

# CRMP

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## California Residential Mitigation Program A Joint Powers Authority

Date of Notice: Friday, January 22, 2019

### PUBLIC NOTICE

**A PUBLIC MEETING  
OF THE GOVERNING BOARD OF THE  
CALIFORNIA RESIDENTIAL MITIGATION PROGRAM**

**NOTICE IS HEREBY GIVEN** that the Governing Board of the **California Residential Mitigation Program (CRMP)** will meet in Sacramento, California. The Bagley-Keene Open Meeting Act applies generally to meetings of the board, and the meeting is open to the public—public participation, comments, and questions will be welcome for each agenda item. All items are appropriate for action if the governing board wishes to take action. Agenda items may be taken out of order.

**LOCATION:** **Governor's Office of Emergency Services  
("CalOES")  
3650 Schriever Avenue, MPR2  
Mather, California 95655**

**DATE:** Tuesday, March 5, 2019

**TIME:** 1:00 p.m.

**AGENDA:**

1. Call to order and member roll call:

Mitch Ziemer – Chair, Insurance and Claim Director, CEA  
Alex Pal, Chief Legal Counsel, Cal OES  
Christina Curry – Vice Chair, Deputy Director, California Office of Emergency Services  
Dan Dyce – Consultant, CEA

*Establishment of a quorum*

2. Consideration and approval of the minutes of the December 11, 2018 CRMP Governing Board meeting.
3. CRMP Executive Director Janiele Maffei will present request to approve designation of Alex Pal, General Counsel, CalOES, to act for governing board member Grace Koch, Chief Deputy Director, CalOES, at meetings of the governing board beginning on March 5, 2019.

4. CRMP Executive Director Janiele Maffei will present her executive report.
5. CEA Treasurer, Ben Kirwan, will review the CRMP financial statements as of December 31, 2018.
6. CRMP Managing Director Annde Ewertson will present the CRMP Mitigation (Earthquake Brace + Bolt) update.
7. CRMP Managing Director Annde Ewertson will present request to adopt the amended and restated CRMP Joint Exercise of Powers Agreement.
8. CRMP Managing Director Annde Ewertson will present the CRMP Request for Qualifications and Proposal for Marketing and Public Relations Services, for approval.
9. CRMP Managing Director Annde Ewertson will present the CRMP Request for Qualifications and Proposal for Printing, Distribution and Analysis Services, for approval.
10. Public comment on items that do not appear on this agenda and public requests that those matters be placed on a future agenda.
11. Adjournment.

**Inquiries/General Information:**

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Toll free (877)797-4300  
[jball@calquake.com](mailto:jball@calquake.com)

To view this notice on the CRMP website, please visit  
[www.CaliforniaResidentialMitigationProgram.com](http://www.CaliforniaResidentialMitigationProgram.com)

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**Persons with disabilities may request special accommodations at this or any future CRMP governing board meeting or may request the accommodation necessary to receive agendas or materials prepared for its board meetings.**

**Please contact Jacqueline Ball by telephone at (916) 661-5607 or by email at [jball@calquake.com](mailto:jball@calquake.com). We would appreciate hearing from you at least five days before the meeting date to best allow us to meet your needs.**

**NOTE: You might have received this notice because your name, or that of your organization, appears on a public-notice list maintained by the California Earthquake Authority. If in the future you do not wish to receive public notices pertaining to the California Residential Mitigation Program, please send your request by email to [info@californiarresidentialmitigationprogram.com](mailto:info@californiarresidentialmitigationprogram.com).**



Draft Meeting Minutes  
are not available.

Please see CRMP Governing  
Board Meeting  
Approved Minutes.

## **CRMP Governing Board Memorandum**

March 5, 2019

Agenda Item 3: CRMP Governing Board Member Appointment

Recommended Action: Approve designated member

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CRMP Executive Director, Janiele Maffei, will present the letter dated February 15, 2019 recommending designation of Mr. Alex Pal, Chief General Counsel, CalOES to act for governing board member Grace Koch, Chief Deputy Director, CalOES, at meetings of the governing board beginning March 5, 2019. This designation is effective indefinitely unless it is revoked by another letter to the CRMP Board members.

### **Recommendation:**

Approve designated member.



February 15, 2019

California Residential Mitigation Program  
Mitch Ziemer, Board President  
Janiele Maffei, Executive Director  
801 K Street, Suite 1000  
Sacramento, CA 95814

Dear Mitch and Janiele:

I want to thank you for the opportunity to serve in this capacity and have the utmost respect and appreciation for all of the great work the staff at the California Residential Mitigation Program (CRMP) have put forth. It is remarkable to see all of the progress the program has made in such a short period of time, as well as the potential for the future.

Given my existing workload and the recovery work that the last two years have produced, I feel it would better serve the Board if our Chief Legal Counsel assumes my role on the Board. This will confirm that Alex Pal has been designated by the undersigned to act for governing board member Grace Koch at meetings of the governing board beginning on March 5, 2019. This designation is effective indefinitely unless it is revoked by another letter to you. Mr. Pal will complete and submit the Form 700 as required.

It has been a privilege and honor to serve with such a distinguished Board of Directors and such professional and dedicated staff. Thank you for all your work, both collectively and individually. Please let me know if there is anything else you need.

Sincerely,

GRACE KOCH  
Chief Deputy Director

cc: Alex Pal, California Governor's Office of Emergency Services



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(916) 845-8506 TELEPHONE (916) 845-8511 FAX  
[www.CalOES.ca.gov](http://www.CalOES.ca.gov)

## **CRMP Governing Board Memorandum**

March 5, 2019

Agenda Item 4: Executive Report by Executive Director Janiele Maffei

Recommended Action: No Action Necessary

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### **Background:**

Executive Director Janiele Maffei will provide an update on the CRMP and CEA mitigation interests and projects.

### **Recommendation:**

No action necessary.

## **Governing Board Memorandum**

March 5, 2019 Agenda

Item #5: Treasurer's Financial Update

Recommended Action: No Action Necessary

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### Background:

CRMP Treasurer, Ben Kirwan, will review the CRMP financial statements as of December 31, 2018.

### Recommendation:

No action is necessary.

California Residential Mitigation Program  
(CRMP)

FINANCIAL  
REPORT

BOARD MEETING  
Tuesday, March 5, 2019



**California Residential Mitigation Program  
Balance Sheet  
As of December 31, 2018**

**Assets**

Cash and cash equivalents	\$ 355,519
Accounts receivable	14,121
	<hr/>
Total assets	\$ 369,640
	<hr/> <hr/>

**Liabilities and Fund Balance**

Liabilities:

Accounts payable and accrued expenses	\$ 190,031
	<hr/>
Total liabilities	190,031
	<hr/>

Fund Balance:

Unassigned	179,609
	<hr/>
Total fund balance	179,609
	<hr/>
Total liabilities and fund balance	\$ 369,640
	<hr/> <hr/>

**California Residential Mitigation Program**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**For the Year Ended December 31, 2018**

Revenues:	
Contributions from members	\$ 8,900,000
	<hr/>
Total revenues	8,900,000
	<hr/>
Expenditures:	
Administration and office expenses	\$ 34,849
Audit services	41,000
Board services	1,510
Grants to homeowners	9,621,834
Inspection services	109,502
Insurance	39,546
IT administrative support	18,372
Legal services	68,375
Marketing services	386,961
Program education	71,486
Program support	131,922
Travel	7,489
	<hr/>
Total expenditures	10,532,846
	<hr/>
Net change in fund balance	(1,632,846)
Fund balance, beginning of year	1,812,455
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Fund balance, end of year	\$ 179,609
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**California Residential Mitigation Program  
Budgeted Expenditures and Actual Expenditures  
2018 Budget Year  
as of December 31, 2018**

	Approved 2018 Budget 1/1/2018	Adjustments	Augmentations	2018 Budget after Augmentations and Adjustments	Actual Expenditures	Augmented & Adjusted Approved Budget vs. Actual Expenditures	Percentage used of Augmented & Adjusted 2018 Budget
<b>Revenue</b>							
Contribution from Members <sup>2</sup>	\$ -	\$ -	\$ 8,900,000	\$ 8,900,000	\$ 8,900,000	\$ -	100.00%
<b>Total Revenue</b>	<b>-</b>	<b>-</b>	<b>8,900,000</b>	<b>8,900,000</b>	<b>8,900,000</b>	<b>-</b>	<b>100.00%</b>
<b>CRMP Administration Expenses</b>							
Travel	32,000			32,000	7,489	24,511	23.40%
Professional Dues and Memberships	800			800	-	800	0.00%
Board Services	2,300			2,300	1,510	790	65.65%
Administration & Office	79,050			79,050	34,849	44,201	44.08%
Insurance	38,000			38,000	39,546	(1,546)	104.07%
Financial Audit	50,000			50,000	41,000	9,000	82.00%
Legal Services	100,000			100,000	68,375	31,625	68.38%
<b>Total Administration Expenses</b>	<b>302,150</b>	<b>-</b>	<b>-</b>	<b>302,150</b>	<b>192,769</b>	<b>109,381</b>	<b>63.80%</b>
<b>EBB Program Expenses</b>							
Software/Information Technology	25,250			25,250	18,373	6,877	72.76%
Call Center	120,000			120,000	131,922	(11,922)	109.94%
Home Inspection Services	95,000			95,000	109,502	(14,502)	115.27%
EBB Marketing	325,000			325,000	386,960	(61,960)	119.06%
EBB Program Education	75,000			75,000	71,486	3,514	95.31%
Grants to Homeowners <sup>1</sup>	6,000,000		3,300,000	9,300,000	9,621,834	(321,834)	103.46%
<b>Total EBB Program Expenses</b>	<b>6,640,250</b>	<b>-</b>	<b>3,300,000</b>	<b>9,940,250</b>	<b>10,340,077</b>	<b>(399,827)</b>	<b>104.02%</b>
<b>Total Administrative and Program Expenses</b>	<b>\$ 6,942,400</b>	<b>\$ -</b>	<b>\$ 3,300,000</b>	<b>\$ 10,242,400</b>	<b>\$ 10,532,846</b>	<b>\$ (290,446)</b>	<b>102.84%</b>

<sup>1</sup> Augmentation approved at special July 16, 2018 board meeting for additional retrofits grants.

<sup>2</sup> California Earthquake Authority board has approved max funding of \$8,900,000 for 2018 as of the CEA board meeting on July 19, 2018.

**California Residential Mitigation Program  
Budgeted Expenditures and Actual Expenditures  
Main Program  
as of December 31, 2018**

	Approved 2018 Budget 1/1/2018	Adjustments	Augmentations	2018 Budget after Augmentations and Adjustments	Actual Expenditures	Augmented & Adjusted Approved Budget vs. Actual Expenditures	Percentage used of Augmented & Adjusted 2018 Budget
<b>Revenue</b>							
Contribution from Members <sup>2</sup>	\$ -	\$ -	\$ 8,900,000	\$ 8,900,000	\$ 8,900,000	\$ -	100.00%
<b>Total Revenue</b>	<b>-</b>	<b>-</b>	<b>8,900,000</b>	<b>8,900,000</b>	<b>8,900,000</b>	<b>-</b>	<b>100.00%</b>
<b>CRMP Administration Expenses</b>							
Travel	32,000			32,000	7,489	24,511	23.40%
Professional Dues and Memberships	800			800	-	800	0.00%
Board Services	2,300			2,300	1,510	790	65.65%
Administration & Office	79,050			79,050	34,849	44,201	44.08%
Insurance	38,000			38,000	39,546	(1,546)	104.07%
Financial Audit	50,000			50,000	41,000	9,000	82.00%
Legal Services	100,000			100,000	68,375	31,625	68.38%
<b>Total Administration Expenses</b>	<b>302,150</b>	<b>-</b>	<b>-</b>	<b>302,150</b>	<b>192,769</b>	<b>109,381</b>	<b>63.80%</b>
<b>EBB Program Expenses</b>							
Software/Information Technology	25,250			25,250	18,373	6,877	72.76%
Call Center	120,000			120,000	131,883	(11,883)	109.90%
Home Inspection Services	95,000			95,000	109,502	(14,502)	115.27%
EBB Marketing	325,000			325,000	386,960	(61,960)	119.06%
EBB Program Education	75,000			75,000	71,486	3,514	95.31%
Grants to Homeowners <sup>1</sup>	6,000,000		3,300,000	9,300,000	9,621,834	(321,834)	103.46%
<b>Total EBB Program Expenses</b>	<b>6,640,250</b>	<b>-</b>	<b>3,300,000</b>	<b>9,940,250</b>	<b>10,340,038</b>	<b>(399,788)</b>	<b>104.02%</b>
<b>Total Administrative and Program Expenses</b>	<b>\$ 6,942,400</b>	<b>\$ -</b>	<b>\$ 3,300,000</b>	<b>\$ 10,242,400</b>	<b>\$ 10,532,807</b>	<b>\$ (290,407)</b>	<b>102.84%</b>

<sup>1</sup> Augmentation approved at special July 16, 2018 board meeting for additional retrofits grants.

<sup>2</sup> California Earthquake Authority board has approved max funding of \$8,900,000 for 2018 as of the CEA board meeting on July 19, 2018.

**California Residential Mitigation Program  
Project Budget Expenditures  
Napa EBB  
as of December 31, 2018**

	<b>Project Budget</b>	<b>Used Budget Thru 12/31/17</b>	<b>2018 Used Budget</b>	<b>Total Used Budget</b>	<b>Remaining Budget \$</b>	<b>Used of Budget %</b>
<b>Revenue:</b>						
FEMA Reimbursement Grant	\$ 300,000	\$ 155,142	\$ 144,858	\$ 300,000	\$ -	100.00%
CEA Matching Contribution <sup>1</sup>	100,000	100,000	-	100,000	-	100.00%
<b>Total Revenue</b>	<b>\$ 400,000</b>	<b>\$ 255,142</b>	<b>\$ 144,858</b>	<b>\$ 400,000</b>	<b>\$ -</b>	<b>100.00%</b>
<b>Expenses:</b>						
<b>CEA Matching Expenses:</b>						
Staff Time <sup>1</sup>	\$ 36,500	\$ 40,233	\$ -	\$ 40,233	\$ (3,733)	110.23%
Website <sup>1</sup>	3,000	60,016	-	60,016	(57,016)	2000.53%
	39,500	100,249	-	\$ 100,249	\$ (60,749)	253.79%
<b>CRMP Expenses:</b>						
Legal Services	12,500	30,735	-	30,735	(18,235)	245.88%
Call Center	9,000	889	39	928	8,072	10.31%
Marketing	28,000	27,734	-	27,734	266	99.05%
Insurance	1,000	-	-	-	1,000	0.00%
Photos of each house	10,000	-	-	-	10,000	0.00%
	60,500	59,358	39	59,397	1,103	98.18%
<b>Homeowner Incentives:</b>						
Grants to homeowners	300,000	251,142	-	251,142	48,858	83.71%
<b>Total Expenses</b>	<b>\$ 400,000</b>	<b>\$ 410,749</b>	<b>\$ 39</b>	<b>\$ 410,788</b>	<b>\$ (10,788)</b>	<b>102.70%</b>

<sup>1</sup> FEMA matching requirements for revenue and expenses are only shown on project budget, they are not part of CRMP overall budget. Amounts are as of last reimbursement request which was 12/31/17, and capped at \$100,000.

**Note: Cal OES provided letter on January 23, 2019 that a review of the project closure has been completed, and final payment will be issued.**

## Governing Board Memorandum

March 5, 2019

Agenda Item 6: California Residential Mitigation Program incentive program  
(CRMP Earthquake Brace + Bolt)

Recommended Actions: No action required—information only

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### CRMP Earthquake Brace + Bolt Programs

Background:

Homeowners in *Earthquake Brace + Bolt* (EBB) program ZIP Codes are eligible for an incentive payment of up to \$3,000 to help pay costs associated with seismically retrofitting their houses. EBB is operated by the California Residential Mitigation Program, a joint powers authority whose members are the CEA and California Governor’s Office of Emergency Services (Cal OES).

CRMP’s pace continues at a record rate, with more than 3,107 retrofits completed for the 2018 program, more than 7,500 for all programs,—more than 3,267 retrofits paid in 2018. The 2018 program is slated to close on April 1, 2019, with 282 homeowners remaining in the program. The 2019 program (registration closed on November 13, 2018) set a new record with 8,688 homeowners applying and is awaiting FEMA approval before the program can begin. The program will be available in 255 ZIP Codes.

<b>Earthquake Brace + Bolt Programs (2/12/2019): CRMP and CEA</b>			
<b>Program</b>	<b>Completed</b>	<b>In Progress</b>	<b>Status</b>
2013-14 EBB Pilot	9	N/A	Closed
2015 EBB	528	N/A	Closed
2016 EBB	1,555	N/A	Closed
2017 EBB	2,185	N/A	Closed
2018 EBB	3,107	276	7,546 registered 6 extensions
2019 EBB	N/A	N/A	8,688 registered
Napa EBB	84	N/A	Closed
CEA BB	98	N/A	Closed
Total	7,566	276	n/a

As of February 12, 2019, there were 1,087 FEMA-trained contractors in the EBB directory an increase of 3% since the December board meeting. CRMP began intensive outreach efforts to contractors beginning in early February that included postcards to more than 12,000 contractors, emails, social media ads and information packets. While efforts were concentrated in the ZIP

Codes added for the 2019 program, outreach also was conducted in all areas the program serves.

The number of contractors that have completed at least one retrofit remains constant at 26% with almost 4% having completed more than 20 retrofits. The 6-10 completed retrofit group had the largest increase, with the addition of nine contractors.

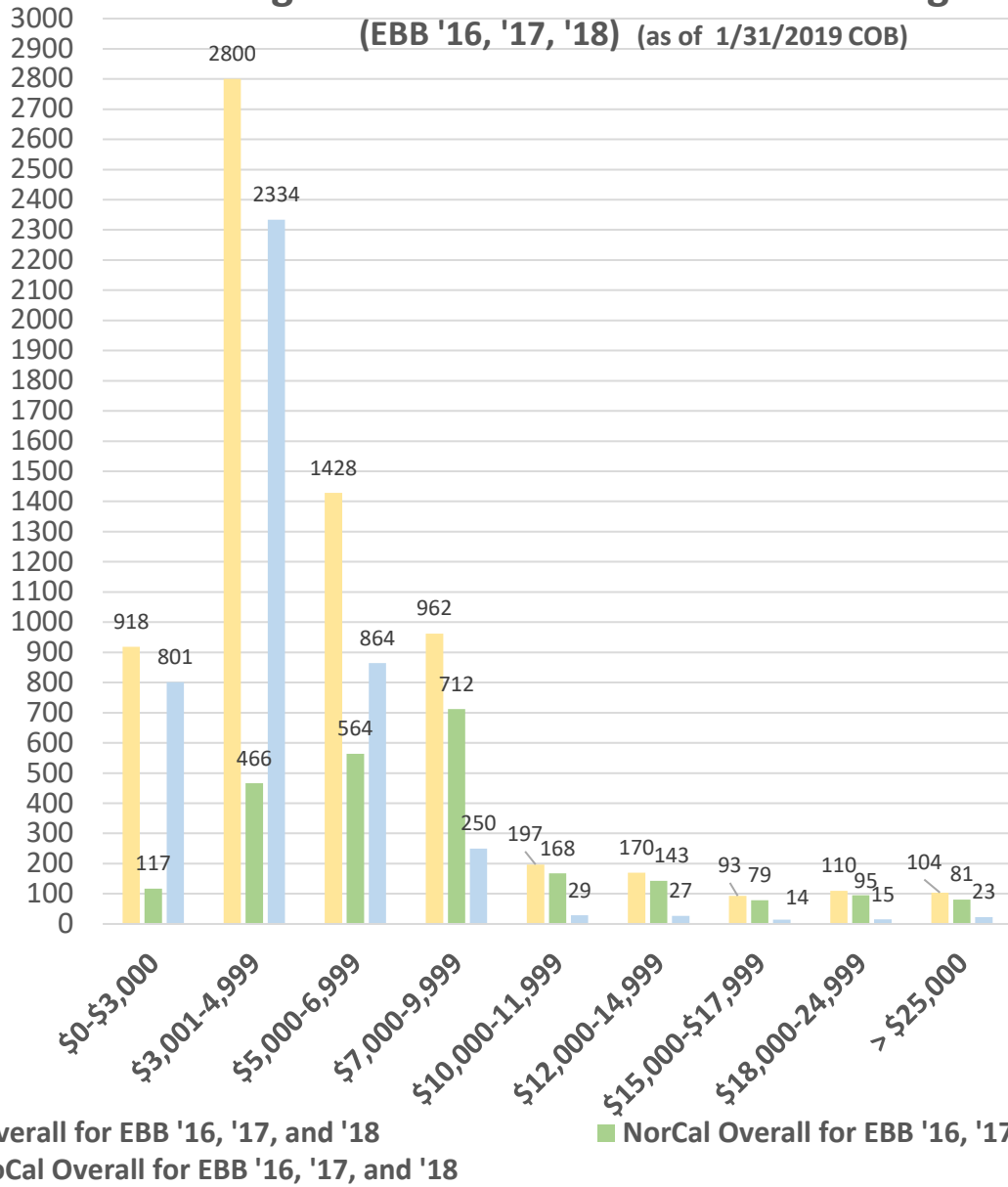
<b>Contractors in EBB Directory—range of retrofits paid (as of 02/12/2019 COB)</b>										
Completed retrofits	0	1	2-5	6-10	11-20	21-49	50-99	100-399	400+	Total
7,067	805	106	86	35	17	17	8	12	5	1,087

EBB communicated with all contractors that have completed a retrofit and/or are on the directory during the recent 2019 EBB registration period. EBB encouraged all contractors that had completed a retrofit, but were not on the directory, to register. In addition, EBB will be conducting targeted outreach to the contractor community in all of the new cities that the 2019 EBB program will be available.

#### **EBB Northern and Southern Regional Differences**

Analyses of 2016, 2017, and 2018 completed retrofits continue to highlight regional differences. The average and median cost continue to remain relatively stable while across program years, some costs went down slightly in 2017 and 2018. Retrofits in Northern California continue to be more expensive than in Southern California, with median and average costs almost double. This can be attributed to the type of retrofit completed and labor costs. In Southern California, more bolt-only retrofits are completed, while Northern California has more engineered retrofits, the need for repair/replacement of foundations and brace-and-bolt retrofits. As the 2018 program nears completion, the average cost in Southern California has increased by almost \$40 and in Northern California the cost has decreased by more than \$500.

## Regional Cost Overall for All EBB Programs (EBB '16, '17, '18) (as of 1/31/2019 COB)





Northern CA Retrofits (as of 1/31/2019 COB)				Southern CA Retrofits (as of 1/31/2019 COB)			
Program Year:	2016	2017	2018	Program Year:	2016	2017	2018
Total # of Retrofits:	585	828	1012	Total # of Retrofits:	970	1357	2030
Average Cost:	\$9,167	\$8,899	\$8,377	Average Cost:	\$4,597	\$4,726	\$4,763
Median Cost:	\$7,500	\$7,361	\$6,718	Median Cost:	\$3,950	\$3,934	\$4,090
Min Cost:	\$928	\$1,143	\$955	Min Cost:	\$562	\$1,197	\$913
Max Cost:	\$75,465	\$54,362	\$60,844	Max Cost:	\$46,664	\$45,390	\$54,096
*only includes EBB 2016, EBB 2017, and EBB 2018				*only includes EBB 2016, EBB 2017, and EBB 2018			

### Engineered and Non-Engineered Retrofits

For the 2017 EBB program, more than 90% of retrofits were non-engineered and for the 2018 program, for retrofits completed by 1/31/19, 92% were non-engineered. Engineered retrofits have risen since reporting in December, as anticipated, because engineered retrofits often take longer to complete than non-engineered. Costs, as expected, continue to be substantially more for engineered retrofits, while the costs for non-engineered retrofits have dropped slightly compared to the 2017 program. The minimum costs for engineered and non-engineered retrofits were similar because the engineered retrofit was completed by a homeowner that also was an engineer. For the 2018 EBB program, the maximum cost for non-engineered retrofits has so far exceeded the cost of an engineered retrofit because the non-engineered retrofit included a foundation replacement. Across both program years, most cost indicators are lower in 2018.

Retrofits by Type (as of 1/31/19)				
Type of Retrofit	2017 Program		2018 Program	
	Engineered	Non-Engineered	Engineered	Non-Engineered
Total # of Retrofits:	227	1,958	241	2,801
Average Cost:	\$15,335	\$5,263	\$14,994	\$5,188
Median Cost:	\$28,876	\$4,500	\$12,112	\$4,500
Min Cost:	\$1,887	\$1,143	\$2,927	\$913
Max Cost:	\$54,362	\$40,200	\$60,440	\$60,844

### Withdrawn Applications

During each program cycle, a significant number of applicants withdraw from the program. During the 2016 and 2017 program cycle, a higher percentage of applicants withdrew from their respective programs in Northern California, which is likely attributable to the cost of a retrofit being higher than anticipated. To date, the 2018 program has reversed the trend with a larger percentage of withdrawals in Southern California. While CEA expected the trend to normalize once additional retrofits were completed, it has not.

<b>Withdrawn Homeowners (as of 1/31/2019 COB)</b>								
<b>Program</b>	<b>Bay and LA 2016</b>		<b>Bay and LA 2017</b>		<b>Bay and LA 2018</b>		<b>Total</b>	
<b>Southern California</b>	<b>1,110</b>	<b>39%</b>	<b>1,435</b>	<b>40%</b>	<b>2,173</b>	<b>53%</b>	<b>4,718</b>	<b>44%</b>
<b>Northern California</b>	<b>1,772</b>	<b>61%</b>	<b>2,153</b>	<b>60%</b>	<b>1,966</b>	<b>47%</b>	<b>5,891</b>	<b>56%</b>
<b>Total</b>	<b>2,882</b>	<b>100%</b>	<b>3,588</b>	<b>100%</b>	<b>4,139</b>	<b>100%</b>	<b>10,609</b>	<b>100%</b>

**2018 CRMP EBB program**

The 2018 EBB program is winding down with less than 300 homeowners remaining. With more than 3,107 retrofits completed, the 2018 has far surpassed the total number completed in the 2017 program. Staff anticipate the program will close with more than 3,350 retrofits, which is slightly fewer than forecasted at the last board meeting.

**Future Funding Opportunities**

More than 1.2 million houses in California’s high-seismic-hazard areas would qualify for an EBB retrofit, so the need far exceeds present funding. But because more funding means more incentive payments for more homeowners, CRMP continues to look beyond present funding sources—the primary source has been the CEA Earthquake Loss Mitigation Fund—to find additional EBB funding, including available FEMA HMGP grants.

CEA has been awarded a \$3 million grant, which will partially fund the 2019 program and is awaiting determination from Cal OES for FEMA-funding consideration on 13 additional applications.

**CEA Brace + Bolt Program**

CEA’s pilot program, CEA Brace + Bolt (“CEA BB”), which closed in December, provided 98 selected CEA policyholder grants to up to \$3,000 toward a retrofit, to encourage them to strengthen their CEA-insured older houses in CEA-identified high-seismic-activity areas.

The new program available in 202 ZIP Codes will encourage retrofit-program participation by the more than 14,000 CEA policyholders who may experience upward premium impacts of 15 percent or more due to CEA’s recent rate and form filing (RFF), now pending with the Department of Insurance.

Basic program eligibility criteria will continue, and the program will be available to CEA policyholders who (1) have insured their house with CEA for at least three years, (2) own a pre-1940 house, (3) live in selected ZIP Codes where there will be an RFF-caused rate

increase of 15 percent or greater, and (4) whose houses are within established criteria for a code-compliant EBB retrofit.

The program opened on February 19<sup>th</sup>, with the invitation to 4,000 policyholders. The remaining policyholders, approximately 4,000 each quarter, will be invited to participate over the next year.

## **CRMP Governing Board Memorandum**

March 5, 2019

Agenda Item 7: Discuss and adoption of Amended and Restated  
Joint Exercise of Powers Agreement

Recommended Action: Discuss and adopt the Amended and Restated Joint  
Exercise of Powers Agreement

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### **Background:**

The Joint Exercise of Powers Agreement (JPA) between Cal EMA and the California Earthquake Authority (CEA) that created the California Residential Mitigation Program (CRMP) was executed in 2011 and amended in 2012.

To allow for changes in CRMP programming and to align with new developments in residential structural retrofitting, CEA is recommending approving an amended and restated JPA.

### **Summary of the changes include:**

- Updating name from Cal EMA to Cal OES throughout the document
- Extending the Agreement effective date from December 21, 2021 to December 31, 2031
- Adding a Section to allow for retrofitting of multi-family dwellings
- Further defining ability of CRMP to directly accept funds

### **Recommendation:**

Adopt Amendment No. 2 of the Joint Exercise of Powers Agreement.

**JOINT EXERCISE OF POWERS AGREEMENT**

between

**CALIFORNIA EARTHQUAKE AUTHORITY**

and

**CALIFORNIA GOVERNOR'S OFFICE OF EMERGENCY SERVICES**

Dated as of August 16, 2011

Amended October 15, 2012

Amended and Restated as of March 5, 2018

## **JOINT EXERCISE OF POWERS AGREEMENT**

This Joint Exercise of Powers Agreement, dated as of August 16, 2011, (“Agreement”), is between CALIFORNIA EARTHQUAKE AUTHORITY, a public instrumentality of the State of California (“CEA”) and CALIFORNIA GOVERNOR’S OFFICE OF EMERGENCY SERVICES, an agency of the State of California (“Cal OES”).

### **W I T N E S S E T H**

WHEREAS, Cal OES is responsible under California Government Code section 8585(e) for the state’s emergency and disaster-response services for natural disasters and emergencies, including activities necessary to mitigate the effects of earthquakes on people and property; and

WHEREAS, the CEA is authorized by California Insurance Code section 10089.38 to supply grants, loans, and loan guarantees to owners of dwellings in California who wish to retrofit their homes to protect against earthquake damage; and

WHEREAS, the governing bodies of Cal OES and the CEA have authorized Cal OES and the CEA, respectively, to jointly exercise their common powers in the manner set forth in this Agreement;

WHEREAS, Cal OES and the CEA have elected to create a joint exercise of powers entity, California Residential Mitigation Program (the “CRMP”) for the purposes stated, and to exercise jointly their powers described in, this Agreement;

NOW, THEREFORE, Cal OES and the CEA, for and in consideration of their mutual promises in this Agreement, do agree as follows:

### **SECTION 1. PURPOSE**

This Agreement is made pursuant to Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (Sections 6500-6599.2) as the same may be amended from time to time (the “Law”) to provide for the joint exercise of powers common to Cal OES and the CEA and the powers separately conferred by law upon the CRMP for the purpose of supplying grants, loans, and loan guarantees (and related assistance and incentives) to owners of dwellings in California who wish to retrofit their homes to protect against earthquake damage, as more fully described in Section 4. The purpose of this Agreement is to exercise those powers jointly by funding and managing programming to accomplish that purpose; the purpose will be accomplished and those common powers jointly exercised as stated in this Agreement. The CRMP will fulfill the purposes of this Agreement by undertaking the activities described in Section 4 in accordance with the Law and all other applicable laws.

## **SECTION 2. TERM**

This Agreement becomes effective on the date it is executed on behalf of both parties and it will continue in effect until December 31, 2031, unless it is extended or earlier terminated by written agreement of Cal OES and the CEA or unless it is terminated on or after December 31, 2016, by at least 30 days' notice of termination from either member to the other member.

## **SECTION 3. CRMP**

### **A. Creation of CRMP**

There is hereby created pursuant to the Law an authority and public entity to be known as "California Residential Mitigation Program" (the "CRMP"). The CRMP is a public entity and is separate from Cal EMA and the CEA. The debts, liabilities, contracts, obligations, employees, and agents of the CRMP shall not constitute debts, liabilities contracts, obligations, employees or agents of Cal OES, the CEA, or the State of California.

### **B. Governing Board**

The CRMP is administered by a governing board (the "Board") consisting of two members selected by the CEA and two members selected by Cal OES. The CEA may designate one or more employees of the CEA to act for each CEA-selected member at any one, or at any number of, Board meetings. Cal OES may designate one or more employees of Cal OES to act for each Cal OES-selected member at any one, or at any number of, Board meetings. A designation for a single meeting must be in writing and provided to the Executive Director and to the Secretary at or before the time and date set for that meeting. A designation for multiple meetings must be in writing and provided to the Executive Director and to the Secretary at or before the time and date set for the first meeting for which the designation is effective. Multiple designees may be named; designations for a single meeting are effective until the meeting for which he or she is designated is adjourned; designations for multiple meetings are effective until revoked in writing in the same manner as originally made, but in no event may the term of any designation extend beyond the term of the Board member for whom the designation is made. A designation confers the voting authority of the Board member for whom the designee attends. The term of office of any member of the Board shall continue for two years. Neither members of the board nor their designees shall receive compensation for serving but members and designees are entitled to reimbursement for any expenses they reasonably incur in connection with their Board service.

### **C. Meetings of Board**

(1) Regular Meetings and Special Meetings. The Board shall hold at least one regular meeting each year, and by resolution, may provide for holding regular meetings at more frequently intervals. The date, hour, and place of each such regular meeting shall be fixed by resolution of the Board. The chairperson or vice chairperson of the Board, or a majority of the members of the Board, is authorized to call a special

meeting of the Board on the date, and at the hour and place, fixed by notice to all Board members.

(2) Legal Notice. All regular and special meetings of the Board shall be called, noticed, held, and conducted under the provisions of the Bagley-Keene Open Meeting Act (California Government Code section 11120 et seq.).

(3) Minutes. The secretary of the CRMP shall cause minutes of all Board meetings to be kept, and as soon as practicable after each meeting, shall send a copy of the minutes to be sent to each Board member and to Cal OES and the CEA.

(4) Quorum. A majority of the members of the Board constitutes a quorum for the transaction of business. The Board shall take action only by the unanimous vote of all members present at a meeting at which a quorum is present.

D. Officers; Duties; Related Subjects

(1) The Board may elect from among members of the Board a chairperson and vice chairperson of the CRMP. By resolution, the Board shall appoint a secretary of the CRMP.

(2) The chief mitigation officer of the CEA is hereby designated as executive director of the CRMP, who shall be responsible to the Board for the proper and efficient administration of the CRMP as directed by the Board pursuant to the provisions of this Agreement or of any resolution of the Board. The executive director shall serve at the pleasure of the Board. In addition to any other duties that may be assigned, the executive director shall have the following authority:

(a) under the policy direction of the Board, to plan organize, and direct all CRMP activities;

(b) to authorize expenditures within the designations and limitations of the budget approved by the Board; and

(c) to make recommendations to and requests of the Board concerning any matter that is to be performed, done or carried out by the Board.

(3) The Board shall appoint a treasurer and auditor pursuant to the Law and shall have the power to appoint only such other officers, managers, and staff as it determines to be necessary to accomplish its purpose as stated in Section 2.

E. Business Plan

At its first meeting, the Board shall adopt a business plan and thereafter use its best efforts to have the CRMP operate in accordance with the business plan. The Board shall review and update the business plan no less frequently than annually.



## **SECTION 4. POWERS**

### **A. One to Four Unit Residential Dwellings**

(1) The CRMP has, and may in its discretion exercise, in accordance with its Business Plan, the powers common to Cal OES and the CEA to supply grants, loans, and loan guarantees (and related assistance, services, and incentives) to qualifying owners of one- to four-family residential dwellings in California who wish to retrofit their dwellings to protect against earthquake damage and reduce earthquake loss.

(2) The business plan referred to in Section 3 will provide for the Board to select and contract with a private-sector program administrator and for program funds to be released in increments to the program administrator as Board-approved goals for educating the public, training contractors, and retrofitting dwellings are met as well as for the program administrator to release funds to or for the benefit of dwelling owners as retrofits are completed and the applicable requirements of the CRMP are met.

(3) The CRMP is hereby authorized to exercise all of the powers enumerated in Section 6508 of the Law or implied from that section, including the power to enter into contracts to manage the CRMP's program and provide program services to dwelling owners.

### **B. Multi-Family Residential Buildings**

In addition to the powers conferred by the provisions of Section 4(A), above, the CRMP may exercise all of the same powers to supply grants, loans, and loan guarantees (and related assistance, services, and incentives) to qualifying owners of residential buildings of more than four units in California who wish to retrofit their buildings to protect against earthquake damage and reduce earthquake loss, provided, however, that the exercise of such powers is subject to the CRMP Business Plan and to the stated or agreed requirements required by available sources providing funding for CRMP mitigation efforts for multi-family residential buildings.

### **C. Funding Sources**

(1) The CRMP may accept—from federal, state, and local government sources, and from private sources—grants and gifts of property, real or personal, tangible and intangible, and services in financial support of its residential retrofit programs. The CRMP is not barred from accepting federal funding in furtherance of CRMP's program services to dwelling and building owners.

(2) The CRMP may not issue bonds or other forms of indebtedness or notes or certificates of participation or lease-purchase agreements or any other securities, notwithstanding Article 2 and Article 4 of the Law; with those exceptions the CRMP shall have all powers conferred under the Law as necessary to accomplish the purpose stated in Section 1.

**SECTION 5. MANNER OF EXERCISING POWERS AND TERMINATION OF POWERS**

The CRMP shall exercise its powers (such as its procurement and other contracting powers) in the same manner as the CEA exercises its powers, and the CRMP may continue to exercise its powers until the end of the term of this Agreement provided in Section 2.

**SECTION 6. FISCAL YEAR**

Unless and until changed by resolution of the Board, the fiscal year of the CRMP shall be the period from January 1 of each year to and including the following December 31, except for the first fiscal year which shall be the period from the date of this Agreement to the following December 31.

**SECTION 7. CONTRIBUTIONS AND ADVANCES**

At its sole discretion, a member may contribute or advance funds or property to the CRMP after obtaining the prior written consent of the other member to each contribution or advance. The CRMP shall deposit all funds received from any and all sources, and all property received from Cal OES, the CEA, and any other sources—including funds and property received pursuant to Section 4(C), above—in a fund that is hereby authorized to be established and operated by the CRMP as a fund not in the California State Treasury. Funds or property received from the CEA and so deposited in that fund is not state money within the intent of Section 16305.2 of the California Government Code, and Sections 16305.3 to 16305.7, inclusive, of the California Government Code shall not apply to money drawn or collected by the CEA; any contribution or advance of CEA funds or property shall have no effect on the CEA's status and authority as a public instrumentality of the State of California and, not by way of limitation, receipt by the CEA of any financial or other benefit through participation in the CRMP shall have no effect on the CEA's funding status as set forth in California Insurance Code section 10089.22(b). Any advance may, but need not, be made subject to repayment, and if made subject to repayment shall be repaid in the manner agreed upon by the contributor and the CRMP at the time of making the advance. It is understood and agreed that neither Cal OES nor the CEA has any obligation to make advances or contributions to the CRMP. At its sole discretion, a member may allow the use of its personnel, equipment, or property in lieu of other contributions or advances to the CRMP after obtaining the prior written consent of the other member thereto. After termination of this Agreement pursuant to Section 2, any money and other assets in possession of the CRMP after repayment of any advances made subject to repayment shall be returned to Cal OES and the CEA in proportion to the contributions each has made.

**SECTION 8. SEVERABILITY**

Should any part, term, or provision of this Agreement be decided by the courts to be illegal or in conflict with any applicable law or otherwise be rendered unenforceable or ineffectual, the validity of the remaining parts, terms or provisions of this Agreement shall not be affected.

**SECTION 9. SUCCESSORS; ASSIGNMENT**

This Agreement shall bind and inure to the benefit of the successors of the parties. Neither member may assign any right or obligation under this Agreement without the prior written consent of the other.

**SECTION 10. AMENDMENT OF AGREEMENT**

This Agreement may be amended only by an agreement executed by Cal OES and the CEA.

**SECTION 11. MISCELLANEOUS**

Section headings are for convenience and are not to be construed as modifying or governing the language in the section. Whenever this Agreement requires any consent or approval, consent or approval shall not be unreasonably withheld. Whenever this Agreement refers to actions to be taken by Cal OES or by the CEA, those actions may be exercised through the officers, staff, or employees of Cal OES or the CEA, as the case may be, in the manner provided by law or regulation.

IN WITNESS WHEREOF, Cal OES and the CEA have caused this Agreement to be executed and delivered on December 21, 2018, by their proper and duly authorized officers.

**CALIFORNIA EARTHQUAKE AUTHORITY**

By: \_\_\_\_\_

Print name and title: \_\_\_\_\_

**CALIFORNIA GOVERNOR’S OFFICE  
OF EMERGENCY SERVICES**

By: \_\_\_\_\_

Print name and title: \_\_\_\_\_

**JOINT EXERCISE OF POWERS AGREEMENT**

between

**CALIFORNIA EARTHQUAKE AUTHORITY**

and

**CALIFORNIA GOVERNOR'S OFFICE OF EMERGENCY**

**SERVICES**~~CALIFORNIA EMERGENCY MANAGEMENT AGENCY~~

Dated as of August 16, 2011;

~~as a~~Amended October 15, 2012

~~and Amended~~ **and Restated as of** March \_\_\_\_, 2018

## JOINT EXERCISE OF POWERS AGREEMENT

This Joint Exercise of Powers Agreement, dated as of August 16, 2011, (“Agreement”), is between CALIFORNIA EARTHQUAKE AUTHORITY, a public instrumentality of the State of California (“CEA”) and ~~CALIFORNIA EMERGENCY MANAGEMENT AGENCY~~CALIFORNIA GOVERNOR’S OFFICE OF EMERGENCY SERVICES, an agency of the State of California (“Cal OESEMA”).

### WITNESSETH

WHEREAS, Cal OES-EMA is responsible under California Government Code section 8585(e) for the state’s emergency and disaster-response services for natural disasters and emergencies, including activities necessary to mitigate the effects of earthquakes on people and property; and

WHEREAS, the CEA is authorized by California Insurance Code section 10089.38 to supply grants, loans, and loan guarantees to owners of dwellings in California who wish to retrofit their homes to protect against earthquake damage; and

WHEREAS, the governing bodies of Cal EMA-OES and the CEA have authorized Cal OESEMA and the CEA, respectively, to jointly exercise their common powers in the manner set forth in this Agreement;

WHEREAS, Cal OESEMA and the CEA have elected to create a joint exercise of powers entity, California Residential Mitigation Program (the “CRMP”) for the purposes stated, and to exercise jointly their powers described in, this Agreement;

NOW, THEREFORE, Cal OESEMA and the CEA, for and in consideration of their mutual promises in this Agreement, do agree as follows:

### **SECTION 1. PURPOSE**

This Agreement is made pursuant to Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (Sections 6500-6599.2) as the same may be amended from time to time (the “Law”) to provide for the joint exercise of powers common to Cal OESEMA and the CEA and the powers separately conferred by law upon the CRMP for the purpose of supplying grants, loans, and loan guarantees (and related assistance and incentives) to owners of dwellings in California who wish to retrofit their homes to protect against earthquake damage, as more fully described in Section 4. The purpose of this Agreement is to exercise those powers jointly by funding and managing programming to accomplish that purpose; the purpose will be accomplished and those common powers jointly exercised as stated in this Agreement. The CRMP will fulfill the purposes of this Agreement by undertaking the activities described in Section 4 in accordance with the Law and all other applicable laws.

## **SECTION 2. TERM**

This Agreement becomes effective on the date it is executed on behalf of both parties and it will continue in effect until **December 31, 2032**, unless it is extended or earlier terminated by written agreement of Cal EMA-OES and the CEA or unless it is terminated on or after December 31, 2016, by at least 30 days' notice of termination from either party-member to the other partymember.

## **SECTION 3. CRMP**

### **A. Creation of CRMP**

There is hereby created pursuant to the Law an authority and public entity to be known as "California Residential Mitigation Program" (the "CRMP"). The CRMP is a public entity and is separate from Cal EMA and the CEA. The debts, liabilities, contracts, obligations, employees, and agents of the CRMP shall not constitute debts, liabilities contracts, obligations, employees or agents of Cal EMA-OES, the CEA, or the State of California.

### **B. Governing Board**

The CRMP is administered by a governing board (the "Board") consisting of two members selected by the CEA and two members selected by Cal EMA-OES. The CEA may designate one or more employees of the CEA to act for each CEA-selected member at any one, or at any number of, Board meetings. Cal EMA-OES may designate one or more employees of Cal OESEMA to act for each Cal OESEMA-selected member at any one, or at any number of, Board meetings. A designation for a single meeting must be in writing and provided to the Executive Director and to the Secretary at or before the time and date set for that meeting. A designation for multiple meetings must be in writing and provided to the Executive Director and to the Secretary at or before the time and date set for the first meeting for which the designation is effective. Multiple designees may be named; designations for a single meeting are effective until the meeting for which he or she is designated is adjourned; designations for multiple meetings are effective until revoked in writing in the same manner as originally made, but in no event may the term of any designation extend beyond the term of the Board member for whom the designation is made. A designation confers the voting authority of the Board member for whom the designee attends. The term of office of any member of the Board shall continue for two years. Neither members of the board nor their designees shall receive compensation for serving but members and designees are entitled to reimbursement for any expenses they reasonably incur in connection with their Board service.

### **C. Meetings of Board**

(1) Regular Meetings and Special Meetings. The Board shall hold at least one regular meeting each year, and by resolution, may provide for holding regular meetings at more frequently intervals. The date, hour, and place of each such regular meeting shall be fixed by resolution of the Board. The chairperson or vice chairperson of the Board, or a majority of the members of the Board, is authorized to call a special

meeting of the Board on the date, and at the hour and place, fixed by notice to all Board members.

(2) Legal Notice. All regular and special meetings of the Board shall be called, noticed, held, and conducted under the provisions of the Bagley-Keene Open Meeting Act (California Government Code section 11120 et seq.).

(3) Minutes. The secretary of the CRMP shall cause minutes of all Board meetings to be kept, and as soon as practicable after each meeting, shall send a copy of the minutes to be sent to each Board member and to Cal [EMA-OES](#) and the CEA.

(4) Quorum. A majority of the members of the Board constitutes a quorum for the transaction of business. The Board shall take action only by the unanimous vote of all members present at a meeting at which a quorum is present.

D. Officers; Duties; Related Subjects

(1) The Board may elect from among members of the Board a chairperson and vice chairperson of the CRMP. By resolution, the Board shall appoint a secretary of the CRMP.

(2) The chief mitigation officer of the CEA is hereby designated as executive director of the CRMP, who shall be responsible to the Board for the proper and efficient administration of the CRMP as directed by the Board pursuant to the provisions of this Agreement or of any resolution of the Board. The executive director shall serve at the pleasure of the Board. In addition to any other duties that may be assigned, the executive director shall have the following authority:

(a) under the policy direction of the Board, to plan organize, and direct all CRMP activities;

(b) to authorize expenditures within the designations and limitations of the budget approved by the Board; and

(c) to make recommendations to and requests of the Board concerning any matter that is to be performed, done or carried out by the Board.

(3) The Board shall appoint a treasurer and auditor pursuant to the Law and shall have the power to appoint only such other officers, managers, and staff as it determines to be necessary to accomplish its purpose as stated in Section 2.

E. Business Plan

At its first meeting, the Board shall adopt a business plan and thereafter use its best efforts to have the CRMP operate in accordance with the business plan. The Board shall review and update the business plan no less frequently than annually.

## SECTION 4. POWERS

### A. One to Four Unit Residential Dwellings

(1) The CRMP has, and may in its discretion exercise, in accordance with its Business Plan, the powers common to Cal OESEMA and the CEA to supply grants, loans, and loan guarantees (and related assistance, services, and incentives) to qualifying owners of one- to four-family residential dwellings in California who which wish to retrofit their dwellings to protect against earthquake damage and reduce earthquake loss.

(2) The business plan referred to in Section 3 will provide for the Board to select and contract with a private-sector program administrator and for program funds to be released in increments to the program administrator as Board-approved goals for educating the public, training contractors, and retrofitting dwellings are met as well as for the program administrator to release funds to or for the benefit of dwelling owners as retrofits are completed and the applicable requirements of the CRMP are met.

(3) The CRMP is hereby authorized to exercise all of the powers enumerated in Section 6508 of the Law or implied from that section, including the power to enter into contracts to manage the CRMP's program and provide program services to dwelling owners.

### B. Multi-Family Residential ~~Dwellings~~ Buildings

In addition to the powers conferred by the provisions of Section 4(A), above, the CRMP may exercise all of the same powers to supply grants, loans, and loan guarantees (and related assistance, services, and incentives) to qualifying owners of residential buildings of more than four units in California who wish to retrofit their buildings to protect against earthquake damage and reduce earthquake loss, provided, however, that the exercise of such powers is subject to the CRMP Business Plan and to the stated or agreed requirements required by available sources providing funding for CRMP mitigation efforts for multi-family residential buildings.

### C. Funding Sources

(1) The CRMP may accept—from federal, state, and local government sources, and from private sources—grants and gifts of property, real or personal, tangible and intangible, and services in financial support of its residential retrofit programs. The CRMP is -not barred from accepting federal funding in furtherance of CRMP's program services to dwelling and building owners.

(2) The CRMP may not issue bonds or other forms of indebtedness or notes or certificates of participation or lease-purchase agreements or any other securities, notwithstanding Article 2 and Article 4 of the Law; with those exceptions the CRMP shall have all powers conferred under the Law as necessary to accomplish the purpose stated in Section 1.



## **SECTION 5. MANNER OF EXERCISING POWERS AND TERMINATION OF POWERS**

The CRMP shall exercise its powers (such as its procurement and other contracting powers) in the same manner as the CEA exercises its powers, and the CRMP may continue to exercise its powers until the end of the term of this Agreement provided in Section 2.

## **SECTION 6. FISCAL YEAR**

Unless and until changed by resolution of the Board, the fiscal year of the CRMP shall be the period from January 1 of each year to and including the following December 31, except for the first fiscal year which shall be the period from the date of this Agreement to the following December 31.

## **SECTION 7. CONTRIBUTIONS AND ADVANCES**

At its sole discretion, a member may contribute or advance funds or property to the CRMP after obtaining the prior written consent of the other member to each contribution or advance. The CRMP shall deposit ~~all funds~~ received from any and all sources, and all property received from Cal ~~EMA-OES, the CEA, and any other sources—including funds and property received pursuant to Section 4(C), above—in~~ a fund that is hereby authorized to be established and operated by the CRMP; as a fund not in the California State Treasury. Funds or property received from the CEA and so deposited in that fund is not state money within the intent of Section 16305.2 of the California Government Code, and Sections 16305.3 to 16305.7, inclusive, of the California Government Code shall not apply to money drawn or collected by the CEA; any contribution or advance of CEA funds or property shall have no effect on the CEA's status and authority as a public instrumentality of the State of California and, not by way of limitation, receipt by the CEA of any financial or other benefit through participation in the CRMP shall have no effect on the CEA's funding status as set forth in California Insurance Code section 10089.22(b). Any advance may, but need not, be made subject to repayment, and if made subject to repayment shall be repaid in the manner agreed upon by the contributor and the CRMP at the time of making the advance. It is understood and agreed that neither Cal EMA-OES nor the CEA has any obligation to make advances or contributions to the CRMP. At its sole discretion, a member may allow the use of its personnel, equipment, or property in lieu of other contributions or advances to the CRMP after obtaining the prior written consent of the other member thereto. After termination of this Agreement pursuant to Section 2, any money and other assets in possession of the CRMP after repayment of any advances made subject to repayment shall be returned to Cal EMA-OES and the CEA in proportion to the contributions each has made.

## **SECTION 8. SEVERABILITY**

Should any part, term, or provision of this Agreement be decided by the courts to be illegal or in conflict with any applicable law or otherwise be rendered unenforceable or ineffectual, the validity of the remaining parts, terms or provisions of this Agreement shall not be affected.

**SECTION 9. SUCCESSORS; ASSIGNMENT**

This Agreement shall bind and inure to the benefit of the successors of the parties. Neither party member may assign any right or obligation under this Agreement without the prior written consent of the other.

**SECTION 10. AMENDMENT OF AGREEMENT**

This Agreement may be amended only by an agreement executed by Cal EMA OES and the CEA.

**SECTION 11. MISCELLANEOUS**

Section headings are for convenience and are not to be construed as modifying or governing the language in the section. Whenever this Agreement requires any consent or approval, consent or approval shall not be unreasonably withheld. Whenever this Agreement refers to actions to be taken by Cal EMA OES or by the CEA, those actions may be exercised through the officers, staff, or employees of Cal EMA OES or the CEA, as the case may be, in the manner provided by law or regulation.

IN WITNESS WHEREOF, Cal EMA OES and the CEA have caused this Agreement to be executed and delivered on ~~August 16, 2011~~ December 21, 2018, by their proper and duly authorized officers.

**CALIFORNIA EARTHQUAKE AUTHORITY**

By: \_\_\_\_\_

Print name and title: \_\_\_\_\_

**CALIFORNIA GOVERNOR’S OFFICE  
OF EMERGENCY SERVICES**

By: \_\_\_\_\_

Print name and title: \_\_\_\_\_

## **CRMP Governing Board Memorandum**

March 5, 2019

Agenda Item 8:                   CRMP Request for Qualifications and Proposal for Marketing and Public Relations Services

Recommended Action:       Approve CRMP Request for Qualifications and Proposal for Marketing and Public Relations Services

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Ms. Ewertsen will present for approval a CRMP Request for Qualifications and Proposal for Marketing and Public Relations Services.

# **Request for Qualifications and Proposals**

**Printing, Distribution and Market Analysis Services  
RFQ-P CRMP #08-12**

**Date: 03/06/2019**

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## Table of Contents

<b>I.</b>	<b>SUMMARY OF KEY DATES.....</b>	<b>2</b>
<b>II.</b>	<b>BACKGROUND .....</b>	<b>2</b>
<b>III.</b>	<b>SUBMITTING QUESTIONS .....</b>	<b>3</b>
<b>IV.</b>	<b>PROPOSER’S RESPONSIBILITIES REGARDING ADDENDA .....</b>	<b>3</b>
<b>V.</b>	<b>SUBMITTING PROPOSAL .....</b>	<b>4</b>
<b>VI.</b>	<b>SERVICES TO BE PROVIDED .....</b>	<b>5</b>
<b>VII.</b>	<b>MINIMUM QUALIFICATIONS .....</b>	<b>6</b>
<b>VIII.</b>	<b>PRICING .....</b>	<b>7</b>
<b>IX.</b>	<b>SUBMISSION INSTRUCTIONS .....</b>	<b>7</b>
<b>X.</b>	<b>ADDITIONAL INFORMATION .....</b>	<b>10</b>
<b>XI.</b>	<b>PROPOSAL-EVALUATION CRITERIA .....</b>	<b>10</b>
<b>XII.</b>	<b>AWARD OF OPPORTUNITY TO CONTRACT .....</b>	<b>11</b>
<b>XIII.</b>	<b>COMMENCEMENT DATE .....</b>	<b>11</b>
<b>XIV.</b>	<b>EXHIBITS .....</b>	<b>12</b>
	EXHIBIT 1 – CONTRACT TERMS .....	12
	EXHIBIT 2 – DRUG-FREE WORKPLACE CERTIFICATION .....	29
	EXHIBIT 3 – REFERENCES .....	30

## **I Summary of Key Dates**

The following schedule is subject to modification by the California Residential Mitigation Program (“CRMP”). Questions must be submitted in the manner described in Section III.

1. Date of issue	March 6, 2019
2. Deadline for submitting questions	March 18, 2019
3. Final date for CRMP to post addenda for which proposers are responsible	March 25, 2019
4. Final proposal submission date	April 8, 2019
5. Proposal evaluation	April 15, 2019
6. Finalists’ presentations (optional, in the discretion of CRMP) in Sacramento, California	May 21, 2019
7. Award of opportunity to negotiate contract	May 30, 2019
8. Commencement date	July 14, 2019

## **II. Background**

### **California Residential Mitigation Program (CRMP)**

CRMP was formed in August 2011 under the California Joint Exercise of Powers Act (“Act”) by an agreement between the California Earthquake Authority (“CEA”) and the California Emergency Management Agency.

CRMP was formed to fund grants, loans, and loan guarantees (and related assistance and incentives) to owners of dwellings in California who wish to retrofit their homes to protect against earthquake damage.

### **Purpose of this RFQ-P**

The purpose of this Request for Qualifications and Proposals (“RFQ-P”) is to identify a provider of services to CRMP. CRMP seeks a contractor (“the Contractor”) to provide marketing and public relations services for CRMP’s retrofit program, Earthquake Brace + Bolt (EBB). The Contractor may use one or more subcontractors. Subcontractors, if used, must be approved by CRMP in advance, in writing, and must agree to be bound by all provisions of the contract between CRMP and the Contractor. The Contractor will work under the direction of and in consultation with the managing director of CRMP. The

amount and scope of work is in the sole discretion of CRMP; there is no guarantee of work if a contract is awarded.

Services will be performed in the state of California

### **III. Submitting Questions**

Questions are to be submitted by email only, and each proposer is solely responsible for following the timeframes in Section I. Submit all questions to:

**RFP0812@calquake.com**

CRMP will respond to all questions received no later than Monday, March 18, 2019. Answers will be posted on CRMP's website at [www.californiarésidentialmitigationprogram.com](http://www.californiarésidentialmitigationprogram.com) on the Contract/Employment Opportunities page.

### **IV. Proposer's Responsibilities Regarding Addenda**

CRMP reserves the right in its sole discretion to modify any part of this RFQ-P by issuing a written addendum.

All addenda issued by CRMP after the final submission date for proposals will be posted solely <http://www.californiarésidentialmitigationprogram.com> on the Contract Opportunities page.

It is the sole responsibility of each proposer to continue through the final submission date to check the CRMP Website for addenda.

Each proposer acknowledges and accepts the affirmative responsibility to inquire regarding, and seek any desired clarification of, any part or provision of this RFQ-P that the proposer does not understand or believes is reasonably susceptible to more than one interpretation. If a proposer claims any ambiguity, conflict, discrepancy, omission, or error in the RFQ-P, the proposer must immediately notify CRMP's RFQ-P contact person and request clarification. In its sole discretion, CRMP may issue clarifications in the form of written addenda to this RFQ-P and will post the written addenda to [www.californiarésidentialmitigationprogram.com](http://www.californiarésidentialmitigationprogram.com) on the Contract Opportunities page.

In its sole discretion, CRMP may disregard any and all claims of ambiguity, conflict, discrepancy, omission, or error received by CRMP after the final proposal-submission date.

No additional time to meet any deadline will be allowed after the final submission date for proposals on account of clarifications made by CRMP.

Any response received after 5:00 p.m. on **Monday, April 8, 2019**, will be returned unopened and the proposer will not be entitled to participate in any way in the procurement process provided for in this RFQ-P.

The provisions of any addendum formally issued by CRMP are automatically incorporated into this RFQ-P, and in addition and as appropriate, may be made a part of or otherwise reflected in any contract awarded as a result of this RFQ-P.

Each proposer is required to acknowledge as part of the proposer's cover letter (Section IX, Submission Instruction, 1. Cover Letter), that the proposer has reviewed the addenda posted one week or more before the final proposal-submission date.

## **V. Submitting Proposal**

Submit the original and four copies of the proposal, with an electronic copy on a USB/Flash drive, in a sealed envelope or package.

The original proposal must bear an original signature of the person who signed the cover letter and be marked "Original."

1. The proposer's name and address must appear on the outside of the sealed proposal envelope or package.
2. A proposal by a firm must be signed by a person authorized to bind the firm.
3. All proposals must be sent or delivered to the following address:

**California Residential Mitigation Program  
c/o California Earthquake Authority  
801 K Street, 10<sup>th</sup> floor, Suite 1000  
Sacramento, California 95814**

**CONFIDENTIAL**

**Response to Request for Qualifications and Proposals CRMP RFQ-P #08-12**

4. Proposals must be physically received by CRMP during normal business hours (but in any event no later than 5:00 p.m. Pacific Time on **Monday, April 8, 2019**).
5. Unless expressly and specifically requested by CRMP, proposals are not to be submitted, in whole or in part, by fax or by electronic or magnetic media.

**Confidential or Proprietary.** Should a proposal contain information that the proposer considers confidential or proprietary, a statement to that effect must be included in the cover letter, and each and every page containing confidential or proprietary information must be so marked in the upper right-hand corner. CRMP will use reasonable efforts to keep such pages from public disclosure, except to the extent provided in any resulting



contract or the extent required by law. CRMP makes no representations or warranties that its efforts will be successful. Proposers are reminded that many of CRMP's records are subject to public disclosure under the California Public Records Act.

No proposal can be considered confidential or proprietary in its entirety.

**Corrections or Modifications.** If, before the submission deadline, a proposer wishes to make any change or augment a proposal it has already submitted, the only method of correction or modification is to (1) notify CRMP that proposer is withdrawing its proposal and then (2) submit the modified proposal before the proposal-submission deadline. Modification offered in any other manner, or after the proposal-submission deadline, will not be considered.

Please review all addenda posted on the website described above before submitting proposals.

**Proposal Costs:** All costs to develop proposals and attend interviews regarding proposals are the sole responsibility of the proposer and cannot be charged to CRMP, the CEA, or Cal OES.

**Procedural Objections:** Procedural objections to this RFQ-P or the RFQ-P process must be received by CRMP promptly and in any event by 5:00 p.m. Pacific Time on **Monday, April 15, 2019**. Any such objections must be in writing and sent to:

**California Residential Mitigation Program  
c/o California Earthquake Authority  
801 K Street, Suite 1000  
Sacramento, California 95814  
Attention: Annde Ewertsen  
Managing Director of CRMP**

All proposals become the property of CRMP upon submission and are subject to being made public by CRMP at any point after submission.

**Pagination:** Record your company name and the RFQ-P name/number on each page of your proposal.

## **VI. Services to Be Provided**

The services to be provided will be determined by CRMP and the Contractor and are likely to include the following services.

- A.** Provide expertise and advice to CRMP regarding EBB's public relations and marketing campaign planning, implementation, and evaluation.
- B.** Provide expertise in marketing campaigns to promote the EBB program, including online and social media campaigns.

- C. Provide printing and direct mail services for marketing.
- D. Write and distribute news releases, fact sheets, opinion pieces, editorials, issue-briefs, and other media materials.
  
- E. Provide written translation services for languages other than English, including but not limited to Spanish and Asian-languages for program publications, forms and web pages.
- F. Provide graphic design work, photography and videography to promote EBB.
- G. Provide research services, including consumer surveys, homeowner calls, local government and other stakeholder calls.
- H. Assist with media planning, buying, and posting. The Contractor must have the ability to purchase foreign-language media, including but not limited to Spanish and Asian media.
- I. Support CRMP by producing, planning and monitoring news conferences including post-earthquake news conferences.

The format of all project deliverables must be fully compatible on a PC (Windows) platform.

**Provide three (3) examples of your work product(s).**

## **VII Minimum Qualifications**

The proposing firm must meet, to CRMP's satisfaction, all of the following minimum qualifications to be considered for a contract award. Each proposer must establish minimum qualifications by use of the "Statement of Minimum Qualifications." Failure to satisfy all minimum qualifications, in CRMP's sole judgment, will result in immediate rejection of the proposal.

As of the issue date of this RFQ-P:

1. The firm must have been in business for at least five years.
2. The firm or subcontractor must have at least five years of experience in marketing and public relations services with substantial, relevant professional experience in public relations, advertising, social media, and media buying.
3. The firm must have substantial, relevant professional experience with similar clients and projects. Please reference two (2) closest, relevant clients and

campaign experience.

4. The firm or subcontractor must have substantial, relevant graphic design experience.
5. At least one key professional member of the firm must be assigned to the CRMP account and must have a minimum of five years' experience in marketing and public relations services.

### **VIII. Pricing**

The firm must provide a clear fee structure. The fee structure must include:

1. Direct labor costs
2. Consultant and subcontractor itemized labor costs.
3. Any additional costs not previously covered or described in this section (or if none, state that there are none)
4. Printing costs (give volume price and break number)
5. Total of all fees and costs.

CRMP will pay negotiated fees and expenses in arrears. See Section IX, Submission Instructions, 4. Pricing, for further detail.

### **IX. Submission Instructions**

The proposal and cover letter, exclusive of attachments, must not exceed 16 single-sided pages. Attachments must not exceed a total of an additional 16 single-sided pages. All proposals must include the following elements, in the following order:

#### **1. Cover Letter**

The cover letter must be signed by a person authorized to bind the proposer contractually. CRMP will reject any proposal that contains an unsigned cover letter. The cover letter *must* also contain all of the following:

- a. The proposing firm's name, address, telephone, and website address;
- b. The name, title or position, telephone number, and email address of the person signing the cover letter and any other persons authorized to make representations for the proposer regarding the RFQ-P;
- c. A statement that the signature constitutes unrestricted authority for the signer to bind the proposer contractually;
- d. A statement that the firm is willing to be bound by contract provisions such as those outlined in Exhibit 1 (note that the contract provisions in Exhibit 1 are examples of typical terms and conditions— additional terms and conditions may later be included);

- e. A statement that the proposal is a valid, open proposal for at least 180 days after the CRMP's final proposal-submission date;
- f. A statement affirming that the proposer satisfies each of the Minimum Qualifications;
- g. A statement that the proposer has reviewed all addenda posted through the final addenda posting date shown on the "Summary of Key Dates"; and
- h. A statement that each key professional and each responsible staff member working on the contract is willing to be subject to a background check.

## 2. Firm Background and History

The proposal must contain all of the following:

- a. Location of firm headquarters;
- b. Number of years the firm has been in existence in the same or substantially the same form and under the same trade name;
- c. Total number of offices and employees (provide a breakdown by category of the number of professional, managerial, and line staff, and support staff, respectively);
- d. Description of the firm's ownership and ownership structure;
- e. Identification of any affiliated or subsidiary organizations;
- f. Description of pending or contemplated changes in the firm's organizational structure;
- g. Description of the types of services the firm provides (including, but not limited to, the services described in this RFQ-P) and reasonable details of the fee arrangements that typically apply;
- h. Up to three references of current or past clients with projects of a regional or statewide scope;
- i. Disclosure of litigation or other legal proceedings that the firm, or any officer or principal of the firm, has been involved in at any time within the past three years related to the firm's business activities, and explain the nature of the litigation or legal proceeding, even if the matter has been resolved;
- j. List the applicable coverage amounts for the following:
  - 1) Errors-and-omissions insurance; and
  - 2) Any other insurance that will name the CRMP as additional insured.
- k. List every institutional client (no more than 10) for which the firm provided any of the services described in **Section VI** (Services to be Provided) of this

RFQ-P that terminated its relationship with the firm during the past four years.

Provide the following information:

- 1) The name of the client; and
- 2) A full explanation of the reasons for termination of the relationship.

### **3. Work Plan**

The proposal is to describe how your firm will perform the proposed contract. Be specific and avoid generalizing. The work plan should address, without limitation, the following components, and should be organized so that it is clear, comprehensive, and concise:

- a. Identify by name and position/title the primary internal contact for the contract;
- b. Describe your firm's understanding of the work to be performed under this RFQ, including addressing all project deliverables;
- c. Outline your firm's recommended marketing strategy and tactics for our program.
- d. Identify any RFQ requirements that the firm believes are unnecessary;
- e. Propose any alternatives that conform to this RFQ's intent, which if implemented would lead to a better result but which may not satisfy specific RFQ requirements;
- f. Identify any "value-added" services your firm would provide to CRMP;
- g. Detail any conflict of interest, or apparent or potential conflict of interest, that would be created by the firm's contracting with CRMP, and propose how to address or resolve these conflicts of interest;
- h. Describe your firm's policy for ensuring the confidentiality of its clients' matters;
- i. Define "client service" as it relates to your firm. Describe mechanisms that are in place to solicit and respond to client feedback, and describe your methodology to meet the specific service requirements included in this RFQ;
- j. Name the professionals who would be assigned to the CRMP account and list their respective responsibilities, and for each such professional or other person assigned to the CRMP account, provide a brief résumé that outlines the person's education and relevant experience, certifications and credentials, and the duration each has been held; and
- k. If the firm intends to use subcontractors to deliver any of the services outlined in Section VI (Services to be Provided), provide the information in Sections 1, 2, and 3 regarding any and all proposed subcontractor(s).

### **4. Pricing**

The proposal must include a clear and complete fee and expenses structure. CRMP will pay negotiated fees in arrears, as may be agreed.

1. Direct labor costs
2. Consultant and subcontractor itemized labor costs.

3. Any additional costs not previously covered or described in this section (or if none, state that there are none)
4. Printing costs (give volume price and break number)
5. Total of all fees and costs.

(Information is intended for internal CRMP use, but certain CRMP records are subject to public disclosure under the California Public Records Act and the Bagley-Keene Open Meetings Act. CRMP makes no representation or warranty that its efforts to keep records confidential will be successful.)

#### **5. Equal Employment Opportunity (EEO)**

Describe the firm's policies and programs that ensure compliance with state and federal Equal Employment Opportunity requirements.

#### **6. Required Attachments**

- a. Proposed fees and expense labeled as "Required Attachment A."
- b. Drug-Free Workplace Certification labeled as "Required Attachment B" (see Exhibit 2).
- c. References labeled as "Required Attachment C" (see Exhibit 3).
- d. Key Personnel as Required Attachment "D"
- e. Subcontractor Agreement as Required Attachment "E"

#### **X. Additional Information**

CRMP will not be bound by any oral interpretation of this RFQ-P by any of its representatives or employees, unless those oral interpretations are subsequently issued as a written addendum to this RFQ-P.

Each proposer must make those arrangements necessary to become fully informed in advance of commencing work regarding all conditions and matters that, during the contract term, could affect the performance of contracted work. The proposer must bring problems or potential issues of performance to the attention of the assigned CRMP liaison(s) as soon as possible.

Oral reports must be followed up with written reports when directed, but this notification will not relieve the proposer of its responsibility to correct problems for which it is responsible. The proposer must work cooperatively with the CRMP to resolve issues as they arise.

Any failure to fully investigate the foregoing conditions and matters will not relieve the proposer from responsibilities for properly estimating the difficulty or cost to successfully perform the work.

CRMP may request additional clarifying information from any proposer after the initial evaluation of the proposals.

## **XI. Proposal-Evaluation Criteria**

The purpose of the proposal-evaluation process is to: 1) determine whether the proposals satisfied the minimum qualifications, content, and format requirements, and 2) identify the proposers most likely to satisfactorily perform the services described. The evaluation process will be conducted in a comprehensive and impartial manner.

At its sole option, CRMP may invite finalists to interview at its office in Sacramento, California. All costs and expenses associated with preparing and submitting responses to this RFQ-P, and all travel and travel-related costs of participating in any requested interview and of any contract-negotiation processes, are the sole responsibility of the proposer.

Each proposal package will be date-and time-stamped when received. Proposals received after the final proposal-submission date and time will be returned unopened. Each timely proposal will be reviewed to determine whether it satisfies the minimum qualifications specified in **Section VII and other requirements provided for the submission in Section IX**. Proposals that meet the minimum qualifications and submission requirements will be evaluated and scored. The highest possible score is 100 points. Please note that the highest score is not necessarily indicative of the selected candidate.

Criteria and maximum score for the proposal are noted below:

Work Plan	30
Qualifications, Background, and History	20
Proposed Compensation	20
Interview	20
References	10
<b>TOTAL POSSIBLE SCORE</b>	<b>100</b>

## **XII. Award of Opportunity to Contract**

If, at any time during or at the conclusion of the RFQ-P process, CRMP determines that the results or prospects of this RFQ-P process are unsatisfactory, CRMP reserves the right to discontinue this process and decline to award an opportunity to contract. The final award of the opportunity to contract will be determined by CRMP's management, in the

sole discretion of CRMP's management. The evaluation scoring will be used as guidance in making the final award of the opportunity to contract but will not be determinative.

The opportunity to contract will be awarded to the proposer determined by CRMP to be in the best interest of CRMP, provided that CRMP also determines that accepting the proposer's proposal is reasonable.

CRMP reserves the right to reject any or all proposals and to waive any irregularities in proposals received.

### **XIII. Commencement Date**

The commencement date is expected to be no later than July 14, 2019.

### **XIV. Exhibits**

- Exhibit 1: Contract Terms
- Exhibit 2: Drug-Free Certification
- Exhibit 3: References

#### **Exhibit 1 – Contract Terms**

The contract term will commence on July 14, 2019, and end July 13, 2022. This Agreement may be extended for two more terms of one year through mutual agreement of the Parties.

CRMP will require a contract with the successful proposer that includes the following provisions. The contract may also include provisions pertaining to other matters discussed or sought in this RFQ-P.

**Requested Contract Edits:** Any edits to the contract must be provided with the proposal, and evaluated in conjunction with all other factors. CRMP will evaluate any objections or requested modifications, and may contact candidates for discussion or clarification. CRMP may also determine whether the extent of a candidate's objections or requested modifications disqualify that submission.

#### **1. Services to be Performed**

The complete description of services is provided in Attachment A: Scope of Work. CRMP's executive director will manage and direct Contractor's activities.



**2. Ambiguities Not Held Against Drafter**

Because this Agreement has been freely and voluntarily negotiated by the parties, Contractor and CRMP agree that ambiguous contractual provisions will not be construed against the drafter.

**3. Amendments**

This Agreement can be amended only by mutual consent of the parties. No change in any term will be valid unless the change is in writing and signed by both Contractor and CRMP. No verbal agreement or understanding will bind either party.

**4. Assignment: Delegation**

Contractor must not assign any of its rights or delegate any of its duties under this Agreement without first obtaining CRMP's written consent. Any purported assignment or delegation by Contractor, in whole or in part, in violation of this section, is voidable at the sole option of CRMP.

**5. Attorney Fees and Costs**

In the event of litigation between the parties to enforce or interpret this agreement, the non-prevailing party must pay the prevailing party's reasonable attorney's fees, costs for in-house counsel services, and actual and taxable costs of the prevailing party. These expenses must be paid in addition to any other relief to which the prevailing party may be entitled.

**6. Audits**

Contractor is and will be subject to examination and audit by the Bureau of State Audits (State of California) and, separately, by the CRMP, and CRMP's representatives during the term of this Agreement and for three years after the final payment under this Agreement. Any examination or audit would be confined to matters connected with the performance of the required services, including, but not limited to, the costs of administering this Agreement. Contractor must cooperate fully with the Bureau of State Audits, CRMP, and CRMP's authorized representatives in any examination or audit. All adjustments, payments, and reimbursements determined necessary through any examination or audit must be made promptly by the appropriate party to this Agreement.

**7. Changes in Control, Organization or Key Personnel**

- a. Contractor must notify CRMP in writing within five calendar days:
  - 1) if any of Contractor's representations or warranties ceases to be true;
  - 2) of any change in Contractor's staff who exercise a significant administrative, policy, or consulting role, including the Key Personnel;

- 3) of any change in the majority ownership, control, or business structure of Contractor;
  - 4) of any other material change in Contractor's business organization.
- b. All Contractor's written notices under this provision must contain adequate information to permit CRMP to evaluate the changes within Contractor's personnel or organization under the same criteria used by CRMP in its original selection of Contractor. Contractor must provide any additional information CRMP might request in connection with such written notices.

**8. Choice of Law; Jurisdiction; Venue**

This Agreement will be construed and enforced according to California law (without regard to conflict-of-law provisions). A party may bring suit on any matter related to or arising out of this Agreement only in the Superior court of California, County of Sacramento. "Bring Suit" includes bringing any action to compel arbitration or enforce an arbitration award. Each party waives any claim that the Superior Court of California, County of Sacramento is an inconvenient or improper forum or venue. Each party agrees that the courts named above will have in personam jurisdiction over it.

**9. Compensation and Expense Reimbursement**

- a. CRMP will compensate the Contractor for its services in accordance with Attachment A: Fees and Expense Structure. Payment for expenses Contractor incurs in its performance of services are subject to CRMP procedures and processes.
- b. Contractor guarantees its rates and fees, as well as the rate and fees of any permitted subcontractors, will not increase during the term of this Agreement.
- c. Contractor may bill for actual, out-of-pocket expenses incurred to third-parties and for actual travel expenses necessary to perform services under this Agreement (subject to CRMP's Contractor Travel Reimbursement Policy). Expenses must be charged at no more than Contractor's actual out-of-pocket cost, without markup.
- d. Contractor must not charge CRMP for office expenses, clerical work, overhead, or work related to the preparation of bills or invoices to the CRMP.
- e. Correspondence from Contractor to CRMP regarding payments or any related compensation matters must be sent to:

*California Residential Mitigation Program*

801 K Street, Suite 1000  
Sacramento, California 95814  
Attn: Managing Director

- f. Contractor must submit itemized monthly invoices in arrears for services already performed; the CRMP will make no payments in advance of services rendered. Each invoice must include:
- 1) Contractor's name, address, telephone number, and tax ID number;
  - 2) an itemized description of services rendered and costs and expenses incurred during the billing period, including a detailed cost and expense breakdown accompanied by full back-up documentation
  - 3) the total amount of the invoice; and
  - 4) project: "**Marketing and Public Relations Services**"

Invoices must be addressed to:

California Residential Mitigation Program  
Accounts Payable  
801 K Street, Suite 1000  
Sacramento, CA 95814

Invoices must be cc'd to:

*ap@calquake.com*

- g. Payment will not be due until the invoiced work is performed, correctly identified on the invoice, and accepted by CRMP. CRMP will pay Contractor's invoices as promptly as fiscal procedures permit.
- h. At its sole option, CRMP, may withhold payment of up to 15% of the total fees and costs associated with work performed under the Agreement until Contractor has completed all contracted work to CRMP's satisfaction.

## **10. Compliance with Laws**

- a. The Contractor must comply with all applicable laws, including those laws (a) specifically applicable to it, (b) applicable to any aspect of the work it performs or secures under this Agreement, or (c) applicable to it because of its relationship to CRMP. Any references to sections of federal or state statutes or regulations are also references to any amendments or successor provisions to those sections.
- b. **Permits and Licenses.** At its sole expense, Contractor must procure and fully maintain any permits and licenses necessary to accomplish the required services.
- c. **Additional Documents.** Contractor must execute any additional documents, and perform any additional acts, as might be reasonable and necessary to carry out the provisions of this Agreement.

## **11. Confidentiality**

- a. In the course of its duties, the Contractor will gain knowledge of investment, financial, personal, personally-identifiable, technical, accounting, and statistical information pertaining to CRMP, its Governing Board and their members, CRMP employees and staff; contractors, consultants; and vendors, and agents (collectively, the “Restricted Information”). All Restricted Information is strictly confidential unless CRMP expressly designates particular Restricted Information as non-confidential. Contractor must not directly or indirectly disclose any Restricted Information, or use it publicly in any way that requires its disclosure, either during or following the term of this Agreement, without CRMP’s advance written, specific permission.
- b. Contractor must not produce, reproduce, publish, or disseminate Restricted Information for its or any other person’s personal gain. For purposes of this Section 11, “person” means any person, association, organization, partnership, business trust, limited liability company, or corporation.
- c. Contractor will only release Restricted Information to its employees, representatives, contractors, or subcontractors, or to any other persons, whom Contractor has first officially notified in writing—and who have agreed—that they expressly bind themselves to maintain confidentiality of the Restricted Information in the manner required by this Section 11 and its subsections. To the best of its ability, Contractor must affirmatively protect all Restricted Information from unauthorized use or disclosure, whether by itself or by others with whom or with which it has shared Restricted Information.
- d. The Contractor’s disclosure of Restricted Information that is done in violation of any portion of this Section 10 is a material breach of this Agreement.
- e. Contractor understands that CRMP is a joint powers authority of the State of California and that CRMP’s and Contractor’s records might be subject to public disclosure and production pursuant to various laws, including but not limited to the California Public Records Act (Chapter 3.5, commencing with Section 6250) of Division 7 of Title 1 of the California Government Code) and the Bagley-Keene Open Meeting Act (Article 9, commencing with Section 11120, of Chapter 1 of Part 1 of Division 3 of Title 2 of the California Government Code). CRMP will notify Contractor promptly after receiving a request for disclosure of any documents or materials that Contractor has designated as proprietary and confidential and which the CRMP believes to be in its possession. CRMP will reasonably cooperate with Contractor, within the statutory framework and limitations on CRMP’s duties under the applicable law(s), and at Contractor’s sole cost and expense, in Contractor’s efforts to protect its trade secrets and confidential information.

## **12. Conflicts of Interest**

- a. **Contractor's Warranty.** By its execution of this Agreement, Contractor warrants to CRMP that no claimed, apparent, or actual conflict of interest exists on its part, or on the part of any principal, employee, Key Personnel, contractor, or subcontractor, that would influence its or their advice and recommendations to the CRMP, statements made about the CRMP to any person or entity:
- 1) advice and recommendations to CRMP;
  - 2) statements made about CRMP;
  - 3) activities performed on behalf of CRMP; or
  - 4) decisions taken or enacted on behalf of CRMP.

b. **Contractor's Affirmative Duties to Disclose and Address Conflicts of Interest.**

The parties mutually intend and agree that the duty to disclose a potential, claimed, apparent, or actual conflict of interest pertaining to any person or party described in Subsection 12(a) is Contractor's sole, affirmative duty and that Contractor's failure to identify and disclose any of those types of conflicts of interest is a material breach of this Agreement and a default justifying Agreement termination, as the term "default" is used in Subsection 28(b) (Termination for Contractor's Default). CRMP has sole authority and discretion to determine at any time the import and significance of Contractor's failure to identify and disclose any conflict of interest. Contractor must abide in good faith by any protocols developed by CRMP before or during the term of this Agreement to identify, disclose, and address potential, claimed, apparent, and actual conflicts of interest. Contractor promises to provide CRMP with any requested information, documentation, and assurances, in writing if so requested, concerning any potential, claimed, apparent, or actual conflict of interest.

- c. **Fair Political Practices Laws.** Contractor must not directly or indirectly receive any personal benefit from information obtained from CRMP, or received or provided on behalf of CRMP. Contractor must disclose to CRMP any personal investment or economic interest of any principal, employee, Key Personnel, contractor, or subcontractor that may be enhanced or made more valuable by any recommendation made to or activity undertaken on behalf of CRMP. Contractor acknowledges that CRMP is subject to the provisions of the Fair Political Practices laws of California (California Government Code Section 81000, et seq., and the regulations adopted under that law), and Contractor must comply with the applicable requirements of that law and those regulations. If requested by CRMP, designated Contractor personnel (principals, employees, Key Personnel, contractors, or subcontractors) must file with the CRMP's designated filing officer a Form 700 "Statement of Economic Interests" in compliance with CRMP's Conflict of Interest Code (see: California Code of Regulations, Title 5, Part III, Chapter 1, Section 22000, et seq.).

- d. Neither Contractor, nor any of its affiliates subsidiaries, officers, directors, principals, employees, or Key Personnel, may submit a bid or be awarded a contract to provide services to CRMP, procure goods or supplies for CRMP, or perform any related action that is an outgrowth of the services or advice Contractor provides CRMP under this Agreement.

### **13. Cumulative Remedies**

The rights and remedies provided in this Agreement are cumulative and are not exclusive of any rights or remedies any party might otherwise have at law or in equity.

### **14. Drug-Free Workplace Certification**

Contractor has executed and provided to CRMP a Drug-Free Workplace Certification as Attachment B to this Agreement. CRMP may terminate the Agreement if the Contractor fails to comply with these drug-free workplace requirements.

### **15. Force Majeure**

Neither party is liable for damages that result from delayed or defective performance when the delays arise from an event that is beyond the control and without the fault or negligence of the offending party. Force majeure events include, but are not restricted to, acts of a public enemy, acts of the State in its sovereign capacity, disabling strikes, epidemics, and quarantine restrictions.

### **16. Indemnification**

- a. Contractor must indemnify, defend, and save harmless CRMP, the CRMP Governing Board, and all CRMP officers, agents, and employees, and staff from and against any and all losses, costs, liabilities, damages, and deficiencies, including interest, penalties, and attorney fees, arising from any claims of:
  - 1) Contractor's breach of its promises, warranties, or other obligations; or
  - 2) Contractor's acts or omissions constituting bad faith, willful misfeasance, negligence, or reckless disregard of its duties under this Agreement.
- b. For purposes of this section 16, and in reference to the provisions of Section 4 (Assignment; Delegation), a subcontractor's or Contractor's consultant's act or omission to act, whether under Contractor's permitted or unpermitted delegation under this Agreement or unrelated to any delegation, is considered for all purposes the act or omission of Contractor.

### **17. Insurance**

Contractor warrants that it maintains, or that it will obtain and have bound as of the date of its commencing any work under this Agreement, adequate liability and other necessary insurance, including such workers' compensation insurance as

required by law, and Contractor promises to maintain all that insurance at levels acceptable to CRMP at all times during the term of this Agreement. In that connection, Contractor agrees to:

- a. maintain a comprehensive general liability insurance policy with limits of no less than \$1,000,000 per occurrence and \$3,000,000 aggregate;
- b. have its insurance representatives make CRMP an additional named insured in that comprehensive general liability policy, with right to notice of nonpayment of premium and of cancellation of the policy;
- c. maintain adequate and appropriate vehicle insurance;
- d. maintain adequate and appropriate Errors and Omissions insurance, with limits of no less than \$1,000,000; and
- e. provide satisfactory evidence of insurance coverage and limits, as well as CRMP's additional-insured status, to CRMP on request.

By its signature on this Agreement, Contractor acknowledges that CRMP has no obligation to provide workers' compensation insurance or employee benefits of any nature for Contractor or its employees, or for Contractor's subcontractors or their employees.

#### **18. Key Personnel**

- a. Attachment D ("Key Personnel") provides each person who is intended to exercise on behalf of Contractor a significant administrative, policy, or consulting role under this Agreement. Those personnel are referred to in this Agreement as "Key Personnel."
- b. Contractor may not substitute, replace, or reassign any person considered Key Personnel without CRMP's advance written approval. With CRMP approval, the parties may jointly document a change in Key Personnel, and that writing will be deemed a part of this Agreement. All Key Personnel are expressly subject to the provisions of Sections 7 (Changes in Control, Organization, or Key Personnel) and 20 (Notices).
- c. In its sole discretion, CRMP is entitled to terminate this Agreement immediately, upon written notice from CRMP to Contractor, if Contractor changes any of its Key Personnel without the CRMP's express, written advance approval or if any one or more of the Key Personnel depart Contractor's staff and no substitute agreed by the Parties has been provided.

#### **19. Notice of Proceeding**

Contractor must promptly notify CRMP in writing of any investigation, examination, or other proceeding commenced by any regulatory or other government agency, involving Contractor, any of its Key Personnel individually, or any of its subcontractors, that is not conducted in the ordinary course of Contractor's business.

**20. Notices**

Any notice required or permitted by this Agreement is deemed given:

- a. on the date of personal delivery;
- b. three days after the mailing date if the notice is deposited with the U. S. Postal Service with first-class postage affixed; or
- c. on the date of receipt as shown by written (or, if the record is contained only on a computer storage device, stored) evidence of delivery when delivered by U.S. Postal Service Express Mail or by a commercial courier service.

No notice is effective if given only by facsimile machine (fax). Notices are to be directed to all the following representatives:

For CRMP:

*California Residential Mitigation Program  
 801 K Street, Suite 1000  
 Sacramento, California 95814  
 Attn: Executive Director*

*California Residential Mitigation Program  
 801 K Street, Suite 1000  
 Sacramento, California 95814  
 Attn: Managing Director*

For Contractor:

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

**21. Publicity**

Contractor must not release, publish, or post any information, publicity, or announcement concerning the CRMP, this Agreement, or Contractor’s services under this Agreement, without the advance, express written approval of the CRMP. Notwithstanding the foregoing, Contractor may publicly disclose the fact that the Contractor is performing this project for CRMP.

**22. Recordkeeping; Record Retention**

Contractor will keep accurate and appropriate records to accomplish and document the services it performs under this Agreement.

- a. Contractor will use reasonable efforts to ensure that similar records of any permitted subcontractors are accurately maintained.
- b. All records described in Sections 22 must be made available for inspection and copying by CRMP or its representatives upon reasonable advance notice and during normal business hours. Contractor must maintain its CRMP-related records separate and distinct from the records that pertain to its other



- clients or customers.
- c. All information, data, reports, and records associated with CRMP are the property of CRMP and must be returned or provided to the CRMP if requested at any time, and as well, upon termination or expiration of this Agreement. Notwithstanding that requirement, Contractor is permitted to keep copies of the CRMP-related information, data, reports, and records for three years after final payment under this Agreement.

### **23. Relationship of the Parties**

- a. This Agreement creates a relationship of independent contractor. CRMP is interested in the results to be achieved under this Agreement, and the conduct of the work will lie with the Contractor. The work Contractor performs under this Agreement, however, must meet the general approval of CRMP and will be subject to CRMP's general right of inspection and supervision to secure its satisfactory completion.
- b. Contractor's principals, employees, and contractors are not and will not be considered employees of CRMP and are not entitled to any benefits provided by CRMP, or by the State of California, to its employees.

### **24. Reports**

In addition to project deliverables, Contractor must prepare and provide other documentary material that CRMP reasonably requests. Contractor will provide oral or written progress reports, as requested, in order to:

- a. determine if Contractor is performing satisfactorily and timely;
- b. communicate interim findings or findings; and
- c. facilitate discussion and resolution of issues.

### **25. Rights in Work**

- a. Neither Contractor, nor any subcontractor or other consulting staff employed by Contractor, has or will have any rights in any reports, data, documents, systems, or concepts (collectively, "Products") produced by Contractor for CRMP. Only CRMP has ownership of the Products that result from services provided under this Agreement, whether by the Contractor or any subcontractor. CRMP reserves the right to give or otherwise release the Products.
- b. Contractor reserves all rights to its intellectual property ("IP") that predates the work performed for CRMP, and to coincidental improvements to its IP made during the performance of the work under this Agreement, to the extent that such IP and coincidental improvements are exclusive of the Products.
- c. With CRMP's prior written approval for each publication or presentation proposed by Contractor, CRMP may grant Contractor the rights to publish results of its work in professional journals or as presentations at professional conferences, as approved with CRMP's in writing. CRMP will not unreasonably withhold or delay approval or non-approval.

- d. All Products are, and will be considered for all purposes, works-for-hire, including for purposes of interpretation under U.S. Copyright Law, 17 U.S.C. §101, et seq. To the extent that the Products are not construed as works-for-hire, Contractor will assign, and hereby does assign to CRMP, perpetually and without further consideration, all right, title, and interest to the Products. All right, title, and interest in the Products, and any copyright, patent, trade secret, or other proprietary right in the Products, are and will be the sole property of CRMP.

## **26. Subcontractors**

- a. Contractor must perform the work contemplated under this Agreement with resources available within its own organization. Contractor must not subcontract any part of its work under this Agreement without the advance written permission of CRMP. The parties must agree in advance on any subcontractor.
- b. Contractor must require in writing of any subcontractor that it be bound by all provisions of this Agreement.

## **27. Taxes**

CRMP is exempt from federal excise taxes and will make no payment for or in connection with personal property taxes levied on Contractor or taxes levied on or in connection with Contractor's compensation.

## **28. Termination**

This Agreement can be terminated as follows:

- a. **Termination at the Option of CRMP.** This Agreement may be terminated in whole or in part, for any reason including the convenience of CRMP, and at any time with 30 days written notice by CRMP. Despite any termination, and at its sole option, CRMP can maintain this Agreement in effect for those transactions pending on the effective date of termination until those transactions are completed. Upon its receipt of a termination notice from CRMP, Contractor must promptly discontinue all services affected unless the notice specifies otherwise. If CRMP terminates all or any part of this Agreement, CRMP will pay Contractor for satisfactory services rendered before the termination, but not more than the maximum amount payable under applicable compensation provisions of this Agreement.
- b. **Termination for Contractor's Default.** In addition to any other termination right, CRMP is entitled, with two days' written notice to Contractor and without any prejudice to its other remedies, to terminate this Agreement because of Contractor's failure to fulfill any of its Agreement obligations—any such failure is termed Contractor's Default. Upon its receipt of any notice

from CRMP terminating this Agreement for Contractor's Default, Contractor must immediately discontinue all services affected, unless the notice directs otherwise. Following a two-day notice of termination, CRMP will pay Contractor only the reasonable value of its services rendered. In CRMP's sole discretion and on any terms it chooses, CRMP may offer Contractor an opportunity to address any default or cure any breach.

- c. **Termination for Insolvency.** Contractor must notify CRMP in writing immediately if Contractor or any principal or subcontractor of Contractor:
  - 1) files or is placed under federal bankruptcy laws,
  - 2) files or becomes the subject of a state receivership action,
  - 3) is adjudged bankrupt,
  - 4) has a receiver appointed who qualifies,
  - 5) makes an assignment for the benefit of creditors, or
  - 6) is the subject of criminal investigation, indictment, or conviction.

If any of the events enumerated in Section 28(c) occurs, or if CRMP receives notice of any of those events, or if CRMP in its sole discretion reasonably determines there is a substantial probability that Contractor will be unable (financially or otherwise) to continue its performance, CRMP is entitled to terminate this Agreement, and all further rights and obligations, immediately upon two days written notice.

- d. **Convenience** - If CRMP gives Contractor a notice of termination for failure to fulfill Agreement obligations and it is later determined that Contractor had not so failed, the termination will be considered to have been for the convenience of CRMP.
- e. **Completion** - If CRMP terminates this Agreement for Contractor's Default, CRMP reserves the right to take over and complete Contractor's work by any means. Contractor will pay CRMP for any additional costs CRMP incurs to complete the work, to the extent that those additional costs were incurred due to Contractor's Default.

## **29. Termination, Effect of**

- a. All duties and obligations of CRMP and Contractor will cease on termination of this Agreement, except:
  - 1) Each party will remain liable for any rights, obligations, or liabilities that arose or may arise from its activities under this Agreement before it effectively terminated; and
  - 2) Those clauses named in Subsection 33. (Survival)
- b. Within 15 days after the effective termination date, Contractor will deliver to CRMP all CRMP records, deliverables, and Products, whether prepared by Contractor or received by Contractor from a third party, including (but not limited to):
- c.

- 1) due diligence reports, reports and data prepared by Contractor, subcontractor or consultants;
- 2) (if applicable) products, modified software, manuals, custom scripts, code, and processes.

Together, Contractor and CRMP will determine an effective method and form to transfer the records and Products, and Contractor must deliver all records and Products in CRMP-usable form. Contractor will cooperate to ensure an orderly termination process and orderly transfer of services.

- d. Upon expiration or termination of this Agreement, Contractor must provide all reasonable assistance to move CRMP's records, accounts, funds, and required services to CRMP's subsequent special inspection services provider, without additional costs to CRMP.

### **30. Time Is of the Essence**

Time is of the essence for delivery of services under this Agreement.

### **31. Waivers**

A party's delay in exercising any right or privilege is not a waiver of any Agreement provision. Neither party's waiver, nor single or partial exercise of any right or privilege, will preclude any other or further exercise of any other right or privilege under this Agreement.

### **32. Warranties**

The CRMP is committed to, and expects contractor's commitment to, diversity and nondiscrimination in the workplace. Consistent with the foregoing, Contractor warrants its compliance with the following requirements:

- a. **Employees:**
  - 1) **Americans with Disabilities Act.** Contractor warrants that it complies with the Americans with Disabilities Act of 1990 (42 U.S.C. 12101 et seq.: the "ADA") and all regulations and guidelines issued under the ADA.
  - 2) **Fair Employment and Housing Act.** Contractor and subcontractors will comply with the provisions of the Fair Employment and Housing Act (California Government Code section 12900 et seq.) and the related regulations (California Code of Regulations, Title 2, Section 7285.0 et seq.). The regulations of the Fair Employment and Housing Commission that implement Government Code section 12990, subdivisions (a) through (f) (Chapter 5 of Division 4 of Title 2 of the California Code of Regulations), are by this reference made a part of this Agreement.
  - 3) **Nondiscrimination.** During the performance of this Agreement, Contractor and its subcontractors, and their agents and employees, must not unlawfully discriminate against, harass, or retaliate against any employee

or applicant for employment because of race, religion or religious creed, color, age, sex, sexual orientation, gender identity, genetic information, national origin, marital status, medical condition, disability, military service, pregnancy, childbirth, breastfeeding and related medical conditions, physical disability (including HIV and AIDS), mental disability, medical condition (including health impairments related to a diagnosis of cancer for which a person has been rehabilitated or cured), age (40 or over), marital status, denial of family and medical care leave, or denial of pregnancy disability leave or any other classification protected by federal, state, or local laws or regulations. Contractors and subcontractors, and their agents and employees, are expected to take all appropriate steps to prevent such discrimination, harassment, and retaliation, remedy any such conduct that may occur, and implement appropriate measures to prevent such conduct from occurring in the future.

Contractor must include the nondiscrimination and compliance provisions of this Section 32 in all permitted subcontracts to perform work under this Agreement.

b. **Labor**

- 1) **Collective Bargaining.** Contractor and its subcontractors must give written notice of their obligations under this clause to all labor organizations with which they have a collective bargaining or other agreement, if any.
- 2) **National Labor Relations Board Certification.** Contractor affirms, under penalty of perjury, that no more than one final, finding of contempt of a federal court has been issued against Contractor within the immediately preceding two-year period because of Contractor's failure to comply with a federal court's order to comply with a National Labor Relations Board order.

c. **Standard of Care.** The personnel or subcontractors responsible for discharging Contractor's duties under this Agreement are experienced in the performance of the duties contemplated and will meet the appropriate standard of care;

d. **Signature Authorization**

The execution and performance of this Agreement will not:

- 1) violate any provision of any charter document of the Contractor;
- 2) violate any statute or any judgment, decree, order, regulation, or rule of any court or governmental authority applicable to Contractor; or
- 3) violate, conflict with, constitute a default under, permit the termination of, or require the consent of any person under, any agreement to which Contractor may be bound, the occurrence of which would have a material adverse effect on the properties, business, prospects, earnings, assets, liabilities, or financial or other condition of Contractor.

e. Contractor, and the person signing the Agreement, warrant that the signer is an agent or authorized representative of the Contractor and is duly authorized by Contractor to enter into this Agreement.

- f. Contractor represents and warrants that it has the power and authority to enter this Agreement and carry out its obligations under this Agreement, that it has duly authorized the execution of this Agreement, and that no additional act by Contractor is necessary to authorize the execution of this Agreement. Contractor has completed, obtained, and performed all registrations, filings, approvals, authorizations, consents, and examinations that any government or governmental authority may require for its acts and activities contemplated by this Agreement.
- g. Contractor warrants that it will promptly notify CRMP of any changes in Contractor's compliance with the warranties stated here, and agrees to restore the warranties, as CRMP in its discretion may require, if a lapse occurs. If the Contractor does not provide notice to CRMP to the contrary, CRMP has the absolute right to rely on the ongoing effectiveness of each warranty stated here.
- h. **Term of Agreement**  
This Agreement is effective on July 14, 2019 and its term expires on July 13, 2022 with two (2) one-year options to extend at the discretion of CRMP unless terminated sooner in accordance with the provisions of Section 28 (Termination). This Agreement may be extended for two more terms of one year through mutual agreement of the Parties. Should the Parties agree to additional terms of one year, the Fees and Expense Attachment A may by mutual agreement of the parties, but in no event more than 10%.
- i. Despite the completion or termination of services, other contractual obligations, including audit, confidentiality, indemnification, record-retention, rights in work, and warranties will continue.

### 33. Entire Agreement

- a. **This Agreement:** (A) states all representations of and the entire understanding between the parties with respect to the subject of this Agreement; and (B) replaces any prior correspondence, memoranda, or agreements.
- b. **Binding Effect** - This Agreement, and any instrument, amendment, or further agreement executed pursuant to this Agreement, will bind the parties, their successors, assignees, and legal representatives.
- c. **Counterparts.** This Agreement may be executed in counterparts. Each counterpart is an original; all counterparts together are one instrument.
- d. **Incorporated Documents.** This Agreement consists of the terms of this Agreement and all attached documents that are expressly incorporated. The following schedules and attachments are attached and incorporated into this Agreement:
  - A. Attachment A: Fees and expense structure
  - B. Attachment B: Drug-Free Workplace Certification

C. Attachment C: References

D. Attachment D: Key Personnel

E. Attachment E: Subcontractor Agreement

e. **Order of Precedence.** For any inconsistencies or ambiguities in the terms of this Agreement and its incorporated documents and attachments, the following order of precedence will be used:

- 1) applicable laws;
- 2) the terms and conditions of this Agreement, including attachments; and then
- 3) any other provisions, terms, or materials incorporated into this Agreement.

f. **Severability.**

Should any court hold any provision of this Agreement to be void or unenforceable, the remaining provisions will remain in effect if they are still capable of performance.

g. **Survival.**

Certain contractual obligations will survive completion of the work or termination of services. These include, but are not limited to: prevailing party's attorney's fees and costs, audit compliance, confidentiality requirements, fiduciary obligations, indemnification, publicity limitation, record retention, rights in work, and warranties.

h. **Titles / Section Headings.**

Titles and section headings are provided for convenience and are not part of this Agreement.

**Executed in Sacramento, California.**

California Residential Mitigation Program:

Contractor:

\_\_\_\_\_  
Name, Title

\_\_\_\_\_  
Name, Title

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

Federal Identification Number: \_\_\_\_\_

**TO BE INSERTED**

**Attachment A:** Fees and expense structure

**Attachment B:** Drug-Free Workplace Certification

**Attachment C:** References

**Attachment D:** Key Personnel

**Attachment E:** Subcontractor agreement

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**Sample:**  
**Exhibit 2 - Drug-Free Workplace Certification**

The Contractor hereby certifies its compliance with California Government Code Section 8355 to provide a drug-free workplace, and that the Contractor will:

1. Publish a statement notifying employees that unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited and specifying actions to be taken against employees for violations, by Government Code Section 8355, subdivision (a)
2. Establish a Drug-Free Awareness Program as required by Government Code Section 8355, subdivision (b).
  - 1) The dangers of drug abuse in the workplace;
  - 2) The organization's policy of maintaining a drug-free workplace;
  - 3) Any available counseling, rehabilitation, and employee assistance programs; and
  - 4) The Penalties that can be imposed on employees for drug abuse violations.
3. Provide as required by Government Code Section 8355, subdivision (c), that every employee who has duties or responsibilities relating to this Agreement:
  - 1) Will receive a copy of the company's drug-free statement, and
  - 2) Will agree to abide by the company's statement as a condition of employment on the contract.

**CERTIFICATION**

I, the official named below, hereby swear that I am duly authorized legally to bind the Contractor to the above described certification. I am fully aware that this certification, executed on the date and in the county below, is made under penalty of perjury under the laws of the State of California.

**Contractor's Authorized Signature**

**Title:**

**Date Executed:**

**In the County of:**

**Federal Identification Number:**

**Exhibit 3: References**

The proposer must provide at least three references CRMP may contact that have been clients of the proposer within the past three years, including the name, address, and telephone number of the client, the name and title of the contact person, and a general description of the services provided to each client.

**Name of Client Firm #1:**

Address:

Contact Person:

Phone: (    )

Date and Dollar Value of Project:

Brief Description of Project:

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**Name of Client Firm #2:**

Address:

Contact Person:

Phone: (    )

Date and Dollar Value of Project:

Brief Description of Project:

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**Name of Client Firm #3:**

Address:

Contact Person:

Phone: (    )

Date and Dollar Value of Project:

Brief Description of Project

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## **CRMP Governing Board Memorandum**

March 5, 2019

Agenda Item 9:                   CRMP Request for Qualifications and Proposal for Printing,  
Distribution and Analysis Services

Recommended Action:       Approve CRMP Request for Qualifications and Proposal for  
Printing, Distribution and Analysis Services

---

Ms. Ewertsen will present for approval a CRMP Request for Qualifications and Proposal for Printing, Distribution and Analysis Services.

# **Request for Qualifications and Proposals**

**Printing, Distribution and Market Analysis Services  
RFQ-P CRMP #08-13**

**Date: 03/06/2019**

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## Table of Contents

<b>I.</b>	<b>SUMMARY OF KEY DATES.....</b>	<b>2</b>
<b>II.</b>	<b>BACKGROUND .....</b>	<b>2</b>
<b>III.</b>	<b>SUBMITTING QUESTIONS .....</b>	<b>3</b>
<b>IV.</b>	<b>PROPOSER’S RESPONSIBILITIES REGARDING ADDENDA .....</b>	<b>3</b>
<b>V.</b>	<b>SUBMITTING PROPOSAL .....</b>	<b>4</b>
<b>VI.</b>	<b>SERVICES TO BE PROVIDED .....</b>	<b>5</b>
<b>VII.</b>	<b>MINIMUM QUALIFICATIONS .....</b>	<b>7</b>
<b>VIII.</b>	<b>PRICING .....</b>	<b>7</b>
<b>IX.</b>	<b>SUBMISSION INSTRUCTIONS .....</b>	<b>8</b>
<b>X.</b>	<b>ADDITIONAL INFORMATION .....</b>	<b>12</b>
<b>XI.</b>	<b>PROPOSAL-EVALUATION CRITERIA .....</b>	<b>12</b>
<b>XII.</b>	<b>AWARD OF OPPORTUNITY TO CONTRACT .....</b>	<b>13</b>
<b>XIII.</b>	<b>COMMENCEMENT DATE .....</b>	<b>13</b>
<b>XIV.</b>	<b>EXHIBITS .....</b>	<b>14</b>
	EXHIBIT 1 – CONTRACT TERMS .....	14
	EXHIBIT 2 – DRUG-FREE WORKPLACE CERTIFICATION .....	32
	EXHIBIT 3 – REFERENCES .....	33
	EXHIBIT 4 – REQUIREMENTS FOR DATA HANDLING AND PROTECTION.....	34

## **I Summary of Key Dates**

The following schedule is subject to modification by the California Residential Mitigation Program (“CRMP”). Questions must be submitted in the manner described in Section III.

1. Date of issue	March 6, 2019
2. Deadline for submitting questions	March 18, 2019
3. Final date for CRMP to post addenda for which proposers are responsible	March 25, 2019
4. Final proposal submission date	April 8, 2019
5. Proposal evaluation	April 15, 2019
6. Finalists’ presentations (optional, in the discretion of CRMP) in Sacramento, California	May 21, 2019
7. Award of opportunity to negotiate contract	May 30, 2019
8. Commencement date	July 14, 2019

## **II. Background**

### **California Residential Mitigation Program (CRMP)**

CRMP was formed in August 2011 under the California Joint Exercise of Powers Act (“Act”) by an agreement between the California Earthquake Authority (“CEA”) and the California Emergency Management Agency.

CRMP was formed to fund grants, loans, and loan guarantees (and related assistance and incentives) to owners of dwellings in California who wish to retrofit their homes to protect against earthquake damage.

### **Purpose of this RFQ-P**

The purpose of this Request for Qualifications and Proposals (“RFQ-P”) is to identify a provider of services to CRMP. CRMP seeks a contractor (“the Contractor”) to provide printing, distribution and market analysis services for CRMP’s retrofit program, Earthquake Brace + Bolt (EBB). The Contractor may use one or more subcontractors. Subcontractors, if used, must be approved by CRMP in advance, in writing, and must agree to be bound by all provisions of the contract between CRMP and the Contractor. The Contractor will work under the direction of and in consultation with the managing director of CRMP. The amount and scope of work is in the sole discretion of CRMP; there is no guarantee of work if a contract is awarded.

Services will be performed in the state of California

### **III. Submitting Questions**

Questions are to be submitted by email only, and each proposer is solely responsible for following the timeframes in Section I. Submit all questions to:

**RFP0813@calquake.com**

CRMP will respond to all questions received no later than Monday, March 18, 2019. Answers will be posted on CRMP's website at [www.californiaresidentialmitigationprogram.com](http://www.californiaresidentialmitigationprogram.com) on the Contract/Employment Opportunities page.

### **IV. Proposer's Responsibilities Regarding Addenda**

CRMP reserves the right in its sole discretion to modify any part of this RFQ-P by issuing a written addendum.

All addenda issued by CRMP after the final submission date for proposals will be posted solely <http://www.californiaresidentialmitigationprogram.com> on the Contract Opportunities page.

It is the sole responsibility of each proposer to continue through the final submission date to check the CRMP Website for addenda.

Each proposer acknowledges and accepts the affirmative responsibility to inquire regarding, and seek any desired clarification of, any part or provision of this RFQ-P that the proposer does not understand or believes is reasonably susceptible to more than one interpretation. If a proposer claims any ambiguity, conflict, discrepancy, omission, or error in the RFQ-P, the proposer must immediately notify CRMP's RFQ-P contact person and request clarification. In its sole discretion, CRMP may issue clarifications in the form of written addenda to this RFQ-P and will post the written addenda to [www.californiaresidentialmitigationprogram.com](http://www.californiaresidentialmitigationprogram.com) on the Contract Opportunities page.

In its sole discretion, CRMP may disregard any and all claims of ambiguity, conflict, discrepancy, omission, or error received by CRMP after the final proposal-submission date.

No additional time to meet any deadline will be allowed after the final submission date for proposals on account of clarifications made by CRMP.



Any response received after 5:00 p.m. on **Monday, April 8, 2019**, will be returned unopened and the proposer will not be entitled to participate in any way in the procurement process provided for in this RFQ-P.

The provisions of any addendum formally issued by CRMP are automatically incorporated into this RFQ-P, and in addition and as appropriate, may be made a part of or otherwise reflected in any contract awarded as a result of this RFQ-P.

Each proposer is required to acknowledge as part of the proposer's cover letter (Section IX, Submission Instruction, 1. Cover Letter), that the proposer has reviewed the addenda posted one week or more before the final proposal-submission date.

## **V. Submitting Proposal**

Submit the original and four copies of the proposal, with an electronic copy on a USB/Flash drive, in a sealed envelope or package.

The original proposal must bear an original signature of the person who signed the cover letter and be marked "Original."

1. The proposer's name and address must appear on the outside of the sealed proposal envelope or package.
2. A proposal by a firm must be signed by a person authorized to bind the firm.
3. All proposals must be sent or delivered to the following address:

**California Residential Mitigation Program  
c/o California Earthquake Authority  
801 K Street, 10<sup>th</sup> floor, Suite 1000  
Sacramento, California 95814**

**CONFIDENTIAL**

### **Response to Request for Qualifications and Proposals CRMP RFQ-P #08-13**

4. Proposals must be physically received by CRMP during normal business hours (but in any event no later than 5:00 p.m. Pacific Time on **Monday, April 8, 2019**).
5. Unless expressly and specifically requested by CRMP, proposals are not to be submitted, in whole or in part, by fax or by electronic or magnetic media.

**Confidential or Proprietary.** Should a proposal contain information that the proposer considers confidential or proprietary, a statement to that effect must be included in the cover letter, and each and every page containing confidential or proprietary information must be so marked in the upper right-hand corner. CRMP will use reasonable efforts to keep such pages from public disclosure, except to the extent provided in any resulting contract or the extent required by law. CRMP makes no representations or warranties that its efforts will

be successful. Proposers are reminded that many of CRMP's records are subject to public disclosure under the California Public Records Act.

No proposal can be considered confidential or proprietary in its entirety.

**Corrections or Modifications.** If, before the submission deadline, a proposer wishes to make any change or augment a proposal it has already submitted, the only method of correction or modification is to (1) notify CRMP that proposer is withdrawing its proposal and then (2) submit the modified proposal before the proposal-submission deadline. Modification offered in any other manner, or after the proposal-submission deadline, will not be considered.

Please review all addenda posted on the website described above before submitting proposals.

**Proposal Costs:** All costs to develop proposals and attend interviews regarding proposals are the sole responsibility of the proposer and cannot be charged to CRMP, the CEA, or Cal OES.

**Procedural Objections:** Procedural objections to this RFQ-P or the RFQ-P process must be received by CRMP promptly and in any event by 5:00 p.m. Pacific Time on **Monday, April 15, 2019**. Any such objections must be in writing and sent to:

**California Residential Mitigation Program  
c/o California Earthquake Authority  
801 K Street, Suite 1000  
Sacramento, California 95814  
Attention: Annde Ewertsen  
Managing Director of CRMP**

All proposals become the property of CRMP upon submission and are subject to being made public by CRMP at any point after submission.

**Pagination:** Record your company name and the RFQ-P name/number on each page of your proposal.

## **VI. Services to Be Provided**

The services to be provided will be determined by CRMP and the Contractor and are likely to include the following services.

- A.** Provide full-color print deliverables including design for marketing purposes that are color-matched and approved by the CRMP.

The CRMP Earthquake Brace + Bolt program logo color is matched to the following CMYK specifications:

1. Blue = Red 54, Green 116, Blue 144
2. Rusty Red = Red 196, Green 67, Blue 39
3. Orange = Red 226, Green 173, Blue 75

- B. Design, print and collate full-color, double-sided inserts for marketing purposes that are color-matched and approved by the CRMP.
- C. Ability to provide, print and assemble CRMP-approved envelopes, letters and inserts, including tri-folding.
- D. Ability to accept and print full-color formatted files of varying types (e.g., Zip, PDF,etc).
- E. Able to receive print jobs at sporadic intervals in varying quantities.
- F. Ability to deliver next-day hard copies for proofing and finalization.
- G. Mail CRMP-approved materials, letters and documents in the most cost-effective manner (e.g. pre-sorted standard processing) and provide proof of mailing.
- H. Able to meet all CRMP regulatory and non-regulatory mailing deadlines.
- I. Able to meet CRMP Requirements for Data Handling Protection. Please refer to Exhibit 4 for these requirements.
- J. Offer mailing services at a price point that provides the CRMP with maximum value.
- K. Perform research and provide detailed data analysis for ZIP codes in the program; and homeowners, contractors and government agencies throughout the state of California that are eligible to participate.
- L. Conduct outbound calls to homeowners, contractors and stakeholders as part of the CRMP outreach efforts.
- M. Ability to generate lists of stakeholders in key markets and uploading of data into the CRMP database and program material onto webpages fully supported by Contractor.
- N. Provide superior customer support that includes a relationship management service.

The format of all project deliverables must be fully compatible on a PC (Windows) platform.

**Provide three (3) examples of your work product(s).**

## **VII Minimum Qualifications**

The proposing firm must meet, to CRMP's satisfaction, all of the following minimum qualifications to be considered for a contract award. Each proposer must establish minimum qualifications by use of the "Statement of Minimum Qualifications." Failure to satisfy all minimum qualifications, in CRMP's sole judgment, will result in immediate rejection of the proposal.

As of the issue date of this RFQ-P:

1. The firm must have been in business for at least five years.
2. The firm or subcontractor must have at least five years of experience in marketing and public relations services with substantial, relevant professional experience in public relations, advertising, social media, and media buying.
3. The firm must have substantial, relevant professional experience with similar clients and projects. Please reference two (2) closest, relevant clients and campaign experience.
4. The firm or subcontractor must have substantial, relevant graphic design experience.
5. At least one key professional member of the firm must be assigned to the CRMP account and must have a minimum of five years' experience in marketing and public relations services.

## **VIII. Pricing**

The firm must provide a clear fee structure. The fee structure must include:

1. Direct labor costs
2. Consultant and subcontractor itemized labor costs.
3. Any additional costs not previously covered or described in this section (or if none, state that there are none)
4. Printing costs (give volume price and break number)
5. Total of all fees and costs.

### **Printing Costs.**

Printing costs are to include all costs associated with meeting the service needs listed in this RFP including account management costs. The CRMP expects all proposals to provide the best cost-benefit to the CRMP, including any volume cost savings offered by your company.

Itemized costs must include:

- Printing

- Design
- Analysis
- Web Hosting
- Windowed envelopes
- Tri-folding
- Stuffing
- Tray sorting
- Mailing

All costs must be included in the proposal. For applicable services, hourly rate and fee structure can be provided.

Volume printing costs must include the “price break number”, the point where a cost reduction occurs. It is the responsibility of the proposer to list all costs in a clear and easy to understand manner.

CRMP will pay negotiated fees in arrears. See Section IX, Submission Instructions, 4. Pricing, for further detail.

## **IX. Submission Instructions**

The proposal and cover letter, exclusive of attachments, must not exceed 16 single-sided pages. Attachments must not exceed a total of an additional 16 single-sided pages. All proposals must include the following elements, in the following order:

### **1. Cover Letter**

The cover letter must be signed by a person authorized to bind the proposer contractually. CRMP will reject any proposal that contains an unsigned cover letter. The cover letter *must* also contain all of the following:

- a. The proposing firm’s name, address, telephone, and website address;
- b. The name, title or position, telephone number, and email address of the person signing the cover letter and any other persons authorized to make representations for the proposer regarding the RFQ-P;
- c. A statement that the signature constitutes unrestricted authority for the signer to bind the proposer contractually;
- d. A statement that the firm is willing to be bound by contract provisions such as those outlined in Exhibit 1 (note that the contract provisions in Exhibit 1 are examples of typical terms and conditions— additional terms and conditions may later be included);

- e. A statement that the proposal is a valid, open proposal for at least 180 days after the CRMP's final proposal-submission date;
- f. A statement affirming that the proposer satisfies each of the Minimum Qualifications;
- g. A statement that the proposer has reviewed all addenda posted through the final addenda posting date shown on the "Summary of Key Dates"; and
- h. A statement that each key professional and each responsible staff member working on the contract is willing to be subject to a background check.

## 2. Firm Background and History

The proposal must contain all of the following:

- a. Location of firm headquarters;
- b. Number of years the firm has been in existence in the same or substantially the same form and under the same trade name;
- c. Total number of offices and employees (provide a breakdown by category of the number of professional, managerial, and line staff, and support staff, respectively);
- d. Description of the firm's ownership and ownership structure;
- e. Identification of any affiliated or subsidiary organizations;
- f. Description of pending or contemplated changes in the firm's organizational structure;
- g. Description of the types of services the firm provides (including, but not limited to, the services described in this RFQ-P) and reasonable details of the fee arrangements that typically apply;
- h. Up to three references of current or past clients with projects of a regional or statewide scope;
- i. Disclosure of litigation or other legal proceedings that the firm, or any officer or principal of the firm, has been involved in at any time within the past three years related to the firm's business activities, and explain the nature of the litigation or legal proceeding, even if the matter has been resolved;
- j. List the applicable coverage amounts for the following:
  - 1) Errors-and-omissions insurance; and
  - 2) Any other insurance that will name the CRMP as additional insured.
- k. List every institutional client (no more than 10) for which the firm provided any of the services described in **Section VI** (Services to be Provided) of this RFQ-P that terminated its relationship with the firm during the past four years. Provide the following information:

- 1) The name of the client; and
- 2) A full explanation of the reasons for termination of the relationship.

### **3. Work Plan**

The proposal is to describe how your firm will perform the proposed contract. Be specific and avoid generalizing. The work plan should address, without limitation, the following components, and should be organized so that it is clear, comprehensive, and concise:

- a.** Identify by name and position/title the primary internal contact for the contract;
- b.** Describe your firm's understanding of the work to be performed under this RFQ-P, including addressing all project deliverables:
  - A description illustrating how your proposal will meet each of the services to be provided in Section VI (Services to be Provided).
  - A detailed description of your process for adjusting and approving physical proofs for quality and coloration including the time to deliver proofs to the CEA, the vendor response time to execute CEA changes, and the time between receiving CEA approval to in-home delivery of the mailing. The CEA is located in Sacramento, California.
  - A detailed description of your process for executing "rush-jobs" (customer requests outside of the normal process and timelines described above) that includes timeline, process, and additional cost (if applicable) from the receipt of a print-ready file to in-home delivery.
  - A description of your specifications for print-ready files (for example page-size, bar-coding requirements, etc.) that includes any size limitation on electronic files submitted for printing.
  - A description of any limitations associated with coloration and font options.
  - A description of high-print times when the CEA print request may be a lower priority than other clients.
  - A brief description of your company's disaster recovery plan.
  - A description of your company's customer relationship capabilities. For example, do you provide a dedicated account representative or account team, a generic 1-800 number for call center support, 24/7 support, etc.
  - A description of other services or added value that your company provides. For example, can your company act as an emergency back-up for the CEA if our ability to merge mailing data into our print-ready template is compromised? Does your organization offer end-to-end direct mailing services for customers? At what cost?
- c.** Detailed description of data analysis, web hosting and stakeholder call capabilities.
- d.** Identify any RFQ-P requirements that the firm believes are unnecessary;

- e. Propose any alternatives that conform to this RFQ-P's intent, which if implemented would lead to a better result but which may not satisfy specific RFQ-P requirements;
- f. Identify any "value-added" services your firm would provide to CRMP;
- g. Detail any conflict of interest, or apparent or potential conflict of interest, that would be created by the firm's contracting with CRMP, and propose how to address or resolve these conflicts of interest;
- h. Describe your firm's policy for ensuring the confidentiality of its clients' matters;
- i. Define "client service" as it relates to your firm. Describe your methodology to meet the specific service requirements included in this RFQ-P
- j. ;
- k. Name the professionals who would be assigned to the CRMP account and list their respective responsibilities, and for each such professional or other person assigned to the CRMP account, provide a brief résumé that outlines the person's education and relevant experience.
- l. If the firm intends to use subcontractors to deliver any of the services outlined in Section VI (Services to be Provided), provide the information in Sections 1, 2, and 3 regarding any and all proposed subcontractor(s)

#### **4. Pricing**

The proposal must include a clear and complete fee and expenses structure. CRMP will pay negotiated fees in arrears, as may be agreed.

- 1. Direct labor costs
- 2. Consultant and subcontractor itemized labor costs.
- 3. Any additional costs not previously covered or described in this section (or if none, state that there are none)
- 4. Printing costs (give volume price and break number)
- 5. Total of all fees and costs.

(Information is intended for internal CRMP use, but certain CRMP records are subject to public disclosure under the California Public Records Act and the Bagley-Keene Open Meetings Act. CRMP makes no representation or warranty that its efforts to keep records confidential will be successful.)

#### **5. Equal Employment Opportunity (EEO)**

Describe the firm's policies and programs that ensure compliance with state and federal Equal Employment Opportunity requirements.



## **6. Required Attachments**

- a.** Proposed fees and expense structure labeled as “Required Attachment A.”
- b.** Drug-Free Workplace Certification labeled as “Required Attachment B” (see Exhibit 2).
- c.** References labeled as “Required Attachment C” (see Exhibit 3).
- d.** Attachment D Signed copy of the “Requirements for Data Handling and Protection (see Exhibit 4)
- e.** Attachment E – Key Personnel

## **X. Additional Information**

CRMP will not be bound by any oral interpretation of this RFQ-P by any of its representatives or employees, unless those oral interpretations are subsequently issued as a written addendum to this RFQ-P.

Each proposer must make those arrangements necessary to become fully informed in advance of commencing work regarding all conditions and matters that, during the contract term, could affect the performance of contracted work. The proposer must bring problems or potential issues of performance to the attention of the assigned CRMP liaison(s) as soon as possible.

Oral reports must be followed up with written reports when directed, but this notification will not relieve the proposer of its responsibility to correct problems for which it is responsible. The proposer must work cooperatively with the CRMP to resolve issues as they arise.

Any failure to fully investigate the foregoing conditions and matters will not relieve the proposer from responsibilities for properly estimating the difficulty or cost to successfully perform the work.

CRMP may request additional clarifying information from any proposer after the initial evaluation of the proposals.

## **XI. Proposal-Evaluation Criteria**

The purpose of the proposal-evaluation process is to: 1) determine whether the proposals satisfied the minimum qualifications, content, and format requirements, and 2) identify the proposers most likely to satisfactorily perform the services described. The evaluation process will be conducted in a comprehensive and impartial manner.

At its sole option, CRMP may invite finalists to interview at its office in Sacramento, California. All costs and expenses associated with preparing and submitting responses to

this RFQ-P, and all travel and travel-related costs of participating in any requested interview and of any contract-negotiation processes, are the sole responsibility of the proposer.

Each proposal package will be date-and time-stamped when received. Proposals received after the final proposal-submission date and time will be returned unopened. Each timely proposal will be reviewed to determine whether it satisfies the minimum qualifications specified in Section VII and other requirements provided for the submission in Section IX. Proposals that meet the minimum qualifications and submission requirements will be evaluated and scored. The highest possible score is 100 points. Please note that the highest score is not necessarily indicative of the selected candidate.

Criteria and maximum score for the proposal are noted below:

Work Plan	30
Qualifications, Background, and History	20
Proposed Compensation	20
Interview	20
References	10
<b>TOTAL POSSIBLE SCORE</b>	<b>100</b>

## **XII. Award of Opportunity to Contract**

If, at any time during or at the conclusion of the RFQ-P process, CRMP determines that the results or prospects of this RFQ-P process are unsatisfactory, CRMP reserves the right to discontinue this process and decline to award an opportunity to contract. The final award of the opportunity to contract will be determined by CRMP's management, in the sole discretion of CRMP's management. The evaluation scoring will be used as guidance in making the final award of the opportunity to contract but will not be determinative.

The opportunity to contract will be awarded to the proposer determined by CRMP to be in the best interest of CRMP, provided that CRMP also determines that accepting the proposer's proposal is reasonable.

CRMP reserves the right to reject any or all proposals and to waive any irregularities in proposals received.

## **XIII. Commencement Date**

The commencement date is expected to be no later than July 14, 2019.

#### **XIV. Exhibits**

- Exhibit 1: Contract Terms
- Exhibit 2: Drug-Free Certification
- Exhibit 3: References

#### **Exhibit 1 – Contract Terms**

The contract term will commence on July 14, 2019, and end July 13, 2022. This Agreement may be extended for two more terms of one year through mutual agreement of the Parties.

CRMP will require a contract with the successful proposer that includes the following provisions. The contract may also include provisions pertaining to other matters discussed or sought in this RFQ-P.

**Requested Contract Edits:** Any edits to the contract must be provided with the proposal, and evaluated in conjunction with all other factors. CRMP will evaluate any objections or requested modifications, and may contact candidates for discussion or clarification. CRMP may also determine whether the extent of a candidate's objections or requested modifications disqualify that submission.

##### **1. Services to be Performed**

The complete description of services is provided in Attachment A: Scope of Work. CRMP's executive director will manage and direct Contractor's activities.

##### **2. Ambiguities Not Held Against Drafter**

Because this Agreement has been freely and voluntarily negotiated by the parties, Contractor and CRMP agree that ambiguous contractual provisions will not be construed against the drafter.

##### **3. Amendments**

This Agreement can be amended only by mutual consent of the parties. No change in any term will be valid unless the change is in writing and signed by both Contractor and CRMP. No verbal agreement or understanding will bind either party.

##### **4. Assignment: Delegation**

Contractor must not assign any of its rights or delegate any of its duties under this Agreement without first obtaining CRMP's written consent. Any purported assignment or delegation by Contractor, in whole or in part, in violation of this section, is voidable at the sole option of CRMP.

**5. Attorney Fees and Costs**

In the event of litigation between the parties to enforce or interpret this agreement, the non-prevailing party must pay the prevailing party's reasonable attorney's fees, costs for in-house counsel services, and actual and taxable costs of the prevailing party. These expenses must be paid in addition to any other relief to which the prevailing party may be entitled.

**6. Audits**

Contractor is and will be subject to examination and audit by the Bureau of State Audits (State of California) and, separately, by the CRMP, and CRMP's representatives during the term of this Agreement and for three years after the final payment under this Agreement. Any examination or audit would be confined to matters connected with the performance of the required services, including, but not limited to, the costs of administering this Agreement. Contractor must cooperate fully with the Bureau of State Audits, CRMP, and CRMP's authorized representatives in any examination or audit. All adjustments, payments, and reimbursements determined necessary through any examination or audit must be made promptly by the appropriate party to this Agreement.

**7. Changes in Control, Organization or Key Personnel**

- a. Contractor must notify CRMP in writing within five calendar days:
  - 1) if any of Contractor's representations or warranties ceases to be true;
  - 2) of any change in Contractor's staff who exercise a significant administrative, policy, or consulting role, including the Key Personnel;
  - 3) of any change in the majority ownership, control, or business structure of Contractor;
  - 4) of any other material change in Contractor's business organization.
- b. All Contractor's written notices under this provision must contain adequate information to permit CRMP to evaluate the changes within Contractor's personnel or organization under the same criteria used by CRMP in its original selection of Contractor. Contractor must provide any additional information CRMP might request in connection with such written notices.

**8. Choice of Law; Jurisdiction; Venue**

This Agreement will be construed and enforced according to California law (without regard to conflict-of-law provisions). A party may bring suit on any matter related to or arising out of this Agreement only in the Superior court of California, County of Sacramento. "Bring Suit" includes bringing any action to compel arbitration or enforce an arbitration award. Each party waives any claim that the Superior Court of California, County of Sacramento is an inconvenient or improper forum or venue. Each party agrees that the courts named above will have in personam jurisdiction over it.

## 9. Compensation and Expense Reimbursement

- a. CRMP will compensate the Contractor for its services in accordance with Attachment A: Fees and Expense Structure. Payment for expenses Contractor incurs in its performance of services are subject to CRMP procedures and processes.
- b. Contractor guarantees its rates and fees, as well as the rate and fees of any permitted subcontractors, will not increase during the term of this Agreement.
- c. Contractor may bill for actual, out-of-pocket expenses incurred to third-parties and for actual travel expenses necessary to perform services under this Agreement (subject to CRMP's Contractor Travel Reimbursement Policy). Expenses must be charged at no more than Contractor's actual out-of-pocket cost, without markup.
- d. Contractor must not charge CRMP for office expenses, clerical work, overhead, or work related to the preparation of bills or invoices to the CRMP.
- e. Correspondence from Contractor to CRMP regarding payments or any related compensation matters must be sent to:

*California Residential Mitigation Program  
801 K Street, Suite 1000  
Sacramento, California 95814  
Attn: Managing Director*

- f. Contractor must submit itemized monthly invoices in arrears for services already performed; the CRMP will make no payments in advance of services rendered. Each invoice must include:
  - 1) Contractor's name, address, telephone number, and tax ID number;
  - 2) an itemized description of services rendered and costs and expenses incurred during the billing period, including a detailed cost and expense breakdown accompanied by full back-up documentation
  - 3) the total amount of the invoice; and
  - 4) project: **“Printing, Distribution and Marketing Analysis Services”**

Invoices must be addressed to:

*California Residential Mitigation Program  
Accounts Payable*

801 K Street, Suite 1000  
Sacramento, CA 95814

Invoices must be cc'd to:

*ap@calquake.com*

- g.** Payment will not be due until the invoiced work is performed, correctly identified on the invoice, and accepted by CRMP. CRMP will pay Contractor's invoices as promptly as fiscal procedures permit.
- h.** At its sole option, CRMP, may withhold payment of up to 15% of the total fees and costs associated with work performed under the Agreement until Contractor has completed all contracted work to CRMP's satisfaction.

#### **10. Compliance with Laws**

- a.** The Contractor must comply with all applicable laws, including those laws (a) specifically applicable to it, (b) applicable to any aspect of the work it performs or secures under this Agreement, or (c) applicable to it because of its relationship to CRMP. Any references to sections of federal or state statutes or regulations are also references to any amendments or successor provisions to those sections.
- b. Permits and Licenses.** At its sole expense, Contractor must procure and fully maintain any permits and licenses necessary to accomplish the required services.
- c. Additional Documents.** Contractor must execute any additional documents, and perform any additional acts, as might be reasonable and necessary to carry out the provisions of this Agreement.

#### **11. Confidentiality**

- a.** In the course of its duties, the Contractor will gain knowledge of investment, financial, personal, personally-identifiable, technical, accounting, and statistical information pertaining to CRMP, its Governing Board and their members, CRMP employees and staff; contractors, consultants; and vendors, and agents (collectively, the "Restricted Information"). All Restricted Information is strictly confidential unless CRMP expressly designates particular Restricted Information as non-confidential. Contractor must not directly or indirectly disclose any Restricted Information, or use it publicly in any way that requires its disclosure, either during or following the term of this Agreement, without CRMP's advance written, specific permission.
- b.** Contractor must not produce, reproduce, publish, or disseminate Restricted Information for its or any other person's personal gain. For purposes of this

Section 11, “person” means any person, association, organization, partnership, business trust, limited liability company, or corporation.

- c. Contractor will only release Restricted Information to its employees, representatives, contractors, or subcontractors, or to any other persons, whom Contractor has first officially notified in writing—and who have agreed—that they expressly bind themselves to maintain confidentiality of the Restricted Information in the manner required by this Section 11 and its subsections. To the best of its ability, Contractor must affirmatively protect all Restricted Information from unauthorized use or disclosure, whether by itself or by others with whom or with which it has shared Restricted Information.
- d. The Contractor’s disclosure of Restricted Information that is done in violation of any portion of this Section 10 is a material breach of this Agreement.
- e. Contractor understands that CRMP is a joint powers authority of the State of California and that CRMP’s and Contractor’s records might be subject to public disclosure and production pursuant to various laws, including but not limited to the California Public Records Act (Chapter 3.5, commencing with Section 6250) of Division 7 of Title 1 of the California Government Code) and the Bagley-Keene Open Meeting Act (Article 9, commencing with Section 11120, of Chapter 1 of Part 1 of Division 3 of Title 2 of the California Government Code). CRMP will notify Contractor promptly after receiving a request for disclosure of any documents or materials that Contractor has designated as proprietary and confidential and which the CRMP believes to be in its possession. CRMP will reasonably cooperate with Contractor, within the statutory framework and limitations on CRMP’s duties under the applicable law(s), and at Contractor’s sole cost and expense, in Contractor’s efforts to protect its trade secrets and confidential information.

## **12. Conflicts of Interest**

- a. **Contractor’s Warranty.** By its execution of this Agreement, Contractor warrants to CRMP that no claimed, apparent, or actual conflict of interest exists on its part, or on the part of any principal, employee, Key Personnel, contractor, or subcontractor, that would influence its or their advice and recommendations to the CRMP, statements made about the CRMP to any person or entity:
  - 1) advice and recommendations to CRMP;
  - 2) statements made about CRMP;
  - 3) activities performed on behalf of CRMP; or
  - 4) decisions taken or enacted on behalf of CRMP.
- b. **Contractor’s Affirmative Duties to Disclose and Address Conflicts of Interest.**

The parties mutually intend and agree that the duty to disclose a potential, claimed, apparent, or actual conflict of interest pertaining to any person or party

described in Subsection 12(a) is Contractor's sole, affirmative duty and that Contractor's failure to identify and disclose any of those types of conflicts of interest is a material breach of this Agreement and a default justifying Agreement termination, as the term "default" is used in Subsection 28(b) (Termination for Contractor's Default). CRMP has sole authority and discretion to determine at any time the import and significance of Contractor's failure to identify and disclose any conflict of interest. Contractor must abide in good faith by any protocols developed by CRMP before or during the term of this Agreement to identify, disclose, and address potential, claimed, apparent, and actual conflicts of interest. Contractor promises to provide CRMP with any requested information, documentation, and assurances, in writing if so requested, concerning any potential, claimed, apparent, or actual conflict of interest.

- d. Fair Political Practices Laws.** Contractor must not directly or indirectly receive any personal benefit from information obtained from CRMP, or received or provided on behalf of CRMP. Contractor must disclose to CRMP any personal investment or economic interest of any principal, employee, Key Personnel, contractor, or subcontractor that may be enhanced or made more valuable by any recommendation made to or activity undertaken on behalf of CRMP. Contractor acknowledges that CRMP is subject to the provisions of the Fair Political Practices laws of California (California Government Code Section 81000, et seq., and the regulations adopted under that law), and Contractor must comply with the applicable requirements of that law and those regulations. If requested by CRMP, designated Contractor personnel (principals, employees, Key Personnel, contractors, or subcontractors) must file with the CRMP's designated filing officer a Form 700 "Statement of Economic Interests" in compliance with CRMP's Conflict of Interest Code (see: California Code of Regulations, Title 5, Part III, Chapter 1, Section 22000, et seq.).
- e.** Neither Contractor, nor any of its affiliates subsidiaries, officers, directors, principals, employees, or Key Personnel, may submit a bid or be awarded a contract to provide services to CRMP, procure goods or supplies for CRMP, or perform any related action that is an outgrowth of the services or advice Contractor provides CRMP under this Agreement.

### **13. Cumulative Remedies**

The rights and remedies provided in this Agreement are cumulative and are not exclusive of any rights or remedies any party might otherwise have at law or in equity.

### **14. Drug-Free Workplace Certification**



Contractor has executed and provided to CRMP a Drug-Free Workplace Certification as Attachment B to this Agreement. CRMP may terminate the Agreement if the Contractor fails to comply with these drug-free workplace requirements.

### **15. Force Majeure**

Neither party is liable for damages that result from delayed or defective performance when the delays arise from an event that is beyond the control and without the fault or negligence of the offending party. Force majeure events include, but are not restricted to, acts of a public enemy, acts of the State in its sovereign capacity, disabling strikes, epidemics, and quarantine restrictions.

### **16. Indemnification**

- a.** Contractor must indemnify, defend, and save harmless CRMP, the CRMP Governing Board, and all CRMP officers, agents, and employees, and staff from and against any and all losses, costs, liabilities, damages, and deficiencies, including interest, penalties, and attorney fees, arising from any claims of:
  - 1)** Contractor's breach of its promises, warranties, or other obligations; or
  - 2)** Contractor's acts or omissions constituting bad faith, willful misfeasance, negligence, or reckless disregard of its duties under this Agreement.
- b.** For purposes of this section 16, and in reference to the provisions of Section 4 (Assignment; Delegation), a subcontractor's or Contractor's consultant's act or omission to act, whether under Contractor's permitted or unpermitted delegation under this Agreement or unrelated to any delegation, is considered for all purposes the act or omission of Contractor.

### **17. Insurance**

Contractor warrants that it maintains, or that it will obtain and have bound as of the date of its commencing any work under this Agreement, adequate liability and other necessary insurance, including such workers' compensation insurance as required by law, and Contractor promises to maintain all that insurance at levels acceptable to CRMP at all times during the term of this Agreement. In that connection, Contractor agrees to:

- a.** maintain a comprehensive general liability insurance policy with limits of no less than \$1,000,000 per occurrence and \$3,000,000 aggregate;
- b.** have its insurance representatives make CRMP an additional named insured in that comprehensive general liability policy, with right to notice of nonpayment of premium and of cancellation of the policy;
- c.** maintain adequate and appropriate vehicle insurance;
- d.** maintain adequate and appropriate Errors and Omissions insurance, with limits of no less than \$1,000,000; and

- e. provide satisfactory evidence of insurance coverage and limits, as well as CRMP's additional-insured status, to CRMP on request.

By its signature on this Agreement, Contractor acknowledges that CRMP has no obligation to provide workers' compensation insurance or employee benefits of any nature for Contractor or its employees, or for Contractor's subcontractors or their employees.

## **18. Key Personnel**

- a. Attachment E ("Key Personnel") provides each person who is intended to exercise on behalf of Contractor a significant administrative, policy, or consulting role under this Agreement. Those personnel are referred to in this Agreement as "Key Personnel."
- b. Contractor may not substitute, replace, or reassign any person considered Key Personnel without CRMP's advance written approval. With CRMP approval, the parties may jointly document a change in Key Personnel, and that writing will be deemed a part of this Agreement. All Key Personnel are expressly subject to the provisions of Sections 7 (Changes in Control, Organization, or Key Personnel) and 20 (Notices).
- c. In its sole discretion, CRMP is entitled to terminate this Agreement immediately, upon written notice from CRMP to Contractor, if Contractor changes any of its Key Personnel without the CRMP's express, written advance approval or if any one or more of the Key Personnel depart Contractor's staff and no substitute agreed by the Parties has been provided.

## **19. Notice of Proceeding**

Contractor must promptly notify CRMP in writing of any investigation, examination, or other proceeding commenced by any regulatory or other government agency, involving Contractor, any of its Key Personnel individually, or any of its subcontractors, that is not conducted in the ordinary course of Contractor's business.

## **20. Notices**

Any notice required or permitted by this Agreement is deemed given:

- a. on the date of personal delivery;
- b. three days after the mailing date if the notice is deposited with the U. S. Postal Service with first-class postage affixed; or
- c. on the date of receipt as shown by written (or, if the record is contained only on a computer storage device, stored) evidence of delivery when delivered by U.S. Postal Service Express Mail or by a commercial courier service.

No notice is effective if given only by facsimile machine (fax). Notices are to be directed to all the following representatives:

For CRMP:

*California Residential Mitigation Program  
801 K Street, Suite 1000  
Sacramento, California 95814  
Attn: Executive Director*

*California Residential Mitigation Program  
801 K Street, Suite 1000  
Sacramento, California 95814  
Attn: Managing Director*

For Contractor:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

## **21. Publicity**

Contractor must not release, publish, or post any information, publicity, or announcement concerning the CRMP, this Agreement, or Contractor's services under this Agreement, without the advance, express written approval of the CRMP. Notwithstanding the foregoing, Contractor may publicly disclose the fact that the Contractor is performing this project for CRMP.

## **22. Recordkeeping; Record Retention**

Contractor will keep accurate and appropriate records to accomplish and document the services it performs under this Agreement.

- a.** Contractor will use reasonable efforts to ensure that similar records of any permitted subcontractors are accurately maintained.
- b.** All records described in Sections 22 must be made available for inspection and copying by CRMP or its representatives upon reasonable advance notice and during normal business hours. Contractor must maintain its CRMP-related records separate and distinct from the records that pertain to its other clients or customers.
- c.** All information, data, reports, and records associated with CRMP are the property of CRMP and must be returned or provided to the CRMP if requested at any time, and as well, upon termination or expiration of this Agreement. Notwithstanding that requirement, Contractor is permitted to keep copies of the CRMP-related information, data, reports, and records for three years after final payment under this Agreement.

## **23. Relationship of the Parties**

- a.** This Agreement creates a relationship of independent contractor. CRMP is interested in the results to be achieved under this Agreement, and the conduct of the work will lie with the Contractor. The work Contractor performs under this

Agreement, however, must meet the general approval of CRMP and will be subject to CRMP's general right of inspection and supervision to secure its satisfactory completion.

- b. Contractor's principals, employees, and contractors are not and will not be considered employees of CRMP and are not entitled to any benefits provided by CRMP, or by the State of California, to its employees.

## **24. Reports**

In addition to project deliverables, Contractor must prepare and provide other documentary material that CRMP reasonably requests. Contractor will provide oral or written progress reports, as requested, in order to:

- a. determine if Contractor is performing satisfactorily and timely;
- b. communicate interim findings or findings; and
- c. facilitate discussion and resolution of issues.

## **25. Rights in Work**

- a. Neither Contractor, nor any subcontractor or other consulting staff employed by Contractor, has or will have any rights in any reports, data, documents, systems, or concepts (collectively, "Products") produced by Contractor for CRMP. Only CRMP has ownership of the Products that result from services provided under this Agreement, whether by the Contractor or any subcontractor. CRMP reserves the right to give or otherwise release the Products.
- b. Contractor reserves all rights to its intellectual property ("IP") that predates the work performed for CRMP, and to coincidental improvements to its IP made during the performance of the work under this Agreement, to the extent that such IP and coincidental improvements are exclusive of the Products.
- c. With CRMP's prior written approval for each publication or presentation proposed by Contractor, CRMP may grant Contractor the rights to publish results of its work in professional journals or as presentations at professional conferences, as approved with CRMP's in writing. CRMP will not unreasonably withhold or delay approval or non-approval.
- d. All Products are, and will be considered for all purposes, works-for-hire, including for purposes of interpretation under U.S. Copyright Law, 17 U.S.C. §101, et seq. To the extent that the Products are not construed as works-for-hire, Contractor will assign, and hereby does assign to CRMP, perpetually and without further consideration, all right, title, and interest to the Products. All right, title, and interest in the Products, and any copyright, patent, trade secret, or other proprietary right in the Products, are and will be the sole property of CRMP.

## **26. Subcontractors**

- a. Contractor must perform the work contemplated under this Agreement with resources available within its own organization. Contractor must not subcontract any part of its work under this Agreement without the advance written permission of CRMP. The parties must agree in advance on any subcontractor.
- b. Contractor must require in writing of any subcontractor that it be bound by all provisions of this Agreement.

## 27. Taxes

CRMP is exempt from federal excise taxes and will make no payment for or in connection with personal property taxes levied on Contractor or taxes levied on or in connection with Contractor's compensation.

## 28. Termination

This Agreement can be terminated as follows:

- a. **Termination at the Option of CRMP.** This Agreement may be terminated in whole or in part, for any reason including the convenience of CRMP, and at any time with 30 days written notice by CRMP. Despite any termination, and at its sole option, CRMP can maintain this Agreement in effect for those transactions pending on the effective date of termination until those transactions are completed. Upon its receipt of a termination notice from CRMP, Contractor must promptly discontinue all services affected unless the notice specifies otherwise. If CRMP terminates all or any part of this Agreement, CRMP will pay Contractor for satisfactory services rendered before the termination, but not more than the maximum amount payable under applicable compensation provisions of this Agreement.
- b. **Termination for Contractor's Default.** In addition to any other termination right, CRMP is entitled, with two days' written notice to Contractor and without any prejudice to its other remedies, to terminate this Agreement because of Contractor's failure to fulfill any of its Agreement obligations— any such failure is termed Contractor's Default. Upon its receipt of any notice from CRMP terminating this Agreement for Contractor's Default, Contractor must immediately discontinue all services affected, unless the notice directs otherwise. Following a two-day notice of termination, CRMP will pay Contractor only the reasonable value of its services rendered. In CRMP's sole discretion and on any terms it chooses, CRMP may offer Contractor an opportunity to address any default or cure any breach.
- c. **Termination for Insolvency.** Contractor must notify CRMP in writing immediately if Contractor or any principal or subcontractor of Contractor:
  - 1) files or is placed under federal bankruptcy laws,
  - 2) files or becomes the subject of a state receivership action,

- 3) is adjudged bankrupt,
- 4) has a receiver appointed who qualifies,
- 5) makes an assignment for the benefit of creditors, or
- 6) is the subject of criminal investigation, indictment, or conviction.

If any of the events enumerated in Section 28(c) occurs, or if CRMP receives notice of any of those events, or if CRMP in its sole discretion reasonably determines there is a substantial probability that Contractor will be unable (financially or otherwise) to continue its performance, CRMP is entitled to terminate this Agreement, and all further rights and obligations, immediately upon two days written notice.

- d. **Convenience** - If CRMP gives Contractor a notice of termination for failure to fulfill Agreement obligations and it is later determined that Contractor had not so failed, the termination will be considered to have been for the convenience of CRMP.
- e. **Completion** - If CRMP terminates this Agreement for Contractor's Default, CRMP reserves the right to take over and complete Contractor's work by any means. Contractor will pay CRMP for any additional costs CRMP incurs to complete the work, to the extent that those additional costs were incurred due to Contractor's Default.

## **29. Termination, Effect of**

- a. All duties and obligations of CRMP and Contractor will cease on termination of this Agreement, except:
  - 1) Each party will remain liable for any rights, obligations, or liabilities that arose or may arise from its activities under this Agreement before it effectively terminated; and
  - 2) Those clauses named in Subsection 33. (Survival)
- b. Within 15 days after the effective termination date, Contractor will deliver to CRMP all CRMP records, deliverables, and Products, whether prepared by Contractor or received by Contractor from a third party, including (but not limited to):
- c.
  - 1) due diligence reports, reports and data prepared by Contractor, subcontractor or consultants;
  - 2) (if applicable) products, modified software, manuals, custom scripts, code, and processes.

Together, Contractor and CRMP will determine an effective method and form to transfer the records and Products, and Contractor must deliver all records and Products in CRMP-usable form. Contractor will cooperate to ensure an orderly termination process and orderly transfer of services.

- d. Upon expiration or termination of this Agreement, Contractor must provide all reasonable assistance to move CRMP's records, accounts, funds, and required services to CRMP's subsequent special inspection services provider, without additional costs to CRMP.

### **30. Time Is of the Essence**

Time is of the essence for delivery of services under this Agreement.

### **31. Waivers**

A party's delay in exercising any right or privilege is not a waiver of any Agreement provision. Neither party's waiver, nor single or partial exercise of any right or privilege, will preclude any other or further exercise of any other right or privilege under this Agreement.

### **32. Warranties**

The CRMP is committed to, and expects contractor's commitment to, diversity and nondiscrimination in the workplace. Consistent with the foregoing, Contractor warrants its compliance with the following requirements:

#### **a. Employees:**

- 1) **Americans with Disabilities Act.** Contractor warrants that it complies with the Americans with Disabilities Act of 1990 (42 U.S.C. 12101 et seq.: the "ADA") and all regulations and guidelines issued under the ADA.
- 2) **Fair Employment and Housing Act.** Contractor and subcontractors will comply with the provisions of the Fair Employment and Housing Act (California Government Code section 12900 et seq.) and the related regulations (California Code of Regulations, Title 2, Section 7285.0 et seq.). The regulations of the Fair Employment and Housing Commission that implement Government Code section 12990, subdivisions (a) through (f) (Chapter 5 of Division 4 of Title 2 of the California Code of Regulations), are by this reference made a part of this Agreement.
- 3) **Nondiscrimination.** During the performance of this Agreement, Contractor and its subcontractors, and their agents and employees, must not unlawfully discriminate against, harass, or retaliate against any employee or applicant for employment because of race, religion or religious creed, color, age, sex, sexual orientation, gender identity, genetic information, national origin, marital status, medical condition, disability, military service, pregnancy, childbirth, breastfeeding and related medical conditions, physical disability (including HIV and AIDS), mental disability, medical condition (including health impairments related to a diagnosis of cancer for which a person has been rehabilitated or cured), age (40 or over), marital status, denial of family and medical care leave, or denial of pregnancy disability leave or any other

classification protected by federal, state, or local laws or regulations.

Contractors and subcontractors, and their agents and employees, are expected to take all appropriate steps to prevent such discrimination, harassment, and retaliation, remedy any such conduct that may occur, and implement appropriate measures to prevent such conduct from occurring in the future.

Contractor must include the nondiscrimination and compliance provisions of this Section 32 in all permitted subcontracts to perform work under this Agreement.

**b. Labor**

- 1) **Collective Bargaining.** Contractor and its subcontractors must give written notice of their obligations under this clause to all labor organizations with which they have a collective bargaining or other agreement, if any.
- 2) **National Labor Relations Board Certification.** Contractor affirms, under penalty of perjury, that no more than one final, finding of contempt of a federal court has been issued against Contractor within the immediately preceding two-year period because of Contractor's failure to comply with a federal court's order to comply with a National Labor Relations Board order.

**c. Standard of Care.** The personnel or subcontractors responsible for discharging Contractor's duties under this Agreement are experienced in the performance of the duties contemplated and will meet the appropriate standard of care;

**d. Signature Authorization**

The execution and performance of this Agreement will not:

- 1) violate any provision of any charter document of the Contractor;
- 2) violate any statute or any judgment, decree, order, regulation, or rule of any court or governmental authority applicable to Contractor; or
- 3) violate, conflict with, constitute a default under, permit the termination of, or require the consent of any person under, any agreement to which Contractor may be bound, the occurrence of which would have a material adverse effect on the properties, business, prospects, earnings, assets, liabilities, or financial or other condition of Contractor.

**e.** Contractor, and the person signing the Agreement, warrant that the signer is an agent or authorized representative of the Contractor and is duly authorized by Contractor to enter into this Agreement.

**f.** Contractor represents and warrants that it has the power and authority to enter this Agreement and carry out its obligations under this Agreement, that it has duly authorized the execution of this Agreement, and that no additional act by Contractor is necessary to authorize the execution of this Agreement. Contractor has completed, obtained, and performed all registrations, filings, approvals, authorizations, consents, and examinations that any government or governmental authority may require for its acts and activities contemplated by this Agreement.

**g.** Contractor warrants that it will promptly notify CRMP of any changes in Contractor's compliance with the warranties stated here, and agrees to restore the warranties, as CRMP in its discretion may require, if a lapse occurs. If the



Contractor does not provide notice to CRMP to the contrary, CRMP has the absolute right to rely on the ongoing effectiveness of each warranty stated here.

**h. Term of Agreement**

This Agreement is effective on July 14, 2019 and its term expires on July 13, 2022 with two (2) one-year options to extend at the discretion of CRMP unless terminated sooner in accordance with the provisions of Section 28 (Termination). This Agreement may be extended for two more terms of one year through mutual agreement of the Parties. Should the Parties agree to additional terms of one year, the Fees and Expense Attachment A may by mutual agreement of the parties, but in no event more than 10%.

- i.** Despite the completion or termination of services, other contractual obligations, including audit, confidentiality, indemnification, record-retention, rights in work, and warranties will continue.

**33. Entire Agreement**

- a. This Agreement:** (A) states all representations of and the entire understanding between the parties with respect to the subject of this Agreement; and (B) replaces any prior correspondence, memoranda, or agreements.

- b. Binding Effect** - This Agreement, and any instrument, amendment, or further agreement executed pursuant to this Agreement, will bind the parties, their successors, assignees, and legal representatives.

- c. Counterparts.** This Agreement may be executed in counterparts. Each counterpart is an original; all counterparts together are one instrument.

- d. Incorporated Documents.** This Agreement consists of the terms of this Agreement and all attached documents that are expressly incorporated. The following schedules and attachments are attached and incorporated into this Agreement:

**A.** Attachment A: Fees and expense structure

**B.** Attachment B: Drug-Free Workplace Certification

**C.** Attachment C: References

**D.** Attachment D: Requirements for Data Handling and Protection

**E.** Attachment E: Key Personnel

- e. Order of Precedence.** For any inconsistencies or ambiguities in the terms of this Agreement and its incorporated documents and attachments, the following order of precedence will be used:

- 1) applicable laws;
- 2) the terms and conditions of this Agreement, including attachments; and then
- 3) any other provisions, terms, or materials incorporated into this Agreement.

**f. Severability.**

Should any court hold any provision of this Agreement to be void or unenforceable, the remaining provisions will remain in effect if they are still capable of performance.

**g. Survival.**

Certain contractual obligations will survive completion of the work or termination of services. These include, but are not limited to: prevailing party's attorney's fees and costs, audit compliance, confidentiality requirements, fiduciary obligations, indemnification, publicity limitation, record retention, rights in work, and warranties.

**h. Titles / Section Headings.**

Titles and section headings are provided for convenience and are not part of this Agreement.

**Executed in Sacramento, California.**

California Residential Mitigation Program:

Contractor:

\_\_\_\_\_  
Name, Title

\_\_\_\_\_  
Name, Title

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

Federal Identification Number: \_\_\_\_\_

**TO BE INSERTED**

**Attachment A:** Fees and expense structure

**Attachment B:** Drug-Free Workplace Certification

**Attachment C:** References

**Attachment D:** Signed copy of “Requirements for Data Handling and Protection

**Attachment E:** Key Personnel

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**Sample:**  
**Exhibit 2 - Drug-Free Workplace Certification**

The Contractor hereby certifies its compliance with California Government Code Section 8355 to provide a drug-free workplace, and that the Contractor will:

1. Publish a statement notifying employees that unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited and specifying actions to be taken against employees for violations, by Government Code Section 8355, subdivision (a)
2. Establish a Drug-Free Awareness Program as required by Government Code Section 8355, subdivision (b).
  - 1) The dangers of drug abuse in the workplace;
  - 2) The organization's policy of maintaining a drug-free workplace;
  - 3) Any available counseling, rehabilitation, and employee assistance programs; and
  - 4) The Penalties that can be imposed on employees for drug abuse violations.
3. Provide as required by Government Code Section 8355, subdivision (c), that every employee who has duties or responsibilities relating to this Agreement:
  - 1) Will receive a copy of the company's drug-free statement, and
  - 2) Will agree to abide by the company's statement as a condition of employment on the contract.

**CERTIFICATION**

I, the official named below, hereby swear that I am duly authorized legally to bind the Contractor to the above described certification. I am fully aware that this certification, executed on the date and in the county below, is made under penalty of perjury under the laws of the State of California.

**Contractor's Authorized Signature**

**Title:**

**Date Executed:**

**In the County of:**

**Federal Identification Number:**

**Exhibit 3: References**

The proposer must provide at least three references CRMP may contact that have been clients of the proposer within the past three years, including the name, address, and telephone number of the client, the name and title of the contact person, and a general description of the services provided to each client.

**Name of Client Firm #1:**

Address:

Contact Person:

Phone: (    )

Date and Dollar Value of Project:

Brief Description of Project:

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**Name of Client Firm #2:**

Address:

Contact Person:

Phone: (    )

Date and Dollar Value of Project:

Brief Description of Project:

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**Name of Client Firm #3:**

Address:

Contact Person:

Phone: (    )

Date and Dollar Value of Project:

Brief Description of Project

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## Exhibit 4: Requirements for Data Handling and Protection

1. **Network Security.** Contractor agrees at all times to maintain network security that—at a minimum—includes: network firewall provisioning, intrusion detection, and regular (three or more annually) third-party vulnerability assessments. In addition, Contractor agrees to maintain its existing formal information security program.
2. **Application Security.** Contractor, in connection with its use of its own or its licensed software to handle, store, or transmit CEA data, agrees at all times to provide, maintain, and support its software and subsequent updates, upgrades, and bug fixes such that the software is, and remains secure from, those vulnerabilities.
3. **Data Security.** Contractor agrees to preserve the confidentiality, integrity, and accessibility of CEA data through use of administrative, technical, and physical measures that Contractor then applies to its own processing environment. Maintenance of a secure processing environment includes the timely application of patches, fixes, and updates to operating systems and applications as provided by Contractor’s own or open-source support.
4. **Data Storage.** Contractor agrees that any and all CEA data will be stored, processed, and maintained solely on designated servers and that no CEA data at any time will be processed on or transferred to any portable or laptop computing device or any portable storage medium
5. **Data Transmission.** Contractor agrees that any and all electronic transmission or exchange of system and application data with CEA and with any other parties expressly designated or categorically permitted by CEA must take place via secure means (using HTTPS or SFTP or equivalent) and solely in accordance with paragraph 7, below: Data Re-Use.
6. **Data Encryption.** If CEA requires Contractor to store any CEA data, encryption will not be included in Contractor’s designated backup and recovery processes.
7. **Data Re-Use.** Contractor accepts and agrees that any and all data exchanged for the purposes of providing services to CEA shall be used expressly and solely for such purposes. CEA data must not be distributed, repurposed, or shared across other applications, environments, or business units of Contractor, except for the provision of services. Contractor further agrees that no CEA data of any kind shall be transmitted, exchanged, or otherwise passed to other vendors, contractors, or interested parties except as specifically agreed to in writing by CEA.
8. **End of Agreement Data Handling.** Contractor agrees that after provision of the services, in accordance with its processing procedures it shall erase, destroy, and render unrecoverable all CEA data and certify in writing that these actions have been completed within thirty (30) days of the request of an agent of CEA.
9. **Security Breach Notification.** Contractor agrees to comply with all applicable laws that pertain to Contractor in the event of Contractor’s unauthorized release of personally identifiable information (“PII”) data provided to Contractor by CEA for

the provision of services. In the event of a confirmed breach of any of Contractor's security obligations pertaining to PII referenced in this Section, Contractor agrees to:

- a. Notify CEA by telephone and email of such an event within 24 hours of discovery of a confirmed breach, and
- b. Indemnify, hold harmless and defend CEA and its Governing Board and Board members, officers, and employees and staff from and against any third party claims related to such a confirmed breach of PII by Contractor.

**10. Right to Audit.** For no more than two (2) business days in a twelve (12) month period, CEA or an appointed audit firm (Auditor) has the right to audit Contractor and Contractor's subcontractors or affiliates that provided the services for the processing of CEA's data. CEA will announce its intent to audit Contractor by providing Contractor notice of, at a minimum, thirty (30) business days. This notice will go only to the Contractor and not to any subcontractor or affiliate. CEA or its Auditor will provide a scope document and a request for deliverables at the time of notification of an audit. Documentation cannot be removed from Contractor's premises, the Contractor will allow the Auditors access to their site(s) for document viewing purposes only.

The Contractor will provide accommodation on-site for data analysis and meetings; the accommodation will allow for a reasonable workspace, with appropriate lighting, electrical, a printer, and Internet connectivity. The Contractor will make necessary employees or contractors available for interviews in person or by phone during the timeframe of the audit. In lieu of CEA or its appointed Auditor performing their own audit, if the Contractor has an external audit firm that performs a certified SSAE 16, SOC1, Type II review, a copy will be provided to CEA in lieu of the audit. Audits will be at CEA sole expense.

**11. Industry Standards.** Contractor's information security program is based off of industry standards, some of those include:

- a. Payment Card Industry/Data Security Standards (PCI/DSS) – see <http://www.pcisecuritystandards.org/>
- b. National Institute for Standards and Technology - see <http://csrc.nist.gov>
- c. Federal Information Security Management Act (FISMA) - see <http://csrc.nist.gov>
- d. ISO/IEC 27000-series - see <http://www.iso27001security.com/>
- e. FFIEC
- f. GLBA