

STANDARD AGREEMENT

STD 213 (Rev. 04/2020)

AGREEMENT NUMBER

TC22-021

PURCHASING AUTHORITY NUMBER (If Applicable)

DMV-2740

1. This Agreement is entered into between the Contracting Agency and the Contractor named below:

CONTRACTING AGENCY NAME

Department of Motor Vehicles

CONTRACTOR NAME

CSG Forte Payments, Inc.

2. The term of this Agreement is:

START DATE

2/09/2023 or upon DGS Approval, whichever is later

THROUGH END DATE

2/08/2026, with two (2) one (1) year optional extensions

3. The maximum amount of this Agreement is:

\$7,149,600.00 Seven Million, One Hundred Forty Nine Thousand, Six Hundred Dollars

4. The parties agree to comply with the terms and conditions of the following exhibits, which are by this reference made a part of the Agreement.

Exhibits	Title	Pages
Exhibit A	Statement of Work	14
Exhibit B	Personnel Change Order	1
Exhibit C	Cost Sheet	1
Exhibit D	Confidentiality Statement	2
Exhibit E	DMV Acceptable Use Statement	2
Exhibit F	Information Security and Privacy Provisions	8
Exhibit G	Contractor Background Investigation	3
Exhibit H1	Certification of Contractor Employee Background Investigation	1
Exhibit H2	Certification of Contractor Employee Background Investigation	1
(*)	CSG Forte Payments, Inc.'s Final Bid to IFB #0000025717, Addendum #1, in its entirety dated 1/17/23	60
(*)	IFB #0000025717, Addendum #1, in its entirety 1/20/23	77
(**)	General Provisions - Information Technology (DGS PD-401 IT 6/21/22)	29
	(**) These documents can be viewed at file:///C:/Users/mvcag6/Downloads/ITGeneralProvisions062122.pdf	

Items shown with an asterisk (*), are hereby incorporated by reference and made part of this agreement as if attached hereto.

These documents can be viewed at <https://www.dgs.ca.gov/OLS/Resources>

IN WITNESS WHEREOF, THIS AGREEMENT HAS BEEN EXECUTED BY THE PARTIES HERETO.

CONTRACTOR

CONTRACTOR NAME (if other than an individual, state whether a corporation, partnership, etc.)

CSG Forte Payments, Inc.

CONTRACTOR BUSINESS ADDRESS

2121 Providence Dr., Suite 151

CITY

Fort Worth

STATE

TX

ZIP

76106

PRINTED NAME OF PERSON SIGNING

Jeff Kump

TITLE

President

CONTRACTOR AUTHORIZED SIGNATURE

Digitally signed by Jeff Kump
Date: 2023.02.15 14:36:12 -07'00'

DATE SIGNED

STATE OF CALIFORNIA - DEPARTMENT OF GENERAL SERVICES

STANDARD AGREEMENT

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PURCHASING AUTHORITY NUMBER (If Applicable)

DMV-2740

STATE OF CALIFORNIA

CONTRACTING AGENCY NAME

Department of Motor Vehicles

CONTRACTING AGENCY ADDRESS

2415 First Avenue

CITY

Sacramento

STATE

CA

ZIP

95818

PRINTED NAME OF PERSON SIGNING

Melissa Stancell

TITLE

IT Acquisitions Manager

CONTRACTING AGENCY AUTHORIZED SIGNATURE

Melissa Stancell

Digitally signed by Melissa Stancell

Date: 2023.02.16 07:25:33 -08'00'

DATE SIGNED

CALIFORNIA DEPARTMENT OF GENERAL SERVICES APPROVAL

Carol Bangs

Digitally signed by Carol Bangs

Date: 2023.02.16 09:23:56 -08'00'

EXEMPTION (If Applicable)

EXHIBIT A – STATEMENT OF WORK

A. BACKGROUND

In 2006, the Department of Motor Vehicles' (DMV) online payment system began accepting payments using Electronic Fund Transfer (EFT), otherwise known as electronic check (e-check), as another form of payment for online customers. The department enhanced the e-check process by adding check samples, and warning customers not to include their check number as part of the routing or account number, but customers continue to enter incorrect e-check information. Since October 2012, the department has utilized an e-check verification service to reduce the number of dishonored checks and customer complaints. E-check transactions have continuously increased, and the department projects a volume of over 700,000 e-check transactions per month for the next three years. As such, the department needs a Contractor to perform the e-check verification service to verify each e-check's bank routing number, account number, and the availability of funds.

B. CONTRACT TERM

The term of the contract is three (3) years with two (2) one (1) year optional extensions. It is understood that no funds sufficient for the purpose of this order have been appropriated until such time as the budget for each fiscal year covered by the agreement has been adopted by the Legislature and signed by the Governor.

C. DESCRIPTION

The purpose of this contract is to provide e-check verification services for e-check payments received through the DMV Internet site. The DMV system will send e-check bank routing and account numbers to the Contractor's verification system using a secured and encrypted process; then, the Contractor will return a response to the DMV system based on the results of the verification.

This process must provide a real-time verification of the customer's e-check account information and sufficiency of funds. In addition, the customer must have the option to correct inaccurate routing or account numbers, or to cancel the transaction.

The Contractor must be able to complete the verification for at least 90 percent of the e-check bank routing and account numbers for online payments submitted for validation.

The e-check verification process must be able to communicate in a secure manner, which includes encryption communication and processes that are

compliant with standards established by American National Standards Institute (ANSI), Federal Information Processing Standards (FIPS), and National Institute of Standards and Technology (NIST), and with their information management planning and operations. In addition, e-check information must not be stored within the check verification system once the transaction is complete.

The operation of the e-check verification service will be the responsibility of the selected Contractor. The Contractor's main responsibilities include, but are not limited to, providing the e-check verification services, maintaining and supporting the e-check verification process, interfacing with DMV's existing system to accept customers' account information, and returning the appropriate message based on the results of the verification process.

The selected Contractor will be responsible for all costs, including costs during testing, implementation, and maintenance of the services associated with this contract. The DMV will provide payment in arrears for ongoing operation of the e-check verification service based on each successful transaction. A successful transaction is defined as a transaction that occurs when the customer's e-check account information and the sufficiency of funds have been verified, whether or not the e-check transaction has been successfully processed. Conversely, an unsuccessful transaction is defined as any e-check payment information that cannot be verified.

The Contractor must allow the DMV to conduct continued testing throughout the term of the contract at no additional cost. The testing will be required whenever there is a software upgrade or network re-design, etc. DMV will send test transactions to the Contractor for e-check verification.

D. CONTRACTOR QUALIFICATIONS

Contractor must have at least three (3) years demonstrated experience in providing and maintaining e-check verification services with a monthly volume of over 800,000 transactions.

E. CONTRACTOR'S RESPONSIBILITIES

1. The Contractor shall assume responsibility for completion of work identified in Exhibit A, Statement of Work and in accordance with Exhibit G, Information Security and Privacy Provisions.
2. The Contractor's company headquarters must be based in the USA.
3. The Contractor's personnel listed in this contract shall have legal authority to work in the United States during the term of the entire contract if they are on-site personnel.

4. The Contractor's personnel must undergo and clear a Background Investigation prior to that individual commencing any work under this contract. The Background Investigation must be processed by an authorized Department of Justice (DOJ) Live Scan site or comparable solution. Failure of the proposed personnel to pass the Background Investigation will ban that individual from commencing any work under this contract and the Contractor must propose a replacement personnel person. Contractor agrees to and will comply with the DMV Contractor Background Investigation Policy ("Policy") as indicated in Exhibit G including submitting a certification (Exhibit H1 and H2) annually. Prior to assigning any of Contractor's employees ("Contractor Personnel") to perform the services called for in the agreement or providing such individuals access to DMV information or facilities (the "DMV Assignment"), Contractor will perform a Background Investigation on such individuals that complies with the Policy and applicable law ("Background Investigation"). Contractor shall not assign any Contractor Personnel to the DMV Assignment in contravention of the Policy. Contractor must certify that it has performed a Background Investigation on those Contractor Personnel identified in Exhibit H2 and that such individual(s) is/are qualified and suitable to work on the DMV Assignment pursuant to the Policy. To the extent Contractor intends to assign any additional Contractor Personnel to the DMV Assignment after its annual certification, Contractor agrees to provide DMV with an updated Attachment A covering such individual(s) prior to those personnel beginning work on the DMV Assignment. Contractor must also certify that it has not received information related to any currently assigned and/or previously identified Contractor Personnel which would justify removing such individual(s) from the DMV Assignment pursuant to the Policy. Attachment A should also be completed and submitted to the DMV Contract Manager for Contractor Personnel names not yet submitted. Contractor has been informed and understands that any violation of this certification may result in the termination of the Agreement, at DMV's election. The termination of the Agreement shall not be construed to limit any remedy DMV might have under applicable law. The Contractor is responsible for all costs incurred to complete the required Background Investigation.
5. Contractor shall ensure that contractor's personnel maintain telecommunication and internet connectivity to perform all duties required in this contract.
6. The Contractor shall prepare all deliverables, where applicable, in accordance with the State's, and DMV's, applicable business and information technology documentation standards and requirements, including format and content.
7. If requested, the Contractor shall attend project meetings and periodic briefings for DMV's management as indicated by the DMV Contract Manager (refer to Section F, #6 for identification of DMV Contract Manager). The majority of meetings will occur online via Teams or WebEx; however, the contractor may need to attend in person.

8. If the Contractor personnel are determined to be part of the conflict-of-interest program, then the personnel listed in this contract shall comply with Government Code section 87302 and the Fair Political Practices Commission rules. The Contractor shall not permit any personnel to work on this contract unless the personnel is in compliance with Government Code section 87302 and the Fair Political Practices Commission rules (<http://www.fppc.ca.gov/the-law/fppc-regulations/regulations-index.html>). Personnel may be required to complete and file a Form 700, "Statement of Economic Interests," which is a disclosure of financial interested. Refer to this link for additional information:
<http://www.fppc.ca.gov/Form700.html>.
9. If the Contractor personnel are determined to be part of the conflict of interest program, then the personnel (and replacement personnel) listed in this contract shall comply with Conflict of Interest Program, Article 12 (commencing with section 11146) of Chapter 1 of Part 1 of Division 3 of Title 2 of the Government Code, requires that all personnel in designated conflict of interest (COI) positions attend ethics orientation training within six months of becoming a filer, and at least once during every consecutive period of two calendar years commencing on the first odd-numbered year thereafter. The purpose of the orientation is to familiarize Contractor personnel with California's ethics policies in order to help avoid conflict of interest situations. No compensation for completion of the ethics training or related expenses will be provided.
10. The Contractor's personnel shall complete the following. No compensation for completion of the items below will be provided:
- Complete the Department of Motor Vehicles online Privacy & Information Security Awareness Training, prior to commencement of work on this contract and annually thereafter.
 - Provide a signed hardcopy of Exhibit E, Confidentiality Statement prior to commencement of work on this contract.
 - Provide a signed hardcopy of Exhibit F, DMV Acceptable Use Statement, (DMV 350) prior to work on this contract.
 - Complete the Department of Motor Vehicles Telework/Remote Access Security Standard Training (when applicable).
11. The **Contractor Official** responsible for overseeing completion of services, approval of Deliverable Acceptance Documents (DAD), approval of Personnel Change Orders (PCO), and to whom all communications relative to those services be addressed is:

Name:	Leslie Hendrix
Telephone Number:	
Email Address:	Leslie.hendrix@csai.com

12. It is DMV policy that "User authentication and access authorization decisions will be performed within a security layer that is separate from the application

business logic". Before application business logic is initiated, the security layer will verify the user's authorization to perform the requested process. For any proposed applications that will be used by DMV employees or Government and Industry Partner employees, the Contractor shall integrate the web-based application with the Secure Access Infrastructure (SAI) (ISAM and ISIM) deployment, including security header contents and proposed access groups or the non-web based application will utilize Microsoft Active Directory (AD) or some other repository that utilizes Lightweight Directory Access Protocol (LDAP).

13. The Contractor shall ensure employee compliance with all sexual harassment prevention training (SHPT) requirements under California law (Government Code section 12950.1), when the Contractor has five (5) or more employees. If the Contractor has less than five employees in California, it is DMV's policy that the Contractor shall ensure all Contractor personnel complete SHPT commensurate with the requirements under GC 12950.1. The Department of Fair Employment and Housing offers free, on-line Sexual Harassment Prevention Training that satisfies this requirement. The training is available at <https://www.dfeh.ca.gov/shpt/>. No compensation for completion of the SHPT or related expenses shall be provided.
14. All tasks associated with this contract may be performed remotely and/or on-site at 2415 First Avenue, Sacramento, CA 95818, as determined by the DMV Contract Manager. The approval to work remotely is required in writing from the DMV's Contract Manager and Chief Information Security Officer (CISO), to ensure the work has a secure remote connection and storage on DMV drives/servers. Contractor personnel shall perform their duties on the premises of the DMV or remotely, if approved, during DMV's regular business days and normal work hours of 7:00 am to 5:00 pm Pacific Time except State holidays, except as specifically agreed to otherwise in writing by the DMV Contract Manager. There will be no increase in hourly rates for extended hours or days.
15. The Contractor shall comply with all applicable health and safety laws and regulations at the Contractor's own expense. Upon notice by the DMV, the Contractor shall also comply with the DMV's specific health and safety requirements and policies. The Contractor also agrees to include in any subcontract related to the performance of this Agreement, a requirement that the subcontractor comply with all applicable health and safety laws and regulations, and upon notice by the DMV, the DMV's specific health and safety requirements and policies.
16. Contractor shall comply with the Department of Transportation Federal Motor Carrier Safety Administration Non-Discrimination Assurances located at: <https://www.dmv.ca.gov/portal/file/fmcsa-appendix-a-and-e-pdf/>

17. Prior to expiration of the contract, the Contractor shall return all State property, including security badges to the DMV Contract Manager.

18. SMALL BUSINESS PARTICIPATION AND DVBE PARTICIPATION REPORTING REQUIREMENTS:

- A. If for this Contract the Contractor made a commitment to achieve small business participation, then the Department requires the Contractor upon completion of this Contract to report the actual percentage of small business participation that was achieved. (Govt. Code § 14841)
- B. If for this Contract the Contractor made a commitment to achieve the disabled veteran business enterprise (DVBE) participation goal, then, pursuant to Mil. & Vets. Code § 999.5(d), upon completion of this Contract, the Department requires the Contractor to certify using the Prime Contractor's Certification – DVBE Subcontracting Report (STD 817), all of the following:
 - (i) The total amount the prime Contractor received under the Contract;
 - (ii) the name, address, Contract number and certification ID number of the DVBE(s) that participated in the performance of this Contract;
 - (iii) the amount and percentage of work the prime Contractor committed to provide to one or more DVBE(s) under the requirements of the Contract and the total payment each DVBE received from the prime Contractor;
 - (iv) that all payments under the Contract have been made to the DVBE(s); and
 - (v) the actual percentage of DVBE participation that was achieved. Upon request, the prime Contractor shall provide proof of payment for the work.
- C. If for this Contract the Contractor made a commitment to achieve the DVBE participation goal, the Department will withhold \$10,000 from the final payment, or the full final payment if less than \$10,000, until the Contractor complies with the certification requirements above. The Contractor shall e-mail the STD 817 to dmvasdsbdrvbeadvocate@dmv.ca.gov.
- D. A Contractor that fails to comply with the certification requirement shall, after written notice, be allowed to cure the defect. Notwithstanding any other law, if, after at least 15 calendar days but not more than 30 calendar days from the date of written notice, the prime contractor refuses to comply with the certification requirements, the Department shall permanently deduct \$10,000 from the final payment, or the full payment if less than \$10,000. (Mil. & Vets. Code § 999.7).
- E. A person or entity that knowingly provides false information shall be subject to a civil penalty for each violation. (Mil. & Vets. Code § 999.5(d); Govt. Code § 14841).
- F. Contractor agrees to comply with the rules, regulations, ordinances, and statutes that apply to the DVBE program as defined in Section 999 of the Mil.

& Vets. Code, including, but not limited to, the requirements of Section 999.5(d). (PCC Code § 10230).

19. Contractor shall comply with Executive Order N-6-22, Economic Sanctions Against Russia. The Executive Order is available at the following website: <https://www.gov.ca.gov/wp-content/uploads/2022/03/3.4.22-Russia-Ukraine-Executive-Order.pdf>.

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. By submitting a bid or proposal, Contractor represents that it is not a target of Economic Sanctions. 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 rejection of the Contractor's bid/proposal any time prior to contract execution, or, if determined after contract execution, shall be grounds for termination by the State.

20. The Contractor shall provide to the DMV Contract Manager a copy of the insurances listed below within 10 calendar days after contract award. The State requires that the Certificate Holder on the Certificate of Insurance include the DMV's address as: Department of Motor Vehicles, 2415 1st Avenue, Sacramento, CA 95818, and the DMV Contract Number TC22-021.

A. General Provisions Applying To All Insurance Policies

1. Coverage Term:

Coverage shall be in force for the entire term of this contract. If insurance expires during the term of this contract, a new certificate of Insurance shall be received by the DMV at least ten (10) business days prior to the expiration of the insurance. Any new insurance shall comply with the original terms of this contract.

2. Policy Cancellation of Termination and Notice of Non-Renewal:

The Contractor shall provide to the DMV, within five (5) business days following receipt by the Contractor, a copy of any cancellation or non-renewal of insurance required under this contract. In the event the Contractor fails to keep the required insurance coverage in effect at all times, the DMV may, in addition to any other remedies it may have, terminate this contract upon the occurrence of such event.

3. Deductible

The Contractor is responsible for any deductible or self-insured retention contained within their insurance program.

4. Primary Clause

Any required insurance specified under this contract shall be primary, and not excess or contributory to any other insurance carried by the DMV.

5. Insurance Carrier Required Rating

All insurance companies shall carry a rating acceptable to the Department of General Services (DGS), Office of Risk and Insurance Management (ORIM). Per DGS ORIM, an acceptable rating is "A" or better, and financial size category of "VII" or better to the latest edition of the A.M. Best Key Rating Guide. If the Contractor is self-insured for a portion or all of its insurance, a review of the Contractor's financial information, including a letter of credit, may be required.

6. Endorsements

Any required endorsement shall be physically attached to all requested certificates of insurance and not substituted by referring to such coverage on the certificate of insurance.

7. Inadequate Insurance

Inadequate insurance or lack of insurance does not negate the Contractor's obligations under this contract.

B. Commercial General Liability

1. Throughout the term of this contract, the Contractor shall provide the DMV with a valid certificate of insurance stating that there is commercial general liability insurance presently in effect for the Contractor with limits of not less than \$1,000,000.00 per occurrence for bodily injury and property damage liability combined. The 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 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. The insurance policy shall include the following additional insured endorsement that shall be supplied under form acceptable to DGS, ORIM:

The State of California, its officers, agents and employees are included as additional insured, but only with respect to work performed for the State of California.

C. Automobile Liability

By signing this contract, the Contractor certifies that the Contractor and any of their employees or subcontractors using a vehicle in the performance of work under this contract possesses valid automobile liability coverage in accordance with California Vehicle Code Sections 16450 to 16457, inclusive. The DMV reserves the right to request proof at any time.

D. Workers Compensation

1. Throughout the term of this contract, the Contractor shall provide the DMV with a valid certificate of insurance stating that there is workers compensation insurance presently in effect for the Contractor, if the Contractor employs any person, in any manner, that is subject to the Workers Compensation Laws of California. The Contractor shall maintain statutory worker's compensation and employer's liability coverage for all its employees who will be engaged in the performance of this contract. Employer's liability limits of not less than \$1,000,000.00 are required. If the Contractor does not employ any person, in any manner, so as to not become subject to the Workers Compensation Laws of California, the Contractor shall complete and submit to the DMV Contract Administrator, a Workers Compensation Exemption Certification form.
2. In the event the Contractor becomes subject to the Workers Compensation Laws of California during the term of this contract as a result of hiring employees to perform required services under this contract, the Contractor shall provide the DMV within ten (10) calendar days of hiring employee, with a valid certificate of insurance stating that there is workers compensation insurance presently in effect for the Contractor. The Contractor shall maintain statutory worker's compensation and employer's liability coverage for all its employees who will be engaged in the performance of this contract. Employer's liability limits of not less than \$1,000,000.00 are required.
3. The Contractor's workers compensation insurance policy shall be endorsed with a waiver of subrogation in favor of the State of California in the event the Contractor employs any person, in any manner, that is subject to the Workers Compensation Laws of California.

E. Professional Liability

1. Throughout the term of this Agreement, the Contractor shall provide the DMV with a valid certificate of insurance stating that there is professional liability insurance presently in effect for the Contractor with limits of not less than \$1,000,000.00 per occurrence and \$3,000,000.00 in the aggregate, covering any damages caused by a negligent error, act, or omission.
2. By signing this Agreement, the Contractor certifies that the carrier of any professional liability insurance required in the performance of this Agreement has knowledge of the Contractor's extension of services to the DMV.

E. DMV'S RESPONSIBILITIES

1. Provide access to business and technical documentation as necessary for the Contractor to complete the tasks identified under this contract.

2. Provide access to the DMV personnel, management, offices and operation areas as required to complete the tasks defined under this contract.
3. The DMV will be available to provide general guidance, information, and facilitation activities including access to DMV Subject Matter Experts such as, DMV business analyst(s), DMV system analyst(s), and DMV programming personnel as necessary for the Contractor to complete the tasks defined under this Contract. DMV will not provide any resources to complete the Contractor responsibilities.
4. Provide contractor personnel with normal office working facilities and equipment if work occurs at DMV Headquarters.
5. If needed, invite the Contractor to appropriate project meetings.
6. The **DMV Contract Manager** responsible for overseeing the Contractor's performance and the Contractor's completion of requested services; approving invoices and Personnel Change Orders (PCOs):

DMV Business Representative/Contract Manager Name:	Hon Yue
Telephone Number:	[REDACTED]
Email Address:	Hon.Yue@dmv.ca.gov

DMV IT Representative Name:	Quynh Nguyen
Telephone Number:	[REDACTED]
Email Address:	Quynh.Nguyen@dmv.ca.gov

F. BUSINESS REQUIREMENTS

1. The Contractor must provide check verification services and operate and maintain the check verification process for the duration of the contract period.
2. The check verification system must be able to interface with DMV's internet program.
3. The check verification system must be available 24 hours per day, 7 days per week, 365 days per year, including State and Federal holidays and any other State designated non-workdays, excluding scheduled maintenance.
4. The check verification system must be equipped with security features for the purpose of maintaining the confidentiality of the data.
5. The check verification process must be able to validate the check routing and account information, as well as the availability of funds in the account based on the data elements provide by DMV and return a valid response to DMV of the verification results within five seconds of the receipt of the request.
6. Contractor must be able to provide DMV a list of messages or codes for both successful and unsuccessful transactions.
7. If the e-check verification service is interrupted for any reasons, the

Contractor must contract the DMV Contract Manager by phone and email within one hour of each occurrence.

8. The Contractor must be able to provide technical assistance within two hours after notification that service maintenance is required. Service down time must not exceed one business day per occurrence.
9. Scheduled maintenance must not exceed two hours per occurrence.
10. Contractor must coordinate with DMV prior to performing any scheduled maintenance and work with DMV personnel to develop, document, test, and execute general procedures to ensure successful transactions. Procedures must be tested and documented by the Contractor.
11. Contractor must notify DMV of all modifications or upgrades to the Contractor's software. Software must be fully tested by the Contractor and DMV prior to deploying to production.
12. Contractor must provide any supporting reports needed by the DMV in order to reconcile with DMV's internal reports and billed invoice.

G. ELECTRONIC CHECK VERIFICATION GENERAL BUSINESS RULES

1. The check verification process must only use the bank routing and account numbers to verify the information (National Automated Clearing House] Association conversion and rules must be applied). Refer to www.nacha.org for rules that shall be followed by the Contractor.
2. The process must complete check verification for at least 90 percent of the online e-check payments submitted or DMV may terminate the contract.
3. When the check verification process cannot validate the data, an error message must be generated and returned to the DMV system.
4. After two unsuccessful validation attempts, the check verification process must generate an error message advising the customer to pay with an alternative method.
5. The check verification process cannot display any of the customer's e-check information at any time.
6. The check verification process must comply with the **National Automated Clearing House Association** (NACHA) rules and regulations. Per NACHA requirement, an annual audit must be conducted.

H. ACCEPTANCE TESTING

1. Contractor must provide DMV with a detailed proposed testing plan for review and approval within 3 business days after the contract is executed. This plan will be the basis for a Contractor /DMV collaborative effort at developing a finalized user acceptance test plan that will be utilized during the life of the contract.
2. Contractor must ensure its test plan criteria will encompass and verify all required functionality for check verification.

3. DMV will conduct user acceptance/system testing of the verification process solution. Contractor will be responsible for addressing and correcting any deficiencies detected during DMV testing.
4. Any Contractor changes or modifications to the software as a result of deficiencies found during the testing process must have DMV approval.
5. All modifications, upgrades, and testing of software must be completed external to the production environment, in a separate development/testing environment. Additionally, all modifications must be capable of being tested in DMV environments.
6. Contractor will be responsible for conducting a thorough unit and integration testing in their environment before deploying the new and/or modified software for DMV to test the check verification process.
7. DMV acceptance of the check verification solution and payments to the Contractor for completed transactions are based on the successful implementation that satisfies DMV's business and security requirements and meets the performance standards identified by DMV for a period of 30 consecutive calendar days without failure. The initial 30-day period will commence with the deployment of the first check verification process. Any failure of the solution during the acceptance test period will cause the 30-day acceptance period to be restarted, and DMV will withhold payments to the Contractor for all transactions processed during the acceptance period. Only after 30 consecutive days without any failure will DMV initiate payments to the Contractor and include payments for all transactions successfully completed since the start of production.

Note: Failure of the Internet or DMV Network will not be considered a failure of the check verification process and will not affect the 30-day acceptance period.

I. PROJECT REPORTING REQUIREMENTS

The Contractor must prepare a weekly written status report to provide feedback to the DMV Contract Manager on current status and future activities until the check verification service is running smoothly in production for thirty (30) days without any interruption as defined in H. This report shall be provided in an electronic Excel format and must include, but not be limited to, the following information:

1. Status of the work completed during the reporting period.
2. Status of the overall project including problems encountered, solutions, and proposed solutions.
3. Risks and issues identified and/or being monitored during reporting period.
4. Planned tasks during next reporting period

Weekly status reports shall no longer be required after the 30-day error free

acceptance period as defined in H.

J. INVOICE AND PAYMENT METHOD

1. For services satisfactorily rendered in conformity with the work specified in Exhibit A, and upon receipt and approval of the invoice(s), DMV agrees to compensate the Contractor at the agreed upon rate per successful transaction completed.
2. To ensure accurate billing, an itemized invoice will be prepared as a means of identifying items processed for payment. The invoice must have the business name and address as shown on this Agreement, along with a contact name and telephone number, and must reference the contract agreement number, the time period covered by the invoice, the number of transactions processed within that given period of time, and the cost per transaction. Itemized invoices for contract services must be paid monthly when submitted in triplicate. To ensure prompt payment, submit invoices by mail or email:

Department of Motor Vehicles
P.O. Box 932382
Sacramento, CA 94232-3820
Attn: Accounts Payable M/S E-109

or emailed to:

ACCT_INV@dmv.ca.gov

3. Payments will be processed monthly, based on the actual number of successful check verification transactions.
4. Invoices shall include:
 - a. Invoice date
 - b. Invoice number
 - c. Contract registration number
 - d. Agency order (contract) number
 - e. Time period covered by the invoice (i.e., "March 1-March 31, 2018")
 - f. Quantity of transactions processed
 - g. Description of service
 - h. Transaction unit price
 - i. Cost of transactions (i.e., quantity x unit price)
5. The Contractor must provide a transaction summary report which shows all verification by date and time with transaction code when requested by DMV. Invoices must be detailed as stated above. Invoices may be submitted upon completion of each month; however, invoice(s) shall be due and payable, and payment shall be made only after the State's acceptance of each

invoiced summary of completed transactions delivered under this contract.
Progress payments do not apply to this contract.

6. Project costs related to items such as travel, per diem and travel time to the designated base of operation for the engagement are costs to be included within the contractor rates. DMV shall not pay for such costs as a separate item.

K. PROBLEM OR ISSUE ESCALATION

Disputes will follow the process identified in the Information Technology General Provisions (DGS PD-401) #44 (dated 6/21/2022).

L. CURE NOTICES

Cure notices will follow the process identified in the Information Technology General Provisions (DGS PD-401) #23 (dated 6/21/2022).

M. PERSONNEL ADDITION OR REPLACEMENT

1. The Contractor shall act as the prime contractor under this contract. The Contractor shall also identify any sub-contractor affiliation as applicable.
2. Replacement of the DMV Contract Manager, and Contractor Official shall be completed through the PCO process. An amendment to the contract is not required for replacement of the DMV Contract Manager, and Contractor Official.

EXHIBIT B - PERSONNEL CHANGE ORDER

CHANGE NO. _____	
Contractor Name: _____ Contract Number: _____	
Start Date: _____ or upon approval by the DMV IT Acquisitions Manager, whichever occurs later.	
Description of Change:	
Reason for Change (check one): ____ Replacement of Contractor Official ____ Replacement of DMV Contract Manager	
New Personnel Name: _____ Phone Number: _____ Email Address: _____	
<u>Approval:</u> The DMV Contract Manager will submit Personnel Change Order forms to the IT Acquisitions Analyst to obtain DMV IT Acquisitions Manager approval.	
_____ Contractor Official Print Name, Sign, and Date	_____ DMV Contract Manager Print Name, Sign, and Date
_____ DMV IT Acquisitions Manager Print Name, Sign, and Date	_____ DMV IT Acquisitions Analyst/Date Print Name, Sign, and Date

Exhibit C – Cost Sheet

Base Contract:						
Line Item # (LIN)	Quantity	Unit of Measure	Service/Commodity Description	Estimated Monthly Volume	Unit Cost	Extension Cost
1-1	12	Months	Year 1 - E-Check Services	750000	\$ 0.24	\$ 2,160,000.00
Year 1 Total:						\$ 2,160,000.00
Line Item # (LIN)	Quantity	Unit of Measure	Service/Commodity Description	Estimated Monthly Volume	Unit Cost	Extension Cost
2-1	12	Months	Year 2 - E-Check Services	825000	\$ 0.24	\$ 2,376,000.00
Year 2 Total:						\$ 2,376,000.00
Line Item # (LIN)	Quantity	Unit of Measure	Service/Commodity Description	Estimated Monthly Volume	Unit Cost	Extension Cost
3-1	12	Months	Year 3 - E-Check Services	907500	\$ 0.24	\$ 2,613,600.00
Year 3 Total:						\$ 2,613,600.00
Total Contract Value for Years 1, 2 and 3						\$ 7,149,600.00
Optional Extensions:						
Line Item	Quantity	Unit of	Service/Commodity Description	Estimated Monthly Volume	Unit Cost	Extension Cost
4-1	12	Months	Year 4 - E-Check Services (Optional)	998250	\$ 0.25	\$ 2,994,750.00
Year 1 Total:						\$ 2,994,750.00
Line Item	Quantity	Unit of	Service/Commodity Description	Estimated Monthly Volume	Unit Cost	Extension Cost
5-1	12	Months	Year 5 - E-Check Services (Optional)	1098075	\$ 0.25	\$ 3,294,225.00
Year 2 Total:						\$ 3,294,225.00
Total Optional Extension Value						\$ 6,288,975.00
Total Contract Value with Optional Extensions						\$ 13,438,575.00

EXHIBIT D - CONFIDENTIALITY STATEMENT

Confidentiality Statement for Contractor

As an authorized representative or corporate officer of the company named below, I have the authority to bind the company contractually, and I agree that all persons employed by this company will adhere to the following policy: All information belonging to the California Department of Motor Vehicles (DMV) is considered sensitive and confidential and cannot be disclosed to any person or entity that is not directly approved to participate in the work required to execute this Agreement.

I certify that I will keep all project information including (but not limited to) information concerning the planning, processes, development or procedures of the project, and all communication with DMV or its affiliates related to any procurement process, confidential and secure. I will not copy, give or otherwise disclose such information to any other person unless DMV has on file a Confidentiality Statement signed by the other person(s), and the disclosure is authorized and necessary for the project. I understand that the information to be kept confidential includes, but is not limited to, specifications, administrative requirements, terms and conditions, concepts and discussions, as well as written and electronic materials. I further understand that if I leave this project before it ends, I must still keep all project information confidential. I agree to follow any instructions provided by the project relating to the confidentiality of project information.

I fully understand that any unauthorized disclosure I make may be basis for civil and/or criminal penalties. I agree to advise the DMV Contract Manager immediately in the event of an unauthorized disclosure, inappropriate access, misuse, theft or loss of data.

I warrant that if my company is awarded the Contract, it will not enter into any agreements or discussions with a third party concerning such materials prior to receiving written confirmation from the DMV that such third party has an agreement with the DMV similar in nature to this one.

All materials provided for this Project, except where explicitly stated will be promptly returned or destroyed, as instructed by an authorized DMV representative. If the materials are destroyed and not returned, a letter attesting to their complete destruction, which documents the destruction procedures, must be sent to the DMV Contract Manager before payment can be made for services rendered. In addition, all copies or derivations, including any working or archival backups of the information, will be physically and/or electronically destroyed within ten (10) calendar days immediately following either the end of the Contract period or the final payment, as determined by the DMV.

All personnel assigned to this project shall be provided a Confidentiality Statement and will be expected to sign and return it to the DMV's Contract Manager before beginning work on this project.

Representative Name:		Title:		Phone Number:	
Company Name:					
Address:					
City/State/Zip Code:					
Signature:					
Date:					

CONFIDENTIALITY STATEMENT, continued

Confidentiality Statement for Personnel

As an authorized representative of the company named below, I agree to adhere to the following policy:

All information belonging to the California Department of Motor Vehicles (DMV) is considered sensitive and confidential and cannot be disclosed to any person or entity that is not directly approved to participate in the work required for this Contract.

I certify that I will keep all project information including (but not limited to) information concerning the planning, processes, development or procedures of the project, and all communication with DMV or its affiliates, confidential and secure. I will not copy, give or otherwise disclose such information to any other person unless DMV has on file a Confidentiality Statement signed by the other person(s), and the disclosure is authorized and necessary for the project. I understand that the information to be kept confidential includes, but is not limited to, specifications, administrative requirements, terms and conditions, concepts and discussions, as well as written and electronic materials. I further understand that if I leave this project before it ends, I must still keep all project information confidential. I agree to follow any instructions provided by the project relating to the confidentiality of project information.

I fully understand that any unauthorized disclosure I make may be basis for civil and/or criminal penalties. I agree to advise the DMV Contract Manager immediately in the event of an unauthorized disclosure, inappropriate access, misuse, theft or loss of data.

All materials provided for this Project, except where explicitly stated will be promptly returned or destroyed, as instructed by an authorized DMV representative. If the materials are destroyed and not returned, a letter attesting to their complete destruction, which documents the destruction procedures, must be sent to the DMV Contract Manager before payment can be made for services rendered. In addition, all copies or derivations, including any working or archival backups of the information, will be physically and/or electronically destroyed within ten (10) calendar days immediately following either the end of the Contract period or the final payment, as determined by the DMV.

Representative Name:		Title:		Phone Number:	
Company Name:					
Address:					
City/State/Zip Code:					
Signature:					
Date:					

EXHIBIT E - DMV ACCEPTABLE USE STATEMENT



ACCEPTABLE USE STATEMENT

The Department of Motor Vehicles (DMV) Information Security Awareness Program requires all individuals who access DMV information to sign this statement before beginning work and annually thereafter.

Failure to comply with information security and privacy policies, standards, and practices can have financial, criminal, and/or employment consequences for the general public, the DMV, and for you personally. All information must be treated carefully including:

- Information on paper, within the DMV network, or other information assets (e.g., workstation, server, laptop, copier, smart-phone, tablet, USB drive, software),
- Information describing how systems operate or are protected, and
- Information classified as confidential, sensitive, personal, or proprietary.

To maintain the confidentiality, integrity, and availability of DMV's information assets and protect confidential, sensitive, personal, or proprietary information from unauthorized use, access, release, viewing by others, change, loss, or deletion, I will comply with the following statements:

SECTION 1 — ACCESS *(Please initial after each statement.)*

1. I will only access DMV information assets using my assigned user ID and password and take reasonable safeguards to protect my password. For example, I will not write down my password or share it with others. _____
2. I will not leave my unlocked workstation unattended beyond a reasonable time or distance. _____
3. I will scan files stored on any removable media for viruses prior to using on the DMV network. _____
4. I will not intentionally send confidential, sensitive, personal, or proprietary DMV information or files so that I can later access the information or files remotely or off-site. _____
5. I will not deliberately interfere with another user's network access. _____
6. I will not intentionally cause an interruption or denial of service, or interfere with normal software functions. _____
7. I understand that the State may monitor its information assets and retrieve any information contained in the network, the workstation I use, information stored locally on the hard drive, on removable media or other portable devices to ensure that the work of the DMV is conducted in an approved and efficient manner. _____
8. I understand that I have no reasonable expectation of privacy when using DMV information assets. _____
9. I will follow the DMV's Remote Access Standards and the California Technology Agency Telework and Remote Access Security Standard for remote connection, security training, and use of Outlook Web Access. _____
10. I understand that personal computing equipment used for work purposes may be subject to the possibility of subpoena. _____
11. I understand that if the Department deems it necessary, a remote wipe may be initiated that may wipe my personal mobile device of all data. _____
12. I will obtain written approval before connecting a non-State device (personal or contract staff laptop, for example) to the DMV network. _____
13. If authorized elevated access rights, I will attend annual training and rejustify any elevated access rights to ensure only the appropriate access is assigned to me based on my duties. _____

SECTION 2 — USE *(Please initial after each statement.)*

1. I will only download, copy, and/or store DMV authorized software, audio (sound, music) or video files. _____
2. I agree to use DMV information assets only for the State of California's business purposes. This includes state business with the federal government and any city, county, or other public agency. _____
3. I will not make copies of DMV information for personal use nor remove materials or equipment from any DMV premises without approval. _____
4. Any private or personal use of DMV information assets will be incidental and minimal consistent with Government Code Section 8314. _____

PRINTED NAME	SIGNATURE X	DATE
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DMV ACCEPTABLE USE STATEMENT, continued

SECTION 3 — DISCLOSURE *(Please initial after each statement.)*

1. I will take reasonable precautions to protect all confidential, sensitive, or personal DMV information (e.g. credit card number, social security number, particularly those verified by the Social Security Administration) and all portable devices. For example, use a privacy screen or secure in a locked cabinet. _____
2. I will take necessary precautions to protect all DMV proprietary information, which includes details on DMV information systems. DMV proprietary information includes, but is not limited to, source/computer code, system diagrams, server names, logins and passwords, system configurations, and all other system documentation(s). _____
3. I will obtain written approval before transporting or storing confidential, sensitive, personal, or proprietary information in a vehicle, private storage, or other off-site location. For example, attorneys and investigators may have written approval as part of their duty statement or office procedures to take documents to a hearing. _____
4. I will only disclose DMV information, however communicated or transferred, to individuals authorized to lawfully receive it through appropriate government statutes and departmental policies and procedures. For example, using secure email or authorized encrypted media. _____

SECTION 4 — INDIVIDUAL RESPONSIBILITY *(Please initial after each statement.)*

1. I will immediately notify management of any actual or attempted security violations I may observe such as individual misuse, computer viruses, unauthorized attempts to gain access to a DMV building, a system or data, or other incidents as described in publication DMV 145, *Information Security Incident Reporting*. _____
2. I will only create, read, update, or delete DMV information for purposes necessary to perform my authorized job functions. _____
3. I will only copy, change, or delete the files, documents, or software of another individual to perform my authorized job functions. _____
4. I will comply with Software License Agreements. I will not illegally use or copy software that is owned or licensed by DMV. _____
5. I will comply with all applicable patent, trademark, copyright, and other laws. _____
6. Unless it is related to a Department investigation or similar authorized action, I will not intentionally send, receive, or store information that is in violation of departmental policy. For example, information that is discriminatory, harassing, derogatory, defamatory, threatening, or obscene. _____
7. I will not alter, disable, or otherwise intentionally bypass the virus protection software, patching processes, or other security controls installed on or used by any DMV information asset. _____
8. I will not intentionally destroy or dispose of any DMV information unless by authorized methods and in accordance with government statutes and DMV policy. _____
9. I will store my current files, data, and e-mail messages only for the duration of their intended business purpose in accordance with DMV policy and procedures unless I am notified of a different retention period. _____
10. I understand it is my responsibility to contact my supervisor for additional information and applicability of these provisions to my job functions. _____
11. I understand that this statement shall not affect the attorney-client privilege existing under applicable law. _____
12. I understand that failure to comply with any or all of these policies and/or provisions may result in loss or limitation of access to DMV information assets, disciplinary action, including dismissal, as well as civil or criminal penalties. _____
13. I acknowledge that I have read, understand, and received a copy of this statement. _____

PRINTED NAME	SIGNATURE	DATE
	X	

EXHIBIT F - INFORMATION SECURITY AND PRIVACY PROVISIONS (04/2022)

In the performance of this Agreement, [Contractor] agrees to protect all Department of Motor Vehicles (DMV) information by implementing the necessary controls to comply with State mandated security and privacy requirements provided in California State Administrative Manual (SAM), National Institute of Standards and Technology (NIST), Federal Information Processing Standards (FIPS), Government Code § 11015.5 and § 11019.9, Vehicle Code, and California Information Practices Act (IPA) Civil Code § 1798 et seq. The Contractor further agrees to implement the minimum administrative, physical, technical, and safeguards identified in this Agreement. The Contractor shall protect DMV information for the terms and length of this Agreement and while in possession of, maintaining, or accessing DMV information. The Contractor shall ensure any third parties adhere to these same provisions.

A. DEFINITIONS – For purposes of this Exhibit, the following definitions shall apply:

1. **Contractor** shall generally refer to any entity, private or public organization hired or working in conjunction with or for DMV to provide deliverables.
2. **Data** shall mean a representation of facts, concepts, or instructions in a formalized manner suitable for communication, interpretation, or processing by humans or by automated means.
3. **DMV Information** shall refer to DMV provided data.
4. **Confidential Information** shall have the same meaning as those terms in SAM, IPA, Civil Codes, and related Government Codes.
5. **Personal Information** shall have the same meaning as those terms in SAM, IPA, Civil Codes, and related Government Codes.
6. **Sensitive Information** shall have the same meaning as those terms in SAM, IPA, Civil Codes, and related Government Codes.
7. **Personnel** shall refer to any Contractor employees, volunteers, contractors, sub-contractors commissioned, employed by, or otherwise engaged in the performance of work associated with the Contractor.
8. **Systems** shall refer to workstations, laptops, servers, network, and other information processing components managed and hosted by Contractor which process, store, or transmit DMV information.
9. **Users** shall refer to any Contractor personnel with access to DMV information.

B. ADMINISTRATIVE SAFEGUARDS

1. DATA OWNERSHIP

DMV information provided under this Agreement remains DMV exclusive property. Confidential, sensitive, and personal information is not open to the public and requires special precautions to protect from loss and unauthorized use, disclosure, modification, or destruction. This information must not be shared without written permission from the DMV.

The Contractor recognizes its responsibility to protect the confidentiality of information in their custody as provided by law and ensure such information is disclosed only to those individuals, and of such purpose as authorized by the respective laws.

The Contractor shall have a non-exclusive right to use and process the disclosed information for the purposes stated in this Agreement. This right shall be revoked immediately upon termination of this Agreement. Disclosure of this data does not transfer ownership of information to the Contractor.

2. USE OF INFORMATION

The Contractor acknowledges and agrees that the information furnished or secured pursuant to this Agreement shall be used solely for the purposes described in this Agreement and agrees to implement policies and procedures to ensure the confidentiality of said information.

The Contractor further agrees that information obtained under this Agreement shall not be reproduced, published, sold, or released in original or any other form for any purpose other than identified in this Agreement. Only the minimum necessary amount of DMV information required to perform necessary business functions may be processed, stored, or transmitted.

The Contractor shall not use any DMV information that identifies real individuals for any purpose not described in this Agreement including for testing, training, or research.

3. BACKGROUND CHECKS

Contractor Personnel who may access DMV information, must undergo a thorough background check, with evaluation of the results to assure that there is no indication that the worker may present a risk to the security or integrity of confidential data or a risk for theft or misuse of confidential data. The Contractor shall retain background check documentation for a period of three (3) years

following contract termination.

4. STATEMENT OF CONFIDENTIALITY AND REQUIREMENTS

Information maintained by DMV is confidential under this Agreement and exempt from disclosure under the provisions of California Public Records Act (Government Code §6250-6265), the California Elections Code §2194), and other applicable state or federal laws.

The Contractor further understands and acknowledges that under California Penal Code §502, it is a public offense to knowingly and without permission alter, damage, delete, destroy, copy, or otherwise use any DMV data. Such action can be prosecuted civilly or criminally and is punishable by fine and/or imprisonment.

The Contractor shall ensure that all users sign a confidentiality statement each year, attesting to the fact that he/she is aware of the confidential nature of the data and penalties for unauthorized disclosure under applicable state and federal law. Copies of signed confidentiality statements must be made available to the DMV CISO upon request.

5. INFORMATION SECURITY AND PRIVACY AWARENESS TRAINING

The Contractor shall ensure that all users must receive information security and privacy awareness training prior to accessing such information, and annually thereafter. Information security and privacy awareness training must contain instructional components such as, but not limited to, information about the confidential nature of information, laws and regulations protecting the confidentiality of information, user responsibility for protecting the information, and the consequences and legal liability of unauthorized use, access, or disclosure of said information. Upon request, the Contractor must provide the DMV Chief Information Security Officer (CISO) or Privacy Officer with a copy of its information security and privacy awareness training components and certification of its annual information security and privacy awareness training completion.

6. EMPLOYEE ACCESS TO INFORMATION

The Contractor agrees that information shall be kept in the strictest confidence and only made available to authorized personnel on a "need-to-know" business basis, and only for the purposes authorized under this Agreement. The term "need-to-know" refers to those authorized persons who need information to perform their official duties in connection with the purpose described in the Agreement.

The Contractor shall maintain records of all authorized users and the authorization level of access granted to the information obtained under this Agreement with the purpose described in this Agreement.

7. RISK ASSESSMENT

A risk assessment must be conducted annually on all Contractor systems which process, store or transmit DMV information. Risk assessments must be documented at least every three (3) years or upon significant change to the system or environment. Risk assessment results must be provided to the CISO within 30 days of completion.

8. INCIDENT REPORTING

The Contractor shall immediately notify the DMV CISO/Designee of any actual or suspected security event involving DMV information accessed or obtained under this Agreement. The Contractor shall cooperate fully with DMV to comply with the incident reporting requirements within Civil Code section 1798.29 and SAM section 5340.4.

The Contractor shall thoroughly investigate all unauthorized or suspected unauthorized access, use, and/or disclosure of information obtained under this Agreement. DMV reserves the right to participate in the investigation of any information security incident involving its data and may conduct its own independent investigation, and the Contractor shall cooperate fully in such investigation.

The Contractor shall provide a preliminary report within three (3) working days of discovery of breach or unauthorized use or disclosure. The report shall include, but not be limited to, the information specified above, as well as any pertinent preliminary information. The Contractor shall then provide a full written report of the investigation to the DMV CISO and Privacy Officer within ten (10) working days of the discovery of the breach or unauthorized use or disclosure. The report shall include, but not be limited to, the information specified above, as well as a full, detailed corrective action plan, including information on measures that were taken to halt and/or contain the improper use or disclosure.

DMV reserves the right to take corrective action at any time.

9. BREACH OR DISCLOSURE OF DMV INFORMATION

Disclosure of any DMV information to any person or entity not specifically authorized in this Agreement is strictly prohibited. Personnel assigned to work with DMV's confidential information shall not reveal, share, or divulge to any person or entity any of the confidential information provided under this

Agreement, except as authorized or required by law.

DMV shall not be held liable for any breach of Contractor systems that results in the release of any information provided by DMV. Contractor agrees to indemnify and hold harmless DMV, its officers, and representatives from and against any liability, losses, costs, damages, or expenses (including but not limited to attorney fees) resulting from any claims arising from the performance of this Agreement, including but not limited to any and all liability, damages, costs, expenses, or attorney fees resulting from a breach of security of the system as defined in the California IPA unless such damages are determined to be the result of the negligence of DMV, its officers, employees, or representatives.

If the Contractor experiences a loss or breach of data, the Contractor shall immediately report the loss or breach to DMV. If DMV determines that notice to the individuals whose data has been lost or breached is appropriate, the Contractor will bear any, and all costs associated with the notice, or any mitigation selected by the data owner. These costs include, but are not limited to, personnel time, material costs, postage, media announcements, and other identifiable costs associated with the breach or loss of data.

C. PHYSICAL SAFEGUARDS

1. ACCESS CONTROL

The Contractor shall ensure information in all forms, such as, but not limited to CDs, DVDs, USB flash drives, or other removable media must be stored in areas physically secure and free from access by unauthorized persons as described in this Agreement.

The Contractor shall ensure computer monitors, printers, hard copy printouts, or any other forms of information accessed or obtained under the performance of this Agreement must not be viewed by the public or other unauthorized persons as described in the Agreement.

2. SUPERVISION OF DATA

DMV information in paper form shall not be left unattended at any time, unless it is locked in a file cabinet, file room, desk or office. Unattended means that information is not being observed by an employee authorized to access the information. DMV information in paper form shall not be left unattended at any time in vehicles or planes and shall not be checked in baggage on commercial airplanes.

3. ESCORTING VISITORS

Visitors to areas where DMV information is contained shall be escorted and DMV information shall be kept out of sight while visitors are in the area.

4. REMOVAL OF DATA

DMV information must not be removed from the premises of the Contractor except with express written permission.

TECHNICAL SAFEGUARDS

1. DATA RETENTION AND DESTRUCTION

DMV information must be retained for the minimum necessary to perform the required business function.

All data received by the Contractor under this Agreement and any data created, copied, attributed to data received shall be destroyed when no longer needed for the business function for which they were obtained, or within 10 calendar days of termination of this Agreement. Data must be destroyed in accordance with the requirements specified NIST Special Publication (SP) 800-88, Guidelines for Media Sanitization.

2. ENCRYPTION

Confidential, sensitive, or personal information must be encrypted in accordance with Federal Information Processing Standards 140-3, Security Requirements for Cryptographic Modules.

3. DATA AT REST AND IN TRANSIT

All Contractor systems that process, store, or transmit DMV confidential, sensitive, or personal information at rest and in transit must be encrypted in accordance with the security and privacy provisions specified within this Agreement.

4. ENDPOINT PROTECTION

All Contractor systems that process, store, or transmit DMV information must install and actively use endpoint protection with automatic updates scheduled at least daily.

5. VULNERABILITY MANAGEMENT

All Contractor systems which store, process, or transmit DMV information must be scanned for vulnerabilities monthly, and when new vulnerabilities potentially

affecting the system are identified and reported. Vulnerabilities by severity must be remediated within the following timeframe.

- Critical (3 business days or less)
- High (21 days)
- Medium (60 days)
- Low (90 days)

The CISO must be notified within 24 hours if critical vulnerabilities cannot be remediated within the required timeframe.

6. INTRUSION DETECTION

All Contractor systems which store, process, or transmit DMV information that are accessible via the Internet must be protected by a comprehensive intrusion detection and prevention solution.

7. WARNING BANNERS

All Contractor systems which store, process, or transmit DMV information must display a warning banner stating that data is confidential, systems are logged, and system use is for business purposes only by authorized users. User must be directed to log off the system if they do not agree with these requirements.

8. IDENTIFICATION and AUTHENTICATION

All users accessing DMV information from Contractor systems must be assigned uniquely identified accounts.

9. PASSWORD CONTROLS

Contractor system user account passwords must be a minimum 15 characters and must be composed of a minimum one character each from the following four groups:

- a. Upper case letters (A-Z)
- b. Lower case letters (a-z)
- c. Arabic numerals (0-9)
- d. Non-alphanumeric characters (punctuation symbols)

Passwords must be changed at least every 180 days.

10. USER ACCOUNT MANAGEMENT

Contractor system user accounts must be immediately disabled or deleted upon personnel termination or a change in assigned duties which no longer require

access to DMV information.

11. MULTI FACTOR AUTHENTICATION

Multi factor authentication must be enabled for all Contractor system users accessing DMV information.

12. SESSION LOCK

Contractor systems must not be left unattended and logged on. Systems must be configured to prevent access by initiating a session lock after no more than 10 minutes of inactivity. Session locks must be retained until the user reestablishes access using established identification and authentication procedures.

13. CHANGE CONTROL

The Contractor shall notify the DMV 30 days prior of any changes to systems, hardware, software, applications, file structure, data, or record layout which process, store, or transmit DMV information. The DMV shall notify the Contractor of any changes to DMV systems, hardware, software, applications, file structure, data, or record layout which process, store, or transmit information in the performance of this Agreement at the discretion of the DMV.

14. AUDITING

The Contractor shall maintain an audit trail and record data access of authorized users and the authorization level of access granted to information based on job function. Said logs must be made available to the DMV upon request.

To determine compliance with Agreement terms, the Contractor shall permit DMV authorized individuals to perform audit or inspections during regular business hours of hosted Contractor systems located on Contractor premises. Contractor shall permit audits or inspections with seven (7) days prior notice.

Exhibit G – Contractor Background Investigation

PURPOSE: It is the policy of the Department of Motor Vehicles (DMV) to require all contractors who contract with DMV to perform services to gather and consider relevant background history information in determining if the contractor's employees who provide services to DMV ("Contractor Personnel") meet the general standards for working with DMV and safeguarding DMV information.

POLICY: Under the authority of Government Code section 1040, it is the policy of the DMV to require employees or prospective employees being appointed to positions of trust to submit fingerprint images and associated information to the Department of Justice (DOJ) and the Federal Bureau of Investigation (FBI) or comparable solution in order to obtain criminal history of persons applying for employment to make a final determination of that person's fitness to perform duties associated with positions of trust. A position of trust is one in which the duties of the employee or consultant include or would include any of the following:

- Access to confidential information in a database of the DMV, including Personally Identifiable Information (PII);
- Access to confidential or sensitive information provided by a member of the public including, but not limited to, a credit card number or social security account number;
- Access to cash, checks, or other accountable items;
- Responsibility for the development of maintenance of a critical automated system; or
- Making decisions regarding the issuance or denial of a license, endorsement, certificate, or indicia.

Like DMV, Contractors shall also comply with all applicable laws, rules, and regulations related to conducting employee background investigations as outlined above, including without limitation the California Investigative Consumer Reporting Agencies Act and California Government Code section 12952. Contractors shall be solely responsible for any failure to conduct its background investigations in compliance with applicable law. In evaluating the suitability of a particular individual's work assignment with DMV, Contractors must give particular emphasis to DMV's business needs arising from its responsibility to safeguard DMV funds, its obligation to protect the personal data it holds and maintain the integrity of the DMV, and its policy to provide a safe and secure workplace. This includes but is not limited to preventing contractors or Contractor Personnel from using their access to DMV, facilities, systems, or data to:

- Carry out identity theft or related activities;
- Inappropriately alter DMV records;
- Embezzle funds from DMV;
- Engage in any activity that would damage DMV's reputation; or
- Initiate any act of workplace violence, discrimination, or sexual harassment.

Prior to allowing Contractor Personnel to perform work on behalf of DMV under the agreement or obtain access to DMV information or facilities ("DMV Assignment"), Contractors are responsible for conducting an appropriate background investigation, including a criminal record check, reference check, and verification of education (if applicable) and previous employment as allowed by applicable law (a "Background Investigation"), of any such Contractor Personnel. In addition, a Background Investigation includes a review of the driving records of any Contractor Personnel who

may drive on DMV-related business as a regularly assigned duty. The information gathered in this process is subject to strict confidentiality provisions in order to protect the privacy of those persons whose backgrounds are reviewed under this policy. Contractors will review and evaluate all information obtained as part of a Background Investigation of any Contractor Personnel and will not assign any Contractor Personnel to a DMV Assignment if the Contractor determines, based in whole or in part on information obtained as part of the Background Investigation, that the Contractor Personnel is not suitable for the assignment. Examples of reasons for which Contractor Personnel may be unsuitable for DMV Assignment include:

Criminal Record Checks

1. A conviction for any of the following offenses:
 - Any form of fraud, deceit, or misrepresentation
 - Embezzlement
 - Forgery
 - Identity theft/stolen credit card use
 - Any other offense involving misappropriation of assets or resources, abuse of access to financial or personal records, unauthorized access to financial or personal records, falsification of documents or records, crimes of moral turpitude, or crimes which may be relevant to the DMV Assignment
2. Any conviction for offenses related to stealing, such as the following:
 - Theft, burglary, carjacking, or home invasion crimes
 - Shoplifting
 - Receiving stolen property
 - Bad checks
3. Any conviction for any violent crime.

Contractor Personnel with convictions other than those specified above may be deemed unsuitable for a DMV Assignment when the record of convictions indicates or suggests to the Contractor a continuing pattern of behavior that is inconsistent with DMV business needs specified above.

Contractors are responsible for reviewing the civil litigation history of any Contractor Personnel to the extent permissible by applicable law. Contractors should not assign any Contractor Personnel to a DMV Assignment if the individual's civil litigation history reveals that he or she lacks one or more of the general qualifications for DMV Assignment such as honesty, integrity, and/or good judgment.

Fraud in Securing Appointment

Any information Contractor Personnel provides for employment with or to provide services to the Contractor (on applications, resumes, background questionnaires, etc.) must be substantively truthful. Should the Contractor determine that the information it did receive from any Contractor Personnel was not substantively truthful, it shall promptly remove such individual from the DMV Assignment to the extent permissible under applicable law.

Other Actions to consider:

Reference Checks during the contracting process

Contractors should not assign any Contractor Personnel to a DMV Assignment if

a reference check gives the Contractor reason to believe that the individual lacks one or more of the general qualifications for DMV Assignment such as honesty, integrity, and/or good judgment.

Driving Record Checks

A serious driving violation, such as driving under the influence of alcohol or drugs, or reckless driving, within the past three years may disqualify Contractor Personnel from a DMV Assignment, if the nature of the work performed for DMV requires driving as a regularly assigned duty. Contractors must review driving records when driving a motor vehicle on a DMV Assignment is a regularly assigned duty.

Prior to any Contractor Personnel performing services under the Agreement, the Contractor shall certify that it has performed a Background Investigation of such Contractor Personnel, reviewed and verified the background information in a manner consistent with this Policy, and determined that the individual(s) is/are qualified for the DMV Assignment. Such certification will be made with submission of the "Certification of Contractor's Employee Background Investigation form, provided to the Contractor by DMV.

The Contractor shall review and investigate any relevant information it receives or becomes aware of subsequent to the date of the Background Investigation regarding any Contractor Personnel. The Contractor shall immediately notify its DMV contract manager if it receives information which might lead the Contractor to believe any Contractor Personnel would be ineligible to work on a DMV Assignment, pursuant to this DMV Contractor Background Investigation Policy, had the Contractor known the information at the time it conducted the Background Investigation.

Contractors shall promptly replace any such Contractor Personnel upon DMV request. Annually, the Contractor shall certify, on a form provided by DMV, that it knows of no information that would affect the suitability of any Contractor Personnel to work on a DMV Assignment. The Contractor shall retain documents and files received in the Background Investigation throughout the term of the Agreement, shall provide reasonable safeguards to ensure security and confidentiality of these documents and files, and will work cooperatively with DMV to provide related data or information upon DMV's reasonable request, consistent with applicable law.

Once a contract is awarded, if the Contractor personnel have been deemed to be in a position of trust, the DMV Contract manager will ensure that the Contractor personnel complete the following on an annual basis during the term of the contract:

- 1) DMV Nepotism form
- 2) Sexual Harassment Training
- 3) Information and Privacy Security Training
- 4) Fair Political Practices Commission Form 700 (Statement of Economic Interest)

REFERENCES & RELATED DOCUMENTS:

California Investigative Consumer Reporting Agencies Act
California Government Code § 12952
California Government Code § 1040

**EXHIBIT H1 - CERTIFICATION OF CONTRACTOR
EMPLOYEE BACKGROUND INVESTIGATION**

Contractor Name _____
Agreement Number _____
Email _____
Phone _____

The above-named Contractor, as a condition of providing services as set forth in the above-referenced Agreement, certifies the following:

1. Contractor has agreed to and will comply with the DMV Contractor Background Investigation Policy, as incorporated into the Agreement.
2. Prior to assigning any of Contractor's employees ("Contractor Personnel") to perform the services called for in the Agreement or providing such individuals access to DMV information or facilities (the "DMV Assignment"), Contractor will perform a background investigation on such individuals that complies with the DMV Contractor Background Investigation Policy and applicable law ("Background Investigation"). Contractor shall not assign any Contractor Personnel to the DMV Assignment contrary to DMV Contractor Background Investigation Policy.
3. Contractor certifies that it has not received information related to any currently assigned and previously identified Contractor Personnel which would justify removing such individual from the DMV Assignment. To the extent Contractor has added any Contractor Personnel during this reporting period, Contractor certifies that it has performed a Background Investigation on those Contractor Personnel identified in Attachment A and that such individual(s) is/are qualified and suitable to work on the DMV Assignment.
4. To the extent Contractor intends to assign any additional Contractor Personnel to the DMV Assignment after its certification, Contractor agrees to provide DMV with an updated Certification covering such individual(s) prior to that personnel beginning work on the DMV Assignment. Attachment A should be completed for Contractor Personnel names not yet submitted.
5. Contractor has been informed and understands that any violation of this certification may result in the termination of the Agreement, at DMV's election. The termination of the Agreement shall not be construed to limit any remedy DMV might have under applicable law.

I, _____, declare under penalty of perjury under
(Print name)

under the laws of the State of California that the foregoing is true and correct. Executed in

_____, _____ on this _____, 20____
(City) (State) (Month) (Day)
(Year)

Signature

Date

EXHIBIT H2 - CERTIFICATION OF CONTRACTOR EMPLOYEE BACKGROUND INVESTIGATION

The following Contractor Personnel are authorized to work on DMV assignments. Indicate the date of initial authorization and recertify each personnel annually. Use a second sheet page, if needed.

[illegible]