

Attachment ____: GenAI Notification Clause & Reporting

GENERATIVE ARTIFICIAL INTELLIGENCE (GenAI) (Rev 02/25)

A. Executive Order N-12-23 establishes statewide policy for the State's use of Generative Artificial Intelligence (GenAI).

B. GenAI Definition:

“An artificial intelligence system that can generate derived synthetic content, including text, images, video, and audio that emulates the structure and characteristics of the system's training data.” (See Govt. Code § 11549.64, SAM 4819.2 and any updates thereto.)

C. Required GenAI Solicitation Language: All written non-IT services solicitations must include the following GenAI notification clause:

“The State of California seeks to realize the potential benefits of GenAI, through the development and deployment of GenAI tools, while balancing the risks of these new technologies.

Bidder / Offeror must notify the State in writing if it: (1) intends to provide GenAI as a deliverable to the State; or (2), intends to utilize GenAI, including GenAI from third parties, to complete all or a portion of any deliverable that materially impacts: (i) functionality of a State system, (ii) risk to the State, or (iii) Contract performance. For avoidance of doubt, the term “materially impacts” shall have the meaning set forth in State Administrative Manual (SAM) § 4986.2 Definitions for GenAI.

Failure to report GenAI to the State may result in disqualification. The State reserves the right to seek any and all relief to which it may be entitled to as a result of such non-disclosure.

Upon notification by a Bidder / Offeror of GenAI as required, the State reserves the right to incorporate GenAI Special Provisions into the final contract or reject bids/offers that present an unacceptable level of risk to the State.

Government Code 11549.64 defines “Generative Artificial Intelligence (GenAI)” as an artificial intelligence system that can generate derived synthetic content, including text, images, video, and audio that emulates the structure and characteristics of the system's training data.”

- D. Before proceeding with a GenAI purchase, releasing a solicitation that includes the purchase of GenAI, or approving a contract that includes services generated by GenAI, departments must confirm with their department CIO that the purchase/contract may proceed. Confirmation must be kept in the contract file.

CIOs are required to conduct a risk assessment and potential consultation with the California Department of Technology (CDT) before proceeding with a purchase that includes GenAI. Consultation with CDT is dependent upon the risk assessment outcome or upon CDT's request for low-risk transactions (refer to CDT policy for details).

- E. Departments are no longer required to include GenAI Contract language in their contracts, these provisions are now in the State's standard General Terms and Conditions (GTCs) available on the DGS/OLS website.
- F. All transactions where GenAI is purchased must be identified and reported in FISCAL State Contract and Procurement Registration System (SCPRS). See SCM volume 2 sections 2200.1 and 2300 for additional instructions.
- G. Please see SCM volume 2 section 2300, the State of California GenAI Guidelines, and the GenAI Toolkit (<https://www.genai.ca.gov/choose-your-journey/>) for additional information and requirements, including when CDT consultation is required.

Bidder must respond to the following and provide complete details, if applicable. Please attach additional pages if necessary.

(1) Will the bidder be using GenAI technologies to complete any part of the proposed work under this solicitation?	_____ YES. Answer #2 through #5 then sign below. _____ NO. Skip #2 through #5 then sign below.
(2) If yes, please provide a description of which tasks or deliverables will involve GenAI.	
(3) If yes, please provide the specific GenAI tools or platforms the bidder will be using.	
(4) If yes, how will the bidder ensure the accuracy, quality and integrity of the work.	
(5) If yes, what measures will the bidder be taking to address potential data privacy, intellectual property and ethical considerations.	

The undersigned bidder acknowledges that he/she/they has been provided a copy of the GenAI notification clause and understand that any records, documents, and information, or any draft or final work product that the undersigned reviews or produces in connection with providing the services to the CAC are subject to the terms of the Agreement.

By signing this document, I certify that I have identified and disclosed, if any, all GenAI components to complete any part of the proposed work under this solicitation.

Solicitation #: _____

Bidder/Company Name: _____

Name of the Signee (Print): _____

Signature: _____ Date: _____

Title: _____