

A G R E E M E N T

THIS AGREEMENT is made and entered into this 4th day of June, 2019, by and between the COUNTY OF FRESNO, a Political Subdivision of the State of California, hereinafter referred to as "COUNTY", and **BIT CALIFORNIA LLC dba DOCUMENT FULFILLMENT SERVICES**, a California Corporation, whose address is 2930 Ramona Avenue, Suite 100, Sacramento, CA 95826, hereinafter referred to as "CONTRACTOR."

WITNESSETH:

WHEREAS, COUNTY has a need for printing and mailing services to provide timely written correspondence to clients regarding their social services program participation and financial obligations; and

WHEREAS, CONTRACTOR was identified through a competitive selection process by Sacramento County Department of General Services Request for Proposal #8352 to provide CalWIN client correspondence printing and mailing services for sixteen (16) CalWIN counties, including COUNTY; and

WHEREAS, COUNTY desires the ability to also conduct timely mass mailings to Social Services clients who are not in the CalWIN system; and

WHEREAS, CONTRACTOR has the expertise, facilities, and resources necessary and is willing to provide said services pursuant to the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants, terms, and conditions herein contained, the parties hereto agree as follows:

1. OBLIGATIONS

A. CONTRACTOR shall perform all services and fulfill all responsibilities as identified in Sacramento County's Request for Proposal (RFP) #8352, dated March 29, 2016, hereinafter referred to as RFP and CONTRACTOR's response to said RFP, all incorporated herein by reference and made part of this Agreement.

B. CONTRACTOR shall perform all services set forth in Exhibit A, Summary of Services, attached hereto and by this reference incorporated herein.

C. In the event of any inconsistency among the documents described in Paragraphs

1 One (1) A and B hereinabove, the inconsistency shall be resolved by giving precedence in the following
2 order of priority: 1) to this Agreement, including all Exhibits attached hereto, 2) to Sacramento's RFP,
3 and 3) to the CONTRACTOR's response to the RFP. A copy of Sacramento's RFP and the
4 CONTRACTOR's response shall be retained and made available during the term of this Agreement by
5 COUNTY's Department of Social Services, hereinafter referred to as COUNTY's DSS.

6 D. CONTRACTOR shall provide services pursuant to the fee-for-service costs detailed
7 in Exhibit B, Rates by Service, attached hereto and by this reference incorporated herein.

8 **2. TERM**

9 The term of this Agreement shall commence on July 1, 2019 through and including June 30,
10 2022. This Agreement may be extended for one (1) additional consecutive 60-month period upon the
11 approval of both parties no later than thirty (30) days prior to the first day of the extension period. The
12 COUNTY's DSS Director, or designee, is authorized to execute such written approval on behalf of the
13 COUNTY based on CONTRACTOR's satisfactory performance.

14 **3. TERMINATION**

15 A. Non-Allocation of Funds - The terms of this Agreement, and the services to be
16 provided hereunder, are contingent on the approval of funds by the appropriating government agency.
17 Should sufficient funds not be allocated, the services provided may be modified, or this Agreement
18 terminated, at any time by giving the CONTRACTOR thirty (30) days advance written notice.

19 B. Breach of Contract - The COUNTY may immediately suspend or terminate this
20 Agreement in whole or in part, where in the determination of the COUNTY there is:

- 21 1) An illegal or improper use of funds;
- 22 2) A failure to comply with any term of this Agreement;
- 23 3) A substantially incorrect or incomplete report submitted to the COUNTY;
- 24 4) Improperly performed service.

25 In no event shall any payment by the COUNTY constitute a waiver by the COUNTY of any
26 breach of this Agreement or any default which may then exist on the part of the CONTRACTOR. Neither
27 shall such payment impair or prejudice any remedy available to the COUNTY with respect to the breach or
28 default. The COUNTY shall have the right to demand of the CONTRACTOR the repayment to the

1 COUNTY of any funds disbursed to the CONTRACTOR under this Agreement, which in the judgment of
2 the COUNTY were not expended in accordance with the terms of this Agreement. The CONTRACTOR
3 shall promptly refund any such funds upon demand.

4 C. Without Cause - Under circumstances other than those set forth above, this
5 Agreement may be terminated by CONTRACTOR or COUNTY or COUNTY's DSS Director, or
6 designee, upon thirty (30) days advance written notice of an intention to terminate the Agreement..

7 **4. COMPENSATION**

8 For actual services provided pursuant to the terms of this Agreement, COUNTY agrees to
9 pay CONTRACTOR and CONTRACTOR agrees to receive compensation in accordance with Exhibit B,
10 Rates by Service. During the potential 8 year term of this Agreement, in no event shall actual services
11 performed under this Agreement be in excess of Twenty-Eight Million, Eight Hundred Thousand and
12 No/100 Dollars (\$28,800,000). It is understood that all expenses incidental to CONTRACTOR'S
13 performance of services under this Agreement shall be borne by CONTRACTOR.

14 Payments by COUNTY shall be in arrears, for services provided during the preceding month,
15 within forty-five (45) days after receipt, verification, and approval of CONTRACTOR's invoices by
16 COUNTY's DSS. If CONTRACTOR should fail to comply with any provision of the Agreement, COUNTY
17 shall be relieved of its obligation for further compensation. All final claims shall be submitted by
18 CONTRACTOR within sixty (60) days following the final month of service for which payment is claimed.
19 No action shall be taken by COUNTY on claims submitted beyond the sixty (60) day closeout period.
20 Any compensation which is not expended by CONTRACTOR pursuant to the terms and conditions of
21 this Agreement shall automatically revert to COUNTY.

22 CONTRACTOR and COUNTY acknowledge that at the time of execution of this Agreement,
23 CONTRACTOR holds COUNTY's postage deposit account in the amount of Two Hundred Forty
24 Thousand and No/Dollars (\$240,000), less any recently incurred unpaid postage expenditures. Upon
25 execution of this Agreement CONTRACTOR shall invoice and COUNTY shall pay an additional One
26 Hundred Thirty-Five Thousand and No/Dollars (\$135,000) to increase the postage account balance to
27 Three Hundred Seventy-Five Thousand and No/Dollars (\$375,000). CONTRACTOR shall maintain the
28 postage deposit account for COUNTY's postage needs throughout the term of this Agreement.

1 CONTRACTOR shall invoice COUNTY monthly for actual postage used. Upon COUNTY's payment of
2 an invoice for actual postage used, the payment shall be applied to COUNTY's deposit account for
3 COUNTY's continuing postage needs. All postage reserve funds will be reconciled monthly and reported
4 to COUNTY in a mutually agreed upon report. All postage reserve funds will be carried forward into
5 each term and refunded in full to the COUNTY at the termination of this Agreement.

6 If at any time during the month, the balance of the postage deposit account drops below Fifty
7 Thousand and No/100 Dollars (\$50,000), CONTRACTOR will advise COUNTY and supply COUNTY
8 with an invoice for postage expended to date for that month as well as all appropriate backup
9 documentation. COUNTY will expedite the processing of the postage invoice. If this should occur two
10 months in a row, COUNTY will amend this Agreement to increase the amount in the postage deposit
11 account by an amount agreed upon by COUNTY and CONTRACTOR. CONTRACTOR will be under no
12 obligation to perform mailing services without a positive postage balance at the time of mailing.

13 **5. INVOICING**

14 CONTRACTOR shall invoice COUNTY's DSS in arrears by the tenth (10th) of each month
15 for expenditures incurred to provide services rendered in the previous month to:

16 DSSInvoices@fresnocountyca.gov. Payments by COUNTY's DSS shall be in arrears, for actual services
17 provided during the preceding month, within forty-five (45) days after receipt, verification, and approval of
18 CONTRACTOR's invoices by COUNTY's DSS. One or more monthly reports shall accompany each
19 invoice, providing supporting documentation of the invoiced expenditures, and be in a form and in such
20 detail as acceptable to the COUNTY's DSS.

21 At the discretion of COUNTY's DSS Director or designee, if an invoice is incorrect or is
22 otherwise not in proper form or detail, COUNTY's DSS Director or designee shall have the right to withhold
23 full payment of the invoice that is incorrect or improper after five (5) days prior written notice or email
24 correspondence to CONTRACTOR. CONTRACTOR agrees to continue to provide services for a period of
25 ninety (90) days after written or email notification of an incorrect or improper invoice. If after the ninety (90)
26 period the invoice(s) is still not corrected to COUNTY's DSS satisfaction, COUNTY or COUNTY's DSS
27 Director or designee may elect to terminate this Agreement, pursuant to the termination provisions stated in
28 Paragraph Three (3) of this Agreement.

1 **6. INDEPENDENT CONTRACTOR:**

2 In performance of the work, duties and obligations assumed by CONTRACTOR under this
3 Agreement, it is mutually understood and agreed that CONTRACTOR, including any and all of the
4 CONTRACTOR'S officers, agents, and employees will at all times be acting and performing as an
5 independent contractor, and shall act in an independent capacity and not as an officer, agent, servant,
6 employee, joint venturer, partner, or associate of the COUNTY. Furthermore, COUNTY shall have no right
7 to control or supervise or direct the manner or method by which CONTRACTOR shall perform its work and
8 function. However, COUNTY shall retain the right to administer this Agreement so as to verify that
9 CONTRACTOR is performing its obligations in accordance with the terms and conditions thereof.

10 CONTRACTOR and COUNTY shall comply with all applicable provisions of law and the
11 rules and regulations, if any, of governmental authorities having jurisdiction over matters the subject
12 thereof.

13 Because of its status as an independent contractor, CONTRACTOR shall have absolutely
14 no right to employment rights and benefits available to COUNTY employees. CONTRACTOR shall be
15 solely liable and responsible for providing to, or on behalf of, its employees all legally-required employee
16 benefits. In addition, CONTRACTOR shall be solely responsible and save COUNTY harmless from all
17 matters relating to payment of CONTRACTOR'S employees, including compliance with Social Security
18 withholding and all other regulations governing such matters. It is acknowledged that during the term of this
19 Agreement, CONTRACTOR may be providing services to others unrelated to the COUNTY or to this
20 Agreement.

21 **7. MODIFICATION**

22 A. Any matters of this Agreement may be modified from time to time by the written
23 consent of all the parties without, in any way, affecting the remainder.

24 B. CONTRACTOR hereby agrees that changes to the compensation under this
25 Agreement may be necessitated by a reduction in funding from State and/or Federal sources.
26 COUNTY'S DSS Director or designee may modify the maximum compensation depending on State and
27 Federal funding availability, as stated in Section Four (4) in this Agreement. CONTRACTOR further
28 understands that this Agreement is subject to any restrictions, limitations or enactments of all legislative

1 bodies which affect the provisions, term, or funding of this Agreement in any manner.

2 **8. NON-ASSIGNMENT**

3 CONTRACTOR shall not assign, transfer or sub-contract this Agreement nor their rights or
4 duties under this Agreement without the prior written consent of the COUNTY or COUNTY's DSS Director
5 or designee. Any transferee, assignee, or subcontractor will be subject to all applicable provisions of this
6 Agreement, and all applicable State and Federal regulations. CONTRACTOR shall be held primarily
7 responsible by the COUNTY for the performance of any transferee, assignee, or subcontractor unless
8 otherwise expressly agreed to in writing by COUNTY. The use of subcontractor by CONTRACTOR shall
9 not entitle CONTRACTOR to any additional compensation than is provided for under this Agreement.

10 **9. HOLD HARMLESS**

11 CONTRACTOR agrees to indemnify, save, hold harmless, and at COUNTY'S request,
12 defend the COUNTY, its officers, agents, and employees from any and all costs and expenses (including
13 attorney's fees and costs), damages, liabilities, claims, and losses occurring or resulting to COUNTY in
14 connection with the performance, or failure to perform, by CONTRACTOR, its officers, agents, or
15 employees under this Agreement, and from any and all costs and expenses (including attorney's fees and
16 costs), damages, liabilities, claims, and losses occurring or resulting to any person, firm, or corporation who
17 may be injured or damaged by the performance, or failure to perform, of CONTRACTOR, its officers,
18 agents, or employees under this Agreement.

19 **10. INSURANCE**

20 Without limiting the COUNTY's right to obtain indemnification from CONTRACTOR or any
21 third parties, CONTRACTOR, at its sole expense, shall maintain in full force and effect, the following
22 insurance policies or a program of self-insurance, including but not limited to, an insurance pooling
23 arrangement or Joint Powers Agreement (JPA) throughout the term of the Agreement:

24 A. **Commercial General Liability**

25 Commercial General Liability Insurance with limits of not less than Two Million Dollars
26 (\$2,000,000.00) per occurrence and an annual aggregate of Four Million Dollars (\$4,000,000.00). This
27 policy shall be issued on a per occurrence basis. COUNTY may require specific coverages including
28 completed operations, products liability, contractual liability, Explosion-Collapse-Underground, fire legal

1 liability or any other liability insurance deemed necessary because of the nature of this contract.

2 B. Automobile Liability

3 Comprehensive Automobile Liability Insurance with limits of not less than One Million
4 Dollars (\$1,000,000.00) per accident for bodily injury and for property damages. Coverage should include
5 any auto used in connection with this Agreement.

6 C. Professional Liability

7 Professional Liability Insurance with Technology Errors and Omissions with limits of not less
8 than One Million Dollars (\$1,000,000.00) per occurrence, One Million Dollars (\$1,000,000.00) aggregate.

9 D. Worker's Compensation

10 A policy of Worker's Compensation insurance as may be required by the California Labor
11 Code.

12 E. Cyber Liability

13 Cyber Liability Insurance, including errors and omissions, identity theft, information security,
14 and privacy injury liability coverage shall include but is not limited to: 1. Third party injury or damage
15 (including loss or corruption of data) arising from a negligent act, error or omission, or a data breach.
16 2. Defense, indemnity, and legal costs associated with regulatory breach (including HIPAA), negligence, or
17 breach of contract. 3. Administrative expenses for forensic expenses and legal services. 4. Crisis
18 management expenses for printing, advertising, mailing of materials, and travel costs of crisis management
19 firm, including notification expenses. 5. Identity event service expenses for identity theft education,
20 assistance, credit file monitoring to mitigate effects of personal identity event, and post-event services.

21 Limit of Cyber Liability Insurance shall be no less than Two Million Dollars (\$2,000,000) per
22 occurrence or claim, Two Million Dollars (\$2,000,000) aggregate.

23 F. Additional Requirements Relating to Insurance

24 CONTRACTOR shall obtain endorsements to the Commercial General Liability insurance
25 naming the County of Fresno, its officers, agents, and employees, individually and collectively, as additional
26 insured, but only insofar as the operations under this Agreement are concerned. Such coverage for
27 additional insured shall apply as primary insurance and any other insurance, or self-insurance, maintained
28 by COUNTY, its officers, agents and employees shall be excess only and not contributing with insurance

1 provided under CONTRACTOR's policies herein. This insurance shall not be cancelled or changed without
2 a minimum of thirty (30) days advance written notice given to COUNTY.

3 CONTRACTOR hereby waives its right to recover from COUNTY, its officers, agents, and
4 employees any amounts paid by the policy of worker's compensation insurance required by this
5 Agreement. CONTRACTOR is solely responsible to obtain any endorsement to such policy that may be
6 necessary to accomplish such waiver of subrogation, but CONTRACTOR's waiver of subrogation under
7 this paragraph is effective whether or not CONTRACTOR obtains such an endorsement.

8 Within Thirty (30) days from the date CONTRACTOR signs and executes this Agreement,
9 CONTRACTOR shall provide certificates of insurance and endorsement as stated above for all of the
10 foregoing policies, as required herein, to the County of Fresno, P.O. Box 1912, Fresno, CA 93718-1219,
11 Attention: Contract Analyst, stating that such insurance coverage has been obtained and is in full force; that
12 the County of Fresno, its officers, agents and employees will not be responsible for any premiums on the
13 policies; that for such worker's compensation insurance the CONTRACTOR has waived its right to recover
14 from the COUNTY, its officers, agents, and employees any amounts paid under the insurance policy and
15 that waiver does not invalidate the insurance policy; that such Commercial General Liability insurance
16 names the County of Fresno, its officers, agents and employees, individually and collectively, as additional
17 insured, but only insofar as the operations under this Agreement are concerned; that such coverage for
18 additional insured shall apply as primary insurance and any other insurance, or self-insurance, maintained
19 by COUNTY, its officers, agents and employees, shall be excess only and not contributing with insurance
20 provided under CONTRACTOR's policies herein; and that this insurance shall not be cancelled or changed
21 without a minimum of thirty (30) days advance, written notice given to COUNTY.

22 In the event CONTRACTOR fails to keep in effect at all times insurance coverage as herein
23 provided, the COUNTY may, in addition to other remedies it may have, suspend or terminate this
24 Agreement upon the occurrence of such event.

25 All policies shall be issued by admitted insurers licensed to do business in the State of
26 California, and such insurance shall be purchased from companies possessing a current A.M. Best, Inc.
27 rating of A FSC VII or better.

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1 **11. CONFLICT OF INTEREST**

2 No officer, employee or agent of the COUNTY who exercises any function or responsibility
3 for planning and carrying out of the services provided under this Agreement shall have any direct or indirect
4 personal financial interest in this Agreement. In addition, no employee of the COUNTY shall be employed
5 by the CONTRACTOR under this Agreement to fulfill any contractual obligations with the COUNTY. The
6 CONTRACTOR shall comply with all Federal, State of California and local conflict of interest laws, statutes
7 and regulations, which shall be applicable to all parties and beneficiaries under this Agreement and any
8 officer, employee, or agent of the COUNTY.

9 **12. NON-DISCRIMINATION**

10 During the performance of this Agreement CONTRACTOR shall not unlawfully discriminate
11 against any employee or applicant for employment, or recipient of services, because of ethnic group
12 identification, gender, gender identity, gender expression, sexual orientation, color, physical disability,
13 mental disability, medical condition, national origin, race, ancestry, marital status, religion, or religious
14 creed, pursuant to all applicable State of California and Federal statutes and regulations.

15 **13. CLEAN AIR AND WATER**

16 In the event the funding under this Agreement exceeds One Hundred Thousand and No/100
17 Dollars (\$100,000), CONTRACTOR shall comply with all applicable standards, orders or requirements
18 issued under the Clear Air Act contained in 42 U.S. Code 7601 et seq; the Clean Water Act contained in 33
19 U.S. Code 1368 et seq.; and any standards, laws and regulations, promulgated thereunder. Under these
20 laws and regulations, CONTRACTOR shall assure:

21 A. No facility shall be utilized in the performance of the Agreement that has been listed on
22 the Environmental Protection Agency (EPA) list of Violating Facilities;

23 B. COUNTY shall be notified prior to execution of this Agreement of the receipt of any
24 communication from the Director, Office of Federal Activities, U.S. EPA indicating that a facility to be
25 utilized in the performance of this Agreement is under consideration to be listed on the EPA list of
26 Violating Facilities;

27 C. COUNTY and U.S. EPA shall be notified about any known violation of the above laws
28 and regulations; and

1 D. This assurance shall be included in every nonexempt subgrant, contract, or
2 subcontract.

3 **14. DRUG-FREE WORKPLACE REQUIREMENTS**

4 For purposes of this paragraph, CONTRACTOR will be referred to as the “grantee.” By
5 drawing funds against this grant award, the grantee is providing the certification that is required by
6 regulations implementing the Drug-Free Workplace Act of 1988, 45 CFR Part 76, Subpart F. These
7 regulations require certification by grantees that they will maintain a drug-free workplace. False certification
8 or violation of the certification shall be grounds for suspension of payments, suspension or termination of
9 grants, or government wide suspension or debarment. CONTRACTOR shall also comply with the
10 requirements of the Drug-Free Workplace Act of 1990 (California Government Code section 8350 et seq.)

11 **15. CERTIFICATION REGARDING DEBARMENT, SUSPENSION, INTELIGIBILITY, AND**
12 **VOLUNTARY EXCLUSION-LOWER TIER COVERED TRANSACTIONS**

13 A. COUNTY and CONTRACTOR recognize that CONTRACTOR is a recipient of Federal
14 funds under the terms of this Agreement. By signing this Agreement, CONTRACTOR agrees to notify
15 COUNTY of any past, present, or future Federal suspension or debarment. By signing this Agreement,
16 CONTRACTOR attests to the best of its knowledge and belief, that it and its principals:

17 1. Are not presently debarred, suspended, proposed for debarment, declared
18 ineligible, or voluntarily excluded by any Federal department or agency; and

19 2. Shall not knowingly enter into any covered transaction with an entity or person
20 who is proposed for debarment under Federal regulations, debarred, suspended, declared ineligible, or
21 voluntarily excluded from participation in such transaction.

22 B. CONTRACTOR shall provide immediate written notice to COUNTY if at any time
23 during the term of this Agreement CONTRACTOR learns that the representations it makes above were
24 erroneous when made or have become erroneous by reason of changed circumstances.

25 C. CONTRACTOR shall include a clause titled “Certification Regarding Debarment,
26 Suspension, Ineligibility, and Voluntary Exclusion – Lower Tier Covered Transactions” and similar in
27 nature to this paragraph in all lower tier covered transactions and in all solicitations for lower tier covered
28 transactions.

1 D. CONTRACTOR shall, prior to soliciting or purchasing goods and services in excess
2 of \$25,000 funded by this Agreement, review and retain the proposed vendor's suspension and
3 debarment status at <https://www.sam.gov/SAM/>.

4 **16. CONFIDENTIALITY**

5 All services performed by CONTRACTOR under this Agreement shall be in strict
6 conformance with all applicable Federal, State of California, and/or local laws and regulations relating to
7 confidentiality including, but not limited to: California Welfare and Institutions Code Sections 10850 and
8 14100.2; the CDSS Manual of Policies and Procedures, Division 19-0000; 45 CFR Sections 205.50 et.
9 seq., and the California Department of Health Care Services (DHCS) Medi-Cal Eligibility Procedures
10 Manual, Section 2H. In addition, all services performed by CONTRACTOR under this Agreement shall also
11 be in conformance with (1) the DHCS Medi-Cal Privacy and Security Agreement between the California
12 DHCS and the County of Fresno that is then in effect, which is by this reference incorporated herein and (2)
13 the Privacy and Security Agreement between the California Department of Social Services (CDSS) and the
14 County of Fresno that is then in effect, which is by this reference incorporated herein. The current versions
15 of both the DHCS and CDSS Privacy and Security agreements are available upon request or can be
16 viewed at: <http://www.co.fresno.ca.us/MediCalPrivacy/>. The purpose of this section is to assure that all
17 personally identifiable information (PII) concerning program recipients shall be kept confidential and shall
18 not be opened to examination, publicized, disclosed, or used for any purpose not directly connected with
19 the administration of the program. CONTRACTOR shall use appropriate administrative, physical, and
20 technical safeguards to protect program recipients' personally identifiable information. Upon discovery of a
21 breach, security incident, intrusion, or unauthorized access, use, or disclosure of program recipients'
22 personally identifiable information, CONTRACTOR shall immediately report to the COUNTY by calling
23 (559) 600-2300 or E-mailing at dssprivacyofficer@fresnocountyca.gov. CONTRACTOR shall certify that all
24 employees, agents, officers and subcontractors have received privacy and security training before
25 accessing any PII and have received refresher training annually that informs them of this contract provision;
26 and that any person knowingly and intentionally violating this provision is guilty of a misdemeanor.

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1 **17. DATA SECURITY**

2 A CONTRACTOR that enters into a contractual relationship with the COUNTY for the
3 purpose of providing services must employ adequate controls and data security measures, both internally
4 and externally to ensure and protect the confidential information and/or data provided to contractor by the
5 COUNTY, preventing the potential loss, misappropriation or inadvertent access, viewing, use or disclosure
6 of COUNTY data including sensitive or personal client information; abuse of COUNTY resources; and/or
7 disruption to COUNTY operations.

8 CONTRACTOR may not connect to or use COUNTY networks/systems via personally
9 owned mobile, wireless or handheld devices unless authorized by COUNTY for telecommuting purposes
10 and provide a secure connection; up to date virus protection and mobile devices must have the remote
11 wipe feature enabled. Computers or computer peripherals including mobile storage devices may not be
12 used (COUNTY or CONTRACTOR device) or brought in for use into the COUNTY's system(s) without prior
13 authorization from COUNTY's Chief Information Officer and/or designee(s).

14 CONTRACTOR may not store COUNTY's private, confidential or sensitive data on any
15 hard-disk drive, portable storage device or remote storage installation unless encrypted according to
16 advance encryption standards (AES of 128 bit or higher).

17 The COUNTY will immediately be notified of any violations, breaches or potential breaches
18 of security related to COUNTY's confidential information, data and/or data processing equipment which
19 stores or processes COUNTY data, internally or externally.

20 COUNTY shall provide oversight to CONTRACTOR's response to all incidents arising from
21 a possible breach of security related to COUNTY's confidential client information. SUBRECIPIENT will be
22 responsible to issue any notification to affected individuals as required by law or as deemed necessary by
23 COUNTY in its sole discretion. CONTRACTOR will be responsible for all costs incurred as a result of
24 providing the required notification.

25 **18. PROPERTY OF COUNTY**

26 CONTRACTOR agrees to take reasonable and prudent steps to ensure the security of
27 any and all said hardware and software provided to it by COUNTY under this Agreement, to maintain
28 replacement-value insurance coverages on said hardware and software of like kind and quality

1 approved by COUNTY.

2 All purchases over Five Thousand Dollars (\$5,000) made during the life of this
3 Agreement that will outlive the life of this Agreement shall be identified as fixed assets with an assigned
4 Fresno County DSS Accounting Inventory Number. These fixed assets shall be retained by COUNTY,
5 as COUNTY property, in the event this Agreement is terminated or upon expiration of this Agreement.
6 CONTRACTOR agrees to participate in an annual inventory of all COUNTY fixed assets and shall be
7 physically present when fixed assets are returned to COUNTY possession at the termination or
8 expiration of this Agreement. CONTRACTOR is responsible for returning to COUNTY all COUNTY
9 owned fixed assets upon the expiration or termination of this Agreement.

10 **19. SINGLE AUDIT CLAUSE**

11 A. If CONTRACTOR expends Seven Hundred Fifty Thousand Dollars (\$750,000) or
12 more in Federal and Federal flow-through monies, CONTRACTOR agrees to conduct an annual audit in
13 accordance with the requirements of the Single Audit Standards as set forth in Office of Management and
14 Budget (OMB) Title 2 of the Code of Federal Regulations Part 200. CONTRACTOR shall submit said audit
15 and management letter to COUNTY. The audit must include a statement of findings or a statement that
16 there were no findings. If there were negative findings, CONTRACTOR must include a corrective action
17 plan signed by an authorized individual. CONTRACTOR agrees to take action to correct any material non-
18 compliance or weakness found as a result of such audit. Such audit shall be delivered to COUNTY's DSS,
19 Administration, for review within nine (9) months of the end of any fiscal year in which funds were expended
20 and/or received for the program. Failure to perform the requisite audit functions as required by this
21 Agreement may result in COUNTY performing the necessary audit tasks, or at COUNTY's option,
22 contracting with a public accountant to perform said audit, or, may result in the inability of COUNTY to enter
23 into future agreements with CONTRACTOR. All audit costs related to this Agreement are the sole
24 responsibility of CONTRACTOR.

25 B. A single audit report is not applicable if all CONTRACTOR's Federal contracts do not
26 exceed the Seven Hundred Fifty Thousand Dollars (\$750,000) requirement or CONTRACTOR's funding is
27 through Drug related Medi-Cal. If a single audit is not applicable, a program audit must be performed and a
28 program audit report with management letter shall be submitted by CONTRACTOR to COUNTY as a

1 minimum requirement to attest to CONTRACTOR's solvency. Said audit report shall be delivered to
2 COUNTY's DSS, Accounting Office, for review no later than nine (9) months after the close of the fiscal
3 year in which the funds supplied through this Agreement are expended. Failure to comply with this Act may
4 result in COUNTY performing the necessary audit tasks or contracting with a qualified accountant to
5 perform said audit. All audit costs related to this Agreement are the sole responsibility of CONTRACTOR
6 who agrees to take corrective action to eliminate any material noncompliance or weakness found as a
7 result of such audit. Audit work performed by COUNTY under this paragraph shall be billed to the
8 CONTRACTOR at COUNTY cost, as determined by COUNTY's Auditor-Controller/Treasurer-Tax
9 Collector.

10 C. CONTRACTOR shall make available all records and accounts for inspection by
11 COUNTY, the State of California, if applicable, the Comptroller General of the United States, the Federal
12 Grantor Agency, or any of their duly authorized representatives, at all reasonable times for a period of at
13 least three (3) years following final payment under this Agreement or the closure of all other pending
14 matters, whichever is later.

15 **20. AUDITS AND INSPECTIONS**

16 The CONTRACTOR shall at any time during business hours, and as often as the COUNTY
17 may deem necessary, make available to the COUNTY for examination all of its records and data with
18 respect to the matters covered by this Agreement. The CONTRACTOR shall, upon request by the
19 COUNTY, permit the COUNTY to audit and inspect all of such records and data necessary to ensure
20 CONTRACTOR'S compliance with the terms of this Agreement.

21 If this Agreement exceeds ten thousand dollars (\$10,000.00), CONTRACTOR shall be
22 subject to the examination and audit of the Auditor General for a period of three (3) years after final
23 payment under contract (Government Code Section 8546.7).

24 In addition, CONTRACTOR shall cooperate and participate with COUNTY's fiscal review
25 process and comply with all final determinations rendered by the COUNTY's fiscal review process. If
26 COUNTY reaches an adverse decision regarding CONTRACTOR's services to consumers, it may result in
27 the disallowance of payment for services rendered; or in additional controls to the delivery of services, or in
28 the termination of this Agreement, at the discretion of COUNTY's DSS Director or designee. If as a result of

1 COUNTY's fiscal review process a disallowance is discovered due to CONTRACTOR's deficiency,
2 CONTRACTOR shall be financially liable for the amount previously paid by COUNTY to CONTRACTOR
3 and this disallowance will be adjusted from CONTRACTOR's future payments, at the discretion of
4 COUNTY's DSS Director or designee. In addition, COUNTY shall have the sole discretion in the
5 determination of fiscal review outcomes, decisions and actions.

6 **21. STATE ENERGY CONSERVATION**

7 CONTRACTOR must comply with the mandatory standard and policies relating to energy
8 efficiency which are contain in the State Energy Conservation Plan issued in compliance with 42 United
9 States (US) Code sections 6321, et. seq.

10 **22. PROHIBITION ON PUBLICITY**

11 None of the funds, materials, property or services provided directly or indirectly under this
12 Agreement shall be used for CONTRACTOR's advertising, fundraising, or publicity (i.e., purchasing of
13 tickets/tables, silent auction donations, etc.) for the purpose of self-promotion.

14 **23. NOTICES**

15 The persons and their addresses having authority to give and receive notices under this
16 Agreement include the following:

17 COUNTY

18 Director, COUNTY OF FRESNO
19 Department of Social Services
P.O. Box 1912
Fresno, CA 93718-1912

CONTRACTOR

Eric Bambury, CEO
Document Fulfillment Services
2930 Ramona Avenue, Suite 100
Sacramento, CA 95826

20 All notices between the COUNTY and CONTRACTOR provided for or permitted under this
21 Agreement must be in writing and delivered either by personal service, by first-class United States mail, by
22 an overnight commercial courier service, or by telephonic facsimile transmission. A notice delivered by
23 personal service is effective upon service to the recipient. A notice delivered by first-class United States
24 mail is effective three COUNTY business days after deposit in the United States mail, postage prepaid,
25 addressed to the recipient. A notice delivered by an overnight commercial courier service is effective one
26 COUNTY business day after deposit with the overnight commercial courier service, delivery fees prepaid,
27 with delivery instructions given for next day delivery, addressed to the recipient. A notice delivered by
28 telephonic facsimile is effective when transmission to the recipient is completed (but, if such transmission is

1 completed outside of COUNTY business hours, then such delivery shall be deemed to be effective at the
2 next beginning of a COUNTY business day), provided that the sender maintains a machine record of the
3 completed transmission. For all claims arising out of or related to this Agreement, nothing in this section
4 establishes, waives, or modifies any claims presentation requirements or procedures provided by law,
5 including but not limited to the Government Claims Act (Division 3.6 of Title 1 of the Government Code,
6 beginning with section 810).

7 **24. GOVERNING LAW**

8 Venue for any action arising out of or related to this Agreement shall only be in Fresno
9 County, California.

10 The rights and obligations of the parties and all interpretation and performance of this
11 Agreement shall be governed in all respects by the laws of the State of California.

12 **25. CHANGE OF LEADERSHIP/MANAGEMENT**

13 In the event of any change in the status of CONTRACTOR's leadership or management,
14 CONTRACTOR shall provide written notice to COUNTY within thirty (30) days from the date of change.
15 Such notification shall include any new leader or manager's name, address and qualifications. "Leadership
16 or management" shall include any employee, member, or owner of CONTRACTOR who either a) directs
17 individuals providing services pursuant to this Agreement, b) exercises control over the manner in which
18 services are provided, or c) has authority over CONTRACTOR's finances.

19 **26. LOBBYING AND POLITICAL ACTIVITY**

20 None of the funds provided under this Agreement shall be used for publicity, lobbying or
21 propaganda purposes designed to support or defeat legislation pending in the Congress of the United
22 States of America or the Legislature of the State of California.

23 CONTRACTOR shall not directly or indirectly use any of the funds under this Agreement for
24 any political activity or to further the election or defeat of any candidate for public office.

25 **27. DISCLOSURE OF SELF-DEALING TRANSACTIONS**

26 This provision is only applicable if the CONTRACTOR is operating as a corporation (a
27 for-profit or non-profit corporation) or if during the term of the agreement, the CONTRACTOR changes
28 its status to operate as a corporation.

1 Members of the CONTRACTOR's Board of Directors shall disclose any self-dealing
2 transactions that they are a party to while CONTRACTOR is providing goods or performing services
3 under this agreement. A self-dealing transaction shall mean a transaction to which the CONTRACTOR
4 is a party and in which one or more of its directors has a material financial interest. Members of the
5 Board of Directors shall disclose any self-dealing transactions that they are a party to by completing and
6 signing a Self-Dealing Transaction Disclosure Form, attached hereto as Exhibit C and incorporated
7 herein by reference, and submitting it to the COUNTY prior to commencing with the self-dealing
8 transaction or immediately thereafter.

9 **28. SEVERABILITY**

10 The provisions of this Agreement are severable. The invalidity or unenforceability of any
11 one provision in the Agreement shall not affect the other provisions.

12 **29. ENTIRE AGREEMENT**

13 This Agreement constitutes the entire agreement between the CONTRACTOR and
14 COUNTY with respect to the subject matter hereof and supersedes all previous Agreement negotiations,
15 proposals, commitments, writings, advertisements, publications, and understanding of any nature
16 whatsoever unless expressly included in this Agreement.

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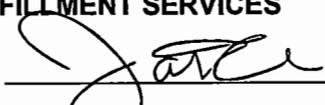
26 ///

27 ///

28 ///

1 IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year
2 first hereinabove written.

3
4 **CONTRACTOR:**
5 **BIT CALIFORNIA, LLC. dba DOCUMENT**
6 **FULFILLMENT SERVICES**

7 By: 
8 Print Name: James Gilbride
9 Title: President

10
11
12 By: 
13 Print Name: Eric Bambury
14 Title: Secretary

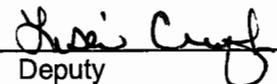
15
16
17 Mailing Address:
18 2930 Ramona Ave, Suite 100
19 Phone No: (916) 374-9002
20 Contact: Eric Bambury, CEO

21 FOR ACCOUNTING USE ONLY:
22 Fund/Subclass: 0001/10000
23 ORG No.: 56107004 / 56107001
24 Account No.: 7295 / 7268
25
26
27
28 DEN:jk

COUNTY OF FRESNO


Nathan Magsig, 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

By: 
Deputy

SUMMARY OF SERVICES

ORGANIZATION: BIT California LLC dba Document Fulfillment Services

SERVICE ADDRESS: 2930 Ramona Ave, Suite 100
Sacramento, CA 95826

SERVICES: Social Services Printing & Mailing

TELEPHONE: (916) 374-9002

CONTACT: Deanna Dockter

EMAIL: ddockter@dfsml.com

A. DESCRIPTION OF SERVICES

BIT California LLC, dba Document Fulfillment Services (CONTRACTOR) shall provide client correspondence printing and mailing services for the County of Fresno Department of Social Services (COUNTY). Systems which generate files for client correspondence include, but are not limited to: CalWIN and the Ventura Automated Collections System (VACS).

CONTRACTOR shall work with COUNTY and any COUNTY vendor, as necessary, to provide printing and mailing services. Some print jobs will be delivered in a batch process on a daily, weekly, or monthly basis. At the COUNTY's request, CONTRACTOR shall work with COUNTY to print and mail miscellaneous jobs requested by COUNTY and based on files provided by COUNTY or another entity.

There are various types of periodic client correspondence that will be printed and mailed out to clients under this Agreement. CONTRACTOR shall use the most economic and efficient process to print and mail correspondence.

B. CONTRACTOR'S RESPONSIBILITIES

1. File types received as source files for the duration of this contract include, but are not limited to, PCL5 and PDF. If a file format is requested outside those mentioned prior, COUNTY will work with CONTRACTOR to determine a mutually appropriate implementation timeline.
2. The files CONTRACTOR receives are typically pre-formatted. COUNTY understands that CONTRACTOR needs to modify each piece to insert objects on the document to automate the mailing process. For example, adding barcodes for tracking or key line information for internal quality control.

3. Documents may be submitted to CONTRACTOR as either simplex (printing on one side) or duplex (printing on both sides). Duplex is defined as laser printing (imaging) done to both sides of a sheet. Duplex printing implies two images per sheet passing through the printer, even if toner is only applied to one side of the sheet. Duplex and simplex printing cannot be mixed. Simplex is defined as laser printing (imaging) done on the front side of a sheet. Simplex and duplex printing cannot be mixed.
4. CONTRACTOR will utilize materials that are most efficient for mail automation and postage discounts based on job type. CONTRACTOR will create a daily summary file of printed correspondence. The file shall contain information as selected by the COUNTY from the metadata in the batch print file. The file shall be in a mutually agreed upon file format and sent to the COUNTY via SFTP or placed on CONTRACTOR's secure SFTP site for pickup by the COUNTY.
5. CONTRACTOR or COUNTY may update transmission methods with updates in technology during the contract period. These changes must be communicated with the CONTRACTOR or COUNTY as quickly as possible, preferably prior to, but no later than 10 business days after changes occur.
6. CONTRACTOR shall charge the correct postage amount and apply the date of mailing to each mail piece based on the weight and agreed upon USPS automation rate category. USPS will periodically change postage amounts and automation rate categories; upon USPS implementation dates, Contractor shall apply the new postage amounts to each mail piece based on the weight and agreed upon USPS automation rate categories.

CONTRACTOR shall apply postage using a meter or permit and apply the date of mailing on the envelope; CONTRACTOR shall be reimbursed for meter or permit postage mail at the 3-digit, AADC automation rate, or similar rate. If USPS postage rate categories change in the future, CONTRACTOR and COUNTY will work together to determine the closest postage rate category to the current category. Postal permit numbers supplied by the individual COUNTY are used for all return envelopes.

The most current automation postage rates are located at <https://pe.usps.com>. It is understood that as USPS postal rates change, the postage rates for this contract will also change and will be located at the referenced website.

7. Inserts
 - a) **Offline Inserts** shall be defined as correspondence previously printed and folded with the intention of being placed in an envelope as the completed product is being inserted. This will be charged as an insert by machine charge.
 - b) **Offline Pre-Printed Inserts** shall be defined where CONTRACTOR performs the printing of the insert prior, and separately inserts the document into the

completed product. This will be charged at the per image pricing for printing, plus the "inserting by machine" fee as referenced in Exhibit B.

- c) **Inline Inserts** shall be defined as correspondence that is printed Inline with, and as a part of, the CalWIN or other welfare data management system documents. These will be charged the per image pricing for printing only.

d) **Minimum Requirement for Inserts**

Most correspondence will be printed on 8.5" X 11" plain white 20# paper stock. The text may be of varying length, printed on both sides of the paper, and possibly ten or more pages. Page size can be no smaller than 8.5" X 11" and no larger than 8.5" by 14". A standard piece (two pages, mailing and return envelopes), without additional inserts, should weigh only slightly more than 1/2- ounce. Documents of varying sizes may need to be inserted into the same envelope. Paper should be close to 20# stock, OCR readable with recycled content. "Printed on recycled paper" shall be printed on all recycled-content paper and envelopes. Mailing envelopes should include pre-printed return address, postal indicia and glassine address windows. If applicable, COUNTY-specified TDD/TTY phone number shall be visible on the front side of the outgoing envelope whether it is printed on the envelope itself or shows through the glassine address window.

There are also once monthly print jobs that create renewal packets for several Social Services programs. These packets may contain between 50 and 100 images each. These are usually mailed in a 9"x12" envelope with a 6.5"x 9.5" return envelope.

8. The price per image for printing and mailing for each image must include the cost of materials (paper, envelopes, etc.) and cost of processing (pickup/courier service, receiving and batching data, printing, folding, inserting, presorting, delivery to the United States Postal Service [USPS], etc.). The price per image will equal to processing and printing one-side of a printed page, and one (1) each outgoing and remit envelope per completed mail piece. The price per image will be subjected to sales tax at the rate where it is produced.
9. Service Levels - Jobs are to be broken into three (3) Service Level Categories:
- a) Daily – Files of this type must be received for mailing services by CONTRACTOR no later than 6 AM Pacific Time for same day mailing.
- b) Monthly or Periodic – The COUNTY may, from time to time, submit print files for processing but expect CONTRACTOR to refrain from mailing until a date in the future.
- c) Special – These jobs are for any type of mailing not defined above. The requests for this type of job will be made in writing from the COUNTY to CONTRACTOR. CONTRACTOR will attach the request as source documentation when invoicing.

d) COUNTY understands that mailing does not occur when the United States Post Office is closed, nor is mailing performed on any Federal holidays.

10. Quality Control Measures

Quality control must be inherent in the process. Duplicated, missing and misprinted documents and inserts and other errors must be identified and remedied before mailing. Mail must be received by USPS that night for next day mailing. Any errors or variation must be reported to the COUNTY immediately. A report including the date and time items were mailed, the unique batch identifier, the number of documents printed, items mailed, inserts included, and postage used will be sent to the COUNTY daily at the completion of the process.

11. Automated Processes and Tracking

Errors not remedied by CONTRACTOR'S quality control, involving 100 or more pieces from a single mailing, will incur a penalty credit in favor of the COUNTY in the amount of \$.05 per letter plus reimbursement of any printing and postage paid by the COUNTY for the subject pieces. This will include client correspondence mailed after the target mailing date. CONTRACTOR must be USPS CASS certified to ensure address cleansing and correction capability, and comply with the Intelligent Mail Barcode requirements. Letters shall be bar-coded and sorted for the best carrier route and delivery point available to maximize postage rate discounts.

12. Mail Addressed to COUNTY's P.O. Box

If requested by COUNTY, CONTRACTOR will process all batch file processes related to COUNTY's P.O. Box electronically so that no physical printing and mailing products, and associated costs, are created. CONTRACTOR will charge a per PDF page cost to create PDF copies of client correspondence and collateral documents with corresponding indexing data by day and by addressee.

13. Miscellaneous

There will be circumstances in which special print, mailing, and document processing jobs will be needed by COUNTY that are not defined in this summary of services. These requests will be made in writing by the COUNTY to the CONTRACTOR. The CONTRACTOR will include these written requests when invoicing for the services, based on agreed upon costs.

14. Meeting Industry Standards

CONTRACTOR shall meet related industry standards when providing services outlined in this scope of services in the following areas, but not limited to, receiving data and processing for USPS, mail piece specifications, letter size and weight of standard letter with envelopes, and reading and processing of the current welfare data management vendor original source files.

15. CONTRACTOR shall provide back-up information to support the billing for each invoice. Documentation supporting all printing and postage expenses must be presented in a mutually agreed upon file format with mutually agreed upon detail.

16. CONTRACTOR's records relating to this Agreement will be made available upon request for inspection by COUNTY.
17. CONTRACTOR shall maintain five years of back up material for all expenses submitted for reimbursement on the electronic claim form.
18. CONTRACTOR shall retain source files and output data for 90 days from file submission from the current CalWIN or other welfare data management system vendor.
19. Evaluation
COUNTY may, at any time, evaluate this program. Adequate notice shall be given to CONTRACTOR of such action, and CONTRACTOR shall be given opportunities to participate and respond in the evaluation process.

Rates by Service

VENDOR: BIT California, LLC d.b.a. Document Fulfillment Services (CONTRACTOR)

MAXIMUM COMPENSATION: \$28,800,000

TERM: July 1, 2019 to June 30, 2022
July 1, 2022 to June 30, 2027 (optional)

Service	Unit of Measure	Unit Price thru 6/30/2022	Unit Price after 6/30/2022
Initial Set-up Charge for PCL5 or PDF Files	each	no charge	no charge
Black & White Printing of PCL5 or PDF Files	per image	\$ 0.03195	\$ 0.03370
Collateral Material Printing	per image	\$ 0.03195	\$ 0.03370
Inline Variable Full Color Printing	per image	\$ 0.03960	\$ 0.04120
Inserting by Machine	each	\$ 0.00700	\$ 0.00700
Inserting by Hand	each	\$ 0.02000	\$ 0.02000
Folding Supplied Material	each	\$ 0.01000	\$ 0.01000
IT Changes / Enhancements	per hour	\$ 85.00000	\$ 85.00000
Extracting, Indexing, and FTP for Mail Addressed to COUNTY's P.O. Box	per image	\$ 0.02200	\$ 0.02200
CASS/NCOA Processing Fee per Record	per record	\$ 0.00600	\$ 0.00600
Online Archival	per image	\$ 0.00200	\$ 0.00200
Online View & Retrieval	per document	\$ 0.01000	\$ 0.01000
Postage	each	at USPS rate	at USPS rate

ERRORS: Errors not remedied by CONTRACTOR'S quality control, involving 100 or more pieces from a single mailing, will incur a penalty credit in favor of the COUNTY in the amount of \$.05 per letter plus reimbursement of any printing and postage paid by the COUNTY for the subject pieces. This will include client correspondence mailed after the target mailing date.

POSTAGE DEPOSIT ACCOUNT (PDA): After the first month of service under this Agreement, the PDA balance will be \$375,000 — which equates to three months of postage costs plus an additional 25% to account for postage rate increases and potential increases in caseload size. CONTRACTOR shall advise COUNTY when PDA balance drops below \$50,000.

SELF-DEALING TRANSACTION DISCLOSURE FORM

In order to conduct business with the County of Fresno (hereinafter referred to as “County”), members of a contractor’s board of directors (hereinafter referred to as “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 utilized 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.
- (5) Form must be signed by the board member that is involved in the self-dealing transaction described in Sections (3) and (4).

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