

STATE OF CALIFORNIA - DEPARTMENT OF GENERAL SERVICES

STANDARD AGREEMENT

STD 213 (Rev. 04/2020)

AGREEMENT NUMBER 00000000000000000000105759	PURCHASING AUTHORITY NUMBER (If Applicable)
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1. This Agreement is entered into between the Contracting Agency and the Contractor named below:

CONTRACTING AGENCY NAME
Department of Cannabis Control

CONTRACTOR NAME
Shaw Law Group, PC

2. The term of this Agreement is:

START DATE
July 1, 2024

THROUGH END DATE
June 30, 2026

3. The maximum amount of this Agreement is:
\$49,375.00 (Forty Nine Thousand Three Hundred Seventy Five Dollars and Zero Cent)

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

Exhibits	Title	Pages
Exhibit A	Scope of Work	8
Exhibit B	Budget Detail and Payment Provisions	4
Exhibit C *	General Terms and Conditions	GTC 04/2017
Exhibit D	Special Terms and Conditions	7

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

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

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

CONTRACTOR

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

Shaw Law Group, PC

CONTRACTOR BUSINESS ADDRESS 425 University Avenue, Suite 200	CITY Sacramento	STATE CA	ZIP 95825
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PRINTED NAME OF PERSON SIGNING Jennifer Shaw	TITLE President
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CONTRACTOR AUTHORIZED SIGNATURE Jennifer Shaw  Digitally signed by Jennifer Shaw Date: 2024.06.24 15:23:04 -07'00'	DATE SIGNED June 24, 2024
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STATE OF CALIFORNIA

CONTRACTING AGENCY NAME
Department of Cannabis Control

CONTRACTING AGENCY ADDRESS 2920 Kilgore Road	CITY Rancho Cordova	STATE CA	ZIP 95670
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PRINTED NAME OF PERSON SIGNING Marie Marcellana	TITLE Procurement Section Manager
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CONTRACTING AGENCY AUTHORIZED SIGNATURE Marcellana, Marie@Cannabis  Digitally signed by Marcellana, Marie@Cannabis Date: 2024.06.24 16:26:13 -07'00'	DATE SIGNED 06/24/2024
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CALIFORNIA DEPARTMENT OF GENERAL SERVICES APPROVAL	EXEMPTION (If Applicable)
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Exhibit A
Scope of Work

1. Service Overview

The contractor shall provide to the California Department of Cannabis Control (DCC, or Department) the services described herein, providing independent disinterested third-party confidential investigation and/or consultation services on an as-requested basis for allegations of policy violations, misconduct, civil rights, legal, administrative, and/or other issues involving Department permanent and/or temporary employees, contractors, interns, and/or other supplemental staff, which may include, but is not limited to, managers and executive level staff.

Services shall be provided from July 1, 2024, through June 30, 2026.

Services shall be a maximum of one hundred twenty-five (125) hours of independent disinterested third-party confidential investigation and/or consultation services and ten (10) hours of travel to DCC Service Location(s).

2. Service Hours

The Contractor is required to perform all services under this Agreement during normal working hours, 8:00am to 5:00pm, Monday through Friday, except State Holidays, when possible. When not possible, service hours must align with DCC staff working days and times. Timing of staff interaction shall comply with all applicable laws, rules, regulations, bargaining contracts, etc.

3. Service Location

The Contractor is required to perform all services under this Agreement on site at the Department, unless directed otherwise by the project representative listed in this Exhibit. Location of staff interaction shall comply with all applicable laws, rules, regulations, bargaining contracts, etc. Travel and expenses for reporting to DCC locations within Sacramento County shall not be reimbursed.

Contractor must comply with all local health and safety, facility, security, clearance, and hoteling requirements.

A. DCC Headquarters:

- 1) 2920 Kilgore Rd, Rancho Cordova, CA 95670

B. DCC – Other Service Locations:

- 1) 2750 Gateway Oaks Dr. Sacramento, CA 95833
- 2) 930 6th St. #100, Eureka, CA 95501
- 3) 630 S. Flower St, Burbank, CA 91502
- 4) 1551 N. Tustin Ave #960, Santa Ana, CA 92705
- 5) 3401 Centre Lake Dr. #580, Ontario, CA 91764
- 6) 500 N Central Ave, Glendale, CA 91203
- 7) 4640 Lankershim Blvd, Los Angeles, CA 91602
- 8) 850 Marina Bay Pkwy, G-365, Richmond, CA 94804

Other telework locations, regional offices, and/or wherever DCC work may be performed may be included.

4. Project Representatives

A. The project representatives during the term of this agreement will be:

Department of Cannabis Control	Shaw Law Group
Po-Wen Leung Telephone: 916-982-9809 E-mail: Po-Wen.Leung@cannabis.ca.gov	Jennifer Shaw Telephone: (916) 640-2240 Email: jshaw@shawlawgroup.com

B. Direct all inquiries to:

Department of Cannabis Control	Shaw Law Group
EEO Officer 2920 Kilgore Rd. Rancho Cordova, CA 95670-6157 Telephone: 916-982-9809 E-mail: EEO@cannabis.ca.gov	Jennifer Shaw 425 University Avenue, Suite 200 Sacramento, CA 95825 Telephone: (916) 640-2240 Email: jshaw@shawlawgroup.com

C. All payments from DCC to the Contractor; shall be sent to the following address:

Remittance Address
Shaw Law Group 425 University Avenue, Suite 200 Sacramento, CA 95825

D. Either party may make changes to the information above by giving written notice to the other party. Said changes shall not require an amendment to this agreement.

5. Background Clearance

If the Contractor must access any confidential information, this provision must be completed prior to implementing any portion of this scope of work. Prior to accessing any confidential information, personal identifying information, personal health information, federal tax information, or financial information, contained in the information systems and devices of Department, or any other information as required by federal and State law or guidance, all staff, including employees, contract or subcontract personnel, vendors or volunteers who perform services under this Agreement must comply with the criminal background check requirements set forth in Government Code section 1043, and its implementing regulations set forth in California Code of Regulations, Title 10, section 6456. Contractor shall bear all costs associated with obtaining clearance for each said employee.

6. Assignment and Reassignment of Personnel

- A. Department must approve all investigators in writing before they commence any services. Department retains sole discretion to withhold its approval or disprove investigators for any reason. Contractor will ensure that any investigators assigned to an investigation complete the investigation unless unexpected circumstances preclude the investigator from completing the investigation.
- B. The Contractor shall not reassign nor substitute personnel assigned to the contract during the contract term without prior written approval of Department. If a Contractor employee is unable to perform duties due to illness, resignation, or other factors beyond the Contractor's control, the Contractor shall make every reasonable effort to provide suitable substitute personnel.

- C. Substitute personnel shall not automatically receive the hourly rate of the individual or position being replaced.
- D. Department reserves the right to request a Contractor employee be removed from performing any work on the contract and, on written notice to the Contractor, the Contractor shall immediately assign a substitute employee and must reasonably mitigate any disruption in project completion.

7. Contractor Roles and Responsibilities

The Contractor shall:

- A. Designate a person to whom all project communications may be addressed and who has the authority to act on all aspects of the contract. This person will be responsible for the overall project and will be the contact for all invoicing and Contractor staffing issues.
- B. Provide written reports for review and approval by Department and formally respond to Department review findings as necessary.
- C. Meet as requested with Department staff to discuss progress.
- D. Make its best efforts to maintain staff continuity throughout the life of the project. If, however, a substitution becomes necessary, the Contractor must submit resumes for review, in advance, for all proposed personnel substitutions. All Contractor personnel substitutions must be approved in writing by Department Representative. Failure to receive the required approvals may result in termination of the contract.
- E. Make its best efforts to maintain confidentiality.
- F. Contractor is responsible for its own operating expenses, overhead and clerical support.

8. Department Roles and Responsibilities

Department shall:

- A. Designate the Department Representative to whom all Contractor communications may be addressed and who has the authority to act on all aspects of the contract.
- B. The Department will provide sufficient access to appropriate levels of staff, business representatives, other users, and department management, as appropriate, to facilitate the performance of investigative tasks and the creation of all deliverables.
- C. Provide access to business and technical documents as necessary for the Contractor to complete the tasks identified in this Agreement.
- D. Ensure appropriate resources are available to perform assigned tasks, attend meetings, and answer questions.
- E. Ensure that decisions are made in a timely manner.
- F. Provide work areas and meeting rooms as needed.

- G. Identify and provide access to Subject Matter Experts to assist in the development of technical requirements.

9. Contract Deliverables

- A. The Contractor understands that all recommendations and contract deliverables must comply with any laws, rules, regulations, contracts, schedules, etc. regarding investigations, investigatory activities, consultations, records retention, and/or other contract activity.
- B. The Contractor shall provide all deliverables within the timeframe specified and required by Department.
- C. The Contractor understands and acknowledges that all deliverables must be reviewed, approved and accepted by Department.
- D. The Contractor understands that any Department requested revisions to any deliverable shall be incorporated by the Contractor within seven (7) calendar days from the date in which Department provided its feedback, unless a different timeframe is required and specified by Department.
- E. In the event Department requires additional refinements and modifications for any deliverable which occurs after that deliverable has been previously accepted by Department, the Contractor shall be required to make the additional revisions until the revised deliverable is accepted and approved by Department.
- F. Reports, attachments, exhibits, and/or other evidence will be provided in Microsoft Word, Excel, PowerPoint, Adobe PDF, mp4, avi, mpg, and/or other electronic and/or physical formats as directed by the Department. This includes processing documents, spreadsheets, presentations, databases, audio and video recordings, transcriptions, etc. Must meet accessibility requirements.
- G. The Contractor shall be paid for services rendered under this Agreement in accordance with Exhibit B – Budget Detail and Payment Provisions.

10. Deliverable Acceptance Criteria

- A. All concluded work must be submitted to Department for review and approval or rejection. It will be Department's sole determination as to whether any tasks have been successfully completed and are acceptable.
- B. Throughout the term of the contract, Department will review and validate services performed. In addition, the Department Representative will verify and approve the Contractor's invoices. Signed acceptance is required from the Department Representative to approve each invoice for payment.
- C. Contractor's recommendations and contract deliverables must comply with any laws, rules, regulations, contracts, schedules, etc. regarding investigations, investigatory activities, consultations, records retention, and/or other contract activity.
- D. Deliverable acceptance criteria shall include, but not be limited to, the following:
 - 1. Deliverable-specific work was completed as specified and the final deliverable product or service was rendered to the satisfaction of the Department;

2. Plans, schedules, designs, documentation, digital files, photographs and reports (deliverables) were completed as specified and approved;
 3. All goods/equipment delivered conform to specifications and quantities, including requirements for special handling and packaging; and operability and functionality;
 4. All deliverable documentation and artifact gathering have been completed and delivered; and
 5. All deliverables are in a format useful to Department.
- E. Department reserves the right to review and inspect all deliverables following Contractor's delivery of each deliverable to Department, and to determine whether the deliverables are satisfactory and conform to Department's specifications. Department may, in its sole discretion, either:
1. reject a deliverable if it fails to conform to the specifications and meet Department's satisfaction or has defects (collectively, "errors"); or
 2. may accept each deliverable if it has no such errors ("acceptance"). Department shall have not less than ten (10) business days from the receipt of the deliverable to either accept or reject the deliverable, unless the parties mutually agree to an alternative deadline.
- F. If Department rejects a deliverable, Department will notify the Contractor in writing via email or otherwise to Contractor's representative with the reason for the rejection and a list of deficiencies. The Contractor shall promptly correct the stated deficiencies and resubmit the corrected deliverable within five (5) business days of receipt of the written notice and list of deficiencies, unless an extension is requested in writing by the Contractor and approved by Department. Contractor shall respond to all of Department's comments, and as appropriate and necessary, incorporate such responses into its resubmission of the deliverable.
- G. After receipt of a corrected deliverable, Department shall again have the opportunity to review the resubmitted deliverable and will provide Contractor with an acceptance of that deliverable or give a notice of continuing deficiency within ten (10) business days. If notice of a continuing deficiency is given, Department will provide the Contractor a description of the deficiencies that continue. If Contractor fails to meet all criteria within the specified timeframes, Department reserves the right to:
1. modify timeframes as necessary (in Department's sole discretion) until Department is satisfied that all deliverables comply with Department's specifications as required by the Agreement; or
 2. terminate this Agreement for cause.
- H. In the event Department fails to review and accept or reject a deliverable within ten (10) business days of receipt or such additional time as the parties may agree, the Contractor shall notify Department of the late response and proceed with performance as if acceptance had been received from Department. However, such failure by Department to respond shall not constitute a formal acceptance of the deliverable by Department. If, in such circumstances, Department subsequently requires material changes to the deliverable, the parties shall fairly consider and mutually agree as to the effect of the untimely rejection or acceptance on the delivery or implementation schedules. In no event shall the Contractor be entitled to any price increase due to the need to correct deficient deliverables as identified by Department.

Such reviews and resubmissions shall not be construed as a waiver of any deliverable or obligation to be performed under this Agreement, nor of any scheduled deliverable due date, nor any rights or remedies provided by law or through this Agreement. Additionally, Department's waiver of, or lack of objection to, a deficiency with respect to a particular deliverable or obligation shall not be construed to be a waiver of the same or a similar deficiency or obligation with respect to any other deliverable.

- I. As used in this section, the term "continuing deficiency" shall be limited to:
 - 1. Inadequate resolution, in the reasonable judgment of Department, of the items raised during the previous Department review;
 - 2. Related issues which were tied to or created by the method of resolving the previous Department comments;
 - 3. Items which could not be thoroughly tested or reviewed by Department because of an inadequate, incorrect or incomplete deliverable, previously submitted, which was identified as inadequate, incorrect or incomplete by Department's previous written comments; and
 - 4. Omissions of parts of a deliverable.

- J. Unless otherwise agreed upon by Department, Contractor shall not delay the resubmission of a previously rejected deliverable to include the introduction of new items identified by the Contractor during subsequent reviews. Any such new items, including those items which could have been identified by a thorough review of a previously submitted deliverable, shall be considered separately under the following review process. In such circumstances, Contractor shall introduce new items to Department for review, and if the parties mutually agree upon the material revision of a deliverable, the parties shall fairly consider and mutually agree as to the effect of the new items on the deliverable(s) or implementation schedules.

- K. If deliverables are not submitted to the satisfaction of Department and Department terminates the contract, the Contractor may be held liable for any additional costs, including, but not limited to, the costs of administration and rebidding of the work to be completed. Unless otherwise agreed upon by Department, in no event shall the Contractor be entitled to any price increase due to any rejections, delays, resubmissions, or agreed-upon modifications of deliverables pursuant to this Section.

11. Services and tasks to be performed

- A. Provide independent disinterested third-party confidential investigation and/or consultation services on an as-requested basis for allegations of policy violations, misconduct, civil rights, legal, administrative, and/or other issues involving Department permanent and/or temporary employees, contractors, interns, and/or other supplemental staff, which may include, but is not limited to, managers and executive level staff.
 - 1. Performing any necessary legal research, investigatory interviews [virtually and/or at DCC Service Location(s), whichever is appropriate], and review of all pertinent documents, files, and other media.
 - 2. Contractor must have access to, and used in the performance of this contract, web-based meeting applications, such as Webex, Microsoft TEAMS, or Zoom, and must have recording ability. Meeting platform(s) will be mutually agreed during the performance of the Contract.
 - 3. Interviews must be recorded and transcribed.

4. Contractor must timely and appropriately schedule, collect, and process testimony and evidence in compliance with any Departmental, and/or legal directives, and/or health and safety protocols, for example, Chain of Custody.
 5. Determine the most appropriate investigative method(s) to be used for each investigation in conjunction with designated Department Representatives.
- B. Delivering to the Department coherent and comprehensive investigative report(s), and all associated content gathered, procured, and/or created as part of the investigation, on the factual findings to the Department based on unbiased, impartial, and professional evaluation of the evidence. All reports must clearly articulate substantiated and unsubstantiated findings for each allegation, and its evidence- based justification. These reports will be produced pursuant to mutually agreed upon deadlines.
1. Preparing an Investigative Report and submitting it to the EEO Office, Director's Office, Executive Division, Administration Division, Legal Affairs Division, and/or others.
 - a. Contractor should expect to provide a draft prior to approval. Contractor should plan to meet with the Department's stakeholders to discuss the draft and final documents.
 - b. Any written report will be subject to review and acceptance by the Department.
 2. A summary of the allegation(s) and/or employee conduct being investigated;
 3. The detailed methodology utilized in conducting and the actions taken in furtherance of the investigation;
 4. List and discuss individuals interviewed and provide an opinion as to their credibility;
 5. Compile and analyze investigatory facts and determine whether the allegations are substantiated or not substantiated;
 6. Thoroughly and completely outline the findings and substantiate how the investigator arrived at conclusions;
 7. Provide supporting documentation such as transcriptions of recorded interviews, surveillance recordings, and any other substantiating evidentiary material that supports the conclusions.
- C. Communicate with designated Department Representatives
1. Meeting with designated Department staff regarding the nature and scope of the investigation; information and evidence collected; investigative findings; and investigative work products and to discuss the Investigative Report; and
 2. Contractor assigned investigator(s) must disclose to the Department any conflict(s) of interest, ethical issues, personal, financial and/or familial relations, etc.
 3. Complete and provide an investigative plan detailing the issues to be investigated, witnesses to be interviewed, evidence to be collected and reviewed, and an estimated timeline for the investigation. Discuss with Department and revise if there are any changes.
 4. Provide written notification to the Contract Manager or designee if either the lead investigator or representative is replaced.

5. Update the Contract Manager or designee on a weekly basis during an active investigation.
6. Provide written notification to the Contract Manager or designee if unable to complete the investigation and submit the report by the mutually agreed due date, and timely engage in negotiating a new due date.

- D. Retain all materials gathered as part of the investigation, including, but not limited to analog and/or digital recordings, photographs, tapes, notes, documents, and reports, at the end of the investigation for a period of four years.

12. Other Requirements

Contractor shall:

- A. Comply with all federal, state, and local laws, statutes, ordinances, rules and regulations in conducting all investigations and investigatory activities;
- B. Have experience or familiarity with scientific laboratory settings;
- C. Travel to locations throughout California to conduct investigations, where required;
- D. Not release any information gathered during any investigation except under the express written permission of the Department, a subpoena, or court order; and
- E. Once the investigation is closed, Contractor shall contact the Department for permission to destroy the file or, in the alternative, forward all records to the Department.

Exhibit B
Budget Detail and Payment Provisions

1. Invoicing and Payment

- A. In no event shall the Contractor request reimbursement from the State for obligations entered into or for costs incurred prior to the commencement date or after the expiration of this Agreement.
- B. For services satisfactorily rendered, and upon receipt and approval of the invoices, the State agrees to compensate the Contractor for actual expenditures incurred in accordance with the Budget Line Items amounts/Exhibit B, Cost Sheet specified in Attachment C, of this Exhibit.
- C. Invoices shall include the Agreement Number and shall be submitted monthly in arrears to:

Po-Wen Leung
EEO Office
Department of Cannabis Control
2920 Kilgore Road
Rancho Cordova, CA 95670
EEO@cannabis.ca.gov (email preferred)

- D. Invoice shall:
 - 1) All invoices from the Contractor must have the following information in a table or chart format. The EEO Office may request to revise the following content on the invoice at any time.

Investigation #(s)	
Contract #	105759
State Fiscal Year	
Division	Executive
Branch / Unit	EEO Office
BU	1115
FUND	3288
REF	1
Reporting Structure	11150120
Program	1460010
DGS CAN	57901
PRU	592-120
Account/Alt Account	5340580 / 5340580000
Date Received	
Date Submitted	
Approved by	
Signature:	

- 2) Be prepared on Contractor letterhead. If invoices are not on produced letterhead invoices must be signed by an authorized official, employee or agent certifying that the expenditures claimed represent activities performed and are in accordance with Exhibit A.
- 3) Invoices must be submitted to DCC either electronically or in hard copies (electronic preferred for most prompt payment).

- 4) Identify the billing and/or performance period covered by the invoice.
- 5) Itemize costs for the billing period in the same or greater level of detail as indicated in this agreement. Subject to the terms of this agreement, reimbursement may only be sought for those costs and/or cost categories expressly identified as allowable in this agreement and approved by DCC.

E. Amounts Payable

The amounts payable under this agreement shall not exceed: **\$49,375.00**

- 1) \$44,635.00 for the budget period of 07/01/2024 through 6/30/2025.
- 2) \$4,740.00 for the budget period of 07/01/2025 through 6/30/2026.

F. Rates Payable:

Contractor will be reimbursed for services satisfactorily performed based on the following rate schedule:

Fiscal Year	Service Description	Estimated Hours	Unit Cost	Total
24/25	Investigation	105	\$395	\$41,475.00
24/25	Travel to/from DCC locations	8	\$395	\$3,160.00
Year 1 Total:				\$44,635.00
Fiscal Year	Service Description	Estimated Hours	Unit Cost	Total
25/26	Investigation	10	\$395	\$3,950.00
25/26	Travel to/from DCC locations	2	\$395	\$790.00
Year 2 Total:				\$4,740.00
GRAND TOTAL:				\$49,375.00

2. Budget Contingency Clause

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

3. Prompt Payment Clause

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

4. Timely Submission of Final Invoice

A final undisputed invoice shall be submitted for payment no more than thirty (30) calendar days following the expiration or termination date of this agreement, unless a later or alternate deadline is agreed to in writing by the program contract manager. Said invoice should be clearly marked "Final Invoice", indicating that all payment obligations of the State under this agreement have ceased and that no further payments are due or outstanding. The State may, at its discretion, choose not to honor any delinquent final invoice if the Contractor fails to obtain prior written State approval of an alternate final invoice submission deadline.

5. Expense Allowability / Fiscal Documentation

- A. Invoices, received from the Contractor and accepted for payment by the State, shall not be deemed evidence of allowable agreement costs.
- B. Contractor shall maintain for review and audit and supply to DCC upon request, adequate documentation of all expenses claimed pursuant to this agreement to permit a determination of expense allowability.
- C. If the allowability of an expense cannot be determined by the State because invoice detail, fiscal records, or backup documentation is nonexistent or inadequate according to generally accepted accounting principles or practices, all questionable costs may be disallowed and payment may be withheld by the State. Upon receipt of adequate documentation supporting a disallowed or questionable expense, reimbursement may resume for the amount substantiated and deemed allowable.

6. Recovery of Overpayments

- A. Contractor agrees that claims based upon the terms of this agreement or an audit finding and/or an audit finding that is appealed and upheld, will be recovered by the State by one of the following options:
 - 1) Contractor's remittance to the State of the full amount of the audit exception within 30 days following the State's request for repayment;
 - 2) A repayment schedule agreeable between the State and the Contractor.
- B. The State reserves the right to select which option as indicated above in paragraph A will be employed and the Contractor will be notified by the State in writing of the claim procedure to be utilized.
- C. Interest on the unpaid balance of the audit finding or debt will accrue at a rate equal to the monthly average of the rate received on investments in the Pooled Money Investment Fund commencing on the date that an audit or examination finding is mailed to the Contractor, beginning 30 days after Contractor's receipt of the State's demand for repayment.
- D. If the Contractor has filed a valid appeal regarding the report of audit findings, recovery of the overpayments will be deferred until a final administrative decision on the appeal has been reached. If the Contractor loses the final administrative appeal, Contractor shall repay, to the State, the over-claimed or disallowed expenses, plus accrued interest. Interest accrues from the Contractor's first receipt of State's notice requesting reimbursement of questioned audit costs or disallowed expenses.

7. Progress Payment Withholds

- A. In accordance with the PCC Section 12112, the state shall withhold, from the total amount or from the invoiced payment amount to the Contractor, an amount equal to ten percent (10%) of the payment. Such retained amount shall be held by the State and only released to the Contractor upon the States Project Representative/Contract Manager determining that the Contractor has satisfactorily completed all of the required services related to the services within the scope of work.
- B. Progress payments may not be made more frequently than monthly in arrears for work performed and costs incurred in the performance of the Agreement. In the aggregate, progress payments may not exceed 90 percent of the total agreement amount, regardless of agreement length.
- C. Ten percent (10%) may be withheld by DCC from each invoice submitted for reimbursement, under the following conditions:
 - 1) For services and costs associated with contractor and/or subcontractor performance that is considered to be of an ongoing nature or performed continuously throughout the term of the Agreement.
 - 2) For individual services associated with a specific agreement deliverable that has not yet been received or completed in its entirety.
 - 3) For individual and/or distinct tasks, work plans, or project activities that have not yet been completed in their entirety.
- D. Release of Amounts Withheld

As individual and/or distinct tasks, services, work plans, or project activities are completed in their entirety by either the Contractor or Subcontractor and any scheduled/required deliverables or reports are delivered to DCC; then any funds so withheld may be released to the Contractor upon acceptance and/or acknowledgement that all such items have been completed to the full satisfaction of DCC.

- E. Payment Requests Excluded from the 10 Percent (10%) Withhold

Ten percent (10%) payment withholds shall not be applied to reimbursements or periodic payment requests for direct costs associated with equipment purchases, media buys, operating expense items, and other procurements not directly associated with the Contractor's personal performance.

8. Travel and Per Diem Reimbursement

Any reimbursement for necessary travel and per diem shall, unless otherwise specified in this Agreement, be at the rates currently in effect, as established by the California Department of Human Resources ([Cal HR](#)). If the Cal HR rates change during the term of the Agreement, the new rates shall apply upon their effective date and no amendment to this Agreement shall be necessary. No travel outside the state of California shall be reimbursed without prior authorization from the DCC. Verbal authorization should be confirmed in writing. Written authorization may be in a form including email confirmation.

Exhibit D
Special Terms and Conditions

1. Cancellation

- A. This agreement may be cancelled by DCC **without cause** upon 30 calendar days advance written notice to the Contractor.
- B. DCC reserves the right to cancel or terminate this agreement immediately for cause. The Contractor may submit a written request to terminate this agreement only if DCC substantially fails to perform its responsibilities as provided herein.
- C. The term “for cause” shall mean that the Contractor fails to meet the terms, conditions, and/or responsibilities of this agreement.
- D. Agreement cancellation or termination shall be effective as of the date indicated in DCC’s notification to the Contractor. The notice shall stipulate any final performance, invoicing or payment requirements.
- E. Upon receipt of a notice of cancellation or termination, the Contractor shall take immediate steps to stop performance and to cancel or reduce subsequent agreement costs.
- F. In the event of early cancellation or termination, the Contractor shall be entitled to compensation for services performed satisfactorily under this agreement and expenses incurred up to the date of cancellation and any non-cancelable obligations incurred in support of this agreement.

2. Intellectual Property Rights

A. Ownership

- 1. Except where DCC has agreed in a signed writing to accept a license, DCC shall be and remain, without additional compensation, the sole owner of any and all rights, title and interest in all Intellectual Property, from the moment of creation, whether or not jointly conceived, that are made, conceived, derived from, or reduced to practice by Contractor or DCC and which result directly or indirectly from this Agreement.
- 2. For the purposes of this Agreement, Intellectual Property means recognized protectable rights and interest such as: patents, (whether or not issued) copyrights, trademarks, service marks, applications for any of the foregoing, inventions, trade secrets, trade dress, logos, insignia, color combinations, slogans, moral rights, right of publicity, author’s rights, contract and licensing rights, works, mask works, industrial design rights, rights of priority, know how, design flows, methodologies, devices, business processes, developments, innovations, good will and all other legal rights protecting intangible proprietary information as may exist now and/or here after come into existence, and all renewals and extensions, regardless of whether those rights arise under the laws of the United States, or any other state, country or jurisdiction.
- 3. For the purposes of the definition of Intellectual Property, “works” means all literary works, writings and printed matter including the medium by which they are recorded or reproduced, photographs, art work, pictorial and graphic representations and works of a similar nature, film, motion pictures, digital images, animation cells, and other audiovisual works including positives and negatives thereof, sound recordings, tapes, educational materials, interactive videos and any other materials or products created, produced, conceptualized and fixed in a tangible medium of expression. It includes preliminary and final products and any materials and

information developed for the purposes of producing those final products. Works does not include articles submitted to peer review or reference journals or independent research projects.

4. In the performance of this Agreement, Contractor will exercise and utilize certain of its Intellectual Property in existence prior to the effective date of this Agreement. In addition, under this Agreement, Contractor may access and utilize certain of DCC's Intellectual Property in existence prior to the effective date of this Agreement. Except as otherwise set forth herein, Contractor shall not use any of DCC's Intellectual Property now existing or hereafter existing for any purposes without the prior written permission of DCC. **Except as otherwise set forth herein, neither the Contractor nor DCC shall give any ownership interest in or rights to its Intellectual Property to the other Party.** If during the term of this Agreement, Contractor accesses any third-party Intellectual Property that is licensed to DCC, Contractor agrees to abide by all license and confidentiality restrictions applicable to DCC in the third-party's license agreement.
5. Contractor agrees to cooperate with DCC in establishing or maintaining DCC's exclusive rights in the Intellectual Property, and in assuring DCC's sole rights against third parties with respect to the Intellectual Property. If the Contractor enters into any agreements or subcontracts with other parties in order to perform this Agreement, Contractor shall require the terms of the Agreement(s) to include all Intellectual Property provisions. Such terms must include, but are not limited to, the subcontractor assigning and agreeing to assign to DCC all rights, title and interest in Intellectual Property made, conceived, derived from, or reduced to practice by the subcontractor, Contractor or DCC and which result directly or indirectly from this Agreement or any subcontract.
6. Contractor further agrees to assist and cooperate with DCC in all reasonable respects, and execute all documents and, subject to reasonable availability, give testimony and take all further acts reasonably necessary to acquire, transfer, maintain, and enforce DCC's Intellectual Property rights and interests.

B. Retained Rights / License Rights

1. Except for Intellectual Property made, conceived, derived from, or reduced to practice by Contractor or DCC and which result directly or indirectly from this Agreement, Contractor shall retain title to all of its Intellectual Property to the extent such Intellectual Property is in existence prior to the effective date of this Agreement. Contractor hereby grants to DCC, without additional compensation, a permanent, non-exclusive, royalty free, paid-up, worldwide, irrevocable, perpetual, non-terminable license to use, reproduce, manufacture, sell, offer to sell, import, export, modify, publicly and privately display/perform, distribute, and dispose Contractor's Intellectual Property with the right to sublicense through multiple layers, for any purpose whatsoever, to the extent it is incorporated in the Intellectual Property resulting from this Agreement, unless Contractor assigns all rights, title and interest in the Intellectual Property as set forth herein.
2. Nothing in this provision shall restrict, limit, or otherwise prevent Contractor from using any ideas, concepts, know-how, methodology or techniques related to its performance under this Agreement, provided that Contractor's use does not infringe the patent, copyright, trademark rights, license or other Intellectual Property rights of DCC or third party, or result in a breach or default of any provisions of this Exhibit or result in a breach of any provisions of law relating to confidentiality.

C. Copyright

1. Contractor agrees that for purposes of copyright law, all works [as defined in Section a, subparagraph (2)(a)] of authorship made by or on behalf of Contractor in connection with Contractor's performance of this Agreement shall be deemed "works made for hire". Contractor further agrees that the work of each person utilized by Contractor in connection with the performance of this Agreement will be a "work made for hire," whether that person is an employee of Contractor or that person has entered into an agreement with Contractor to perform the work. Contractor shall enter into a written agreement with any such person that: (i) all work performed for Contractor shall be deemed a "work made for hire" under the Copyright Act and (ii) that person shall assign all right, title, and interest to DCC to any work product made, conceived, derived from, or reduced to practice by Contractor or DCC and which result directly or indirectly from this Agreement.
2. All materials, including, but not limited to, visual works or text, reproduced or distributed pursuant to this Agreement that include Intellectual Property made, conceived, derived from, or reduced to practice by Contractor or DCC and which result directly or indirectly from this Agreement, shall include DCC's notice of copyright, which shall read in 3mm or larger typeface: "© [Enter Current Year e.g., 2007, etc.], Department of Cannabis Control. This material may not be reproduced or disseminated without prior written permission from the Department of Cannabis Control." This notice should be placed prominently on the materials and set apart from other matter on the page where it appears. Audio productions shall contain a similar audio notice of copyright.

D. Patent Rights

With respect to inventions made by Contractor in the performance of this Agreement, which did not result from research and development specifically included in the Agreement's scope of work, Contractor hereby grants to DCC a license as described under Paragraph b of this provision for devices or material incorporating or made through the use of such inventions. If such inventions result from research and development work specifically included within the Agreement's scope of work, then Contractor agrees to assign to DCC, without additional compensation, all its right, title and interest in and to such inventions and to assist DCC in securing United States and foreign patents with respect thereto.

E. Third-Party Intellectual Property

Except as provided herein, Contractor agrees that its performance of this Agreement shall not be dependent upon or include any Intellectual Property of Contractor or third party without first: (i) obtaining DCC's prior written approval; and (ii) granting to or obtaining for DCC, without additional compensation, a license, as described in Paragraph b of this provision, for any of Contractor's or third-party's Intellectual Property in existence prior to the effective date of this Agreement. If such a license upon these terms is unattainable, and DCC determines that the Intellectual Property should be included in or is required for Contractor's performance of this Agreement, Contractor shall obtain a license under terms acceptable to DCC.

F. Warranties

1. Contractor represents and warrants that:
 - a. It is free to enter into and fully perform this Agreement.

- b. It has secured and will secure all rights and licenses necessary for its performance of this Agreement.
 - c. Neither Contractor's performance of this Agreement, nor the exercise by either Party of the rights granted in this Agreement, nor any use, reproduction, manufacture, sale, offer to sell, import, export, modification, public and private display/performance, distribution, and disposition of the Intellectual Property made, conceived, derived from, or reduced to practice by Contractor or DCC and which result directly or indirectly from this Agreement will infringe upon or violate any Intellectual Property right, non-disclosure obligation, or other proprietary right or interest of any third-party or entity now existing under the laws of, or hereafter existing or issued by, any state, the United States, or any foreign country. There is currently no actual or threatened claim by any such third party based on an alleged violation of any such right by Contractor.
 - d. Neither Contractor's performance nor any part of its performance will violate the right of privacy of or constitute a libel or slander against any person or entity.
 - e. It has secured and will secure all rights and licenses necessary for Intellectual Property including, but not limited to, consents, waivers or releases from all authors of music or performances used, and talent (radio, television and motion picture talent), owners of any interest in and to real estate, sites, locations, property or props that may be used or shown.
 - f. It has not granted and shall not grant to any person or entity any right that would or might derogate, encumber, or interfere with any of the rights granted to DCC in this Agreement.
 - g. It has appropriate systems and controls in place to ensure that state funds will not be used in the performance of this Agreement for the acquisition, operation or maintenance of computer software in violation of copyright laws.
 - h. It has no knowledge of any outstanding claims, licenses or other charges, liens, or encumbrances of any kind or nature whatsoever that could affect in any way Contractor's performance of this Agreement.
2. DCC MAKES NO WARRANTY THAT THE INTELLECTUAL PROPERTY RESULTING FROM THIS AGREEMENT DOES NOT INFRINGE UPON ANY PATENT, TRADEMARK, COPYRIGHT OR THE LIKE, NOW EXISTING OR SUBSEQUENTLY ISSUED.

G. Intellectual Property Indemnity

1. Contractor shall indemnify, defend and hold harmless DCC and its licensees and assignees, and its officers, directors, employees, agents, representatives, successors, and users of its products, ("Indemnitees") from and against all claims, actions, damages, losses, liabilities (or actions or proceedings with respect to any thereof), whether or not rightful, arising from any and all actions or claims by any third party or expenses related thereto (including, but not limited to, all legal expenses, court costs, and attorney's fees incurred in investigating, preparing, serving as a witness in, or defending against, any such claim, action, or proceeding, commenced or threatened) to which any of the Indemnitees may be subject, whether or not Contractor is a party to any pending or threatened litigation, which arise out of or are related to (i) the incorrectness or breach of any of the representations, warranties, covenants or agreements of Contractor pertaining to Intellectual Property; or (ii) any Intellectual Property infringement, or any other type of actual or alleged infringement claim, arising out of DCC's use, reproduction, manufacture, sale, offer to sell, distribution, import, export, modification, public and private performance/display, license, and disposition of the Intellectual Property made, conceived,

derived from, or reduced to practice by Contractor or DCC and which result directly or indirectly from this Agreement. This indemnity obligation shall apply irrespective of whether the infringement claim is based on a patent, trademark or copyright registration that issued after the effective date of this Agreement. DCC reserves the right to participate in and/or control, at Contractor's expense, any such infringement action brought against DCC.

2. Should any Intellectual Property licensed by the Contractor to DCC under this Agreement become the subject of an Intellectual Property infringement claim, Contractor will exercise its authority reasonably and in good faith to preserve DCC's right to use the licensed Intellectual Property in accordance with this Agreement at no expense to DCC. DCC shall have the right to monitor and appear through its own counsel (at Contractor's expense) in any such claim or action. In the defense or settlement of the claim, Contractor may obtain the right for DCC to continue using the licensed Intellectual Property; or, replace or modify the licensed Intellectual Property so that the replaced or modified Intellectual Property becomes non-infringing provided that such replacement or modification is functionally equivalent to the original licensed Intellectual Property. If such remedies are not reasonably available, DCC shall be entitled to a refund of all monies paid under this Agreement, without restriction or limitation of any other rights and remedies available at law or in equity.
3. Contractor agrees that damages alone would be inadequate to compensate DCC for breach of any term of this Intellectual Property Exhibit by Contractor. Contractor acknowledges DCC would suffer irreparable harm in the event of such breach and agrees DCC shall be entitled to obtain equitable relief, including without limitation an injunction, from a court of competent jurisdiction, without restriction or limitation of any other rights and remedies available at law or in equity.

H. Federal Funding

In any agreement funded in whole or in part by the federal government, DCC may acquire and maintain the Intellectual Property rights, title, and ownership, which results directly or indirectly from the Agreement; except as provided in 37 Code of Federal Regulations part 401.14; however, the federal government shall have a non-exclusive, nontransferable, irrevocable, paid-up license throughout the world to use, duplicate, or dispose of such Intellectual Property throughout the world in any manner for governmental purposes and to have and permit others to do so.

I. Survival

The provisions set forth herein shall survive any termination or expiration of this Agreement or any project schedule.

3. Confidentiality of Information

- A. The Contractor and its employees, agents, or subcontractors shall protect from unauthorized disclosure names and other identifying information concerning persons either receiving services pursuant to this Agreement or persons whose names or identifying information become available or are disclosed to the Contractor, its employees, agents, or subcontractors as a result of services performed under this Agreement, except for statistical information not identifying any such person.
- B. The Contractor and its employees, agents, or subcontractors shall not use such identifying information for any purpose other than carrying out the Contractor's obligations under this Agreement.

- C. The Contractor and its employees, agents, or subcontractors shall promptly transmit to the DCC Division Contract Manager all requests for disclosure of such identifying information not emanating from the client or person.
- D. The Contractor shall not disclose, except as otherwise specifically permitted by this Agreement or authorized by the client, any such identifying information to anyone other than DCC without prior written authorization from the DCC Division Contract Manager, except if disclosure is required by State or Federal law.
- E. For purposes of this provision, identity shall include, but not be limited to name, identifying number, symbol, or other identifying particular assigned to the individual, such as finger or voice print or a photograph.
- F. As deemed applicable by DCC, this provision may be supplemented by additional terms and conditions covering personal health information (PHI) or personal, sensitive, and/or confidential information (PSCI). Said terms and conditions will be outlined in one or more exhibits that will either be attached to this Agreement or incorporated into this Agreement by reference.

4. Dispute Resolution Process

A Contractor grievance exists whenever there is a dispute arising from DCC's action in the administration of an agreement. If there is a dispute or grievance between the Contractor and DCC, the Contractor must seek resolution using the procedure outlined below.

- A. The Contractor should first informally discuss the problem with the DCC Division Contract Manager. If the problem cannot be resolved informally, the Contractor shall direct its grievance together with any evidence, in writing, to the Division Branch Chief. The grievance shall state the issues in dispute, the legal authority or other basis for the Contractor's position and the remedy sought. The Branch Chief shall render a decision within ten (10) working days after receipt of the written grievance from the Contractor. The Branch Chief shall respond in writing to the Contractor indicating the decision and reasons therefore. If the Contractor disagrees with the Branch Chief's decision, the Contractor may appeal to the second level.
- B. When appealing to the second level the Contractor must prepare an appeal indicating the reasons for disagreement with the Branch Chief's decision. The Contractor shall include with the appeal a copy of the Contractor's original statement of dispute along with any supporting evidence and a copy of the Branch Chief's decision. The appeal shall be addressed to the Deputy Director of the division in which the branch is organized within ten (10) working days from receipt of the Branch Chief's decision. The Deputy Director of the division in which the branch is organized, or his/her designee shall meet with the Contractor to review the issues raised. A written decision signed by the Deputy Director of the division in which the branch is organized, or his/her designee shall be directed to the Contractor within twenty (20) working days of receipt of the Contractor's second level appeal. The decision rendered by the Deputy Director or his/her designee shall be the final administrative determination of the Department.
- C. Unless otherwise stipulated in writing by DCC, all dispute, grievance and/or appeal correspondence shall be directed to the DCC Division Contract Manager.
- D. There are organizational differences within DCC's funding, and the management levels identified in this dispute resolution provision may not apply in every contractual situation. When a grievance is received and organizational differences exist, the Contractor shall be notified in writing by the DCC Division Contract Manager of the level, name, and/or title of the appropriate management official that is responsible for issuing a decision at a given level.

5. Excise Tax

The State of California is exempt from federal excise taxes, and no payment will be made for any taxes levied on employees' wages. The State will pay for any applicable State of California or local sales or use taxes on the services rendered or equipment or parts supplied pursuant to this Agreement. California may pay any applicable sales and use tax imposed by another state.

6. Americans with Disabilities Act

The Contractor agrees to ensure that deliverables developed and produced, pursuant to this Agreement shall comply with the accessibility requirements of Sections 7405 and 11135 of the California Government Code, Section 508 of the Rehabilitation Act of 1973 as amended (29 U.S.C. § 794d), regulations implementing the Rehabilitation Act of 1973 as set forth in Part 1194 of Title 36 of the Code of Federal Regulations, and the Americans with Disabilities Act of 1990 (42 U.S.C. § 12101 et seq.). In 1998, Congress amended the Rehabilitation Act of 1973 to require Federal agencies to make their electronic and information technology (EIT) accessible to people with disabilities. California Government Code Sections 7405 and 11135 codifies Section 508 of the Rehabilitation Act of 1973 requiring accessibility of EIT.

7. Executive Order N-6-22 – Russia Sanctions

On March 4, 2022, Governor Gavin Newsom issued Executive Order N-6-22 (the EO) regarding Economic Sanctions against Russia and Russian entities and individuals. "Economic Sanctions" refers to sanctions imposed by the U.S. government in response to Russia's actions in Ukraine, as well as any sanctions imposed under state law. The EO directs state agencies to terminate contracts with, and to refrain from entering any new contracts with, individuals or entities that are determined to be a target of Economic Sanctions. Accordingly, should the State determine Contractor is a target of Economic Sanctions or is conducting prohibited transactions with sanctioned individuals or entities, that shall be grounds for termination of this agreement. The State shall provide Contractor advance written notice of such termination, allowing Contractor at least 30 calendar days to provide a written response. Termination shall be at the sole discretion of the State. performed.