

**AUDIT SERVICES AGREEMENT**

This Audit Services Agreement ("Agreement") is dated July 8, 2025 and is between Vasquez and Company LLP, a California limited liability partnership ("Contractor"), and the County of Fresno, a political subdivision of the State of California ("County").

**Recitals**

A. Easton Community Services District ("ECSD") is a community services district established under the Community Services District Law (Gov. Code, Tit. 6, Div. 3, beginning with section 61000) ("CSD Law"). The CSD Law provides that the board of directors of the District is required to provide for regular audits of ECSD's accounts and records pursuant to Government Code section 26909, and for annual financial reports to the State Controller pursuant to Article 9 (beginning with section 53890) of Chapter 4 of Part 1 of Division 2 of Title 5 of the Government Code.

B. Under Government Code section 61052, the County's Auditor-Controller/Treasurer-Tax Collector ("ACTTC") is the treasurer of the District and the depositary with custody of all of the District's money. ECSD has also contracted with the County, by the "Financial and Accounting Services Agreement," dated August 6, 2024, and identified as County agreement number 24-411 ("FASA"), for the ACTTC to prepare financial statements for ECSD for ECSD Fiscal Years 2017-18 through 2021-22, and including the engagement of an external auditor to complete the audit of the financial statements for each of those years, pursuant to the terms of the FASA.

C. As required by sections 4 of Exhibit A of the FASA, ECSD has reviewed this Agreement and has not rejected Contractor.

D. Under section 5 of Exhibit A of the FASA, the ACTTC will work directly with the Contractor in finalizing the audits provided by this Agreement. Under section 2.3 of the FASA, ECSD is obligated to the County to provide information, documentation, and explanations as needed, in the sole determination of the Auditor, for the ACTTC to provide services under the FASA, including the ACTTC's work with the Contractor under this Agreement.

E. The County published its Request for Proposal No. 25-030 for Auditing Services (Multiple Agencies) dated December 20, 2024, and Addendum Number 1 to that request, dated

January 13, 2025, (together, the “RFP”), in order to seek independent and professional external audit services of a qualified certified public accounting firm for ECSD Fiscal Years 2017-18 through 2021-22, as required by the FASA.

F. The Contractor submitted its “Proposal to Provide Professional Audit Services to Multiple Agencies,” dated January 27, 2025, in response to the RFP (“Contractor’s Proposal”).

G. The parties desire that the Contractor shall provide independent audit services to ECSD for the Covered Fiscal Years by this Agreement (as term defined in section 7.2).

H. The Contractor’s Proposal represents to the County that:

1. The Contractor is highly qualified to provide the most efficient and responsive independent professional audit services to ECSD;
2. The Contractor has extensive experience in serving the public sector clients;
3. The Contractor proposes a very qualified auditing team which has worked on other municipal audits;
4. Each of the Contractor’s partners, senior managers and other supervisory professionals, whom the Contractor has selected to provide services for ECSD, specializes in the government industry; and
5. The contractor meets the independence standards contained in *Government Auditing Standards*, issued by the United States General Accounting Office (“the Yellow Book”), and is independent of the County, all of the County’s independent component units, and ECSD.

I. The parties desire to enter into an agreement for the provision of independent, professional audit services by a qualified certified public accounting firm as requested by the County and proposed by the Contractor.

The parties therefore agree as follows:

## **Article 1**

### **Contractor’s Warranties, Representations, Covenants, and Assurance**

1.1 The Contractor warrants, represents, and covenants to the County that:

(A) The Contractor is highly qualified to provide the most efficient and responsive independent, professional audit services to ECSD;

(B) The Contractor is familiar with and has a comprehensive understanding of ECSD's operations, accounting systems, and policies;

(C) The Contractor has extensive experience in serving public sector clients;

(D) The Contractor proposes and will assign a very qualified audit team which has worked on other municipal audits;

(E) Each of the Contractor's partners, senior managers, managers, and other supervisory professionals, whom the Contractor has selected to provide services for ECSD, specializes in the government industry; and

(F) The Contractor meets the independence standards contained in the Yellow Book, and is independent of the County, all of the County's independent component units, and ECSD.

**1.2 Contractor's Professional Team.** The Contractor will use its best efforts to assign the professionals identified in this section 1.2 ("Contractor's Professional Team") to perform services under this Agreement. Contractor's Professional Team is composed of the following persons, and each of them is professionally licensed or certified, as appropriate, in the State of California to provide the professional services required by this Agreement:

<b>Name</b>	<b>Professional Staff Level</b>
Elisa Stilwell, CPA	Partner
Cristy Canieda, CPA, CGMA	Partner
Rhoda Dollaga, CPA	Senior Audit Manager
Jason Tagasa, CISA	IT Audit Manager

**1.3 Acknowledgement of Unrelated Services.** The parties acknowledge that the Contractor, as an independent contractor, intends to use members of Contractor's Professional Team during the term of this Agreement to provide services to others unrelated to the County, ECSD, or to this Agreement, but the Contractor agrees that it will not enter into any other

agreements or engagements for other clients that would materially impair the Contractor's ability to have members of Contractor's Professional Team available to perform services under this Agreement.

1.4 **Replacement on Contractor's Professional Team.** If the Contractor appoints a replacement for any of Contractor's Professional Team members with another one of the Contractor's professionals, the Contractor shall promptly notify the County of that change in writing and provide the replacement professional at no additional cost to the County. The replacement professional must possess a similar level of governmental auditing experience and expertise required to allow the Contractor to fully and properly carry out its obligations under this Agreement, and the replacement professional must be one who is, in the normal course of the Contractor's business, classified by the Contractor at the same or a higher professional staff level as the professional replaced. The replacement professional also must be professionally licensed or certified, as appropriate, in the State of California to provide the professional services required by this Agreement. The ACTTC reserves the right to approve or reject any of the Contractor's replacement professionals. The ACTTC shall promptly notify the Contractor of the approval or rejection of a replacement professional following the County's receipt of notice of the replacement professional's appointment by the Contractor.

## Article 2

## Obligations of the Contractor

2.1 **Audit Services.** For the Covered Fiscal Years by this Agreement (as that term is defined in section 7.2), the Contractor shall perform an audit of ECSD.

2.2 The purpose of the audit of the financial statements of ECSD is to enable the Contractor to issue the written independent auditor's reports listed in section 3.2.

2.3 For the Covered Fiscal Years by this Agreement, the Contractor shall meet separately with the County's Audit Coordinator (as that term is defined in section 6.1 of this Agreement) during fieldwork and thereafter as deemed necessary by the County's Audit Coordinator, to discuss the audit progress. A written status report on audit progress and instances of failure by either party to comply with the terms of the Agreement shall be provided

1 by the Contractor and discussed during these meetings. That report to the County is not, in and  
2 of itself, notice to the County that the County is in breach of this Agreement. Also, at those  
3 meetings, the County's Audit Coordinator shall present any deviations that Contractor has made  
4 from the work schedule requirements. Any revision to the scheduled requirements must be  
5 agreed upon in writing by both the County's Audit Coordinator and the Contractor.

6 2.4 The Contractor shall submit by mail the confirmations prepared and delivered by the  
7 ACTTC under section 6.2 of this Agreement.

8 2.5 The Contractor shall comply with all of the provisions of Exhibit C "Data Security."

### 9 **Article 3**

#### 10 **Performance of Work**

11 3.1 **Method of Auditing.** The Contractor's shall perform audit services under this  
12 Agreement in accordance with auditing standards generally accepted in the United States of  
13 America and *Government Auditing Standards*, issued by the Comptroller General of the United  
14 States; the U.S. Office of Management and Budget (OMB) Circular A-133, Audits of States,  
15 Local Governments, and Non-Profit Organizations and the related compliance supplement  
16 ("OMB Circular A-133"), and any other applicable laws, regulations, and professional standards.

17 3.2 **Issuance of Reports.** For the Covered Fiscal Years by this Agreement, following the  
18 Contractor's completion of the audit of the fiscal year's financial statements, the Contractor shall  
19 issue to the ECSD Board of Directors or their designees the written independent audit report in  
20 accordance with applicable laws, regulations, and professional standards.

21 3.3 **Copies of Reports.** The Contractor shall provide to the County three copies of all  
22 reports for each of the Covered Fiscal Years by this Agreement, as well as copies for all filings  
23 with other government agencies.

24 3.4 **Irregularities and Illegal Acts.** The Contractor shall promptly make a written report  
25 to the ACTTC (provided however, for any act involving the ACTTC, to the Board of Supervisors  
26 and the ECSD Board of Directors) of all irregularities or illegal acts in the ACTTC's performance  
27 of services to ECSD of which the Contractor becomes aware.

3.5 **Release of Information.** Any reports, information or other data prepared or assembled by the Contractor under this agreement shall not be made available to any individual, organization or entity by the Contractor without the express written consent of the County.

3.6 **Reporting to the ECSD Board of Directors.** Pursuant to AICPA Statement on Auditing Standards No. 114, "The Auditor's Communications With Those Charged With Governance," effective December 15, 2006, the Contractor shall ensure that ECSD's management charged with governance is informed in writing of each of the following applicable matters, as defined in such statement on auditing standards:

(A) The Contractor's responsibility to ECSD under generally accepted auditing standards;

(B) Significant accounting practices, including accounting policies and estimates, and financial statement disclosures;

(C) Management judgments and accounting estimates;

(D) Significant audit adjustments;

(E) Other information in documents containing audited financial statements;

(F) Disagreements with management;

(G) Management consultation with other accountants;

(H) Major issues discussed with management prior to retention; and

(I) Difficulties encountered in performing each audit performed under this Agreement.

3.7 **Special Considerations.** All reports required to be prepared and provided under this Agreement must be issued separately.

## Article 4

## Date and Timelines

4.1 **Time of the Essence.** The Contractor acknowledges that time is of the essence in the performance of its services under this Agreement.

4.2 **County Readiness.** The County will have ECSD financial system records ready for audit and all management personnel available to meet with the Contractor's personnel within 30 days after the County executes this Agreement for the Covered Fiscal Years by this Agreement.

4.3 **Completion Date.** The Contractor shall complete the audit for all the Covered Fiscal Years by March 31, 2026.

4.4 **Revision of Completion Dates.** Notwithstanding anything else stated to the contrary in this Article 4, the parties may mutually agree in writing to revise the date of completion of any of the Contractor's work under this agreement, if they confirm that agreement in writing. The ACTTC may confirm such an agreement on behalf of the County.

## Article 5

## Access to Working Papers

5.1 **County's Right to Access Working Papers.** The County has the right under this Agreement to authorize the County's Designees to have the right, during the Contractor's normal office hours with reasonable, advance notification given to the Contractor, to access all of the Contractor's working papers and reports prepared under this Agreement, including the Contractor's Proprietary Information contained in those papers and reports. The term "County's Designees" means any interested Federal Agency (including the United States General Accounting Office), any interested State of California Agency, any person or entity, however organized, designated by the Federal or California State governments, or of their agencies, or by the County as part of an audit quality review process, or auditors of entities of which the County or ECSD is a component unit. But the "County's Designees" do not include the County, any of its officials, ECSD, or an independent auditor of the County that is a successor of the Contractor.

**5.2 Compliance with Inquiries to Access Working Papers.** The Contractor shall comply with the reasonable inquiries of the County (including the ACTTC) or any independent auditor of ECSD that is a successor of the Contractor, and allow ECSD (including the ACTTC) and such successor independent auditors to have access to all of the Contractor's working papers and reports relating to matters of continuing accounting significance, except that ECSD

(including the ACTTC) and such successor independent auditors are not authorized under this section 5.2 to have access to Contractor's Proprietary Information.

**5.3 Definition of Proprietary Information.** For purposes of this Article 5, "Proprietary Information" means documents and other material created by the Contractor that relate principally to the conduct any audit by the Contractor under this Agreement and would be generally recognized in the professional independent auditing industry as containing or revealing the Contractor's unique audit procedures or processes, confidential information, or trade secrets (e.g., the Contractor's audit programs or audit planning memoranda).

**5.4 Retention Period.** All of the Contractor's working papers and reports must be retained, at the Contractor's sole expense, for a minimum of three years following the completion of the Contractor's performance of audit services under this Agreement, unless and until the County notifies the Contractor within that three-year period that the retention period must be extended.

**5.5 Survival.** The terms of this Article 5, "Access to Working Papers," shall survive the termination of this Agreement.

## **Article 6**

### **Obligations of the County**

**6.1 County's Audit Coordinator.** The Accounting and Financial Division Chief for the Financial Reporting and Audits Division of the ACTTC's office is the County's Audit Coordinator. The responsibilities of the Audit Coordinator include advising ECSD of the Contractor's audit schedule and the anticipated areas planned for audit, and working with ECSD and obtaining its cooperation to enable the Contractor to fulfill its obligations under this Agreement. The Contractor shall provide sufficient, advance information to permit the County's Audit Coordinator to fulfill its responsibilities under this Agreement.

**6.2 Auditor-Controller/Treasurer-Tax Collector.** The ACTTC staff and responsible management personnel will be available to assist the Contractor by providing information, documentation, and explanations as needed for the Contractor to perform services under this



1 agreement. The accurate preparation of confirmations, as requested by the Contractor, is the  
2 responsibility of the ACTTC, which will deliver them to the Contractor.

3 (A) For the Covered Fiscal Years by this Agreement, the ACTTC will provide up to  
4 40 hours of clerical support the external auditor to prepare and print letters and  
5 coordinate communication regarding meetings.

6 **6.3 Electronic Data Processing Assistance.** The County's Information Technology  
7 Services Department ("ITSD") will provide reasonable assistance as listed in subdivision (A) and  
8 (B) below as needed for the Contractor to perform services under this agreement. "Reasonable  
9 assistance" means assistance that does not interfere with the delivery by ITSD of services and  
10 support to County departments.

11 (A) ITSD will provide Electronic Data Processing personnel to provide systems  
12 documentation and explanations.

13 (B) ITSD will provide computer time and use of computer hardware and software.

14 **6.4 Statements and Schedules.** The ACTTC will prepare statements and schedules for  
15 the external auditor by the execution of this Agreement.

16 **6.5 Work Area, Telephone, Photocopying and Fax Machines.** The County will provide  
17 the Contractor with reasonable workspace, including desk and chairs, as needed for the  
18 Contractor to perform services under this Agreement. The County will also provide the  
19 Contractor with access to one telephone line, photocopying facilities, and access to a fax  
20 machine subject to the following restrictions:

21 (A) The items provided under this section 6.5 are only available during the operating  
22 hours of the County department where they are located.

23 (B) Phone calls are limited to local calls.

24 (C) Workspace is provided subject to the capacity of the County department where it  
25 is located. The County anticipates that the ACTTC will have workspace for up to two  
26 Contractor personnel at a time, but cannot guarantee that quantity of workspace.

27 (D) Fax services are limited to local service of an emergency nature.  
28

(E) The Contractor may only access photocopying facilities with prior approval by County department management where the facilities are located.

6.6 **Report Preparation.** The County is responsible for preparation and editing of the ECSD basic financial statements.

6.7 **County's Rights upon Termination.** Upon termination for breach under this Article 6, the County may demand repayment by the Contractor of any monies disbursed to the Contractor under this Agreement that, in the County's sole judgment, were not expended in compliance with this Agreement. The Contractor shall promptly refund all such monies upon demand. This section survives the termination of this Agreement.

## **Article 7**

### **Term**

7.1 This Agreement is effective when both parties have signed and continues until the Contractor has performed all of its obligations under this Agreement for the Covered Fiscal Years by this Agreement, unless this Agreement is terminated sooner as provided in Article 8.

7.2 **Definition of "Covered Fiscal Years by this Agreement."** The term "Covered Fiscal Years by this Agreement" means the 2017-18 through 2021-22 fiscal years.

## **Article 8**

### **Termination**

8.1 **Non-Allocation of Funds.** The terms of this Agreement, and the services to be provided under it, are contingent on the approval of funds by the appropriating government agency. If sufficient funds are not allocated, the services provided may be modified, or this Agreement terminated, at any time by the County giving the Contractor 30 days' advance written notice.

8.2 **Breach of Contract.** The County may immediately suspend or terminate this Agreement in whole or in part, where in the determination of the County there is:

(A) An illegal or improper use of funds;

(B) A failure to comply with any term of this Agreement;

(C) A substantially incorrect or incomplete report submitted to the County;

(D) Improperly performed service.

8.3 **Without Cause.** Under circumstances other than those set forth above, either party may terminate this Agreement by giving of at least 30 days' advance written notice to the Contractor of either party's intention to terminate.

8.4 **County's Right to Demand Repayment.** The County has the right to demand of the Contractor the repayment to the County of any funds disbursed to the Contractor under this Agreement, which in the sole judgment of the County were not expended in accordance with the terms of this Agreement. The Contractor shall promptly refund any such funds upon demand.

## **Article 9**

### **Compensation and Invoicing**

9.1 The County agrees to pay the Contractor, and the Contractor agrees to receive, payment under this Article 9 as full compensation for services performed under this Agreement.

9.2 **Hourly Rates.** The hourly rates for the Contractor's personnel, for services provided for the Covered Fiscal Years by this Agreement, are as follows:

- a. Partners or Principals/Signing Directors: \$375 per hour
- b. Managers: \$250 per hour
- c. Supervisory Staff or Seniors: \$175 per hour
- d. Staff or Associates: \$ 140 per hour

9.3 **Progress Payments.** Subject to the maximum amounts payable in section 9.4, the County will make progress payments based on the hours of work actually performed during the term of this Agreement. Progress billings must cover a period of not less than four weeks, but the Contractor may not submit more than one billing in any calendar month. The Contractor shall submit progress billing invoices to the address provided for the County in Article 14 of this Agreement.

9.4 **Maximum Amount Payable.** The total maximum amount payable to the Contractor for performing all services under this Agreement shall not exceed \$12,500 for the first fiscal year, \$13,200 for the second fiscal year, \$13,900 for the third fiscal year, \$14,600 for the fourth fiscal year, and \$15,400 for the fifth fiscal year of the Covered Fiscal Years by this Agreement

for Audit Services and Out-of-Pocket Expenses. For the task described in section 2.1 of this Agreement (including all of the reports required under section 3.2 of this Agreement), the maximum amount payable to the Contractor is as stated in the schedules in Exhibit B to this Agreement.

9.5 **Amount Withheld until Delivery of Final Reports.** The County will withhold 10 percent of the amount due from each billing pending delivery of the Contractor's final reports.

9.6 **Assumptions.** The maximum amount payable to the Contractor under this Agreement assumes the following:

(A) That the County will prepare the basic financial statements of ECSD.

(B) That the financial statements of ECSD prepared by the County will require few material audit adjustments by the Contractor.

(C) That the County provides complete and accurate information timely.

(D) Notwithstanding anything in this section 9.6, the Contractor acknowledges that the County is a local government entity, and does so with notice that the County's powers are limited by the California Constitution and by State law, and with notice that the Contractor may receive compensation under this Agreement only for services performed according to the terms of this Agreement and while this Agreement is in effect, and subject to the maximum amount payable under this section. The Contractor further acknowledges that County employees have no authority to pay the Contractor except as expressly provided in this Agreement.

9.7 **Incidental Expenses.** All expenses incidental to the Contractor's performance of services under this Agreement shall be borne solely by the Contractor.

## **Article 10**

### **Independent Contractor**

10.1 In performance of the work, duties and obligations assumed by the Contractor under this Agreement, it is mutually understood and agreed by the parties that the Contractor, including any and all of the Contractor's officers, agents, and employees will at all times be acting and performing as an independent contractor, and shall act in an independent capacity

1 and not as an officer, agent, servant, employee, joint venturer, partner, or associate of the  
2 County. Furthermore, the County has no right to control or supervise or direct the manner or  
3 method by which the Contractor performs its work and function under this Agreement. However,  
4 the County retains the right to administer this Agreement so as to verify that the Contractor is  
5 performing its obligations in accordance with the terms and conditions of this Agreement.

6 10.2 Each of the parties shall comply with all applicable provisions of law and the rules  
7 and regulations, if any, of governmental authorities having jurisdiction over matters that are the  
8 subject of those provisions.

9 10.3 Because of its status as an independent contractor, the Contractor has absolutely no  
10 right to employment rights and benefits available to County employees. The Contractor is solely  
11 liable and responsible for providing to, or on behalf of, its employees all legally required  
12 employee benefits. In addition, the Contractor is solely responsible and save the County  
13 harmless from all matters relating to payment of the Contractor's employees, including  
14 compliance with Social Security withholding and all other regulations governing such matters.  
15 The parties acknowledge that during the term of this Agreement, the Contractor may be  
16 providing services to others unrelated to the County or to this Agreement.

## 17 **Article 11**

### 18 **Indemnity**

19 11.1 **Indemnity.** The Contractor shall indemnify and hold harmless and defend the  
20 County (including its officers, agents, employees, and volunteers) against all claims, demands,  
21 injuries, damages, costs, expenses (including attorney fees and costs), fines, penalties, and  
22 liabilities of any kind to the County, the Contractor, or any third party that arise from or relate to  
23 the performance or failure to perform by the Contractor (or any of its officers, agents,  
24 subcontractors, or employees) under this Agreement directly caused by the Contractor's  
25 negligence or willful misconduct. The County may conduct or participate in its own defense  
26 without affecting the Contractor's obligation to indemnify and hold harmless or defend the  
27 County.

28 11.2 **Survival.** This Article 11 survives the termination of this Agreement.

1 **Article 12**

2 **Insurance**

3 12.1 Without limiting the County's right to obtain indemnification from the Contractor or  
4 any third parties, the contractor, at its sole expense, shall maintain in full force and effect, the  
5 following insurance policies throughout the term of this Agreement:

6 (A) **Commercial General Liability.** Commercial general liability insurance with limits  
7 of not less than Two Million Dollars (\$2,000,000) per occurrence and an annual  
8 aggregate of Four Million Dollars (\$4,000,000). This policy must be issued on a per  
9 occurrence basis. Coverage must include products, completed operations, property  
10 damage, bodily injury, personal injury, and advertising injury. The Contractor shall obtain  
11 an endorsement to this policy naming the County of Fresno, its officers, agents,  
12 employees, and volunteers, individually and collectively, as additional insureds, but only  
13 insofar as the operations under this Agreement are concerned. Such coverage for  
14 additional insureds will apply as primary insurance and any other insurance, or self-  
15 insurance, maintained by the County is excess only and not contributing with insurance  
16 provided under the Contractor's policy.

17 (B) **Automobile Liability.** Automobile liability insurance with limits of not less than  
18 One Million Dollars (\$1,000,000) per occurrence for bodily injury and for property  
19 damages. Coverage must include any auto used in connection with this Agreement.

20 (C) **Professional Liability.** Professional liability insurance with limits of not less than  
21 One Million Dollars (\$1,000,000) per occurrence and an annual aggregate of Three  
22 Million Dollars (\$3,000,000). If this is a claims-made policy, then (1) the retroactive date  
23 must be prior to the date on which services began under this Agreement; (2) the  
24 Contractor shall maintain the policy and provide to the County annual evidence of  
25 insurance for not less than five years after completion of services under this Agreement;  
26 and (3) if the policy is canceled or not renewed, and not replaced with another claims-  
27 made policy with a retroactive date prior to the date on which services begin under this  
28 Agreement, then the Contractor shall purchase extended reporting coverage on its

claims-made policy for a minimum of five years after completion of services under this Agreement.

(D) **Worker's Compensation.** Workers compensation insurance as required by the laws of the State of California with statutory limits.

(E) **Employer's Liability.** Employer's liability insurance with limits of not less than One Million Dollars (\$1,000,000) per occurrence for bodily injury and for disease.

(F) **Cyber Liability.** Cyber liability insurance with limits of not less than Two Million Dollars (\$2,000,000) per occurrence. Coverage must include claims involving Cyber Risks. The cyber liability policy must be endorsed to cover the full replacement value of damage to, alteration of, loss of, or destruction of intangible property (including but not limited to information or data) that is in the care, custody, or control of the Contractor.

**Definition of Cyber Risks.** "Cyber Risks" include but are not limited to (i) Security Breach, which may include Disclosure of Personal Information to an Unauthorized Third Party; (ii) data breach; (iii) breach of any of the Contractor's obligations under Exhibit C of this Agreement, "Data Security"; (iv) system failure; (v) data recovery; (vi) failure to timely disclose data breach or Security Breach; (vii) failure to comply with privacy policy; (viii) payment card liabilities and costs; (ix) infringement of intellectual property, including but not limited to infringement of copyright, trademark, and trade dress; (x) invasion of privacy, including release of private information; (xi) information theft; (xii) damage to or destruction or alteration of electronic information; (xiii) cyber extortion; (xiv) extortion related to the Contractor's obligations under this Agreement regarding electronic information, including Personal Information; (xv) fraudulent instruction; (xvi) funds transfer fraud; (xvii) telephone fraud; (xviii) network security; (xix) data breach response costs, including Security Breach response costs; (xx) regulatory fines and penalties related to the Contractor's obligations under this Agreement regarding electronic information, including Personal Information; and (xxi) credit monitoring expenses

12.2 **Additional Requirements Relating to Insurance.**

(A) **Verification of Coverage.** Within 30 days after the Contractor signs this Agreement, and at any time during the term of this Agreement as requested by the County, the Contractor shall deliver, or cause its broker or producer to deliver, to the County Risk Manager, at 2220 Tulare Street, 16th Floor, Fresno, California 93721, or HRRiskManagement@fresnocountyca.gov, and by mail or email to the person identified to receive notices under this Agreement, certificates of insurance and endorsements for all of the coverages required under this Agreement.

(i) Each insurance certificate must state that: (1) the insurance coverage has been obtained and is in full force; (2) the County, its officers, agents, employees, and volunteers are not responsible for any premiums on the policy; and (3) the Contractor has waived its right to recover from the County, its officers, agents, employees, and volunteers any amounts paid under any insurance policy required by this Agreement and that waiver does not invalidate the insurance policy.

(ii) The commercial general liability insurance certificate must also state, and include an endorsement, that the County of Fresno, its officers, agents, employees, and volunteers, individually and collectively, are additional insureds insofar as the operations under this Agreement are concerned. The commercial general liability insurance certificate must also state that the coverage shall apply as primary insurance and any other insurance, or self-insurance, maintained by the County shall be excess only and not contributing with insurance provided under the Contractor's policy.

(iii) The automobile liability insurance certificate must state that the policy covers any auto used in connection with this Agreement.



1 (iv) The professional liability insurance certificate, if it is a claims-made  
2 policy, must also state the retroactive date of the policy, which must  
3 be prior to the date on which services began under this Agreement.

4 (v) The cyber liability insurance certificate must also state that it is  
5 endorsed, and include an endorsement, to cover the full replacement  
6 value of damage to, alteration of, loss of, or destruction of intangible  
7 property (including but not limited to information or data) that is in the  
8 care, custody, or control of the Contractor.

9 (B) **Acceptability of Insurers.** All insurance policies required under this  
10 Agreement must be issued by admitted insurers licensed to do business in  
11 the State of California and possessing at all times during the term of this  
12 Agreement an A.M. Best, Inc. rating of no less than A: VII.

13 (C) **Notice of Cancellation or Change.** For each insurance policy required  
14 under this Agreement, the Contractor shall provide to the County, or ensure  
15 that the policy requires the insurer to provide to the County, written notice of  
16 any cancellation or change in the policy as required in this paragraph. For  
17 cancellation of the policy for nonpayment of premium, the Contractor shall, or  
18 shall cause the insurer to, provide written notice to the County not less than  
19 10 days in advance of cancellation. For cancellation of the policy for any  
20 other reason, and for any other change to the policy, the Contractor shall, or  
21 shall cause the insurer to, provide written notice to the County not less than  
22 30 days in advance of cancellation or change. The County in its sole  
23 discretion may determine that the failure of the Contractor or its insurer to  
24 timely provide a written notice required by this paragraph is a breach of this  
25 Agreement.

26 (D) **County's Entitlement to Greater Coverage.** If the Contractor has or obtains  
27 insurance with broader coverage, higher limits, or both, than what is required  
28 under this Agreement, then the County requires and is entitled to the broader

1 coverage, higher limits, or both. To that end, the Contractor shall deliver, or  
2 cause its broker or producer to deliver, to the County's Risk Manager  
3 certificates of insurance and endorsements for all of the coverages that have  
4 such broader coverage, higher limits, or both, as required under this  
5 Agreement.

6 (E) **Waiver of Subrogation.** The Contractor waives any right to recover from the  
7 County, its officers, agents, employees, and volunteers any amounts paid  
8 under the policy of worker's compensation insurance required by this  
9 Agreement. The Contractor is solely responsible to obtain any policy  
10 endorsement that may be necessary to accomplish that waiver, but the  
11 Contractor's waiver of subrogation under this paragraph is effective whether  
12 or not the Contractor obtains such an endorsement.

13 (F) **County's Remedy for Contractor's Failure to Maintain.** If the Contractor  
14 fails to keep in effect at all times any insurance coverage required under this  
15 Agreement, the County may, in addition to any other remedies it may have,  
16 suspend or terminate this Agreement upon the occurrence of that failure, or  
17 purchase such insurance coverage, and charge the cost of that coverage to  
18 the Contractor. The County may offset such charges against any amounts  
19 owed by the County to the Contractor under this Agreement.

20 (G) **Subcontractors.** The Contractor shall require and verify that all  
21 subcontractors used by the Contractor to provide services under this  
22 Agreement maintain insurance meeting all insurance requirements provided  
23 in this Agreement. This paragraph does not authorize the Contractor to  
24 provide services under this Agreement using subcontractors.

## 25 **Article 13**

### 26 **Audits and Inspections**

27 13.1 The Contractor shall at any time during business hours, and as often as the County  
28 may deem necessary, make available to the County for examination all of its time and billing

records and data with respect to the matters covered by this Agreement. The Contractor shall, upon request by the County, permit the County to audit and inspect all of such records and data necessary to ensure Contractor's compliance with the terms of this Agreement.

13.2 If this Agreement exceeds \$10,000.00, the Contractor shall be subject to the examination and audit of the California State Auditor for a period of three years after final payment under contract (Government Code Section 8546.7).

## **Article 14**

### **Audits and Inspections**

14.1 **Contact Information.** The persons and their addresses having authority to give and receive notices provided for or permitted under this Agreement include the following:

**For the County:**

County of Fresno  
Attention: Accounting & Financial Division Chief  
2281 Tulare Street, Room 8  
Fresno, California 93721

**For the Contractor:**

Vasquez and Company LLP  
Attention: Roger Martinez, Partner  
655 N. Central Avenue, Suite 1550  
Glendale, CA 91203  
Telephone: (213) 873-1703

14.2 **Change of Contact Information.** Either party may change the information in section 14.1 by giving notice as provided in section 14.3.

14.3 **Method of Delivery.** All notices between the County and the Contractor provided for or permitted under this Agreement must be in writing and delivered either by personal service, by first-class United States mail, by an overnight commercial courier service, or by telephonic facsimile transmission.

(A) A notice delivered by personal service is effective upon service to the recipient.

(B) A notice delivered by first-class United States mail is effective three County business days after deposit in the United States mail, postage prepaid, addressed to the recipient.

(C) A notice delivered by an overnight commercial courier service is effective one

1 County business day after deposit with the overnight commercial courier service,  
2 delivery fees prepaid, with delivery instructions given for next day delivery, addressed to  
3 the recipient.

4 (D) A notice delivered by telephonic facsimile transmission is effective when  
5 transmission to the recipient is completed (but, if such transmission is completed outside  
6 of County business hours, then such delivery is deemed to be effective at the next  
7 beginning of a County business day), provided that the sender maintains a machine  
8 record of the completed transmission.

9 14.4 **Claims Presentation.** For all claims arising from or related to this Agreement,  
10 nothing in this Agreement establishes, waives, or modifies any claims presentation  
11 requirements or procedures provided by law, including the Government Claims Act (Division 3.6  
12 of Title 1 of the Government Code, beginning with section 810).

## 13 **Article 15**

### 14 **Audits and Inspections**

15 15.1 **Applicability.** This article applies if the Contractor is operating as a corporation, or  
16 changes its status to operate as a corporation.

17 15.2 **Duty to Disclose.** If any member of the Contractor's board of directors is party to a  
18 self-dealing transaction, he or she shall disclose the transaction by completing and signing a  
19 "Self-Dealing Transaction Disclosure Form" (Exhibit A to this Agreement) and submitting it to the  
20 County before commencing the transaction or immediately after.

21 15.3 **Definition.** "Self-dealing transaction" means a transaction to which the Contractor is  
22 a party and in which one or more of its directors, as an individual, has a material financial  
23 interest.

## 24 **Article 16**

### 25 **General Terms**

26 16.1 **Modification.** Except as provided in Article 8, this Agreement may not be modified,  
27 and no waiver is effective, except by another written Agreement that is signed by both parties.  
28

1       16.2   **Non-Assignment.** Neither party may assign its rights or delegate its obligations  
2 under this Agreement without the prior written consent of the other party.

3       16.3   **Governing Law.** The laws of the State of California govern all matters arising from  
4 or related to this Agreement.

5       16.4   **Jurisdiction and Venue.** This Agreement is made in Fresno County, California. The  
6 Contractor consents to California jurisdiction for actions arising from or related to this  
7 Agreement, and, subject to the Government Claims Act, all such actions must be brought and  
8 maintained in the Fresno County Superior Court.

9       16.5   **Construction.** The final form of this Agreement is the result of the parties' combined  
10 efforts. If anything in this agreement is found by a court of competent jurisdiction to be  
11 ambiguous, that ambiguity is not to be resolved by construing the terms of this Agreement  
12 against the either party.

13       16.6   **Days.** Unless otherwise specified, "days" means calendar days.

14       16.7   **Headings.** The headings and section titles in this agreement are for convenience  
15 only and are not part of this Agreement.

16       16.8   **Severability.** If anything in this agreement is found by a court of competent  
17 jurisdiction to be unlawful or otherwise unenforceable, the balance of this Agreement remains in  
18 effect, and the parties shall make best efforts to replace the unlawful or unenforceable part of  
19 this Agreement with terms to accomplish the parties' original intent.

20       16.9   **Nondiscrimination.** During the performance of this Agreement, the Contractor shall  
21 not unlawfully discriminate against any employee or applicant for employment, or recipient of  
22 services, because of race, religious creed, color, national origin, ancestry, physical disability,  
23 mental disability, medical condition, genetic information, marital status, sex, gender, gender  
24 identity, gender expression, age, sexual orientation, military status or veteran status pursuant to  
25 all applicable State of California and federal statutes and regulation.

26       16.10 **No Waiver.** Payment, waiver, or discharge of any liability or obligation of the  
27 Contractor under this Agreement on any one or more occasions is not a waiver of performance  
28 of any continuing or other obligation, or of any breach or default, and does not prohibit, impair,

1 or prejudice enforcement by the County of any obligation of the Contractor under this  
2 Agreement.

3 16.11 **Entire Agreement.** This Agreement, including its exhibits, is the entire agreement  
4 between the Contractor and the County with respect to the subject matter of this Agreement,  
5 and it supersedes all previous negotiations, proposals, commitments, writings, advertisements,  
6 publications, and understandings of any nature unless those things are expressly included in  
7 this Agreement. If there is any inconsistency between the terms of this Agreement without its  
8 exhibits and the terms of the exhibits, then the inconsistency will be resolved by giving  
9 precedence first to the terms of this Agreement without its exhibits, and then to the terms of the  
10 exhibits.

11 16.12 **No Third-Party Beneficiaries.** This Agreement does not and is not intended to  
12 create any rights or obligations for any person or entity except for the parties.

13 16.13 **Authorized Signatures.** The Contractor represents and warrants to the County that:

14 (A) The Contractor is duly authorized and empowered to sign and perform its  
15 obligations under this Agreement.

16 (B) The individual signing this Agreement on behalf of the Contractor is duly  
17 authorized to do so and his or her signature on this Agreement will legally bind the  
18 Contractor to the terms of this Agreement.

19 16.14 **Counterparts.** This Agreement may be signed in counterparts, each of which is an  
20 original, and all of which together constitute this Agreement.

21 [SIGNATURE PAGE FOLLOWS]  
22  
23  
24  
25  
26  
27  
28

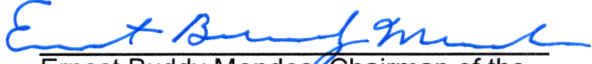
1 The parties are signing this Agreement on the date stated in the introductory clause.

2 Vasquez and Company LLP

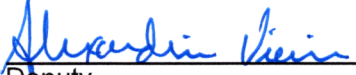
COUNTY OF FRESNO

3  
4   
5 \_\_\_\_\_  
6 Roger A. Martinez, Partner

6 655 N. Central Avenue, Suite 1550  
7 Glendale, CA 91203

  
Ernest Buddy Mendes, Chairman of the  
Board of Supervisors of the County of Fresno

**Attest:**  
Bernice E. Seidel  
Clerk of the Board of Supervisors  
County of Fresno, State of California

9  
10 By:   
Deputy

11 For accounting use only:

12 Fund: 0001  
13 Subclass: 10000  
14 Org No.: 04100300  
15 Account No.: 7295  
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## Self-Dealing Transaction Disclosure Form

In order to conduct business with the County of Fresno ("County"), members of a contractor's board of directors ("County Contractor"), must disclose any self-dealing transactions that they are a party to while providing goods, performing services, or both for the County. A self-dealing transaction is defined below:

"A self-dealing transaction means a transaction to which the corporation is a party and in which one or more of its directors has a material financial interest."

The definition above will be used for purposes of completing this disclosure form.

### Instructions

(1) Enter board member's name, job title (if applicable), and date this disclosure is being made.

(2) Enter the board member's company/agency name and address.

(3) Describe in detail the nature of the self-dealing transaction that is being disclosed to the County. At a minimum, include a description of the following:

a. The name of the agency/company with which the corporation has the transaction; and

b. The nature of the material financial interest in the Corporation's transaction that the board member has.

(4) Describe in detail why the self-dealing transaction is appropriate based on applicable provisions of the Corporations Code.

The form must be signed by the board member that is involved in the self-dealing transaction described in Sections (3) and (4).



## Exhibit A

<b>(1) Company Board Member Information:</b>			
<b>Name:</b>		<b>Date:</b>	
<b>Job Title:</b>			
<b>(2) Company/Agency Name and Address:</b>			
<b>(3) Disclosure (Please describe the nature of the self-dealing transaction you are a party to)</b>			
<b>(4) Explain why this self-dealing transaction is consistent with the requirements of Corporations Code § 5233 (a)</b>			
<b>(5) Authorized Signature</b>			
<b>Signature:</b>		<b>Date:</b>	

Exhibit B

Total Audit Cost Schedule

	Year 1			Year 2			Year 3			Year 4			Year 5			Grand Total		
	Hours	Rates	Total	Hours	Rates	Total	Hours	Rates	Total	Hours	Rates	Total	Hours	Rates	Total	Hours	Total	Total
Partners	13	\$ 375.00	\$ 4,875.00	13	\$ 375.00	\$ 4,875.00	13	\$ 375.00	\$ 4,875.00	13	\$ 375.00	\$ 4,875.00	13	\$ 375.00	\$ 4,875.00	65	\$ 24,375.00	
Managers	32	250.00	8,000.00	32	250.00	8,000.00	32	250.00	8,000.00	32	250.00	8,000.00	32	250.00	8,000.00	160	40,000.00	
Supervisory Staff	-	175.00	-	-	175.00	-	-	175.00	-	-	175.00	-	-	175.00	-	-	-	
Staff	55	140.00	7,700.00	55	140.00	7,700.00	55	140.00	7,700.00	55	140.00	7,700.00	55	140.00	7,700.00	275	38,500.00	
Other (Specify):																		
Subtotal			\$ 20,575.00			\$ 20,575.00			\$ 20,575.00			\$ 20,575.00			\$ 20,575.00		\$ 102,875.00	
Out-of-pocket expenses:																		
Meals and lodging																	-	
Transportation																	-	
Other (Discount)			(8,075.00)			(7,375.00)			(6,675.00)			(5,975.00)			(5,175.00)		(33,275.00)	
Total			\$ 12,500.00			\$ 13,200.00			\$ 13,900.00			\$ 14,600.00			\$ 15,400.00		\$ 69,600.00	

# Exhibit C

## Data Security

### 1. Definitions

Capitalized terms used in this Exhibit C have the meanings set forth in this section 1.

- a. **"Authorized Employees"** means the Contractor's employees who have access to Personal Information.
- b. **"Authorized Persons"** means: (i) any and all Authorized Employees; and (ii) any and all of the Contractor's subcontractors, representatives, agents, outsourcers, and consultants, and providers of professional services to the Contractor, who have access to Personal Information and are bound by law or in writing by confidentiality obligations sufficient to protect Personal Information in accordance with the terms of this Exhibit C.
- c. **"Director"** means the County's Director of Information Technology Services Department/ Chief Information Officer or his or her designee.
- d. **"Disclose"** or any derivative of that word means to disclose, release, transfer, disseminate, or otherwise provide access to or communicate all or any part of any Personal Information orally, in writing, or by electronic or any other means to any person.
- e. **"Person"** means any natural person, corporation, partnership, limited liability company, firm, or association.
- f. **"Personal Information"** means any and all information, including any data, provided, or to which access is provided, to the Contractor by or upon the authorization of the County, under this Agreement, including but not limited to vital records, that: (i) identifies, describes, or relates to, or is associated with, or is capable of being used to identify, describe, or relate to, or associate with, a person (including, without limitation, names, physical descriptions, signatures, addresses, telephone numbers, e-mail addresses, education, financial matters, employment history, and other unique identifiers, as well as statements made by or attributable to the person); (ii) is used or is capable of being used to authenticate a person (including, without limitation, employee identification numbers, government-issued identification numbers, passwords or personal identification numbers (PINs), financial account numbers, credit report information, answers to security questions, and other personal identifiers); or (iii) is personal information within the meaning of California Civil Code section 1798.3, subdivision (a), or 1798.80, subdivision (e). Personal Information does not include publicly available information that is lawfully made available to the general public from federal, state, or local government records.
- g. **"Privacy Practices Complaint"** means a complaint received by the County relating to the Contractor's (or any Authorized Person's) privacy practices, or alleging a Security Breach. Such complaint shall have sufficient detail to enable the Contractor to promptly investigate and take remedial action under this Exhibit C.
- h. **"Security Safeguards"** means physical, technical, administrative or organizational security procedures and practices put in place by the Contractor (or any Authorized Persons) that relate to the protection of the security, confidentiality, value, or integrity of Personal Information. Security Safeguards shall satisfy the minimal requirements set forth in section 3(C) of this Exhibit C.

## Exhibit C

- i. **“Security Breach”** means (i) any act or omission that compromises either the security, confidentiality, value, or integrity of any Personal Information or the Security Safeguards, or (ii) any unauthorized Use, Disclosure, or modification of, or any loss or destruction of, or any corruption of or damage to, any Personal Information.
- j. **“Use”** or any derivative of that word means to receive, acquire, collect, apply, manipulate, employ, process, transmit, disseminate, access, store, disclose, or dispose of Personal Information.

### 2. Standard of Care

- a. The Contractor acknowledges that, in the course of its engagement by the County under this Agreement, the Contractor, or any Authorized Persons, may Use Personal Information only as permitted in this Agreement.
- b. The Contractor acknowledges that Personal Information is deemed to be confidential information of, or owned by, the County (or persons from whom the County receives or has received Personal Information) and is not confidential information of, or owned or by, the Contractor, or any Authorized Persons. The Contractor further acknowledges that all right, title, and interest in or to the Personal Information remains in the County (or persons from whom the County receives or has received Personal Information) regardless of the Contractor’s, or any Authorized Person’s, Use of that Personal Information.
- c. The Contractor agrees and covenants in favor of the Country that the Contractor shall:
  - i. keep and maintain all Personal Information in strict confidence, using such degree of care under this section 2 as is reasonable and appropriate to avoid a Security Breach;
  - ii. Use Personal Information exclusively for the purposes for which the Personal Information is made accessible to the Contractor pursuant to the terms of this Exhibit C;
  - iii. not Use, Disclose, sell, rent, license, or otherwise make available Personal Information for the Contractor’s own purposes or for the benefit of anyone other than the County, without the County’s express prior written consent, which the County may give or withhold in its sole and absolute discretion; and
  - iv. not, directly or indirectly, Disclose Personal Information to any person (an “Unauthorized Third Party”) other than Authorized Persons pursuant to this Agreement, without the Director’s express prior written consent.
- d. Notwithstanding the foregoing paragraph, in any case in which the Contractor believes it, or any Authorized Person, is required to disclose Personal Information to government regulatory authorities, or pursuant to a legal proceeding, or otherwise as may be required by applicable law, Contractor shall (i) immediately notify the County of the specific demand for, and legal authority for the disclosure, including providing County with a copy of any notice, discovery demand, subpoena, or order, as applicable, received by the Contractor, or any Authorized Person, from any government regulatory authorities, or in relation to any legal proceeding, and (ii) promptly notify the County

## Exhibit C

before such Personal Information is offered by the Contractor for such disclosure so that the County may have sufficient time to obtain a court order or take any other action the County may deem necessary to protect the Personal Information from such disclosure, and the Contractor shall cooperate with the County to minimize the scope of such disclosure of such Personal Information.

- e. The Contractor shall remain liable to the County for the actions and omissions of any Unauthorized Third Party concerning its Use of such Personal Information as if they were the Contractor's own actions and omissions.

### 3. Information Security

- a. The Contractor covenants, represents and warrants to the County that the Contractor's Use of Personal Information under this Agreement does and will at all times comply with all applicable federal, state, and local, privacy and data protection laws, as well as all other applicable regulations and directives, including but not limited to California Civil Code, Division 3, Part 4, Title 1.81 (beginning with section 1798.80), and the Song-Beverly Credit Card Act of 1971 (California Civil Code, Division 3, Part 4, Title 1.3, beginning with section 1747). If the Contractor Uses credit, debit or other payment cardholder information, the Contractor shall at all times remain in compliance with the Payment Card Industry Data Security Standard ("PCI DSS") requirements, including remaining aware at all times of changes to the PCI DSS and promptly implementing and maintaining all procedures and practices as may be necessary to remain in compliance with the PCI DSS, in each case, at the Contractor's sole cost and expense.
- b. The Contractor covenants, represents and warrants to the County that, as of the effective date of this Agreement, the Contractor has not received notice of any violation of any privacy or data protection laws, as well as any other applicable regulations or directives, and is not the subject of any pending legal action or investigation by, any government regulatory authority regarding same.
- c. Without limiting the Contractor's obligations under section 3(A) of this Exhibit C, the Contractor's (or Authorized Person's) Security Safeguards shall be no less rigorous than accepted industry practices and, at a minimum, include the following:
  - i. limiting Use of Personal Information strictly to the Contractor's and Authorized Persons' technical and administrative personnel who are necessary for the Contractor's, or Authorized Persons', Use of the Personal Information pursuant to this Agreement;
  - ii. ensuring that all of the Contractor's connectivity to County computing systems will only be through the County's security gateways and firewalls, and only through security procedures approved upon the express prior written consent of the Director;
  - iii. to the extent that they contain or provide access to Personal Information, (a) securing business facilities, data centers, paper files, servers, back-up systems and computing equipment, operating systems, and software applications, including, but not limited to, all mobile devices and other equipment, operating systems, and software applications with information storage capability; (b)

## Exhibit C

employing adequate controls and data security measures, both internally and externally, to protect (1) the Personal Information from potential loss or misappropriation, or unauthorized Use, and (2) the County's operations from disruption and abuse; (c) having and maintaining network, device application, database and platform security; (d) maintaining authentication and access controls within media, computing equipment, operating systems, and software applications; and (e) installing and maintaining in all mobile, wireless, or handheld devices a secure internet connection, having continuously updated anti-virus software protection and a remote wipe feature always enabled, all of which is subject to express prior written consent of the Director;

- iv. encrypting all Personal Information at advance encryption standards of Advanced Encryption Standards (AES) of 128 bit or higher (a) stored on any mobile devices, including but not limited to hard disks, portable storage devices, or remote installation, or (b) transmitted over public or wireless networks (the encrypted Personal Information must be subject to password or pass phrase, and be stored on a secure server and transferred by means of a Virtual Private Network (VPN) connection, or another type of secure connection, all of which is subject to express prior written consent of the Director);
  - v. strictly segregating Personal Information from all other information of the Contractor, including any Authorized Person, or anyone with whom the Contractor or any Authorized Person deals so that Personal Information is not commingled with any other types of information;
  - vi. having a patch management process including installation of all operating system and software vendor security patches;
  - vii. maintaining appropriate personnel security and integrity procedures and practices, including, but not limited to, conducting background checks of Authorized Employees consistent with applicable law; and
  - viii. providing appropriate privacy and information security training to Authorized Employees.
- d. During the term of each Authorized Employee's employment by the Contractor, the Contractor shall cause such Authorized Employees to abide strictly by the Contractor's obligations under this Exhibit C. The Contractor shall maintain a disciplinary process to address any unauthorized Use of Personal Information by any Authorized Employees.
- e. The Contractor shall, in a secure manner, backup daily, or more frequently if it is the Contractor's practice to do so more frequently, Personal Information received from the County, and the County shall have immediate, real time access, at all times, to such backups via a secure, remote access connection provided by the Contractor, through the Internet.
- f. The Contractor shall provide the County with the name and contact information for each Authorized Employee (including such Authorized Employee's work shift, and at least one alternate Authorized Employee for each Authorized Employee during such work shift) who shall serve as the County's primary security contact with the Contractor and shall be

## Exhibit C

available to assist the County twenty-four (24) hours per day, seven (7) days per week as a contact in resolving the Contractor's and any Authorized Persons' obligations associated with a Security Breach or a Privacy Practices Complaint.

- g. The Contractor shall not knowingly include or authorize any Trojan Horse, back door, time bomb, drop dead device, worm, virus, or other code of any kind that may disable, erase, display any unauthorized message within, or otherwise impair any County computing system, with or without the intent to cause harm.

### 4. Security Breach Procedures

- a. Immediately upon the Contractor's awareness or reasonable belief of a Security Breach, the Contractor shall (i) notify the Director of the Security Breach, such notice to be given first by telephone at the following telephone number, followed promptly by email at the following email address: (559) 600-6200 / servicedesk@fresnocountyca.gov (which telephone number and email address the County may update by providing notice to the Contractor), and (ii) preserve all relevant evidence (and cause any affected Authorized Person to preserve all relevant evidence) relating to the Security Breach. The notification shall include, to the extent reasonably possible, the identification of each type and the extent of Personal Information that has been, or is reasonably believed to have been, breached, including but not limited to, compromised, or subjected to unauthorized Use, Disclosure, or modification, or any loss or destruction, corruption, or damage.
- b. Immediately following the Contractor's notification to the County of a Security Breach, as provided pursuant to section 4(A) of this Exhibit C, the Parties shall coordinate with each other to investigate the Security Breach. The Contractor agrees to fully cooperate with the County, including, without limitation:
  - i. assisting the County in conducting any investigation;
  - ii. providing the County with physical access to the facilities and operations affected;
  - iii. facilitating interviews with Authorized Persons and any of the Contractor's other employees knowledgeable of the matter; and
  - iv. making available all relevant records, logs, files, data reporting and other materials required to comply with applicable law, regulation, industry standards, or as otherwise reasonably required by the County.

To that end, the Contractor shall, with respect to a Security Breach, be solely responsible, at its cost, for all notifications required by law and regulation, or deemed reasonably necessary by the County, and the Contractor shall provide a written report of the investigation and reporting required to the Director within 30 days after the Contractor's discovery of the Security Breach.

- c. County shall promptly notify the Contractor of the Director's knowledge, or reasonable belief, of any Privacy Practices Complaint, and upon the Contractor's receipt of that

## **Exhibit C**

notification, the Contractor shall promptly address such Privacy Practices Complaint, including taking any corrective action under this Exhibit C, all at the Contractor's sole expense, in accordance with applicable privacy rights, laws, regulations and standards. In the event the Contractor discovers a Security Breach, the Contractor shall treat the Privacy Practices Complaint as a Security Breach. Within 24 hours of the Contractor's receipt of notification of such Privacy Practices Complaint, the Contractor shall notify the County whether the matter is a Security Breach, or otherwise has been corrected and the manner of correction, or determined not to require corrective action and the reason for that determination.

- d. The Contractor shall take prompt corrective action to respond to and remedy any Security Breach and take mitigating actions, including but not limiting to, preventing any reoccurrence of the Security Breach and correcting any deficiency in Security Safeguards as a result of such incident, all at the Contractor's sole expense, in accordance with applicable privacy rights, laws, regulations and standards. The Contractor shall reimburse the County for all reasonable costs incurred by the County in responding to, and mitigating damages caused by, any Security Breach, including all costs of the County incurred relation to any litigation or other action described section 4(E) of this Exhibit C.
- e. The Contractor agrees to cooperate, at its sole expense, with the County in any litigation or other action to protect the County's rights relating to Personal Information, including the rights of persons from whom the County receives Personal Information.

### **5. Oversight of Security Compliance**

- a. The Contractor shall have and maintain a written information security policy that specifies Security Safeguards appropriate to the size and complexity of the Contractor's operations and the nature and scope of its activities.
- b. Upon the County's written request, to confirm the Contractor's compliance with this Exhibit C, as well as any applicable laws, regulations and industry standards, the Contractor grants the County or, upon the County's election, a third party on the County's behalf, permission to perform an assessment, audit, examination or review of all controls in the Contractor's physical and technical environment in relation to all Personal Information that is Used by the Contractor pursuant to this Agreement. The Contractor shall fully cooperate with such assessment, audit or examination, as applicable, by providing the County or the third party on the County's behalf, access to all Authorized Employees and other knowledgeable personnel, physical premises, documentation, infrastructure and application software that is Used by the Contractor for Personal Information pursuant to this Agreement. In addition, the Contractor shall provide the County with the results of any audit by or on behalf of the Contractor that assesses the effectiveness of the Contractor's information security program as relevant to the security and confidentiality of Personal Information Used by the Contractor or Authorized Persons during the course of this Agreement under this Exhibit C.
- c. The Contractor shall ensure that all Authorized Persons who Use Personal Information agree to the same restrictions and conditions in this Exhibit C. that apply to the Contractor with respect to such Personal Information by incorporating the relevant provisions of these provisions into a valid and binding written agreement between the



## Exhibit C

Contractor and such Authorized Persons, or amending any written agreements to provide same.

6. **Return or Destruction of Personal Information.** Upon the termination of this Agreement, the Contractor shall, and shall instruct all Authorized Persons to, promptly return to the County all Personal Information, whether in written, electronic or other form or media, in its possession or the possession of such Authorized Persons, in a machine readable form used by the County at the time of such return, or upon the express prior written consent of the Director, securely destroy all such Personal Information, and certify in writing to the County that such Personal Information have been returned to the County or disposed of securely, as applicable. If the Contractor is authorized to dispose of any such Personal Information, as provided in this Exhibit C, such certification shall state the date, time, and manner (including standard) of disposal and by whom, specifying the title of the individual. The Contractor shall comply with all reasonable directions provided by the Director with respect to the return or disposal of Personal Information and copies of Personal Information. If return or disposal of such Personal Information or copies of Personal Information is not feasible, the Contractor shall notify the County according, specifying the reason, and continue to extend the protections of this Exhibit C to all such Personal Information and copies of Personal Information. The Contractor shall not retain any copy of any Personal Information after returning or disposing of Personal Information as required by this section 6. The Contractor's obligations under this section 6 survive the termination of this Agreement and apply to all Personal Information that the Contractor retains if return or disposal is not feasible and to all Personal Information that the Contractor may later discover.

7. **Equitable Relief.** The Contractor acknowledges that any breach of its covenants or obligations set forth in this Exhibit C may cause the County irreparable harm for which monetary damages would not be adequate compensation and agrees that, in the event of such breach or threatened breach, the County is entitled to seek equitable relief, including a restraining order, injunctive relief, specific performance and any other relief that may be available from any court, in addition to any other remedy to which the County may be entitled at law or in equity. Such remedies shall not be deemed to be exclusive but shall be in addition to all other remedies available to the County at law or in equity or under this Agreement.

8. **Indemnity.** The Contractor shall defend, indemnify and hold harmless the County, its officers, employees, and agents, (each, a "**County Indemnitee**") from and against any and all infringement of intellectual property including, but not limited to infringement of copyright, trademark, and trade dress, invasion of privacy, information theft, and extortion, unauthorized Use, Disclosure, or modification of, or any loss or destruction of, or any corruption of or damage to, Personal Information, Security Breach response and remedy costs, credit monitoring expenses, forfeitures, losses, damages, liabilities, deficiencies, actions, judgments, interest, awards, fines and penalties (including regulatory fines and penalties), costs or expenses of whatever kind, including attorneys' fees and costs, the cost of enforcing any right to indemnification or defense under this Exhibit C and the cost of pursuing any insurance providers, arising out of or resulting from any third party claim or action against any County Indemnitee in relation to the Contractor's, its officers, employees, or agents, or any Authorized Employee's or Authorized Person's, performance or failure to perform under this Exhibit C or arising out of or resulting from the Contractor's failure to comply with any of its obligations under this section 8. The provisions of this section 8 do not apply to the acts or omissions of the

## Exhibit C

County. The provisions of this section 8 are cumulative to any other obligation of the Contractor to, defend, indemnify, or hold harmless any County Indemnitee under this Agreement. The provisions of this section 8 shall survive the termination of this Agreement.

9. **Survival.** The respective rights and obligations of the Contractor and the County as stated in this Exhibit C shall survive the termination of this Agreement.

10. **No Third Party Beneficiary.** Nothing express or implied in the provisions of in this Exhibit C is intended to confer, nor shall anything in this Exhibit C confer, upon any person other than the County or the Contractor and their respective successors or assignees, any rights, remedies, obligations or liabilities whatsoever.

11. **No County Warranty.** The County does not make any warranty or representation whether any Personal Information in the Contractor's (or any Authorized Person's) possession or control, or Use by the Contractor (or any Authorized Person), pursuant to the terms of this Agreement is or will be secure from unauthorized Use, or a Security Breach or Privacy Practices Complaint.






# Audit Services Agreement with Vasquez and Company

Final Audit Report

2025-06-17

Created:	2025-06-17
By:	Pai Her (paiher@fresnocountyca.gov)
Status:	Signed
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-  Document created by Pai Her (paiher@fresnocountyca.gov)  
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