee involved in or knowledgeable about the conduct.
 - 4) The identification of any documents and the substance of any oral communications involved in the conduct. Copies of all identified documents shall be attached.
 - 5) The reason why the Contractor is disputing the conduct.
 - 6) The cost impact to the Contractor directly attributable to the alleged conduct, if any.
 - 7) The Contractor's desired remedy.
- B. The State and the Contractor agree to try to resolve all contractual issues by negotiation and mutual agreement at the Contract Manager level. The parties recognize that the implementation of this policy depends on open-mindedness, and the need for both sides to present adequate supporting information on matters in question. The Contract Manager, in a written decision stating the factual basis for the decision, will decide any disputes concerning performance of this Contract. Before issuance of the Contract Manager's decision, informal discussions between the parties by the individuals who have not participated substantially in the matter in dispute will be considered by the parties in efforts to reach mutual agreement.
- C. The Contract Manager will render a decision or request additional substantiating documentation from the Contractor within thirty (30) days of receipt of the Contractor's appeal. A copy of the decision will be provided to the Contractor. The decision shall be final and conclusive unless, within thirty (30) days from the date of the decision, the Contractor files a written appeal addressed to the Undersecretary, California Department of Veterans Affairs.
- D. The Undersecretary's decision shall be final and conclusive unless the decision is arbitrary, capricious, grossly erroneous or if any determination of fact is unsupported by substantiating evidence. The Undersecretary's decision will be in writing and may encompass facts, interpretations of the Contract, and determination or application of law. The Contractor may, prior to the Undersecretary's decision, present oral or documentary evidence, and arguments in support of the Contractor's appeal. The decision will either:
- 1) Find in favor of the Contractor, in which case the Undersecretary may:
 - a) Countermand the earlier conduct which caused the Contractor to file a dispute; or
 - b) Reaffirm the conduct and, if there is a cost impact sufficient to constitute a change in obligations pursuant to the payment provisions, direct the State to comply with that Section.
 - 2) Deny the Contractor's dispute and, where necessary, direct the manner of future performance; or
 - 3) Request additional substantiating documentation in the event the information in the Contractor's dispute or appeal is inadequate to permit a decision to be made under paragraphs (1) or (2) above, advise the Contractor as to what additional information is required, and establish how that information will be furnished. The Contractor shall have thirty (30) days to respond to the Undersecretary's request for further information. Upon receipt of this additional requested information, the

Undersecretary will have thirty (30) days to respond with a decision. Failure to supply additional information required by the Undersecretary within the time period specified above shall constitute waiver by the Contractor of all claims.

- E. Attorney's fees and costs for any dispute or subsequent trial shall be borne by the respective parties. Both parties waive trial by jury, and any trial in superior or municipal court shall be by a judge alone. Any litigation arising out of this Contract shall be conducted in a California Court pursuant to California law.
- F. Contractor shall continue with the responsibilities under this Contract during any dispute.

5. AGENCY LIABILITY (Applies only to Federally Funded Contracts)

The Contractor warrants by execution of this Contract, that no person or selling agency has been employed or retained to solicit or secure this Contract upon 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. For breach or violation of this warranty, the State shall, in addition to other remedies provided by law, have the right to annul this Contract without liability, paying only for the value of the work actually performed, or otherwise recover the full amount of such commission, percentage, brokerage, or contingent fee.

6. POTENTIAL SUBCONTRACTORS

For all Agreements, with the exception of Interagency Agreements and other governmental entities/auxiliaries exempt from bidding, nothing contained in this Contract or otherwise shall create any contractual relation between the State and any subcontractors, and no subcontract shall relieve the Contractor of Contractor's responsibilities and obligations hereunder. The Contractor agrees to be as fully responsible to the State for the acts and omissions of its subcontractors and of persons either directly or indirectly employed by any of them, as it is for the acts and omissions of persons directly employed by the Contractor.

The Contractor's obligation to pay its subcontractors is an independent obligation from the State's obligation to make payments to the Contractor. As a result, the State shall have no obligation to pay or enforce the payment of any moneys to any subcontractor.

7. REPORTING SMALL BUSINESS (SB)/MICRO BUSINESS (MB) AND /OR DISABLED VETERANS BUSINESS ENTERPRISE (DVBE) UTILIZATION

- A. If SB/MB and/or DVBE Subcontractor participation is a requirement on this Agreement, the Contractor must report the actual amount paid to certified Subcontractors. The Contractor must comply with Government Code Section 14841 and Military and Veterans Code Section 999.5(d) by reporting the actual utilization of certified Subcontractor(s) during the performance of this Agreement. The Contractor shall prepare and submit the report to the Contract Manager within 60 days from receipt of final payment.
- B. Withhold: Pursuant to Mil. & Vet. Code Section 999.7, ten thousand dollars (\$10,000) will be withheld from the final payment, or the full final payment if less than ten thousand dollars (\$10,000), until the prime contractor complies with the certification requirements of subdivision (d) of Mil. & Vet. Code Section 999.5. Prime contractor shall be given 30 days' notice to cure the defect. If, after 30 calendar days from the date of notice, the prime contractor refuses to comply with the certification requirements, CalVet shall permanently deduct ten thousand dollars (\$10,000) from the final payment, or the full payment if less than ten thousand dollars (\$10,000).

8. DISABLED VETERANS BUSINESS ENTERPRISE (DVBE) PARTICIPATION (WITH GOALS)

- A. The Contractor has complied with the requirements of Public Contract Code Section 10115 et seq. DVBE goals achieved are expressed as a percentage of the estimated dollar value of this contract, and are identified on the Bidder Declaration, GSPD-05-105, attached to and made a part hereof.
- B. The following goals are the Contractor's commitment set forth in this contract based upon the estimated total dollar amount to be expended:

- 1) 3% of work for DVBE(s)
- 2) If this contract is amended and the additional work can be included in the subcontracted work, the goals shall be amended to reflect this change.

9. SUBSTITUTION OF DVBEs

- A. If applicable, DVBE subcontractors shall be used per the California Code of Regulations (CCR), Title 2 § 1896.70 unless a substitution is approved in writing by the Department of General Services (DGS), Office of Small Business & Disabled Veteran Business Enterprise (OSDS). A DVBE subcontractor shall be replaced by another DVBE to perform the work originally stated. The substitution shall maintain, at minimum, the level of participation goal stated in the bid.
- 1) The Contractor shall simultaneously notify the DVBE and the CalVet Contract Manager of the intended substitution. The written notice shall contain the reasons for the substitution and be sent by certified mail. The Contractor shall submit the following to the CalVet Contract Manager:
 - i. A copy of the written notice issued to the DVBE with proof of delivery. In the absence of proof of delivery, provide the certified mail receipts.
 - ii. A copy of the DVBE's consent or opposition to the substitution. In the absence of the consent or opposition, provide the returned and unopened certified mail.
 - iii. The name and supplier number of the business being substituted and the name and supplier number of the proposed replacement. If a DVBE cannot be identified as a replacement, the Contractor shall document the absence of DVBEs. This documentation shall include but is not limited to:
 1. Contact CalVet' SB/DVBE Coordinator regarding the absence of DVBEs to perform the specific work.
 2. Search results from the DGS website for DVBEs to perform the specific work.
 3. Communication with a DVBE Community Organization nearest the worksite regarding the absence of DVBEs, if applicable.
 4. Documented communication with DVBEs describing the work to be performed, its percentage of the overall contract, the corresponding dollar amount, and their responses to the request.
 - 2) The DVBE shall have up to five (5) business days from the postmark date to consent or oppose the substitution. A copy of the DVBE's reply shall be sent simultaneously by certified mail to the Contractor and the CalVet Contract Manager.
 - 3) When written oppositions to a substitution are filed, CalVet shall grant the DVBE a hearing. The hearing notice shall be issued within five (5) business days from receipt of the opposition. If CalVet grants the substitution, continue to G, below.
 - 4) The CalVet Contract Manager shall submit the substitution request to the DGS, OSDS:
 - i. The request must meet the criteria as specified above or § 4107 of the Public Contract Code for Public Works.
 - ii. The substitution request shall be accompanied by the hearing decision, when applicable.
 - 5) The OSDS will respond to substitution requests within three (3) business days. The OSDS shall consent to the substitution of another DVBE in any of the following situations:
 - i. When the DVBE becomes bankrupt, insolvent or goes out of business.
 - ii. When the DVBE does not perform as listed in the Bidder Declaration.
 - iii. When the DVBE does not meet the bond requirements of the contractor.
 - iv. When the DVBE's name is incorrect due to an inadvertent clerical error. In the case of public works contracts, compliance with § 4107.5 of the Public Contract Code is required.
 - v. When the DVBE is not licensed as required by any State of California regulatory agency.
 - vi. When CalVet, or its duly authorized officer, determines that the DVBE:
 1. Did not perform in accordance with the plans and specifications; or,
 2. Has delayed or disrupted the progress of the work.

- 6) The DVBE substitution process shall not be used as an excuse for noncompliance with any provision of law. This includes, but is not limited to, the Subletting and Subcontracting Fair Practices Act (§ 4100 et seq., Public Contract Code) or any Agreement requirements relating to substitution of subcontractors.
- 7) Contractors who proceed with work pending a substitution decision may be subject to contract termination, recovery of damages under rights, remedies and penalties. This is outlined in § 999.9 of the Military and Veterans Code, § 10115.10 of the Public Contract Code or § 4110 of the Public Contract Code (applies to public works only). Failure to adhere to the DVBE participation in the performance of the Agreement may be cause for Agreement termination and recovery of damages under the rights and remedies due CalVet.
- 8) Any DVBE firm acting/working under subcontract must be responsible for providing materials, supplies, equipment or services and must carry out its responsibility by actually performing, managing, or supervising the work involved that is normal for its business services and functions.
- 9) The Contractor shall maintain records of all subcontracts entered into with DVBE Subcontractors including records of materials purchased from DVBE suppliers. Such records shall show the name and address of each DVBE Subcontractor or supplier and the total dollar amount paid to each one. Upon completion of the Agreement, a summary of these records shall be prepared and certified correct by the Contractor or his authorized representative and the summary shall be furnished to the CalVet Contract Manager.

10. SMALL BUSINESS OR DISABLED VETERAN BUSINESS ENTERPRISE CERTIFICATION

- A. Contractor shall maintain its status as a Department of General Services (DGS) certified Small Business (SB)/Microbusiness (MB) or Disabled Veteran Business Enterprise (DVBE), as applicable, throughout the term of this Agreement.
- B. Subcontractor must also maintain its certification with the DGS Office of Small Business & Disabled Veteran Business Enterprise Services as a SB/MB or DVBE, as applicable, for the duration of this Agreement.

11. INSURANCE REQUIREMENTS

- A. Upon contract award, contractor must furnish to the State an original certificate(s) of insurance stating that the contractor has the following types of coverage, if applicable:
 - 1) Commercial General Liability: Combined Single Limit (CSL) for no less than \$1,000,000 per occurrence for bodily injury and property damage. The policy must include coverage for liabilities arising out of premises, operations, independent contractors, products/completed operations, personal & advertising injury, and liability assumed under an insured contract. This insurance shall apply separately to each insured against whom claim is made or suit is brought subject to the contractor's limit of liability.
 - 2) Professional Liability: (Applies to any contract in which the work is of a professional nature such as, but not limited to, physicians, architects, engineers, accountants, or consultants) Covering any damages caused by an error, omission, or any negligent acts. Limits of not less than \$1,000,000 per claim and \$3,000,000 aggregate.
 - 3) Automobile Liability (Applies to any contract in which the contractor will likely use a vehicle to complete the project or drive a vehicle onto State property): Limits of not less than \$1,000,000 per accident. Such insurance shall cover liability arising out of an automobile including owned, hired, and non-owned autos.
 - a) MCS90 endorsement on the Automobile policy **(required whenever contractor will be transporting Hazardous materials i.e. Pest Control and Waste contracts.)**
 - 4) Pollution Liability/Environmental Impairment Liability (Applies only to Pollution Contracts – i.e. Pest

Control and Waste Contracts): In addition, the certificate evidencing general liability must include evidence of one of the following if applicable to the service:

- a) Pesticide/Herbicide Endorsement, OR
 - b) An endorsement deleting the general liability pollution exclusion, OR
 - c) A separate environmental/pollution liability policy with limits not less than \$1,000,000 covering bodily injury and property damage from pollution and related clean up costs incurred arising out of the work or services to be performed under this contract.
- 5) Workers' Compensation (Mandatory for all Contractors who have at least one employee): Contractor shall maintain workers' compensation and employer's liability coverage for all its employees who will be engaged in the performance of the contract, including special coverage extensions where applicable. Contractor shall furnish a certificate for Workers' Compensation issued by an insurance carrier licensed to write Workers' Compensation insurance in the State of California, including the name of the carrier and the date of expiration of insurance, or a Certificate of Consent to Self-Insure issued by the Department of Industrial Relations.
- 6) Fidelity Bond/Crime Insurance: (Applies only to contracts handling State money or securities – i.e. Armored Car Service Contracts) Contractor shall maintain Employee Dishonesty and, when applicable, Inside/Outside Money & Securities coverages for state-owned property in the care, custody and control of the Contractor. Coverage limits shall not be less than the amount scheduled in the contract. The policy shall include as Contractor. Coverage limits shall not be less than the amount scheduled in the contract. The policy shall include as loss payee the California Department of Veterans Affairs
- 7) The certificate(s) of insurance shall be on an ACORD form, or equivalent, and must show "occurrence" coverage. The certificates of insurance must also contain all of the following provisions:
- a) Name and address of the insurance company, policy number, and beginning and ending dates of the policy.
 - b) Statement that the insurer will not cancel the insured's coverage without 30 days prior written notice to the State.
 - c) Statement that the State of California, its officers, agents, employees, and servants are included as additional insured on the policy, but only insofar as the operations under this contract. The additional insured endorsement must accompany the certificate of insurance. This does not pertain to professional liability.
- 8) Contractor agrees that any insurance herein provided shall be in full force and effect at all times during the term of the contract. In the event said insurance coverage expires at any time during the term of this contract, Contractor agrees to provide, at least ten (10) days prior to 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 contract, or for a period of not less than one (1) year. In the event contractor fails to keep in effect at all times insurance coverage herein provided, State may, in addition to any other remedies it may have, terminate the contract upon the occurrence of such event, subject to the provisions of the contract.
- 9) Contractor shall notify the State within five (5) days if any insurance coverage identified in the contract is altered in any way.

12. RIGHT TO TERMINATE

- A. The State reserves the right to terminate this Contract subject to thirty (30) days written notice to the Contractor. Contractor may submit a written request to terminate this Contract only if the State should substantially fail to perform its responsibilities as provided herein. However, the Contract can be immediately terminated for cause. The term "for cause" shall mean that the Contractor fails to meet the terms, conditions, and/or responsibilities of the contract. In this instance, the contract termination shall be effective as of the date indicated on the State's notification to the Contractor.

- B. This Contract may be suspended or cancelled without notice, at the option of the Contractor, if the Contractor or State's premises or equipment are destroyed by fire or other catastrophe, or so substantially damaged that it is impractical to continue service, or in the event the Contractor is unable to render service as a result of any action by any governmental authority.

13. FORCE MAJEURE

Neither party shall be liable to the other for any delay in or failure of performance, nor shall any such delay in or failure of, performance constitute default, if such delay or failure is caused by "Force Majeure." As used in this section, "Force Majeure" is defined as follows: Acts of war and acts of god such as earthquakes, floods, and other natural disasters such that performance is impossible.

14. EVALUATION OF CONTRACTOR

Performance of the Contractor under this Agreement will be evaluated. The evaluation shall be prepared on Contract/Contractor Evaluation Sheet (STD 4), and maintained in the Agreement file. For consultant agreements, a copy of the evaluation will be sent to the Department of General Services, Office of Legal Services, if it is negative and over \$5,000.

15. SB/DVBE PARTICIPATION

In accordance with requirements set forth by the State, the CalVet shall enforce all laws, rules, and regulations pertaining to this program. It is the Contractors responsibility to provide CalVet with all required documents as outlined in this agreement. The CalVet reserves the right to contact each SB and DVBE identified by the Contractor to verify compliance. Failure to meet SB/DVBE requirements under Exhibit B, and Exhibit C (GTC 02/2025), paragraphs 19.a and 19.b. may deem the Contractor to be non-responsible and rejected from future bid and contract opportunities with the CalVet.

16. LICENSES AND PERMITS

The Contractor shall be an individual or firm licensed to do business in California and shall obtain at his/her expense all license(s) and permit(s) required by law for accomplishing any work required in connection with this contract.

If you are a Contractor located within the State of California, a business license from the city/county in which you are headquartered is necessary; however, if you are a corporation, a copy of your incorporation documents/letter from the Secretary of State's Office can be submitted. If you are a Contractor outside the State of California, you will need to submit to the California Department of Veterans Affairs a copy of your business license or incorporation papers for your respective State showing that your company is in good standing in that state.

In the event any license(s) and/or permit(s) expire at any time during the term of this contract, Contractor agrees to provide agency a copy of the renewed license(s) and/or permit(s) within 30 days following the expiration date. In the event the Contractor fails to keep in effect at all times all required license(s) and permit(s), the State may, in addition to any other remedies it may have, terminate this contract upon occurrence of such event.

17. CONSULTANT – STAFF EXPENSES

The Contractor represents that it has or shall secure at its own expense, all staff required to perform the services described in this Agreement. Such personnel shall not be employees of or have any contractual relationship with any governmental entity.

18. HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT (HIPAA) STANDARDS FOR PRIVACY OF INDIVIDUALLY IDENTIFIABLE HEALTH INFORMATION

For the purpose of this contract, contractor shall comply with the federal Health Insurance Portability and Accountability Act (HIPAA), as well as State and Federal requirements for privacy protection. The definitions and obligations required by the HIPAA Standards for Privacy of Individually Identified Health Information (U.S.C. 1320d et seq.), and implementing regulations including but not limited to 45 Code of Federal Regulations parts 142, 160, 162, and 164, hereinafter referred to as the Privacy Rule, remain enforce and applicable for access to protected health information, including electronic protected health information.

19. Executive Order N-6-22 – Russia Sanctions

On March 4, 2022, Governor Gavin Newsom issued Executive Order [N-6-22](#) (the EO) regarding Economic Sanctions against Russia and Russian entities and individuals. “Economic Sanctions” refers to sanctions imposed by the U.S. government in response to Russia’s actions in Ukraine, as well as any sanctions imposed under state law. The EO directs state agencies to terminate contracts with, and to refrain from entering any new contracts with, individuals or entities that are determined to be a target of Economic Sanctions. Accordingly, should the State determine Contractor is a target of Economic Sanctions or is conducting prohibited transactions with sanctioned individuals or entities, that shall be grounds for termination of this agreement. The State shall provide Contractor advance written notice of such termination, allowing Contractor at least 30 calendar days to provide a written response. Termination shall be at the sole discretion of the State.

20. LEGAL CONTRACTS (applies only to Legal Services Contracts)

In accordance with (Public Contract Code Section (10353.5) The Contractor shall:

- A. Agree to adhere to legal cost and billing guidelines designated by the State.
- B. Adhere to litigation plans designated by the state agency.
- C. Adhere to case phasing of activities designated by the state agency.
- D. Submit and adhere to legal budgets as designated by the state agency.
- E. Maintain legal malpractice insurance in an amount not less than the amount designated by the state agency.
- F. Submit to legal bill audits and law firm audits if requested by the state agency. The audits may be conducted by employees and designees of the state agency or by any legal cost control providers retained by the state agency for purpose.
- G. Submit to a legal cost and utilization review, as determined by the state agency.