

STATE OF CALIFORNIA - DEPARTMENT OF GENERAL SERVICES

STANDARD AGREEMENT

STD 213 (Rev. 04/2020)

AGREEMENT NUMBER 25YS0023	PURCHASING AUTHORITY NUMBER (If Applicable)
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1. This Agreement is entered into between the Contracting Agency and the Contractor named below:

CONTRACTING AGENCY NAME
California Department of Veterans Affairs

CONTRACTOR NAME
Napa County Fire Department

2. The term of this Agreement is:

START DATE
July 1, 2025

THROUGH END DATE
June 30, 2026

3. The maximum amount of this Agreement is:
\$2,154,493.36

Two Million, One Hundred Fifty Four Thousands, Four Hundred Ninety Three Dollars and Thirty Six Cents

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

Exhibits	Title	Pages
Exhibit A	Scope of Work	2
Exhibit B	Budget Detail and Payment Provisions	2
Exhibit B-1	Vets Home Fiscal Sheet	2
+ - Exhibit C *	General Terms and Conditions (GTC 02/2025)	*1
+ - Exhibits D	Special Terms and Conditions	2

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

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

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

CONTRACTOR

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

CONTRACTOR BUSINESS ADDRESS 1195 Third Street Suite 310	CITY NAPA	STATE CA	ZIP 94599
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PRINTED NAME OF PERSON SIGNING Amber Manfree	TITLE Board of Supervisor - Chair
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CONTRACTOR AUTHORIZED SIGNATURE	DATE SIGNED
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APPROVED AS TO FORM
Office of County Counsel

By: Shana A. Bagley
County Counsel

Date: February 24, 2026

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STANDARD AGREEMENT

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AGREEMENT NUMBER 25YS0023	PURCHASING AUTHORITY NUMBER (If Applicable)
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STATE OF CALIFORNIA

CONTRACTING AGENCY NAME

California Department of Veterans Affairs

CONTRACTING AGENCY ADDRESS

1227 O Street

CITY

Sacramento

STATE

CA

ZIP

95814

PRINTED NAME OF PERSON SIGNING

Daisy Kaur

TITLE

Manager, Central Business Office

CONTRACTING AGENCY AUTHORIZED SIGNATURE

DATE SIGNED

CALIFORNIA DEPARTMENT OF GENERAL SERVICES APPROVAL

EXEMPTION (If Applicable)

FIRE AND EMERGENCY RESPONSE SERVICES

1. INTRODUCTION / SERVICES

- A. Contractor shall provide fire and emergency response services to the California Department of Veterans Affairs (CalVet) at the Veterans Home of California, Yountville (Home) located at 100 California Drive, Yountville, California 94599, through Contractor Napa County's own contract with the California Department of Forestry and Fire Protection (CalFire). Contractor shall provide all labor, materials, staff, transportation, license, permits, and every other item of expense necessary, unless otherwise stated, to provide fire and emergency response services. Services shall be provided at the Home and in compliance with the terms of this Agreement.
- B. All work shall be coordinated and approved by the CalVet Contract Manager or designated representative. Any and all services performed outside the scope of this Agreement or not approved by the Contract Manager or designee, will be at the sole risk and expense of the Contractor.
- C. Contractor shall provide services in accordance with federal and state laws and regulations and CalVet policies.

2. CONTRACTOR'S RESPONSIBILITIES

- A. The Contractor shall provide the following services:
 - 1. Hazardous Materials Response Team with equipment (Level A), which shall respond to spills and other hazardous incidents.
 - 2. Fire protection/suppression.
 - 3. Emergency medical services.
 - 4. Technical Rescue Team with required specialized equipment and training for response to such rescues as high and low angle rescues, confined space rescues, swift water rescues, and trench rescues.
 - 5. Fire investigation services provided through the Napa County Fire Marshal's office.
 - 6. Emergency dispatch services provided by the county's emergency dispatch center.
 - 7. Fire Department administration services, including but not limited to, equipment and personnel support services, budget management, bill payments, supply purchasing, and Chief Officer Coverage by the County Fire Chief, Deputy Fire Chief, Assistant Fire Chiefs, and/or Battalion Chiefs.
 - 8. Provide the Chief Safety Officer with a quarterly Yountville Fire Station report, prepared for the Home, which includes, among other things, a statistical analysis of all calls responded to by the Yountville Fire Station, and a description of major events, special events, and training occurring at the Home, including the Fire Training Facility located at 7294 Silverado Trail in Napa, California.
 - 9. Work jointly with the Home's Office of Public Safety Officers (e.g. Firefighter/Security Officers) and the California Highway Patrol in an effort to mitigate incidents at the Home.
- B. Contractor shall provide a four (4) person team level, seven (7) days a week, twenty-four (24) hours per day. The staffing to assure the team level and time parameters set forth will be at the discretion of the Contractor.
- C. The Contractor shall, at Contractor's own risk and expense, determine the method and manner by which duties imposed on Contractor by this Agreement shall be performed. CalVet, through the Home Contract Manager, will monitor the work performed by the Contractor. Any modification of this Agreement shall be void unless such modification is in writing and signed by both parties to the Agreement.

- D. CalVet and the Contractor mutually acknowledge that the level of service to be provided by the Contractor as set forth above is dependent upon the continued participation by both CalVet and the Town of Yountville in the funding of the operations and maintenance costs of the Yountville Fire Station on the premises of the Home. Upon any reduction in CalVet's and/or the Town of Yountville's contribution, this Agreement shall be renegotiated and amended as to scope of work and compensation.
- E. Contractor shall provide fire protection services as set forth above in this Exhibit A. Because the fire protection services to be performed by the Contractor are of a special, unique, unusual, extraordinary, and time-sensitive nature, involving personnel with special training which gives them a peculiar value, the loss of which cannot be reasonably or adequately compensated in damages in action of law, CalVet, in addition to any other rights or remedies it may possess, shall be entitled to injunctive and other equitable relief to prevent a breach of this Agreement by the Contractor.
- F. All notices required or authorized by this Agreement shall be in writing and shall be delivered in person or by deposit in the United States mail, by certified mail, postage prepaid, return receipt requested. Any mailed notice, demand, request, consent, approval, or communication that either party desires shall be addressed to the other party at the addresses set forth above. Any notice sent by mail in the manner prescribed by this paragraph shall be deemed to have been received on the date noted on the return receipt or five (5) days following the date of deposit, whichever is earlier.

3. CONTACT INFORMATION

- A. The Contract Managers during the term of this Agreement will be:
 - 1. **CalVet Representative/Contract Manager:**
Veterans Home of California - Yountville
Laura Aguiar, Supervisor I
100 California Drive
Yountville, CA 94599
Phone: (707) 944-3008
Megan.Patterson@calvet.ca.gov.
 - 2. **Contractor Representative:**
Napa County Fire Department
Becky Craig, Assistant County Executive Officer
1195 Third Street Suite 310
Napa, CA 94559
Phone: (707) 253-4421
becky.craig@countyofnapa.org.
- B. Contract Representatives, addresses, and phone/fax numbers may be changed by issuing a 20-day prior written notification and shall not require a formal amendment to this Agreement. The notifying party shall provide complete contact information for the replacement Contract Representative, including name, title, mailing address, phone/fax numbers, and email address. All other changes require a formal written amendment to this Agreement.

1. STANDARD BUDGET DETAIL AND PAYMENT PROVISIONS

A. Invoicing and Payment

1. For services satisfactorily rendered, and upon receipt and approval of the invoices, CalVet agrees to compensate the Contractor on a semi-annual basis for services rendered in accordance with the rates specified in Exhibit B-1 Rate Sheet (Schedule A, Fiscal Display PRC 4142), which is attached hereto and made a part of this Agreement. Under this Agreement, one-third (1/3) of the total charges indicated on Exhibit B-1 Rate Sheet (Schedule A for Personnel Services, Operating Expenses and Administrative Charges), shall be paid by the following parties: the Home, the County of Napa, and the Town of Yountville.
 - a. In accordance with separate lease agreements, Contractor utilizes two CalVet-owned sites for activities related to the provision of fire services. Specifically, these sites include a fire station and a training facility. The rent for the use of these properties has been calculated and agreed upon by the two parties to be valued at \$40,000.00. For this contract, the CalVet will reduce the cost of the contract by \$40,000.00 and pay the share for the Truck Replacement (\$191348.00).
2. The rates for salary, pay differentials, and operating expenses are established through CalFire/Local Government Program, 8500 Cooperative Fire Programs, Schedule A, Public Resources Code (PRC) §4142. The rates are based on the current provisions of the negotiated Memorandums of Understanding (MOUs) for the various Bargaining Units (BUs) and/or personnel policies established by the California Department of Human Resources (CalHR).
3. Invoices shall include the Agreement Number and shall be submitted in triplicate, not more frequently than monthly in arrears, to:

Original Invoice	Approval Copy
Department of Veterans Affairs CalVet Accounting Office 1227 O Street, Room 402 Sacramento, CA 95814 APInvoices@calvet.ca.gov	Veterans Home of California, Yountville Laura Aguiar, Supervisor I 100 California Drive Yountville, CA 94599

B. Budget Contingency Clause

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

C. Prompt Payment Clause

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

2. **SPECIAL BUDGET DETAIL AND PAYMENT PROVISIONS**

A. Submissions of Invoices/Claims

1. All invoices/claims must be completed thoroughly and legibly, with all applicable fields completed. Invoices/claims that are submitted to the appropriate location but have been altered, or are inaccurate, or do not provide all necessary information will not be accepted and will be returned to the Contractor for correction.
2. Any changes to this provision relating to the invoice/claim submittal process, including but not limited to an address, form, or process change, shall be an administrative change managed through the appropriate designated CalVet office and shall not require a contract amendment.
3. Invoices/claims submitted shall include the following information in order to be considered complete and acceptable for processing, or the invoice/claim will be returned:
 - a. Contractor's Company name
 - b. Contractor's Company address, phone number, and e-mail
 - c. Date of invoice/claim
 - d. Invoice/claim number
 - e. CalVet Home, where services were performed
 - f. Agreement Number
 - g. Contractor Federal Employer Identification Number and National Provider Identifier number
 - h. Date(s) of Service
 - i. Total dollar amount being billed

**YOUNTVILLE STATION
FISCAL YEAR 2025-2026**

PERSONNEL SALARIES

NO	CLASS	PERIOD	MON	RATE	TOTAL SALARY	BENEFITS 93.92%	SUB TOTAL
1	BC	7/1-6/30	12	8,930	107,160.00	100,644.67	207,804.67
6	FC	7/1-6/30	72	7,694	553,968.00	520,286.75	1,074,254.75
12	FAE	7/1-6/30	144	6,856	987,264.00	927,238.35	1,914,502.35

SAFETY SALARIES 3,196,561.77

PLANNED OVERTIME (edwc)					TOTAL POT	RETIRE 57.57%	SUB TOTAL
NO	CLASS	PERIOD	MON	RATE			
1	BC	7/1-6/30	12	3,639	43,668.00	25,139.67	68,807.67
6	FC	7/1-6/30	72	3,143	226,296.00	130,278.61	356,574.61
12	FAE	7/1-6/30	144	2,807	404,208.00	232,702.55	636,910.55

PLANNED OT 1,062,292.82

UNPLANNED OVERTIME					TOTAL Unplan OT	RETIRE 1.45%	SUB TOTAL
					420,000.00	6,090.00	426,090.00

UNPLANNED OVERTIME 426,090.00

EDUCATIONAL BENEFIT					TOTAL ED. BENE	BENEFITS 93.92%	SUB TOTAL
NO	CLASS	PERIOD	MON	RATE			
1	BC	7/1-6/30	12	150	1,800.00	1,690.56	3,490.56
6	FC	7/1-6/30	72	150	10,800.00	10,143.36	20,943.36
12	FAE	7/1-6/30	144	150	21,600.00	20,286.72	41,886.72

EDUCATIONAL BENEFIT 66,320.64

LONGEVITY PAY					DIFFERENTIAL Salary	BENEFITS 93.92%	SUB TOTAL
1	BC	7/1-6/30	12	107,160	9,644.40	9,058.02	18,702.42
6	FC	7/1-6/30	72	553,968	49,857.12	46,825.81	96,682.93
12	FAE	7/1-6/30	144	987,264	29,617.92	27,817.15	57,435.07

LONGEVITY PAY 172,820.42

HAZMAT DIFFERENTIAL					TOTAL HAZ. BENE	BENEFITS 93.92%	SUB TOTAL
				RATE			
6	FC	7/1-6/30	72	150	10,800.00	10,143.36	20,943.36
12	FAE	7/1-6/30	144	150	21,600.00	20,286.72	41,886.72

HAZMAT BENEFIT 62,830.08

TOTAL PERSONNEL SERVICES 4,986,915.72

OPERATING EXPENSE

MISCELLANEOUS STATION EXPENSE			
TYPE	MONTHS	RATE	AMOUNT
Station Maintenance			24,026.00 was 45k
Insurance			67,508.00

Station Fire Suppression Sys	1,500.00
Office Supplies	1,000.00
Photocopier	750.00
Household	1,750.00
Janitorial	1,750.00
Landscape/Ag	2,000.00
Equipment Maintenance	5,000.00
Data Processing	1,083.00
Target Solutions Training Software	1,425.00

STATION EXPENSE 107,792.00

UTILITIES

TYPE	MONTHS	RATE	AMOUNT
Gas & Electricity	12	2,700.00	32,400.00
Water & Sewer	12	1,500.00	18,000.00
Garbage	12	563.00	6,756.00
Phone/Internet	12	750.00	9,000.00

UTILITIES 66,156.00

SAFETY CLOTHING

NO		RATE	AMOUNT	10YR SCHEDULE
19	Employees	9,500.00	180,500.00	18,050.00

SAFETY GEAR 18,050.00

UNIFORMS

NO		MONTHS	RATE	AMOUNT	RETIREMENT
19	Permanent Safety	228	178.00	40,584.00	588.47

UNIFORMS 41,172.47

TRAVEL AND TRAINING

County Business 100,300.00

TRAVEL AND TRAINING 100,300.00

VEHICLES

NO	OWNER	TYPE	AMOUNT
1	County	Engine	264,907.00
		Truck	309,137.00
		Replacement Fund	
		Replacement Fund	

VEHICLES 574,044.00

TOTAL OPERATING EXPENSES 907,514.47

ADMINISTRATIVE CHARGE

11.69% of GROSS EXPENDITURES 5,894,430.19

ADMIN CHARGE 689,058.89

GRAND TOTAL 6,583,489.08

Three Equal Shares 2,194,496.36

2194493.36

Lease Credit (40,000.00)

\$ 2,154,493.36

1. **General Terms and Conditions**

A. General Terms and Conditions (GTCs)

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

General Terms and Conditions (GTC 02/2025)

EXHIBIT C

1. APPROVAL: This Agreement is of no force or effect until signed by both parties and approved by the Department of General Services, if required. Contractor may not commence performance until such approval has been obtained.
2. AMENDMENT: No amendment or variation of the terms of this Agreement shall be valid unless made in writing, signed by the parties and approved as required. No oral understanding or Agreement not incorporated in the Agreement is binding on any of the parties.
3. ASSIGNMENT: This Agreement is not assignable by the Contractor, either in whole or in part, without the consent of the State in the form of a formal written amendment.
4. AUDIT: Contractor agrees that the awarding department, the Department of General Services, the Bureau of State Audits, or their designated representative shall have the right to review and to copy any records and supporting documentation pertaining to the performance of this Agreement. Contractor agrees to maintain such records for possible audit for a minimum of three (3) years after final payment, unless a longer period of records retention is stipulated. Contractor agrees to allow the auditor(s) access to such records during normal business hours and to allow interviews of any employees who might reasonably have information related to such records. Further, Contractor agrees to include a similar right of the State to audit records and interview staff in any subcontract related to performance of this Agreement. (Gov. Code §8546.7, Pub. Contract Code §10115 et seq., CCR Title 2, Section 1896).
5. INDEMNIFICATION: Contractor agrees to indemnify, defend and save harmless the State, its officers, agents and employees from any and all claims and losses accruing or resulting to any and all contractors, subcontractors, suppliers, laborers, and any other person, firm or corporation furnishing or supplying work services, materials, or supplies in connection with the performance of this Agreement, and from any and all claims and losses accruing or resulting to any person, firm or corporation who may be injured or damaged by Contractor in the performance of this Agreement.
6. DISPUTES: Contractor shall continue with the responsibilities under this Agreement during any dispute.
7. TERMINATION FOR CAUSE: The State may terminate this Agreement and be relieved of any payments should the Contractor fail to perform the requirements of this Agreement at the time and in the manner herein provided. In the event of such termination the State may proceed with the work in any manner deemed proper by the State. All costs to the State shall be deducted from any sum due the Contractor under this Agreement and the balance, if any, shall be paid to the Contractor upon demand.

8. INDEPENDENT CONTRACTOR: Contractor, and the agents and employees of Contractor, in the performance of this Agreement, shall act in an independent capacity and not as officers or employees or agents of the State.
9. RECYCLING CERTIFICATION: The Contractor shall certify in writing under penalty of perjury, the minimum, if not exact, percentage of post-consumer material as defined in the Public Contract Code Section 12200, in products, materials, goods, or supplies offered or sold to the State regardless of whether the product meets the requirements of Public Contract Code Section 12209. With respect to printer or duplication cartridges that comply with the requirements of Section 12156(e), the certification required by this subdivision shall specify that the cartridges so comply (Pub. Contract Code §12205).
10. NON-DISCRIMINATION CLAUSE: During the performance of this Agreement, Contractor and its subcontractors shall not deny the contract's benefits to any person on the basis of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, or military and veteran status, nor shall they discriminate unlawfully against any employee or applicant for employment because of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, or military and veteran status. Contractor shall insure that the evaluation and treatment of employees and applicants for employment are free of such discrimination. Contractor and subcontractors shall comply with the provisions of the Fair Employment and Housing Act (Gov. Code §12900 et seq.), the regulations promulgated thereunder (Cal. Code Regs., tit. 2, §11000 et seq.), the provisions of Article 9.5, Chapter 1, Part 1, Division 3, Title 2 of the Government Code (Gov. Code §§11135-11139.5), and the regulations or standards adopted by the awarding state agency to implement such article. Contractor shall permit access by representatives of the Department of Fair Employment and Housing and the awarding state agency upon reasonable notice at any time during the normal business hours, but in no case less than 24 hours' notice, to such of its books, records, accounts, and all other sources of information and its facilities as said Department or Agency shall require to ascertain compliance with this clause. Contractor and its subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement. (See Cal. Code Regs., tit. 2, §11105.)

Contractor shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under the Agreement.

11. CERTIFICATION CLAUSES: The CONTRACTOR CERTIFICATION CLAUSES contained in the document CCC 04/2017 are hereby incorporated by reference and made a part of this Agreement by this reference as if attached hereto.
12. TIMELINESS: Time is of the essence in this Agreement.

13. COMPENSATION: The consideration to be paid Contractor, as provided herein, shall be in compensation for all of Contractor's expenses incurred in the performance hereof, including travel, per diem, and taxes, unless otherwise expressly so provided.
14. GOVERNING LAW: This contract is governed by and shall be interpreted in accordance with the laws of the State of California.
15. ANTITRUST CLAIMS: The Contractor by signing this agreement hereby certifies that if these services or goods are obtained by means of a competitive bid, the Contractor shall comply with the requirements of the Government Codes Sections set out below.
 - a. The Government Code Chapter on Antitrust claims contains the following definitions:
 - 1) "Public purchase" means a purchase by means of competitive bids of goods, services, or materials by the State or any of its political subdivisions or public agencies on whose behalf the Attorney General may bring an action pursuant to subdivision (c) of Section 16750 of the Business and Professions Code.
 - 2) "Public purchasing body" means the State or the subdivision or agency making a public purchase. Government Code Section 4550.
 - b. In submitting a bid to a public purchasing body, the bidder offers and agrees that if the bid is accepted, it will assign to the purchasing body all rights, title, and interest in and to all causes of action it may have under Section 4 of the Clayton Act (15 U.S.C. Sec. 15) or under the Cartwright Act (Chapter 2 (commencing with Section 16700) of Part 2 of Division 7 of the Business and Professions Code), arising from purchases of goods, materials, or services by the bidder for sale to the purchasing body pursuant to the bid. Such assignment shall be made and become effective at the time the purchasing body tenders final payment to the bidder. Government Code Section 4552.
 - c. If an awarding body or public purchasing body receives, either through judgment or settlement, a monetary recovery for a cause of action assigned under this chapter, the assignor shall be entitled to receive reimbursement for actual legal costs incurred and may, upon demand, recover from the public body any portion of the recovery, including treble damages, attributable to overcharges that were paid by the assignor but were not paid by the public body as part of the bid price, less the expenses incurred in obtaining that portion of the recovery. Government Code Section 4553.
 - d. Upon demand in writing by the assignor, the assignee shall, within one year from such demand, reassign the cause of action assigned under this part if the assignor has been or may have been injured by the violation of law for which the cause of action arose and (a) the assignee has not been injured thereby, or (b) the assignee declines to file a court action for the cause of action. See Government Code Section 4554.

16. CHILD SUPPORT COMPLIANCE ACT: For any Agreement in excess of \$100,000, the contractor acknowledges in accordance with Public Contract Code 7110, that:
 - a. The contractor recognizes the importance of child and family support obligations and shall fully comply with all applicable state and federal laws relating to child and family support enforcement, including, but not limited to, disclosure of information and compliance with earnings assignment orders, as provided in Chapter 8 (commencing with section 5200) of Part 5 of Division 9 of the Family Code; and
 - b. The contractor, to the best of its knowledge is fully complying with the earnings assignment orders of all employees and is providing the names of all new employees to the New Hire Registry maintained by the California Employment Development Department.
17. UNENFORCEABLE PROVISION: In the event that any provision of this Agreement is unenforceable or held to be unenforceable, then the parties agree that all other provisions of this Agreement have force and effect and shall not be affected thereby.
18. PRIORITY HIRING CONSIDERATIONS: If this Contract includes services in excess of \$200,000, the Contractor shall give priority consideration in filling vacancies in positions funded by the Contract to qualified recipients of aid under Welfare and Institutions Code Section 11200 in accordance with Pub. Contract Code §10353.
19. SMALL BUSINESS PARTICIPATION AND DVBE PARTICIPATION REPORTING REQUIREMENTS:
 - a. If for this Contract Contractor made a commitment to achieve small business participation, then Contractor must within 60 days of receiving final payment under this Contract (or within such other time period as may be specified elsewhere in this Contract) report to the awarding department the actual percentage of small business participation that was achieved. (Govt. Code § 14841.)
 - b. If for this Contract Contractor made a commitment to achieve disabled veteran business enterprise (DVBE) participation, then Contractor must within 60 days of receiving final payment under this Contract (or within such other time period as may be specified elsewhere in this Contract) certify in a report to the awarding department: (1) the total amount the prime Contractor received under the Contract; (2) the name and address of the DVBE(s) that participated in the performance of the Contract; (3) the amount each DVBE received from the prime Contractor; (4) that all payments under the Contract have been made to the DVBE; and (5) the actual percentage of DVBE participation that was achieved. A person or entity that knowingly provides false information shall be subject to a civil penalty for each violation. (Mil. & Vets. Code § 999.5(d); Govt. Code § 14841.)

20. LOSS LEADER: If this contract involves the furnishing of equipment, materials, or supplies then the following statement is incorporated: It is unlawful for any person engaged in business within this state to sell or use any article or product as a "loss leader" as defined in Section 17030 of the Business and Professions Code. (PCC 10344(e).)
21. GENERATIVE AI DISCLOSURE OBLIGATIONS:
- a. The following terms are in addition to the defined terms and shall apply to the Contract:
 - 1) "Generative AI (GenAI)" means an artificial intelligence system that can generate derived synthetic content, including text, images, video, and audio that emulates the structure and characteristics of the system's training data. (Gov. Code § 11549.64.)
 - b. Contractor shall immediately notify the State in writing if it: (1) intends to provide GenAI as a deliverable to the State; or (2), intends to utilize GenAI, including GenAI from third parties, to complete all or a portion of any deliverable that materially impacts: (i) functionality of a State system, (ii) risk to the State, or (iii) Contract performance. For avoidance of doubt, the term "materially impacts" shall have the meaning set forth in State Administrative Manual (SAM) § 4986.2 Definitions for GenAI.
 - c. Notification shall be provided to the State designee identified in this Contract.
 - d. At the direction of the State, Contractor shall discontinue the provision to the State of any previously unreported GenAI that results in a material impact to the functionality of the System, risk to the State, or Contract performance, as determined by the State.
 - e. If the use of previously undisclosed GenAI is approved by the State, then Contractor will update the Deliverable description, and the Parties will amend the Contract accordingly, which may include incorporating the GenAI Special Provisions into the Contract, at no additional cost to the State.
 - f. The State, at its sole discretion, may consider Contractor's failure to disclose or discontinue the provision or use of GenAI as described above, to constitute a material breach of Contract when such failure results in a material impact to the functionality of the System, risk to the State, or Contract performance. The State is entitled to seek any and all remedies available to it under law as a result of such breach, including but not limited to termination of the contract.

1. CANCELLATION/TERMINATION:

- A. This agreement may be cancelled or terminated without cause by either party by giving thirty (30) calendar days advance written notice to the other party. Such notification shall state the effective date of termination or cancellation and include any final performance and / or payment / invoicing instructions / requirements.
- B. Upon notice of termination or cancellation, CalVet shall take immediate steps to stop performance and cancel or reduce subsequent contract costs.

2. RESOLUTION OF DISPUTES:

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

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

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

3) Request additional substantiating documentation in the event the information in the Contractor's dispute or appeal is inadequate to permit a decision to be made under paragraphs (1) or (2) above, advise the Contractor as to what additional information is required, and establish how that information will be furnished. The Contractor shall have thirty (30) days to respond to the Undersecretary's request for further information. Upon receipt of this additional requested information, the Undersecretary will have thirty (30) days to respond with a decision. Failure to supply additional information required by the Undersecretary within the time period specified above shall constitute waiver by the Contractor of all claims.

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

F. Contractor shall continue with the responsibilities under this Contract during any dispute.

3. INSURANCE REQUIREMENTS

Both parties will indemnify and hold harmless the other, its officers, agents, and employees from any and all claims or demands of liability caused by the indemnifying party during or after completion of the project, which is the subject of this agreement.

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

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