STATE OF CALIFORNIA
Franchise Tax Board

REQUEST FOR PROPOSAL (RFP)

Notice To Prospective Proposers

Captive/Microcaptive Insurance Consulting Services

 # RFP FTB-2526-PW-039

October 3, 2025

You are invited to review and respond to the California Franchise Tax Board's (FTB), Secondary Request for Proposal (RFP), entitled **"Captive/Microcaptive Insurance Consulting Services" Bid Log Number # RFP FTB-2526-PW-039**. The Franchise Tax Board requests that in submission of your Proposal, you comply with the following instructions:

Note that all Agreements entered into with the State of California will include by reference the State's General Terms and Conditions (GTC 02/2025) which may be viewed and downloaded at the Internet site https://www.dgs.ca.gov/OLS/Resources/Page-Content/Office-of-Legal-Services-Resources-List-Folder/Standard-Contract-Language. If you do not have internet access, a hard copy can be provided by contacting the person listed below.

Please note that for purposes of this solicitation, the Disabled Veteran Business Enterprises (DVBE) Participation Requirement has been waived.

In the opinion of the Franchise Tax Board, this RFP is complete and without need of explanation. However, if you have questions, or should you need any clarifying information, the contact person for this RFP is:

Sheri Birkmaier
Procurement Official
California Franchise Tax Board
Phone: (916) 845-3984
E-mail: Sheri.Birkmaier@ftb.ca.gov

Please note that no verbal information given will be binding upon the Franchise Tax Board unless such information is issued in writing as an official addendum.

Proposals must be submitted electronically by email in accordance with **Section B.1: Proposal Submission Instructions**.

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SECTION A: INTRODUCTION

A.1. PURPOSE AND DESCRIPTION OF SERVICES

The purpose of this Request for Proposal (hereinafter referred to as “RFP”) is to solicit proposals from qualified vendors (hereinafter referred to as “Proposer,” “Vendor,” or “Contractor”) to provide the Franchise Tax Board (hereinafter referred to as “FTB” or the “State”) with captive/microcaptive insurance consulting services (including any other items and incidentals) necessary to accomplish the deliverables and associated tasks for such FTB consulting service requests as detailed in the attached **Exhibit A: Scope of Work (SOW)**.

The resulting Agreement shall serve as an as-needed consulting service contract. The purpose of the Agreement is to establish a contract with a qualified captive/microcaptive insurance expert consultant to support FTB in evaluating whether premiums paid to a captive/microcaptive insurance subsidiary constitute a deductible business expense pursuant to Internal Revenue Code (IRC) Section 162 (a).

A.2. KEY ACTION DATES

All Proposers submitting proposals are hereby advised of the following schedule and will be expected to adhere to the required dates and times:

TABLE 1: Key Action Dates		
#	Key Action	Date/Time Pacific Time (PT)
1.	RFP available to Prospective Proposers via Cal eProcure	Friday, October 3, 2025
2.	Final Date to Submit Written Questions for Clarification of RFP	Friday, October 10, 2025 by 5:00 PM Pacific Time (PT) (via email only)
3.	Questions and Answers Set posted on Cal eProcure*	Monday, October 13, 2025
4.	Proposal Submission Due Date and Time	**Friday, October 24, 2025** **by 4:00 PM PT (via email only)**
5.	Evaluation and Selection*	Monday, October 27, 2025 – Monday, November 10, 2025
6.	Notice of Intent to Award*[1]	Wednesday, November 12, 2025
7.	Contract Award and Execution*	Wednesday, November 19, 2025
8.	Contract Term*	Three (3) Years to begin Upon Agreement Award (*estimated Monday, December 1, 2025 – December 2, 2028*)
*This date is subject to change without notice or addendum to this RFP. [1]The Notice of Intent to Award shall be published on Cal eProcure in the same location as the solicitation was published: Bid opportunities in the California State Contracts Register (CSCR).		

SECTION B: PROPOSAL DELIVERY AND ADMINISTRATIVE CHECKLIST

B.1. PROPOSAL SUBMISSION INSTRUCTIONS

Proposers are required to submit an electronic bid response to the following e-mail addresses: Sheri.Birkmaier@ftb.ca.gov with a Cc to Doral.Valley@ftb.ca.gov by the due date and time identified in **Section A.2 Key Action Dates** of this solicitation. Proposals not received by the due date and time specified, will be rejected. Please maintain a record of your e-mailed response as proof of timely submittal. E-mailed RFP responses will be opened and reviewed during the evaluation phase; cost worksheets included in proposals are not announced or publicly read.

The subject line should read: “RFP FTB-2526-PW-039 (Your Company’s Name)”.

Proposals are to be sent electronically to the following addresses:

Sheri.Birkmaier@ftb.ca.gov and Doral.Valley@ftb.ca.gov

B.1.1. EMAILED RFP RESPONSES

The State reserves the right to consider authorized emailed RFP responses as properly “sealed” if received **prior** to the due date and time specified. Authorized emailed RFP responses will be considered **only** if they are sent to the email addresses listed in **Section B.1 Proposal Submission Instructions** above. RFP responses sent to any other email address (unless otherwise specified) **will not** be considered. To be considered, all pages of an emailed RFP response must be completely received **prior** to the RFP response due date and time specified in this RFP.

Proposals should include the following information on the cover page of the proposal:

Company Name
Company Address
RFP Title: Captive/Microcaptive Insurance Consulting Services
Solicitation # RFP FTB-2526-PW-039

Note: It is the Proposer’s responsibility to provide all necessary information in the required format. Proposal email submissions should include **two (2) separate files:**

- File #1 Attachment should include a Cover Page followed by all mandatory Non-Cost information and documentation as specified within this RFP and in **Section B.2: Administrative Requirements Checklist**, and
- File #2 Attachment should include a Cover Page followed by two (2) completed RFP Cost Worksheets #1 and #2 as specified in **Section D.4. Cost Requirements**.

B.2. ADMINISTRATIVE REQUIREMENTS CHECKLIST

A complete proposal package will consist of the items identified below. Complete this checklist to confirm the items included in your proposal package. Place an “X” in the “Yes” box next to each item that you are submitting to the State. A complete proposal package will consist of a completed Administrative Requirements Checklist, the Proposal, and the Attachments indicated below. For your proposal to be responsive, all required attachments/documents must be returned to the State. Items notated with an asterisk are required, if applicable. This checklist should be returned with your proposal package. An incomplete package may be considered non-responsive and may not move to the next phase.

TABLE 2: Administrative Requirements Checklist

Attachment	Attachment Name/Description	RFP Section	Included in Proposal Package?
Attachment 1	Proposer Certification Sheet	F.1	☐ Yes ☐ No
Attachment 2	Administrative Requirements Checklist	B.2	☐ Yes ☐ No
Attachment 3	RFP Cost Worksheets #1 and #2	D.4	☐ Yes ☐ No
Attachment 4	Confidentiality Statement	F.4	☐ Yes ☐ No
Attachment 5	Payee Data Record (STD 204)	F.5	☐ Yes ☐ No
Attachment 6*	Payee Data Record Supplement (STD 205)	F.6	☐ Yes ☐ No
Attachment 7	Contractor Certification Clauses (CCC 04/2017)	F.7	☐ Yes ☐ No
Attachment 8	Bidder Declaration (GSPD-05-105)	F.8	☐ Yes ☐ No
Attachment 9*	Darfur Contracting Act	F.9	☐ Yes ☐ No
Attachment 10	Certification for PCC 2010	F.10	☐ Yes ☐ No
Attachment 11*	Target Area Contract Preference Act	F.11	☐ Yes ☐ No
Attachment 12*	Commercially Useful Function (CUF) Certification	F.12	☐ Yes ☐ No
Attachment 13	Certificate of Insurance	F.13	☐ Yes ☐ No
Attachment 14	Resume Shell	F.14	☐ Yes ☐ No
Attachment 15	Company Certification Checklist	F.15	☐ Yes ☐ No
Attachment 16	Key Staff Certification Checklist	F.16	☐ Yes ☐ No
Attachment 17	Sample Report Cover Page	F.17	☐ Yes ☐ No
Attachment 18	Customer Reference Form	F.18	☐ Yes ☐ No
* If applicable			

SECTION C: STANDARD CONDITIONS

C.1. PROPOSER RESPONSIBILITY

If a prospective Proposer expects to be afforded the benefits of the steps included in this RFP, the prospective Proposer must take responsibility to:

- Carefully read the entire RFP.
- If clarification is necessary, ask the appropriate questions in a timely manner.
- Submit all required responses by the required dates and times.
- Make sure that all procedures and requirements of the RFP are accurately followed and appropriately addressed.
- Carefully reread the entire RFP before submitting a proposal.

C.2. RFP ADDENDA

If revision of any part of this RFP becomes necessary, or if additional data is necessary to clarify any of its provisions, an addendum will be issued to prospective Proposers. FTB reserves the right to amend, alter or change the RFP at any time prior to the deadline for submission of proposals. It is the responsibility of the Proposer to access the Cal eProcure website for any changes or addenda that may be posted.

C.3. WRITTEN QUESTIONS

Every attempt has been made to produce complete specifications for this service. Should the Proposer discover any ambiguity, conflict, omission or other error in this RFP, or have any questions concerning interpretation or clarification, the Proposer shall immediately notify the State of such in writing and request clarification or modification of the document. All questions or concerns regarding this RFP must be sent in writing via email to the Procurement Official listed on the first page of this RFP with a Cc to doral.valley@ftb.ca.gov, and the subject line should include "**Questions Regarding RFP #RFP FTB-2526-PW-039 Captive/Microcaptive Insurance Consulting Services**." All questions must be received on or before the *Final Date to Submit Written Questions for Clarification of RFP* date and time indicated in **Section A.2 Key Action Dates** and must include the Proposer Contact's First and Last Name, the Company Name, Phone Number, and this RFP Name and Solicitation Number. Questions not submitted by the date and time specified in the Key Action Dates may be answered at FTB's option.

Upon FTB's completion of review, all questions will be answered in writing and posted to the original advertisement on the Cal eProcure website by the date and time specified in **Section A.2 Key Action Dates**. The Question-and-Answer Set(s) will state each question, but not the source of the question, along with the State's response. If there are any changes to the RFP as a result of any questions, there will be an RFP addendum that will become part of the RFP and posted to the original RFP advertisement on Cal eProcure. Only written responses shall be considered binding. Proposers should rely on written, rather than verbal, responses from the State. The State reserves the right to cancel or modify this RFP, in whole or in part.

C.4. BIDDER INSTRUCTIONS

Before submitting a response to this solicitation, Proposers should review, correct all known errors and confirm compliance with the RFP requirements. Review the Bidder Instructions (GSPD-451) for additional information:
https://www.documents.dgs.ca.gov/dgs/FMC/GS/PD/DGSPD%20451.pdf.

C.5. COSTS INCURRED

Costs incurred in developing the proposal or in anticipation of award of the Agreement are entirely the responsibility of the Proposer and shall not be charged to the State of California.

C.6. GENERAL REQUIREMENTS

1. All information requested by FTB shall be provided by the Proposer in the format prescribed by FTB. Proposals are to be prepared in such a way as to provide straightforward, concise descriptions of the prospective Contractor's capability to satisfy the requirements of this RFP. The State will accept only complete and accurate proposals. Omissions, inaccuracies or misstatements may be sufficient cause for rejection of any proposal.

2. Any attempt by a Proposer to initiate contact with any FTB staff member, other than Procurement staff, regarding this RFP process may disqualify the Proposer from further consideration.

3. All documents submitted in response to this RFP will become the property of the State of California. The proposal shall remain the property of the State of California as a permanent record.

4. The State may reject proposals from prospective Proposers who are not in compliance with the laws of the State of California.

5. Proposals must be submitted for the performance of all the services described herein. FTB will not consider and may reject any proposal that deviates from the scope of work.

6. All Proposals shall include the required documents. Proposals not including the "required attachments" may be deemed non-responsive and cause for rejection. A non-responsive bid is one that does not meet the basic solicitation requirements.

7. A proposal may be rejected if it is conditional or incomplete, if it contains any alterations of form or other irregularities of any kind, or if deviations are deemed material. The State may reject any or all proposals and may waive any immaterial deviation in a proposal. The State's waiver of immaterial deviation shall in no way modify the RFP document or excuse the Contractor from full compliance with all requirements if awarded the Agreement.

8. No oral agreements or understandings shall, in any manner or degree, modify or change the terms of this written proposal, nor the resulting Agreement.

9. If a proposal is accepted by the State, the Contractor agrees to enter into a written agreement with the State in conformity with the provisions of this RFP. The Contractor

also agrees to enter into the aforementioned written agreement by completing the form(s) furnished by the State.

10. The State reserves the following rights:
    a. To award if it is determined to be in the best interest of the State.
    b. To waive any informality or irregularity in proposals
    c. To amend or withdraw this RFP at any time prior to the signing of the Agreement if circumstances dictate such action.
11. Irrevocable Offer: A Proposer's proposal submission is an irrevocable offer for ninety (90) calendar days following the scheduled Proposal Submission Due Date and Time specified in **Section A.2. Key Action Dates**. A Proposer may extend the offer in the event of a delay of contract award.

C.7. WORKSITES EXAMINATION

Where applicable, the Proposer should carefully examine worksites and specifications. The Proposer shall investigate conditions, character, and quality of surface or subsurface materials or obstacles that might be encountered. No additions or increases to the Agreement amount will be made due to inaccurate examination of worksites and specifications.

C.8. PROPOSAL MODIFICATION

A Proposer may modify or withdraw a proposal after its submission by withdrawing its original proposal and resubmitting a new proposal prior to the bid submission deadline. Proposal modifications offered in any other manner, verbal or written, will not be considered. The withdrawal of a proposal requires written notification, which must be signed by an agent authorized in accordance with **Section C.9 Authorized Signatures** and submitted prior to the final deadline to submit proposals.

C.9. AUTHORIZED SIGNATURES

All solicitation and proposal documents requiring a signature must bear an original or electronic signature of a person authorized to contractually bind the bidding firm. An individual who is authorized to bind the firm contractually shall sign **ATTACHMENT 1: Proposer Certification Sheet**. The signature should indicate the title or position that the individual holds in the firm. An unsigned bid may be rejected.

C.10. DEVIATIONS

Errors or omissions in the Proposer's final proposal, if deemed material, will cause rejection of the proposal. However, the State may at its sole option retain the proposal and correct certain immaterial errors, including obvious clerical errors.

C.11. DISQUALIFICATION OF PROPOSALS

More than one proposal from an individual, a firm or partnership, a corporation, or an association under the same or different names will not be considered. Reasonable grounds for believing that any Proposer is interested in more than one proposal for the work contemplated will cause the rejection of all proposals in which such Proposer is interested. If there is reason for believing that collusion exists among the vendors, none of the participants in such collusion will be considered in this or future proposals.

The State does not accept alternate Agreement language from a prospective Proposer. A proposal with such language will be considered a counterproposal and will be rejected. The State’s General Terms and Conditions (GTC) are not negotiable.

C.12. CONFIDENTIALITY OF PROPOSALS

After award of the Agreement or rejection of proposals, all responses will be regarded as public records under the California Public Records Act and will be subject to review by the public. Any proposal that contains language purporting to render all or portions of the proposal confidential may not be accepted. (Government Code §6250 et seq.) However, information pertaining to data security, system design or security controls whose public release could compromise the Proposer’s system security and data integrity should be clearly marked both in the proposal and on the proposal submittal outline.

Proposers are cautioned not to rely on the State during the evaluation to discover and report to the Proposer’s defects and errors in the submitted documents. Proposers, before submitting their documents, should carefully proof them for errors and adherence to the proposal requirements.

C.13. NOTICE OF INTENT TO AWARD AND PROTESTS

1. A Notice of Intent to Award shall be published on Cal eProcure in the same location as the solicitation was published for a period of five (5) State business days prior to awarding an Agreement: Bid opportunities in the California State Contracts Register (CSCR). For the actual dates to the item listed above, refer to **Section A.2 Key Action Dates**.

2. If, prior to the award of Agreement, any Proposer files a protest with FTB and the Department of General Services (DGS) against the awarding of the Agreement on the grounds that the (protesting) Proposer is the highest scored responsive responsible Proposer meeting the specifications of the RFP, the Agreement shall not be awarded until either the protest has been withdrawn, or DGS has decided the matter.

3. **Within five (5) days** after filing the initial protest, the Protestant shall file with DGS and the awarding agency a full and complete written statement specifying the grounds for the protest. The written statement of protest shall include the RFP number, the name of the State agency involved and the agency contact person. It is suggested that you submit any protest by certified or registered mail. The statement of protest should be submitted to the following:

   Department of General Services
   Office of Legal Services
   Attention: Bid Protest Coordinator
   707 Third Street, 7th Floor, Suite 7-330
   West Sacramento, California 95605

Email: OLSProtests@dgs.ca.gov

and

Franchise Tax Board
Procurement Bureau
Attention: Sheri Birkmaier
9646 Butterfield Way, Sacramento, California 95827
Email: Sheri.Birkmaier@ftb.ca.gov

C.14. AGREEMENT ACCEPTANCE

Any Proposer receiving an award is required to sign and return the Agreement, as provided herein, within **ten (10) State business days** after receipt of the Agreement for the Proposer's signature. If the Agreement is not returned as stated, it will be just cause for the annulment of the Agreement award.

Prior to agreement award and in accordance with **Exhibit D: FTB Special Terms and Conditions, Provision 6. Information Security**, Proposer shall complete FTB's Security Questionnaire within **ten (10) State business days** from the date of FTB's request**.**

C.15. AWARD OF AGREEMENT

The Proposer is advised that should this solicitation result in award of an Agreement, the Agreement will not be enforced until it is approved and fully executed by the State of California.

The State reserves the right to reject any and all proposals. The award of the Agreement, if awarded, will be to the Proposer with the highest score as described in California Public Contract Code §10344.

If no proposals are received offering a contract price that FTB believes is in the best interest of the State, the State is not required to award an Agreement.

Performance shall start no later than the date set by the awarding agency and the awarded Contractor, after all approvals have been obtained and the Agreement is fully executed. Should the Contractor fail to commence work at the agreed upon time, the awarding agency, upon five (5) days written notice to the Contractor, reserves the right to terminate the Agreement. In addition, the Contractor shall be liable to the State for the difference between Contractor's Proposal price and the actual cost of performing work by another contractor.

All performance under the Agreement shall be completed on or before the termination date of the Agreement.

C.16. TIE BREAK PROCESS

The award of the Agreement will be to the Proposer whose proposal complies with all RFP requirements and standards and received the highest total score (sum of Non-Cost and Cost points). In the event of a tie, the Proposer who scored the highest points in the Non-Cost portion of the evaluation process will be awarded the Agreement. In the event of a precise tie for both the Non-Cost and the Cost portions, a witnessed drawing of lots will be conducted by the Procurement Official. If a drawing of lots is needed, the Procurement Official will schedule and arrange for the drawing and non-partisan witnesses, notifying the participating Proposers of the outcome of the drawing.

C.17. EVALUATION DEBRIEFING

Written or oral proposal evaluation debriefings will not be given to unsuccessful Proposers. However, all proposals and evaluation scoring sheets that are retained as a permanent State record shall be made available for public inspection after official award of the Agreement is made.

C.18. VERIFYING CORPORATE QUALIFICATION TO DO BUSINESS IN CALIFORNIA

To ensure that all obligations due to the State are fulfilled, when agreements are to be performed in the State by corporations, the contracting agencies are required to obtain verification that the Contractor is currently qualified to do business in the State of California.

"Doing business" is defined in the Revenue and Taxation Code (Section 23101) as actively engaging in any transaction for the purpose of financial or pecuniary gain or profit. While there are some statutory exceptions to taxation, it will be a rare instance when a corporate contractor performing within the State will not be subject to the franchise tax.

Both domestic and foreign corporations (those incorporated outside of California) must be in good standing in order to be qualified to do business in California.

If there is any question by any contractor as to their status relating to corporate qualification, we suggest they check with the Secretary of State, 1500 11th Street, Sacramento, CA 95814, or call for additional information at (916) 653-6814.

SECTION D: PROPOSAL REQUIREMENTS

D.1. REQUIREMENTS OVERVIEW

Prospective Proposers must agree to all conditions contained in this RFP solicitation and must provide sufficient information in their proposals to fully establish the Proposer's ability to satisfy all requirements described in this RFP and perform all of the services described in **Exhibit A: Scope of Work**. Sections of the Proposer's proposal that address more than one requirement should be adequately cross-referenced. The Proposer must provide sufficient details to demonstrate they can meet all of the minimum mandatory requirements. Failure to do so may result in the proposal being deemed non-responsive.

The following sections describe the minimum mandatory requirements for this RFP:

- Administrative Requirements
- Qualification Requirements
- Cost Requirements

D.2. ADMINISTRATIVE REQUIREMENTS

This solicitation contains mandatory Administrative Requirements that must be met in order to be considered responsive to this solicitation. Unless designated otherwise, all of the requirements in this section are mandatory.

IMPORTANT: Proposers must provide all required administrative documentation as specified in **Section B.2. Administrative Requirements Checklist** and **Section F. Attachments**.

Documents that must be submitted with the Proposer's proposal package are noted as "**Mandatory**" or "**(M)**" in the subsection titles.

Additionally, this solicitation contains optional requirements noted as "**Optional**" or "**(O)**" that may require documents to be submitted with the Proposer's proposal. The administrative requirements are denoted as follows:

1. (M) – All sections labeled as "**Mandatory**", or "**M**" must be responded to in order to be considered responsive and responsible to these requirements. The responses will be evaluated in accordance with **Section E: Evaluations**.

2. (O) – All sections labeled as "**Optional**", or "**O**" are not required to be offered by the Proposer in order to be compliant to the solicitation requirements. A Proposer may choose whether to meet administrative requirements labeled as (O) such as those relating to preference points. However, if a Proposer offers any of these (O) requirements, the Proposer must meet the minimum requirements as stated in the section. The State will review responses to optional requirements and apply points, if applicable, per criteria stated in **Section E: Evaluations**.

D.2.1. DISABLED VETERAN BUSINESS ENTERPRISE (DVBE) PARTICIPATION REQUIREMENT

For the purposes of this solicitation, the DVBE Participation Requirement has been waived; however, the DVBE Incentive will still be applied. Refer to the DVBE Incentive section below for details.

D.2.2. DVBE INCENTIVE (O)

In accordance with Military and Veterans Code §999.5(a), an incentive will be given to all Proposers who **exceed** the mandatory three percent (3%) DVBE participation. For Contract award evaluation purposes only, the State shall apply the incentive amount based on the amount of DVBE participation obtained above the three percent (3%) requirement. The incentive is only given to those Proposers who are responsive to the DVBE program requirement and propose DVBE participation in the resulting Contract that exceeds the mandatory three percent (3%) requirement. The maximum incentive for this procurement is **five percent (5%)** of the total points available, in accordance with the point allocations specified in **Section E.2 Evaluation Process, Phase 4: Socioeconomic Programs Evaluation, TABLE 19: DVBE Participation Incentive Points**.

If the Proposer is claiming a DVBE incentive, the Proposer must complete and include the following forms in their proposal submission for each DVBE:

1. Bidder Declaration GSPD-05-105 (Attachment 8);
2. STD 843 Disabled Veteran Business Enterprise Declarations (Section D.2.3);
3. Proposer Certification Sheet (Attachment 1); and,
4. Commercially Useful Function (CUF) Certification (Attachment 12).

D.2.3. DVBE DECLARATIONS

Proposers who have been certified by California as a DVBE (or who have obtained the participation of subcontractors certified by California as a DVBE) must submit a completed form(s) STD 843 Disabled Veteran Business Enterprise Declarations for each DVBE. All disabled veteran owners and disabled veteran managers of the DVBE(s) must sign an STD 843 form for each DVBE. The completed form(s) should be included with the proposal response. The form is available at: https://www.documents.dgs.ca.gov/dgs/fmc/gs/pd/pd_843.pdf

D.2.4. DISABLED VETERAN BUSINESS ENTERPRISE (DVBE) SUBSTITUTION

Awarded Contractor understands and agrees that should award of this contract be based in part on their commitment to use the Disabled Veteran Business Enterprise (DVBE) subcontractor(s) identified in their bid or offer, per Military and Veterans Code 999.5 (e), a DVBE subcontractor may only be replaced by another DVBE subcontractor and must be approved by the Department of General Services (DGS). Changes to the scope of work that impact the DVBE subcontractor(s) identified in the proposal or offer and approved DVBE substitutions will be documented by contract amendment.

Failure of Contractor to seek substitution and adhere to the DVBE participation level identified in the proposal or offer may be cause for contract termination, recovery of damages under rights and remedies due to the State, and penalties as outlined in M&VC § 999.9; Public Contract Code (PCC) § 10115.10, or PCC § 4110 (applies to public works only).

D.2.5. SMALL BUSINESS CERTIFICATION

Proposers claiming the small business preference must be certified by California as a small business or must commit to subcontract at least **twenty-five (25%)** of the net proposal price with one or more California certified small businesses in accordance with the preference requirements in **Section D.2.6 Small Business Preference (O)**. Completed certification applications and required support documents must be submitted to the Office of Small Business and DVBE Services (OSDS) no later than 5:00 p.m. PT on the proposal due date, and the OSDS must be able to approve the application as submitted.

Small business nonprofit veteran service agencies (SB/NVSA) claiming the small business preference must possess certification by California prior to the day and time proposals are due. Questions regarding certification should be directed to the OSDS at (916) 375-4940.

D.2.6. SMALL BUSINESS PREFERENCE (O)

California Government Code Section 14835 et seq. requires that a **five percent (5%)** preference be given to proposers who qualify as a small business or proposers who qualify as a non-small business claiming at least **twenty-five (25%)** California certified small business subcontractor participation. The rules and regulations of this law, including the definition of a small business, or qualifying non-small business, are contained in Title 2, California Code of Regulations (CCR), Section 1896 et seq. The definition of nonprofit veteran service agencies qualifying as a small business is contained in Section 999.50 et seq. of the Military and Veterans Code. **ATTACHMENT 1: Proposer Certification Sheet** contains appropriate fields for indicating whether a proposer is claiming the Small Business preference.

The Small Business regulations, located in the CCR (Title 2, Division 2, Chapter 3, Subchapter 8, section 1896 et. Seq.), concerning the application and calculation of the small business preference, small business certification, responsibilities of small business, department certification, and appeals are revised, effective 09/09/04. The new regulations can be viewed at SB_DVBE Best Practices for State Departments (ca.gov). For those without Internet access, a copy of the regulations can be obtained by calling the Office of Small Business and DVBE Services at (916) 375-4940.

If the Proposer qualifies as a small business and is claiming the Small Business Preference, the Proposer must complete and include the following forms in their proposal submission:

1. Bidder Declaration GSPD-05-105 (Attachment 8);
2. Proposer Certification Sheet (Attachment 1); and,
3. Commercially Useful Function (CUF) Certification (Attachment 12).

D.2.7. NON-SMALL BUSINESS SUBCONTRACTOR PREFERENCE (O)

A **five percent (5%)** proposal preference is available to Proposers who qualify as a non-small business claiming at least **twenty-five percent (25%)** California-certified small business subcontractor participation. If claiming the non-small business subcontractor preference, the Proposer's response must include a list of the small businesses with which the firm commits to subcontract in an amount of at least **twenty-five percent (25%)** of the net proposal price with one (1) or more California-certified small businesses. Each listed certified small business must perform a "commercially useful function" in the performance of the Contract as defined in Government Code §14838(b)(1)(2).

Proposers claiming the five percent (5%) preference must commit to subcontract at least **twenty-five percent (25%)** of the net proposal price with one (1) or more California-certified small businesses. Completed certification applications and required support documents must be submitted to the Office of Small Business and DVBE Services (OSDS) no later than 5 p.m. PT of the proposal due date, and the OSDS must be able to approve the application as submitted. Questions regarding certification should be directed to the OSDS at (916) 375-4940.

The preference to a non-small business firm that commits to small business or microbusiness subcontractor participation of **twenty-five percent (25%)** of its net proposal price shall be given **five percent (5%)** preference of the highest responsive, responsible firm's total score. A non-small business that qualifies for this preference, may not take an award away from a certified small business.

If the Proposer is claiming the non-small business subcontractor preference using small business subcontractors, the Proposer must complete and include the following forms in their proposal package for each small business subcontractor:

1. Bidder Declaration GSPD-05-105 (Attachment 8);
2. Proposer Certification Sheet (Attachment 1); and,
3. Commercially Useful Function (CUF) Certification (Attachment 12)

D.2.8. SMALL BUSINESS NON-PROFIT VETERAN SERVICE AGENCY (SB/NVSA) (O)

SB/NVSA prime proposers meeting the requirements specified in the Military and Veterans Code Section 999.50 et seq. and obtaining a California certification as a small business are eligible for the **five percent (5%)** small business preference.

If the Proposer qualifies as an SB/NVSA and is claiming the Small Business Preference, the Proposer must complete and include the following forms in their proposal submission:

1. Bidder Declaration GSPD-05-105 (Attachment 8);
2. Proposer Certification Sheet (Attachment 1); and,
3. Commercially Useful Function (CUF) Certification (Attachment 12).

D.2.9. SMALL BUSINESS REPORTING REQUIREMENT

If for the Agreement resulting from this bid, awarded Contractor made a commitment to achieve small business participation, then Contractor must within sixty (60) days of receiving final payment under this Agreement report to the FTB procurement contact the actual percentage of small business participation that was achieved (Govt. Code § 14841). The Prime Contractor's Certification - SB Subcontractor Report shall be sent via hard copy or sent electronically to the FTB procurement contact. It is incumbent on the Contractor to submit the subcontracting form within the specified timeframe.

SB Subcontractor Report.pdf

D.2.10. DVBE PARTICIPATION REPORTING REQUIREMENT

If for the Agreement resulting from this proposal, awarded Contractor made a commitment to use a Disabled Veteran Business Enterprise (DVBE), then, pursuant to Military and Veterans Code §999.5(d), upon completion of this Agreement, and prior to the last payment being made by the awarding Department, the Department requires the Contractor to certify DVBE usage by completing and submitting the *Prime Contractor's Certification – DVBE Subcontracting Report* (STD 817) to the awarding Department. Failure to submit the certification will be cause for the awarding Department to withhold ten thousand dollars ($10,000) from the final payment, or the full final payment if less than ten thousand dollars ($10,000). It is incumbent on the Contractor to certify the following:

1. The total amount the prime Contractor received under the Agreement.
2. The name, address, Contract number and certification ID number of the DVBE(s) that participated in the performance of this Agreement;
3. The amount and percentage of work the prime Contractor committed to provide to one or more DVBE(s) under the requirements of the Agreement, and the total amount of payments each DVBE received from the prime Contractor;
4. That all payments under the Agreement have been made to the DVBE(s); and
5. The actual percentage of DVBE participation that was achieved.

Upon request, the Prime Contractor shall provide proof of payment to the DVBE(s) for the work prior to the last contract payment being made to the Prime Contractor by the awarding Department.

A prime Contractor that fails to comply with the certification requirement shall, after notice, be allowed to cure the defect. Notwithstanding any other law, if, after at least fifteen (15) calendar days but not more than thirty (30) calendar days from the date of notice, the prime Contractor refuses to comply with the certification requirements, the awarding Department shall permanently deduct ten thousand dollars ($10,000) from the final payment, or the full payment if less than ten thousand dollars ($10,000).

The *Prime Contractor's Certification – DVBE Subcontracting Report* (STD 817) shall be sent electronically to the procurement contact stated in the Agreement. It is incumbent on the Contractor to submit the completed subcontracting report form timely at the end of the Agreement.

Link: [File DVBE Subcontracting Report (ca.gov)]

D.2.11. TARGET AREA CONTRACT PREFERENCE ACT (TACPA) (O)

Target Area Contract Preference Act (TACPA) will be granted to California-based firms in accordance with Government Code §4530 whenever contracts for goods or services are in excess of $100,000 and the Proposer meets certain requirements as defined in the California Administrative Code (Title 2, §1896.30 et seq.) regarding labor needed to produce the goods or provide the services being procured. The TACPA is optional on the part of the Proposer (not mandatory), is for proposal evaluation purposes only, and does not alter the amount of the awarded Contract.

Proposers wishing to take advantage of this preference will need to review the website below and submit the appropriate response forms with their Proposal. The Proposer may omit these forms if there is no intention to claim this preference.

https://www.dgs.ca.gov/PD/Services/Page-Content/Procurement-Division-Services-List-Folder/Request-a-Target-Area-Contract-Preference

Please carefully review the forms and requirements. Proposers are not required to apply for these preferences. Denial of the TACPA preference request is not a basis for rejection of the proposal.

The required applications/forms are as follows:

- TACPA Preference Request for Goods and Services Solicitations (STD 830): http://www.documents.dgs.ca.gov/dgs/fmc/pdf/std830.pdf
- Manufacturer's Summary of Contract Activities and Labor Hours (DGS/PD 525): https://www.documents.dgs.ca.gov/dgs/fmc/gs/pd/gspd0525.pdf
- Bidder's Summary of Contract Activities and Labor Hours (DGS/PD 526): https://www.documents.dgs.ca.gov/dgs/fmc/gs/pd/gspd0526.pdf

Proposer's questions regarding this preference are to be directed to the Department of General Services, Procurement Division, Dispute Resolution Unit, 707 Third Street, Second Floor, West Sacramento, CA 95605 or contact the TACPA Preference Program via email at TACPA@dgs.ca.gov, to determine if the worksite(s) is eligible.

The State as part of its evaluation process reserves the right to verify, validate, and clarify all information contained in the proposal. This may include, but is not limited to, information from proposers, manufacturers, subcontractors and any other sources available at the time of the proposal evaluation. Proposer refusal to agree to and/or comply with these terms, or failure to provide additional supporting information at the State's request may result in denial of preference requested.

Contracts awarded with applied preferences will be monitored throughout the life of the contract for compliance with statutory, regulatory, and contractual requirements. The State will take appropriate corrective action and apply sanctions as necessary to enforce preference programs.

D.2.12. COMMERCIALLY USEFUL FUNCTION (CUF)

All certified small business, micro business, and/or DVBE Contractors, subcontractors or suppliers must meet the commercially useful function requirements under Government Code Section 14837 (for SB), Military and Veterans Code Section 999 (for DVBE), and Title 2 CCR, Section 1896.4 and 1896.62.

A Contractor, subcontractor, or supplier will not be considered to perform a commercially useful function if the Contractor's, subcontractor(s), or supplier's role is limited to that of an extra participant in the transaction, the awarded Contract, or project through which funds are passed to obtain the appearance of small business or micro business participation.

The Proposer must complete **ATTACHMENT 12: Commercially Useful Function Certification (CUF)** Certification for each Small Business and/or DVBE (prime and/or subcontractor(s)). All Proposers and subcontractors identified in the proposal response to fulfill the requirements for one (1) or more of the socio-economic programs (DVBE and small business) must perform a commercially useful function (CUF) in the resulting Contract. CUF is defined pursuant to Military and Veterans Code §999(b)(5)(B) and Government Code §14837(d)(4)(A) for the DVBE and small business programs, respectively.

Proposers may be required to submit additional written clarifying information regarding CUF on **ATTACHMENT 12: Commercially Useful Function Certification**. Failure to submit the requested written information as specified may be the basis for rejection of the Proposer's proposal submission.

D.2.13. GENERATIVE ARTIFICIAL INTELLIGENCE (GenAI)

The State of California seeks to realize the potential benefits of GenAI, through the development and deployment of GenAI tools, while balancing the risks of these new technologies.

Bidder / Offeror must notify the State in writing if it: (1) intends to provide GenAI as a deliverable to the State; or (2), intends to utilize GenAI, including GenAI from third parties, to complete all or a portion of any deliverable that materially impacts: (i) functionality of a State system, (ii) risk to the State, or (iii) Contract performance. For avoidance of doubt, the term "materially impacts" shall have the meaning set forth in State Administrative Manual (SAM) § 4986.2 Definitions for GenAI.

Failure to report GenAI to the State may result in disqualification. The State reserves the right to seek any and all relief to which it may be entitled to as a result of such nondisclosure.

Upon notification by a Bidder / Offeror of GenAI as required, the State reserves the right to incorporate GenAI Special Provisions into the final contract or reject bids/offers that present an unacceptable level of risk to the State.

Government Code 11549.64 defines "Generative Artificial Intelligence (GenAI)" as an artificial intelligence system that can generate derived synthetic content, including text, images, video, and audio that emulates the structure and characteristics of the system's training data.

D.3. QUALIFICATION REQUIREMENTS

This section outlines the qualification requirements pertaining to the required services that must be met in order to be considered responsive and responsible to this solicitation. In addition to meeting these requirements, the Proposer must adhere to the Scope of Work (SOW) described in **Exhibit A: Scope of Work** of this solicitation.

Unless designated otherwise, all items noted as "**Mandatory – Pass/Fail (M)"** and "**Mandatory Scored (MS)"** are mandatory requirements. The documents that must be submitted with the Proposer's response are also noted as "**Mandatory – Pass/Fail (M)"**.

Requirements noted as "**Desirable Scored (DS) or Optional (O)"** are optional; however, if the Proposer is claiming any **DS** or **O** requirements, the Proposer must include the corresponding information and required documentation with their proposal.

The proposal content requirements listed in this section are denoted as follows:

1. (M) Sections labeled as **"Mandatory", or "M"** are **not** negotiable. To be considered responsive and responsible to these requirements, all requirements identified as (M) must be responded to. These requirements are evaluated as a "Pass" or "Fail." A "fail" will result in a proposal being deemed non-responsive and, therefore, will be disqualified. Failure to respond to any (M) requirements where indicated shall result in a "fail" and disqualification of the proposal.

2. (MS) Sections labeled as **"Mandatory Scored"** or **"MS"** are **not** negotiable. To be considered responsive and responsible to these requirements, all requirements identified as (MS) must be responded to. A "fail" will result in a proposal being deemed non-responsive and, therefore, will be disqualified. Failure to respond to any (MS) requirements where indicated shall result in a "fail" and disqualification of the proposal. The State's evaluation team will review responses to (MS) requirements and apply points, if applicable, per criteria stated in **Section E: Evaluations**.

3. (DS) Sections labeled as **"Desirable Scored"** or **"DS"** and "**Optional**" or "**O**" are not required to be offered by the Proposer in order to be compliant with the solicitation requirements. The Proposer may choose whether to meet requirements labeled as (DS) or (O). However, if a Proposer offers any of these (DS) or (O) requirements, the Proposer must meet the minimum requirements as stated in the requirement. The State will review responses to (DS) or (O) requirements and apply points, if applicable, per the criteria stated in **Section E: Evaluations.**

   A Proposer will not be disqualified for not meeting a (DS) or (O) requirement, as it is not a mandatory requirement.

If the Proposer chooses to include the desirable (DS) requirements in their proposal, then the costs for the desirable requirements must be included in their proposed costs within their completed RFP Cost Worksheets #1 and #2.

D.3.1. COMPANY QUALIFICATIONS (M)(MS)

1. Cover Letter (M)

Proposer must provide a cover letter which should include the Evaluation Criteria information outlined in **TABLE 3: Cover Letter** below. The cover letter should be signed by the individual(s) who is/are authorized to bind the Proposer contractually and should indicate the signer is authorized to do so. The cover letter should be no more than one (1) type-written page in length, using 12-point font, 1-inch standard margins.

TABLE 3: Cover Letter	
Mandatory Pass/Fail - (M)	
Evaluation Criteria	**Max Points Available**
1. Cover Letter Cover letter should include the following information: a. Printed First and Last Name, and Signature of individual who is authorized to bind the Proposer contractually. b. Title/Position signatory holds in the Proposer's firm. c. Firm's name, address, and phone number of signatory. d. Date when firm was established, its brief history of the firm, and location(s) of its primary office(s). e. Statement expressing Proposer's unequivocal commitment and ability to perform the services described in the RFP. f. Statement as to the availability of the Proposer's Key Staff that will be assigned to the contract and supporting resources to perform all services described in **Exhibit A: Scope of Work**. g. Statement expressing that all information contained in the proposal is accurate to the best of the Proposer's knowledge and belief.	**Pass/Fail**

2. Company Experience and Qualifications (MS)

The required **"Mandatory Scored (MS)"** qualifications are specified in **ATTACHMENT 15: Company Certification Checklist** located in **Section F.15**. Proposer must meet the minimum timeframes specified within each requirement.

To be considered compliant, the Proposer must certify they meet the minimum mandatory requirements listed in **ATTACHMENT 15: Company Certification Checklist.** Proposers must include a completed **ATTACHMENT 15: Company Certification Checklist** as part of their proposal package**.**

The following table, **TABLE 4: Point Allocation for Company Experience and Qualifications** specifies the maximum for the requirements listed in **ATTACHMENT 15: Company Certification Checklist.**

TABLE 4: Point Allocation for Company Experience and Qualifications	
Mandatory Scored – (MS)	
Evaluation Criteria	**Max Points Available (25 Points)**
2. Company Experience and Qualifications **Minimum Qualifications:** Proposer must indicate their Company has **a minimum of five (5) years' (within the last 5 years)** experience in providing a broad range of consulting services to both insurance companies and self-insured entities including experience evaluating captive/microcaptive insurers, including the review of numerous captive/microcaptive feasibility studies spanning a broad range of property/casualty and professional liability lines of business including experience with reserve evaluations, pricing and ratemaking for personal and commercial lines of insurance.	**A = 15 Points** **B = 20 Points** **C = 25 Points**

D.3.2. KEY STAFF QUALIFICATIONS (MS)(DS)

The evaluation of the Proposer's Key Staff will be based on how well each proposed Key Staff member meets the required work experience and qualifications identified in the RFP. The Proposer's Key Staff must meet the minimum required work experience and qualifications. Additional points will be awarded to Proposers who indicate their proposed Key Staff exceed the minimum qualifications.

The Proposer is fully responsible for providing the necessary staffing resources to successfully fulfill the services outlined in **Exhibit A: Scope of Work**. The Proposer must identify and propose **two (2) Key Staff** to fill the Expert Consultants role described in the following tables and listed below.

Key Staff: Two (2) Expert Consultants

- **TABLE 5: Key Staff Qualifications – Work Experience**
- **TABLE 6: Key Staff Qualifications – Knowledge, Skills, and Abilities**
- **TABLE 7: Key Staff Qualifications – Prior Evaluations List**

The required Mandatory Scored (MS) qualifications are specified in **TABLE 23: Key Staff #1 Qualifications Checklist** and **TABLE 24: Key Staff #2 Qualifications Checklist** within **ATTACHMENT 16: Key Staff Certification Checklist** located in **Section F.16**. Prior to Proposal submission, Proposer's Key Staff must meet the required minimum qualifications identified as a **"Mandatory Scored"** requirement. Requirements identified as "**Desirable Scored (DS)**" items are optional.

To be considered compliant, the Proposer must self-certify they meet the minimum mandatory requirements listed in **ATTACHMENT 16: Key Staff Certification Checklist.** Proposers must include a completed **ATTACHMENT 16: Key Staff Certification Checklist** for Key Staff #1 and Key Staff #2 as part of their proposal package**.**

The following table, **TABLE 5: Point Allocation for Key Staff Qualifications – Work Experience** specifies the maximum points available for each corresponding Requirement # (Req. #) and Requirement Type (Req. Type) listed in **TABLE 23: Key Staff #1 Qualifications Checklist** and **TABLE 24: Key Staff #2 Qualifications Checklist**.

TABLE 5: Point Allocation for Key Staff Qualifications – Work Experience	
Mandatory Scored – (MS)	
Evaluation Criteria	
Key Staff Qualifications - Work Experience	**Max Points Available (40 Points)**
1. Expert Consultant (Key Staff) must certify that they have **a minimum of five (5) years' work experience (within the last 5 years)** assessing captive and microcaptive insurance programs, with significant experience evaluating the actuarial pricing, reserving, reinsurance, and regulatory considerations associated with these insurance arrangements for tax reporting purposes.	**A = 10 Points** **B = 15 Points** **C = 20 Points** **20 Max Points** Available per Key Staff **x two (2) Key Staff = 40 Points** possible.

The following table, **TABLE 6: Point Allocation for Key Staff Qualifications – Knowledge, Skills and Abilities** specifies the points available for each corresponding Requirement # (Req. #) and Requirement Type (Req. Type) listed in **TABLE 23: Key Staff #1 Qualifications Checklist** and **TABLE 24: Key Staff #2 Qualifications Checklist**.

<table>
<tr><th colspan="2">TABLE 6: Point Allocation Key Staff Qualifications – Knowledge, Skills and Abilities</th></tr>
<tr><th colspan="2">Mandatory Scored – (MS)</th></tr>
<tr><th>Evaluation Criteria</th><th></th></tr>
<tr><th>Key Staff Qualifications - Knowledge, Skills, and Abilities</th><th>Max Points Available (200 Points)</th></tr>
<tr><td>2. Expert Consultant (Key Staff) must have a minimum of five (5) years' Knowledge, Skills and Abilities performing the following tasks in within the last five (5) years in Captive/Microcaptive Insurance as listed below:

a. Assessing risk transfer based on accounting standards and actuarial standards and principles, and evaluating premiums for captive insurance programs.

b. Specializing in reserve evaluations, financial modeling, and captive insurance program evaluations.

c. Expertise in determining reasonable rates for personal and commercial lines of insurance, and experience with catastrophic modeling and actuarial analyses.

d. Providing expert reports and serving as an expert witness in microcaptive insurance cases regarding Internal Revenue Code (IRC) Section 831 (b) "micro-captives".

e. Evaluating reserves using traditional analysis and alternative financial analysis for all lines of business for both self-insured and insurance companies.

f. Evaluating alternative risk financing and experience in all aspects of actuarial pricing, ratemaking, regulatory and data management issues.

g. Evaluating reserves for reinsurance companies, captive reinsurers, and excess coverage.

h. Demonstrated ability to identify the genuine insurance purpose of the insurance policies and programs that involve bona fide risk transfer and risk distribution.

i. Evaluating the premiums that are charged for cost reasonableness and accuracy.

j. Preparing formal written evaluations of the insurance policies and coverages of captive/microcaptive insurance programs.</td><td>A = 50 Points

B = 75 Points

C = 100 Points

100 Max Points Available per Key Staff x two (2) Key Staff = 200 Points possible.</td></tr>
</table>

TABLE 6: Point Allocation Key Staff Qualifications – Knowledge, Skills and Abilities	
Mandatory Scored – (MS)	
Evaluation Criteria	
Key Staff Qualifications - Knowledge, Skills, and Abilities	**Max Points Available (200 Points)**
k. Strong verbal and written communication skills for interacting with clients, team members, and other stakeholders. l. Strong customer service skills, possessing a professional demeanor and ability to interact effectively with clients.	
Desirable Scored (DS)	**Max Points Available (30 Points)**
3. Expert Consultant (Key Staff)P has an Actuarial Certification through either of the two professional organizations: the Society of Actuaries (SOA) or the Casualty Actuarial Society (CAS).	**Fifteen (15)** points available per Key Staff 15 Points per Key Staff **x two (2) Key Staff = 30 Points** Possible

The following table, **TABLE 7: Point Allocation for Key Staff Qualifications – Prior Evaluations List** specifies the points available for each corresponding Requirement # (Req. #) and Requirement Type (Req. Type) listed in **TABLE 23: Key Staff #1 Qualifications Checklist** and **TABLE 24: Key Staff #2 Qualifications Checklist**.

TABLE 7: Point Allocation for Key Staff Qualifications – Prior Evaluations List	
Mandatory Scored – (MS)	
Evaluation Criteria	
Key Staff Qualifications - Prior Evaluations List	**Max Points Available (60 Points)**
4. Proposer must provide a list of **three (3) evaluations** for **each proposed Key Staff** which have been conducted and completed on captive/microcaptive insurance cases within the last five (5) years and include the following criteria. a. Client Name b. Start Date of Report. c. Completion Date of Report d. Title of Report e. Brief Description of Report.	Two (2) points per criteria (a through e) x five (5) = **10 points per** Prior Evaluations List. Ten points per Prior Evaluations List x **three (3) lists = 30 Points** Available per Key Staff. 30 Points Available per Key Staff x **two (2) Key Staff = 60 Points** possible

D.3.3. KEY STAFF RESUMES (M)

The Proposer must provide one (1) resume using the mandatory template format provided in **ATTACHMENT 14: Resume Shell** for each or their two (2) proposed candidate(s) for the Expert Consultant (Key Staff) roles identified in **Section D.3.2: Key Staff Qualifications**.

Each resume must clearly detail how the candidate meets the required minimum qualifications identified as **"MS"** requirements in the following tables:

- **TABLE 5: Key Staff Qualifications – Work Experience**
- **TABLE 6: Key Staff Qualifications – Knowledge, Skills, and Abilities**
- **TABLE 7: Key Staff Qualifications – Prior Evaluations List**

If claiming any **"DS"** requirements, then the Proposer must detail how the candidate meets the "DS" requirement(s) in each resume for each respective Key Staff role. It is incumbent upon the Proposer to provide sufficient detail in their response and in each resume for FTB to evaluate the proposed staff's ability to meet the requirements and perform the services as described in this RFP.

TABLE 8: Key Staff Resumes	
Mandatory Pass/Fail - (M)	
Evaluation Criteria	**Max Points Available**
Key Staff Resume Each Key Staff resume must include at a minimum the following information: a. Work Experience (Work History within the last ten (10) years of employment): 1) Candidate's First Name and Last Name 2) Company Name 3) Dates of employment (MM/YYYY – MM/YYYY) 4) Duties/Tasks while employed (include duties/tasks as they relate to this RFP) b. Professional Certifications / Licenses c. Education **Note:** Please use **ATTACHMENT 14: Resume Shell** for submission of resumes.	**Pass/Fail**

D.3.4. SAMPLE REPORTS (MS)

The Proposer must provide **two (2) captive/microcaptive insurance evaluation sample reports** completed by **each** of the two (2) proposed Key Staff (for a total of four (4) Sample Reports) which have been completed **within the last five (5) years.** Each sample report must depict the Key Staff's writing ability in analyzing and displaying data and overall quality of work. Sample reports must include a Report of Expert Opinion from a previous agreement. Report should be no more than one hundred (100) type-written pages in length, using 12-point font, and 1-inch standard margins.

Each Sample Report submitted should include a completed Cover Page using the template format provided in **ATTACHMENT 17: Sample Report Cover Page**. Each Sample Report shall include a description of the scope of the services entailed and its relevance to the RFP.

Failure to submit four (4) Sample Reports in your proposal will cause your proposal to be rejected and deemed non-responsive. Sample Reports must be actual work products produced by each of the two (2) Proposed Key Staff as required in this RFP section.

The State will use the evaluation criteria listed in **TABLE 9: Sample Reports Criteria** below, to determine the quality of each of the four (4) Sample Reports submitted by the Proposer.

If necessary, sample reports could be redacted to maintain confidentiality, but may not be altered from the original work product in any other manner.

TABLE 9: Sample Reports Criteria			
Mandatory Scored – (MS)			
A	**B**	**C**	**D**
Evaluation Criteria	**% of Points Awarded**	**Max Points Available**	**Score (B*C)**
Sample Report Points will be awarded for this criterion based on the degree to which the information describes and depicts the Proposer's response to (and their ability to meet) the requirements for the following bullets as noted in **Section D.3.4 Sample Reports** above: a. Background and Purpose of the Report b. Materials Reviewed and Analysis c. Conclusions and Opinions including Report of Expert Opinion d. Author(s) of the Report	TBD	**100 Points per Sample Report** **100 Points Available x four (4) Sample Reports = 400 Points possible**	TBD

The State will use the scoring scale and percentages in **TABLE 10: Sample Reports Scoring Scale** below, to determine the point allocation for each of the four (4) Sample Reports. Each Sample Report will receive either 100%, 75%, 50%, 25%, or 0% of the points available for that category based on the quality of the response to each requirement. A minimum of seventy-five (75%) of the maximum points available for the **Sample Reports** requirement must be achieved for each of the four (4) Sample Reports.

TABLE 10: Key Staff Sample Reports Scoring Scale		
% of Possible Points	**Quality**	**Explanation for Percentage of Points**
0%	Not Responsive	Response does not include or fails to address the requirements being scored. The omission(s), flaw(s), or defect(s) are highly significant and unacceptable.
25%	Minimally Responsive	Response minimally addresses the requirements being scored, but there are one or more omissions, flaws, or defects that are significant and problematic, or the requirements are addressed in such a limited way that it results in a low degree of confidence in the Proposer's response and ability to perform the requisite services outlined in **Exhibit A: Scope of Work**.

TABLE 10: Key Staff Sample Reports Scoring Scale		
50%	Adequate	Response adequately addresses the requirements being scored. Any omission(s), flaw(s), or defect(s) are inconsequential and acceptable.
75%	Good	Response fully addresses the requirements being scored with a good degree of confidence in the Proposer's response and ability to perform the requisite services outlined in **Exhibit A: Scope of Work**. No identified omission(s), flaw(s), or defect(s). Any identified weaknesses are minimal, inconsequential, and acceptable.
100%	Excellent	Response fully addresses the requirements being scored with a high degree of confidence in the Proposer's response and ability to perform the requisite services outlined in **Exhibit A: Scope of Work**. Proposer offers one or more enhancing services, methods, or approaches and exceeds basic expectations.

TABLE 11: Point Allocation for Sample Reports		
Req. #	**Req. Type**	**Max Points Available Per Sample Report = 100 Points**
1.	(MS)	**Background and Purpose of the Report:** Up to 25 Points
2.	(MS)	**Materials Reviewed and Analysis:** Up to 25 Points
3.	(MS)	**Conclusions and Opinions:** Up to 25 Points
4.	(MS)	**Author(s) of the Report:** Up to 25 Points
100 Points Per Sample Report x Four (4) Sample Reports = 400 Points Possible		

D.3.5. CUSTOMER REFERENCES (M)(MS)

The Proposer must include in their proposal **two (2)** different Customer References for **two (2)** distinct service engagements similar in size and scope as services described in this **RFP including Exhibit A: Scope of Work**. Customer references should preferably be either state, federal, or local government entities; and the Customer Reference contacts shall be a manager or supervisor from the referenced services engagement. Proposer must provide Customer Reference information using the mandatory template format provided in **ATTACHMENT 18: Customer Reference Form.** Contact information for each Customer Reference shall be included on each completed form, and FTB reserves the right to contact the Customer References provided by the Proposer.

The Proposer must include **two (2)** completed and signed **ATTACHMENT 18: Customer Reference Form** as part of their Proposal. Each form must be completed in its entirety in order for the Proposer's submission to be considered responsive. The following **TABLE 12: Customer Reference Qualifications** outlines the minimum **"M"** Mandatory Pass/Fail and **"MS"** Mandatory Scored requirements the Proposer's completed **ATTACHMENT 18: Customer Reference Form** must adhere to and the associated maximum points available.

A minimum of 75% of the maximum points available for the **Customer Reference Qualifications** requirement must be achieved. The following **TABLE 12: Customer Reference Qualifications** outlines the minimum “M” and “MS” requirements the Proposer’s completed **ATTACHMENT 18: Customer Reference Form** must adhere to and the associated maximum points available.

TABLE 12: Customer Reference Qualifications

Req. #	Req. Type	Qualification Description	Max Points Available (50 Points)
1.	M	Section A – Proposer and Engagement Information	Pass/Fail
2.	MS	Section B – Customer Reference Satisfaction *Points will be allocated as follows based on the Customer References’ responses to the five (5) questions in this section: 1 – Unsatisfied = 0 points 2 – Satisfied = 3 points 3 – Very Satisfied = 5 points	Up to five (5) points per question x five (5) questions = **25 Points possible per Customer Reference** 25 Points Available per Customer Reference **x two (2) Customer References = 50 Points** possible
3.	M	Section C – Signature and Contact Information	Pass/Fail

D.4. COST REQUIREMENTS

PROPOSALS SUBMITTED WITHOUT COMPLETING THE FOLLOWING TWO (2) "RFP COST PROPOSAL WORKSHEETS #1 and #2" WILL BE REJECTED.

The Proposer's cost data shall be submitted in accordance with the details indicated below . The awarded Proposer hereby agrees to provide all business valuation services (including associated items, incidentals, etc.) necessary to perform the consulting services detailed in **Exhibit A: Scope of Work** at the hourly rates proposed by the Proposer in **RFP COST WORKSHEET #1** and **RFP COST WORKSHEET #2** below. The hourly rates proposed by the Proposer in **RFP COST WORKSHEETS #1 and #2** shall include every item of expense, direct and indirect (including taxes, if applicable) that are incidental to the Proposers specified hourly rates. Proposers shall provide pricing for a **Three (3) Year term**. Failure to indicate a dollar amount in any of the applicable sections in **RFP Cost Worksheets #1 and #2** may be grounds to reject the entire proposal.

Failure to indicate a dollar amount in any line item may be grounds to reject the entire proposal. A zero-dollar ($0.00) amount or blank cell listed for any and all items shall be interpreted and understood by the State to mean that the proposer indicating a zero-dollar amount shall perform any such services, up to and including the quantity indicated, at no cost to the State.

FTB reserves the right to reject any proposal or to request additional information to justify the ability of any Proposer to deliver the services for which FTB is contracting. Proposer is responsible to validate and ensure the table calculations of their Hourly Rate(s), Estimated Extension Total, and Evaluated Grand Total are correct.

Instructions: Proposers must complete the following two (2) worksheets within this Section D.4 Cost Requirements based on the information specified in each respective cost worksheet:

- RFP Cost Worksheet #1 – Billing Rates
- RFP Cost Worksheet #2 – Unanticipated Tasks Hourly Rates

Proposer must submit completed versions of RFP Cost Worksheets #1 and #2 as part of their proposal package.

Note: Proposers may include a quote on company letterhead in addition to, but not in lieu of, completing RFP Cost Worksheets #1 and #2.

Proposers all-inclusive proposal cost to the Franchise Tax Board for Bid Log **#RFP FTB-2526-PW-039** is as follows:

RFP COST WORKSHEET #1: BILLING RATES									
Line Item #	**KEY STAFF NAMES & ROLES**	**HOURLY RATE Year 1**	**HOURLY RATE Year 2**	**HOURLY RATE Year 3**	**ESTIMATED HOURS PER YEAR**	**YEAR 1 TOTAL** (Sum of Hourly Rate Year 1 x 200)	**YEAR 2 TOTAL** (Sum of Hourly Rate Year 2 x 200)	**YEAR 3 TOTAL** (Sum of Hourly Rate Year 3 x 200)	**ESTIMATED EXTENSION TOTAL** (Sum of Years 1 – 3 Totals)
1.	Name – TBD (Expert Consultant 1)	$0.00	$0.00	$0.00	**200**	$0.00	$0.00	$0.00	$0.00
2.	Name – TBD (Expert Consultant 2)	$0.00	$0.00	$0.00	**200**	$0.00	$0.00	$0.00	$0.00
								EVALUATED GRAND TOTAL: (Total for Three (3) Years for two (2) Expert Consultants)	**$0.00**

IMPORTANT:

1. The number of hours indicated in the "**Estimated Hours**" column in **RFP Cost Worksheet #1: Billing Rates** above shall be used **solely** for the purposes of evaluation and are not binding on the State. Only the "**Hourly Rate Year 1**," "**Hourly Rate Year 2**," and "**Hourly Rate Year 3**," quoted by the Proposer shall be binding for the term of the **Three (3) Year** Agreement (including any amendments).

2. The awarded Contractor shall be paid for actual hours worked. The costs reflected in the "**Evaluated Grand Total**" in **RFP Cost Worksheet #1: Billing Rates** above is not binding on the State. FTB has identified an estimated number of service hours for the Three (3) Year Agreement term; however, there is no guarantee that all of these hours will be used. Payment will made for actual services performed by the Contractor's approved Key Staff on an "as needed" basis as required by FTB. The Agreement will expire at the end of the term specified on the face of the Standard Agreement (STD 213), or the face of the Standard Agreement Amendment STD 213A if applicable, with no obligation concerning unordered services hours.

3. The total amount of this Agreement shall not exceed the amount identified on the face of the Standard Agreement (STD. 213), or the face of the Standard Agreement Amendment STD. 213A, if applicable; including all applicable taxes. There is no obligation on the FTB's part to utilize the entire amount.

RFP COST WORKSHEET #2: UNANTICIPATED TASKS HOURLY RATES		
Line Item #	**KEY STAFF NAMES & ROLES**	**HOURLY RATES**
1.	Name – TBD (Expert Consultant 1)	$ 0.00
2.	Name – TBD (Expert Consultant 2)	$ 0.00
Unanticipated Tasks shall be billed at the hourly rates quoted by the Contractor in the "Hourly Rates" column in **RFP Cost Worksheet #2: Unanticipated Tasks Hourly Rates** above for each Key Staff respectively, and shall be binding for the term of the **Three (3) Year** Agreement term. Unanticipated Tasks, the cost of which shall be a fixed hourly rate for services, shall not exceed five percent (5%) of the total Agreement value.		

SECTION E: EVALUATIONS

E.1. EVALUATION OVERVIEW

This section describes the evaluation process and scoring procedures the State will follow when evaluating proposals in response to this solicitation. Proposals will be evaluated based on the RFP Secondary Method (Point Count or High Score RFP) described in California Public Contract Code §10344.

The State's evaluation is a multi-step process comprised of a thorough review of each Proposer's submission response to determine the cost/value effectiveness, cost adequacy, and that it is responsive and responsible. The cost/value effective and cost adequate proposal shall be the proposal that meets all requirements set forth in this solicitation and that offers the State the best combination of administrative, qualification, and cost value as determined through the evaluation process specified in this section.

Final selection will be based on compliance with all requirements, with points allocated to **seventy percent (70%) for the Non-Cost** portion and **thirty percent (30%) for Cost** portion, among the proposals that are responsive and responsible to the solicitation requirements. Proposals will be evaluated using a combination of mandatory pass/fail and numerically scored criteria and all Proposers should read this section carefully to understand how points and scores are assigned.

There are a maximum of **One Thousand One-Hundred Fifty (1,150) points** available for this solicitation, excluding preferences and incentives: **Eight Hundred Five (805) Non-Cost points** and **Three Hundred Forty-Five (345) Cost points**. All point calculations will be rounded to two (2) decimal places (to the nearest hundredth).

Responsiveness is indicated by meeting the Administrative, Qualification, and Cost Requirements. Proposals that do not comply with the mandatory components stipulated in this solicitation may be deemed non-responsive and the Proposer disqualified. The State reserves the right to modify or cancel this procurement in its entirety or in part at any time.

The Proposer is required to thoroughly review this RFP to ensure that its proposal and its proposal responses are fully compliant with the solicitation requirements and thereby avoid the possibility of being ruled non-responsive or non-responsible. If the State finds that a Proposer's Proposal has a material deviation from a specified requirement, the Proposer will be deemed non-responsive and will be the basis for rejecting the Proposer's proposal.

E.2. EVALUATION PROCESS

The purpose of the proposal evaluation process is two-fold: 1) to assess the responses for compliance with the minimum qualifications, content and format requirements; and 2) to identify the Proposers that have the highest probability of satisfactorily performing the services described in **Exhibit A: Scope of Work**. The proposal evaluation process shall consist of the following **five (5) phases**: Phase 1: Administrative Evaluation, Phase 2: Non-Cost Evaluation, Phase 3: Cost Evaluation, Phase 4: Socioeconomic Programs Evaluation, and Phase 5: Final Score Calculation.

The distribution and allocation of maximum points possible for each proposal element is provided in **TABLE 13: Scoring and Point Distribution**, which identifies each evaluation component, the scoring methodology, and the maximum points available for scored components.

TABLE 13: Scoring and Point Distribution		
EVALUATION COMPONENT (RFP Section)	**EVALUATION METHODOLOGY**	**MAXIMUM POINTS AVAILABLE**
Section D.2. Administrative Requirements	**Mandatory - Pass/Fail**	**N/A**
Section D.3. Qualification Requirements	**Pass/Fail Scored**	**805**
D.3.1 Company Qualifications	**Mandatory - Pass/Fail Mandatory Scored**	
1. Cover Letter	(M) Pass/Fail	N/A
2. Company Experience and Qualifications	(MS)	25
D.3.2. Key Staff Qualifications	**Mandatory Scored Desirable Scored**	
3. Work Experience – Key Staff #1	(MS)	20
4. Knowledge, Skills and Abilities – Key Staff #1	(MS) (DS)	115
5. Prior Evaluations List – Key Staff #1	(MS)	30
6. Work Experience – Key Staff #2	(MS)	20
7. Knowledge, Skills and Abilities – Key Staff #2	(MS) (DS)	115
8. Prior Evaluations List – Key Staff #2	(MS)	30
D.3.3. Key Staff Resumes	**Mandatory - Pass/Fail**	
9. Resume – Key Staff #1	(M) Pass/Fail	N/A
10. Resume – Key Staff #2	(M) Pass/Fail	N/A
D.3.4. Sample Reports	**Mandatory Scored**	
11. Sample Report 1 – Key Staff #1	(MS)	100
12. Sample Report 2 – Key Staff #1	(MS)	100
13. Sample Report – Key Staff #2	(MS)	100
14. Sample Report 2 – Key Staff #2	(MS)	100
D.3.5 Customer References	**Mandatory – Pass/Fail Mandatory Scored**	

TABLE 13: Scoring and Point Distribution		
EVALUATION COMPONENT (RFP Section)	**EVALUATION METHODOLOGY**	**MAXIMUM POINTS AVAILABLE**
1. Customer Reference Form #1	(M) (MS)	25
2. Customer Reference Form #2	(M) (MS)	25
Total Non-Cost Points:		**805**
Section D.4, Cost Requirements	**Scored**	**345**
Total Cost Points:		**345**
TOTAL POINTS: (Combined Non-Cost and Cost Points)		**1,150**
Section E.2, Phase 4: Socioeconomic Programs Evaluation		
1) Small Business Preference (O)	Optional	TBD
2) DVBE Incentive (O)	Optional	TBD
3) TACPA (O)	Optional	TBD
TOTAL SCORE: (Total Points with preference/incentive points applied)		TBD

PHASE 1: ADMINISTRATIVE EVALUATION

1. Preliminary Review

The first evaluation phase shall consist of an **Administrative Evaluation**. This evaluation phase will begin with a preliminary review of the proposals; the Procurement Official perform the following actions:

1) Each proposal package will be electronically date and time stamped when received by the State.
2) Each proposal package will be inspected to ascertain that it is properly identified.
3) Each proposal will be electronically stored. Contents of all proposals may be considered public information when a Notice of Intent to Award is posted.
4) Each proposal package received by the *Proposal Submission Due Date and Time* deadline as specified in the **Section A.2 Key Action Dates** will be checked to confirm receipt of all required documents.
5) Each proposal will be reviewed to determine if they satisfy the minimum qualifications specified in **Section D.2. Administrative Requirements.**

Proposals not passing the preliminary review may not be accepted. Proposals not including the required documents outlined in the **Administrative Requirements Checklist** may be deemed non-responsive and may not move to the next phase.

2. Administrative Evaluations

All **Administrative Requirements** labeled with **"(M)"** are mandatory, with the exception of those Administrative Requirements in labeled with **"(O)"** which are optional and Proposers are not required to respond optional requirements. Review of the proposals will begin with ensuring that the Proposer has responded to all administrative requirements in **Section D.2 Administrative Requirements**, that require proposal submittal documents.

Only proposals that pass the evaluation of the mandatory **Section D.2**, **Administrative Requirements** and **Section D.3, Qualification Requirements** will proceed to cost evaluation. If a proposal fails to meet any mandatory requirements specified in **Section D.2, Administrative Requirements** or **Section D.3, Qualification Requirements**, the State will determine if the deviation(s) is material. If the deviation is determined to be material, the Proposer will be deemed non-responsive and will be the basis for rejecting the Proposer's proposal.

Proposals that meet all mandatory **Administrative Requirements** shall be deemed responsive and will move on to **Phase 2: Non-Cost Evaluation**.

PHASE 2: NON-COST EVALUATION

The second evaluation phase shall consist of a **Non-Cost Evaluation**. Proposals that pass the **Administrative Evaluation** will undergo an evaluation process conducted by the Evaluation Team selected by FTB. First, the Evaluation Team members will collaboratively review and score the Non-Cost portions of each proposal; then the Evaluation Team will collaboratively evaluate and determine a consensus score for each proposal in order to select the top proposal. Proposals will be given a Non-Cost score based on the detailed qualifications information submitted by the prospective Proposer. Proposals will be evaluated and scored on merit according to the evaluation scoring criteria specified in this RFP. There are a maximum of **Eight Hundred Five (805) Non-Cost points** available which equates to **seventy percent (70%) of the points** available overall. **A minimum of Six Hundred Five (605) Non-Cost points must be achieved in this phase to be considered a responsive proposal.**

If the Proposer's proposal score meets the minimum required score of **Six Hundred Five (605) Non-Cost Points**, the Proposer's Cost will then be evaluated in **Phase 3: Cost Evaluation**. Any proposal receiving a non-responsive Non-Cost score will be eliminated from further consideration.

The Non-Cost portions of each proposal will be evaluated and scored according to the scoring criteria indicated in **TABLE 14: Non-Cost Evaluation Criteria** below.

TABLE 14: Non-Cost Evaluation Criteria		
EVALUATION COMPONENT (RFP Section)	**EVALUATION METHODOLOGY**	**MAXIMUM POINTS AVAILABLE**
Section D.3, Qualification Requirements	**Pass/Fail Scored**	**805**
D.3.1 Company Qualifications	**Mandatory – Pass/Fail Mandatory Scored**	
1. Cover Letter	(M) Pass/Fail	N/A
2. Company Qualifications and Experience	(MS)	25
D.3.2. Key Staff Qualifications	**Mandatory Scored Desirable Scored**	
1. Work Experience – Key Staff #1	(MS)	20
2. Knowledge, Skills and Abilities – Key Staff #1	(MS) (DS)	115
3. Prior Evaluations List – Key Staff #1	(MS)	30
4. Work Experience – Key Staff #2	(MS)	20
5. Knowledge, Skills and Abilities – Key Staff #2	(MS) (DS)	115
6. Prior Evaluations List – Key Staff #2	(MS)	30
D.3.3. Key Staff Resumes	**Mandatory - Pass/Fail**	
1. Resume – Key Staff #1	(M) Pass/Fail	N/A
2. Resume – Key Staff #2	(M) Pass/Fail	N/A
D.3.4. Sample Reports	**Mandatory Scored**	
1. Sample Report 1 – Key Staff #1	(MS)	100
2. Sample Report 2 – Key Staff #1	(MS)	100
3. Sample Report 1 – Key Staff #2	(MS)	100
4. Sample Report 2 – Key Staff #2	(MS)	100
D.3.5 Customer References	**Mandatory – Pass/Fail Mandatory Scored**	
1. Customer Reference Form #1	(M) (MS)	25
2. Customer Reference Form #1	(M) (MS)	25
	Total Non-Cost Points:	**805**

The Proposer's non-cost score is the sum of the Proposer's qualification requirements points. The following **TABLE 15: Non-Cost Scoring Calculation Example** is an illustration of this process.

TABLE 15: Non-Cost Scoring Calculation Example			
Evaluation Component	**Proposer A**	**Proposer B**	**Proposer C**
Section D.2, Administrative Requirements	**Pass**	**Pass**	**Pass**
Section D.3, Qualification Requirements			
D.3.1 Company Qualifications			
1. Cover Letter	Pass	Pass	Pass
2. Company Qualifications and Experience	15	20	20
D.3.2. Key Staff Qualifications			
1. Work Experience – Key Staff #1	20	15	15
2. Knowledge, Skills and Abilities – Key Staff #1	115	100	75
3. Prior Evaluations List – Key Staff #1	30	30	30
4. Work Experience – Key Staff #2	15	20	15
5. Knowledge, Skills and Abilities – Key Staff #2	100	75	50
6. Prior Evaluations List – Key Staff #2	30	30	30
D.3.3. Key Staff Resumes			
1. Resume – Key Staff #1	Pass	Pass	Pass
2. Resume – Key Staff #2	Pass	Pass	Pass
D.3.4. Sample Reports			
1. Sample Report 1 – Key Staff #1	100	75	100
2. Sample Report 2 – Key Staff #1	100	75	100
3. Sample Report 1 – Key Staff #2	75	100	75
4. Sample Report 2 – Key Staff #2	75	100	75
D.3.5 Customer References			
1. Customer Reference Form #1	25	25	25
2. Customer Reference Form #2	20	15	20
Total Score of Non-Cost Points:	**720**	**680**	**630**
NOTE: Point values in this example explain the calculations and have no other significance.			

PHASE 3: COST EVALUATION

The third evaluation phase shall consist of a **Cost Evaluation** to occur after the **Administrative Evaluation** and **Non-Cost Evaluation** phases. The State's Evaluation Team will evaluate the Cost portion of the Proposals for proposals that have been deemed responsive and responsible. If a Proposer was determined to be non-responsive and/or not responsible during the Administrative Evaluation or Non-Cost Evaluation, the cost will remain unopened (not evaluated) for that Proposer.

In this phase, compliant Proposals will be given a Cost score based on the Proposer who submitted the lowest cost. The lowest proposed total cost will receive the maximum **Three Hundred Forty-Five (345) Cost points** available which equates to **thirty percent (30%) of the points** available overall. All other Proposers will receive a proportionally lower score using the ratio of the lowest proposed total cost to the Proposer's proposed total cost applied to the maximum total Cost points (180 points). The Cost portion of each proposal will be evaluated and scored according to the formula indicated in **TABLE 16: Cost Score Formula.**

TABLE 16: Cost Score Formula			
(Lowest proposed total cost) / (Proposer's proposed total cost)	* 345 points	=	**Proposer's Cost Score**

The following **TABLE 17: Cost Scoring Calculation Example** is an illustration of this process.

TABLE 17: Cost Scoring Calculation Example				
Proposer	**Proposer's Proposed Total Cost**	**Calculation**		**Proposer Cost Score**
A	$500,000	$300,000 / $500,000	* 345 points	207 points
B	$400,000	$300,000 / $400,000	* 345 points	258.75 points
C	$300,000	$300,000 / $300,000	* 345 points	345 points

PHASE 4: SOCIOECONOMIC PROGRAMS EVALUATION

The fourth evaluation phase shall consist of a Socioeconomic Programs Evaluation. Proposers who were determined to be compliant in Phases 1 – 3 and who claim preference points, will be evaluated to determine whether they submitted the required forms, documents, exhibits, and/or the responses necessary to validate their qualification and eligibility for the claimed preference(s).

If the State determines that the submitted information is insufficient or that the required documents do not otherwise validate the eligibility for points in any of the claimed programs, then the points for that program will not be added to the Proposer's final overall proposal score. If the State can validate the Proposer's claim, the qualified preference points will be applied to the Proposer's final overall proposal score, provided that the Proposer's proposal is not otherwise determined to be non-responsive to any mandatory requirements. The amount of the score increase depends on the preferences being claimed. For an illustration of this process, refer to the examples in the following tables.

1. Small Business Preference Calculation

For the Small Business Preference, calculation is based on five percent (5%) of the Proposer with the "highest" Total Evaluated Score (Non-Cost points and Cost points) that is a non-small business and that is not claiming the small business preference. In the example in **TABLE 18: Small Business Preference Points Calculation Example**, Proposer A has the highest non-small business score.

The preference points for Proposers B and C are based on five percent (5%) of Proposer A's proposal score. In this example, Proposer A is the highest scorer of a non-small business not claiming the small business preference. Proposer A's proposal score is 927 points. Therefore, the small business preference point total for each Proposer B and C is 46.4 (927 x .05 = 46.4 points).

TABLE 18: Small Business Preference Points Calculation Example

Proposer	Total Non-Cost Score (Max Points: 805)	Total Cost Score (Max Points: 345)	Total Evaluated Score (Max Points: 1,150)	Small Business Preference Claim?	Non-Small Business Preference Claim?	Small Business Preference Points Awarded
A	720 points	207 points	927 points	No	No	0.00 points
B	680 points	258.75 points	938.75 points	No	Yes	46.4 points
C	630 points	345 points	975 points	Yes	No	46.4 points

Note: Point values in this example explain the calculations and have no other significance.

2. DVBE Incentive Calculation

The State will verify DVBE and apply the incentive accordingly. The DVBE Incentive points are a percentage of the total possible points. The maximum incentive for this procurement is five percent (5%) of the total points available and is based on the amount of DVBE participation confirmed. **TABLE 19: DVBE Participation Incentive Points** below is an illustration of this calculation:

TABLE 19: DVBE Participation Incentive Points		
Confirmed DVBE Participation	**DVBE Incentive Percentage**	**DVBE Incentive Points**
5.0% or above	5%	57.5 (1,150 Max Total Points x .05)
4.0% - 4.99%	4%	46 (1,150 Max Total Points x .04)
3.1% - 3.99%	3%	34.5 (1,150 Max Total Points x .03)
< or = 3%	0% - No incentive	0.00

3. SB Preference and DVBE Incentive Calculation

The Evaluation Team will calculate the Proposer's preference and incentive points, as applicable. The example in **TABLE 20: SB Preference and DVBE Incentive Points Calculation Example** illustrates the Proposer's score that incorporates both preference and incentive points:

TABLE 20: SB Preference and DVBE Incentive Points Calculation Example					
Proposer	**Total Evaluated Score (Max Points: 1,150)**	**Small Business Preference Points Awarded**	**Verified DVBE % Over 3%**	**DVBE Incentive Points Awarded**	**Proposer Final Score**
A	927 points	0.00 points	3.1 %	34.5 points	961.5 points
B	938.75 points	46.4 points	4 %	46 points	1,031.15 points
C	975 points	46.4 points	5 %	57.5 points	1,078.9 points
Note: Point values in this example explain the calculations and have no other significance.					

4. TACPA Preference Calculation

The State will give preferences in accordance with the GC §4530-4535.3, for Proposers who are California home based and who qualify for claimed preferences under the Target Area Contract Preference Act (TACPA) by computing and returning the appropriate forms described in this solicitation. Where multiple preferences are claimed, the State will verify eligibility for the preferences and evaluate and apply preferences in accordance with the law.

Available evaluation preferences under TACPA are limited to nine percent (9%): five percent (5%) worksite, and one percent (1%) up to four percent (4%) workforce of the lowest total proposal price or $50,000.00, whichever is less. The TACPA preference is a dollar preference, applied against the Proposer's proposed cost, before cost is evaluated and converted to points.

The State will verify Target Area Contract Preference Act (TACPA) preference and apply the TACPA Preference accordingly. The TACPA preference does not apply when the worksite is fixed by the terms of the Contract.

5. Maximum Combined Preferences

In accordance with GC § 4535.2(a) and in combination with other preferences and incentives, the maximum limit of the combined preferences and incentives offered shall reflect a cumulative adjustment of fifteen percent (15%) of the bid amount or $100,000.00, whichever is less.

PHASE 5: FINAL SCORE CALCULATION

In the fifth and final evaluation phase, the Proposer's final score and rank is determined based on the sum of the Non-Cost points, the Cost points, and any applicable preference and incentive points. The following **TABLE 21: Proposal Final Score Calculation Example** is an illustration of this process.

TABLE 21: Proposal Final Score Calculation Example

Scoring Element	Max Points Available	Proposer A	Proposer B	Proposer C
Meets all Mandatory Administrative Requirements: (Pass/Fail)	**N/A**	Yes	Yes	Yes
Non-Cost Requirements: (Scored)	**805**	720	680	630
Cost Requirements: (Scored)	**345**	207	258.75	345
Total Evaluated Score: (Combined Non-Cost and Cost Points prior to Preferences or Incentives)	**1,150**	**927**	**938.75**	**975**
Initial Rank: (Before Preferences or Incentives)	N/A	**3**	**2**	**1**
Small Business Preference Points		0	46.4	46.4
DVBE Incentive Points		34.5	46	57.5
TACPA		N/A	N/A	N/A
Proposer Final Score		**961.5**	**1,031.15**	**1,078.9**
	Final Rank:	**3**	**2**	**1**

Note: Point values in this example explain the calculations and have no other significance.

SECTION F: ATTACHMENTS

F.1. ATTACHMENT 1: PROPOSER CERTIFICATION SHEET (M)

This Proposer Certification Sheet must be signed and returned along with all the "required attachments" as an entire proposal package, with original or electronic signatures. The Proposal must be submitted in accordance with **RFP Section B. Proposal Delivery and Administrative Checklist**.

A Proposer's signature on this Proposer Certification Sheet certifies that this individual is an authorized representative of the proposing entity and the following conditions have been met:

1. All required attachments are included with this Attachment 1: Proposer Certification Sheet.
2. An all-inclusive RFP Cost Worksheet #1 and Cost Worksheet #2 have been submitted with this proposal package.
3. The signature affixed heron and dated certifies compliance with all requirements of this RFP solicitation. The signature below authorizes the verification of this certification.
4. The signature below further certifies that the proposing entity has met all California required tax filings and has no outstanding obligations to FTB or any other agency of the State of California. The signature authorizes the verification of this certification.
5. The signature below further certifies to the best of its knowledge and belief that the Prosper, the Proposer's subcontractor(s) or any personnel related to the Agreement to be awarded are not presently debarred, suspended, proposed for debarment, or declared ineligible for the award of contracts by any state or federal agency.

AN UNSIGNED PROPOSER CERTIFICATION SHEET MAY BE CAUSE FOR REJECTION

Proposer Certification Sheet		
1. Company (Proposer's) Name	2. Telephone ( )	2a. Fax Number ( )
3. Address		
Indicate your organization type: 4. ☐ Sole Proprietorship	5. ☐ Partnership	6. ☐ Corporation
Indicate the applicable employee and/or corporation number: 7. Federal Employee ID No. (FEIN)	8. California Corporation No.	
9. Indicate applicable license and/or certification information:		
10. First and Last Name (Print)	11. Title	
12. **Signature**	13. Date	

Proposer Certification Sheet
14. Are you certified with the Department of General Services, Office of Small Business (SB) and Disabled Veteran Business Enterprise (DVBE) Services (OSDS) as: a. California Small Business Yes ☐ No ☐ If yes, enter certification number: ____________________ b. Disabled Veteran Business Enterprise Yes ☐ No ☐ If yes, enter your certification number below: ______________________________
NOTE: A copy of your Certification is required to be included if either of the above items is checked **"Yes."** Date application was submitted to OSDS (if an application is pending):
By checking "Yes" below, the Proposer certifies and claims credit for achieving a 3.1% - 5% (or more) DVBE incentive. **DVBE INCENTIVE CLAIMED** Yes ☐ ____% No ☐
By checking "Yes" below, the non-SB Proposer certifies and claims credit for achieving a 25% (or more) SB subcontracting participation. **NON-SB PREFERENCE CLAIMED** Yes ☐ ____% No ☐

Instructions for Proposer Certification Sheet
(Complete the numbered items on the Proposer Certification Sheet by following the instructions below.)

Item Number	Instructions
1, 2, 2a, 3	Must be completed. These items are self-explanatory.
4	Check if your firm is a sole proprietorship. A sole proprietorship is a form of business in which one (1) person owns all the assets of the business in contrast to a partnership and corporation. The sole proprietor is solely liable for all the debts of the business.
5	Check if your firm is a partnership. A partnership is a voluntary agreement between two (2) or more competent persons to place their money, effects, labor, and skill, or some or all of them in lawful commerce or business, with the understanding that there shall be a proportional sharing of the profits and losses between them. An association of two (2) or more persons to carry on, as co-owners, a business for profit.

Instructions for Proposer Certification Sheet (Complete the numbered items on the Proposer Certification Sheet by following the instructions below.)	
Item Number	**Instructions**
6	Check if your firm is a corporation. A corporation is an artificial person or legal entity created by or under the authority of the laws of a state or nation, composed, in some rare instances, of a single person and his successors, being the incumbents of a particular office, but ordinarily consisting of an association of numerous individuals.
7	Enter your federal employee tax identification number.
8	Enter your corporation number assigned by the California Secretary of State's Office. This information is used to verify if a corporation is in good standing and qualified to conduct business in California.
9	Complete, if applicable, by indicating the type of license and/or certification that your firm possesses and that is required for the type of services being procured.
10, 11, 12, 13	Must be completed. These items are self-explanatory.
14	If certified as a California Small Business, place a check in the "Yes" box, and enter your certification number on the line. If certified as a Disabled Veterans Business Enterprise, place a check in the "Yes" box and enter your certification number on the line. If you are not certified to one (1) or both, place a check in the "No" box. If your certification is pending, enter the date your application was submitted to OSDS.
15	Mark "Yes" or "No" to specify whether or not you are claiming the DVBE Incentive or the Non-SB Preference.

F.2. ATTACHMENT 2: ADMINISTRATIVE REQUIREMENTS CHECKLIST (M)

Proposers must complete the **Administrative Requirements Checklist** in **Section B.2: Administrative Requirements Checklist** and include it in their proposal package.

F.3. ATTACHMENT 3: RFP COST WORKSHEETS (M)

Proposers must complete **RFP Cost Worksheet #1** and **RFP Cost Worksheet #2** in **Section D.4. Cost Requirements** and include them in their proposal package.

F.4. ATTACHMENT 4: CONFIDENTIALITY STATEMENT (M)

As an authorized representative and/or corporate officer of the company named below, I warrant my company and its employees will not disclose any documents, diagrams, information and information storage media made available to us by the State for the purpose of responding to **#RFP FTB-2526-PW-039,** and any subsequent addenda, or in conjunction with any Contract arising there from. I warrant that only those employees who are authorized and required to use such materials will have access to them.

I further warrant that all materials provided by the State will be returned promptly after use and that all copies or derivations of the materials will be physically and/or electronically destroyed. I will include with the returned materials, a letter attesting to the complete return of materials, and documenting the destruction of copies and derivations. Failure to so comply will subject this company to liability, both criminal and civil, including all damages to the State and third parties. I authorize the State to inspect and verify the above.

I warrant that if my company is awarded the Contract, it will not enter into any agreements or discussions with a third party concerning such materials prior to receiving written confirmation from the State that such third party has an agreement with the State similar in nature to this one.

Signature of Representative

Date

Printed First and Last Name of Representative

Printed Name of Company

F.5. ATTACHMENT 5: STD 204 PAYEE DATA RECORD (M)

Proposer shall complete the Payee Data Record form (STD 204) and submit the completed document with their proposal. Payment cannot be made unless the form is completed and returned. The Payee Data Record (STD 204) is located at the link below. Refer to the following website link for further information and forms:

http://www.documents.dgs.ca.gov/dgs/fmc/pdf/std204.pdf

F.6. ATTACHMENT 6: STD 205 PAYEE DATA RECORD SUPPLEMENT

The STD 205 must be used to provide the proposer's remittance address information if different than the mailing address on the STD 204. This form allows proposers to provide up to five (5) additional remittance addresses and identify up to three (3) additional authorized representatives for the payee. Refer to the following website link for more details: https://www.documents.dgs.ca.gov/dgs/fmc/pdf/std205.pdf

F.7. ATTACHMENT 7: CONTRACTOR CERTIFICATION CLAUSES (M)

The attached Contractor Certification Clauses (CCC 04/2017) provides the definitions to the standard contract language in this solicitation. Please sign and include this form with your proposal response. The URL is listed below.

https://www.dgs.ca.gov/-/media/Divisions/OLS/Resources/CCC-042017.pdf

F.8. ATTACHMENT 8: BIDDER DECLARATION (M)

Proposers must complete the Bidder Declaration GSPD-05-105 and include it with their RFP response. Failure to complete or submit the Bidder Declaration form may be cause for rejection of Proposal. The Bidder Declaration must be submitted under the penalty of perjury.

https://www.documents.dgs.ca.gov/dgs/fmc/gs/pd/gspd05-105.pdf

F.9. ATTACHMENT 9: DARFUR CONTRACTING ACT

Pursuant to Public Contract Code section 10478, if a Proposer currently or within the previous three years has had business activities or other operations outside of the United States, it must certify that it is not a "scrutinized" company as defined in Public Contract Code section 10476.

If your company has not, within the previous three years, had any business activities or other operations outside of the United States, you do not need to complete this form.

https://www.dgs.ca.gov/-/media/Divisions/PD/Acquisitions/Solicitation-Document-Attachments/Darfur-Contracting-Act.pdf

F.10. ATTACHMENT 10: CERTIFICATION FOR PCC 2010 (M)

Pursuant to Public Contract Code (PCC) section 2010, if a bidder or proposer executes or renews a contract over $100,000 on or after January 1, 2017, the bidder or proposer hereby certifies compliance with the following:

1. CALIFORNIA CIVIL RIGHTS LAWS: Compliance with the Unruh Civil Rights Act (Section 51 of the Civil Code) and the Fair Employment and Housing Act (Section 12960 of the Government Code); and
2. EMPLOYER DISCRIMINATORY POLICIES: If a Contractor has an internal policy against a sovereign nation or peoples recognized by the United States government, the Contractor certifies that such policies are not used in violation of the Unruh Civil Rights Act (Section 51 of the Civil Code) or the Fair Employment and Housing Act (Section 12960 of the Government Code).

Proposers must certify they are in compliance with the Acts:

Bulletin #: P-02-17 Unruh Civil Rights Act and the Fair Employment & Housing Act

The California Civil Rights Laws Attachment is accessible via the following link:

https://www.dgs.ca.gov/OLS/Forms

F.11. ATTACHMENT 11: TARGET AREA CONTRACT PREFERENCE ACT (TACPA) (O)

Proposers claiming this preference will need to review the website below and submit the appropriate response forms with their Proposal. The Proposer may omit these forms if there is no intention to claim this preference.

https://www.dgs.ca.gov/PD/Services/Page-Content/Procurement-Division-Services-List-Folder/Request-Target-Area-Contract-Preference?search=tacpa

The required applications/forms are as follows:

- TACPA Preference Request for Goods and Services Solicitations (STD 830): http://www.documents.dgs.ca.gov/dgs/fmc/pdf/std830.pdf
- Manufacturer's Summary of Contract Activities and Labor Hours (DGS/PD 525): https://www.documents.dgs.ca.gov/dgs/fmc/gs/pd/gspd0525.pdf
- Bidder's Summary of Contract Activities and Labor Hours (DGS/PD 526): https://www.documents.dgs.ca.gov/dgs/fmc/gs/pd/gspd0526.pdf

F.12. ATTACHMENT 12: COMMERCIALLY USEFUL FUNCTION CERTIFICATION

All certified small business (SB), microbusiness (MB), and/or DVBE Contractors, subcontractors or suppliers must meet the Commercially Useful Function (CUF) requirements under Government Code Section 14837(d)(4) (for SB), and Military and Veterans Code Section 999(b)(5)(b) (for DVBE) and Title 2 CCR, Section 1896.4 and 1896.62.

<table>
<tr><th colspan="5">COMMERCIALLY USEFUL FUNCTION (CUF) CERTIFICATION</th></tr>
<tr><td colspan="5">The Proposer must complete this form and include it in their proposal package. One (1) certification is to be completed for the Proposer and one (1) certification is to be completed for <u>each</u> subcontractor proposed by the Proposer.</td></tr>
<tr><td colspan="5">Contractor (Proposer) Name:</td></tr>
<tr><td colspan="5">Subcontractor Name:</td></tr>
<tr><td>Mark all that apply:</td><td>Micro Business:☐</td><td>Small Business:☐</td><td>DVBE:☐</td><td>N/A:☐</td></tr>
<tr><td colspan="5">A California certified SB, MB, or DVBE business must be deemed to perform a Commercially Useful Function (CUF) by meeting ALL of the following CUF requirements for Contract award consideration.
Answer questions 1-5 below, as they apply to your company for the goods and/or services being acquired in this solicitation.</td></tr>
<tr><td colspan="3">1. Is responsible for the execution of a distinct element of the resulting Contract.</td><td>Yes ☐</td><td>No ☐</td></tr>
<tr><td colspan="3">2. Carries out its obligation by actually performing, managing, or supervising the work involved.</td><td>Yes ☐</td><td>No ☐</td></tr>
<tr><td colspan="3">3. Performs work that is normal for its business services and functions.</td><td>Yes ☐</td><td>No ☐</td></tr>
<tr><td colspan="3">4. Is responsible, with respect to products, inventories, materials, and supplies required for the Contract, for negotiating price, determining quality and quantity, ordering, installing, if applicable, and making payment.

If this is a SERVICE with NO goods involved, check N/A and go to #5.</td><td>Yes ☐</td><td>No ☐
or
N/A ☐</td></tr>
<tr><td colspan="3">5. Is not further subcontracting a portion of the work that is greater than that expected to be subcontracted by normal industry practices.</td><td>Yes ☐</td><td>No ☐</td></tr>
</table>

If the answer to any of the five (5) questions is “NO” (except for #4 when marked with “N/A”), may result in your bid being deemed non-responsive. At the State’s option prior to award, Proposers may be required to submit additional written clarifying information.

F.13. ATTACHMENT 13: CERTIFICATE OF INSURANCE (M)

The Proposer must provide to FTB evidence of the following required insurance.

The Contractor shall, at its own expense, maintain Commercial General Liability insurance, Professional Liability insurance, and Workers' Compensation and Employer's Liability insurance which must include personal injury coverage for all employees engaged, throughout the term of the Agreement, as described and applicable in **Exhibit E: Additional Provisions.** Contractor will be required to submit the necessary insurance certification **within ten (10) State business days** of Notification of Award or prior to start of service, whichever comes first (refer to **Exhibit E: Additional Provisions** for additional insurance requirements).

Instructions: Proposer shall complete the following section and include as part of proposal package:

The undersigned in submitting this document hereby certifies the following:

I am aware of the provisions of Section 3700 of the California Labor Code which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with such provisions before commencing the performance of the work of this Contract.

Signature	**Date**
First & Last Name and Title (Print or Type)	**Street Address**
Company Name	**City, State, ZIP code**

F.14. ATTACHMENT 14: RESUME SHELL (M)

Instructions: Proposers must use this format and provide all information as identified below, and in **Section D.3.3 Key Staff Resumes**. A separate **ATTACHMENT 14: RESUME SHELL** must be provided for **each** Key Staff (two (2) Expert Consultants) identified in **D.3.2 Key Staff Qualifications** of the RFP. Proposer must include **two (2) completed ATTACHMENT 14: RESUME SHELLS** as part of their Proposal submission to the FTB Procurement Official identified on the RFP. Each Key Staff resume must support the Proposer's responses in **TABLE 23: Key Staff #1 Qualifications Checklist** and **TABLE 24: Key Staff #2 Qualifications Checklist** in **Attachment 16: Key Staff Certification Checklist**.

<table>
<tr><td>Key Staff's First and Last Name (Printed):</td><td colspan="2"></td></tr>
<tr><td>Company Name:</td><td colspan="2"></td></tr>
<tr><td colspan="3">Work Experience
(Work history within the last ten (10) years of employment. May insert additional rows if needed.)</td></tr>
<tr><td colspan="3">[Job Title 1]</td></tr>
<tr><td>[Company Name]</td><td>[City]</td><td>[State]</td></tr>
<tr><td colspan="3">[Dates of Employment (Month & Year – Month & Year)]</td></tr>
<tr><td colspan="3">[Duties/Tasks] Include detailed work experience for Job Title 1 as it relates to the requirements of the RFP.</td></tr>
<tr><td colspan="3">[Job Title 2]</td></tr>
<tr><td>[Company Name]</td><td>[City]</td><td>[State]</td></tr>
<tr><td colspan="3">[Dates of Employment (Month & Year – Month & Year)]</td></tr>
<tr><td colspan="3">[Duties/Tasks] Include detailed work experience for Job Title 2 as it relates to the requirements of the RFP.</td></tr>
<tr><td colspan="3">[Job Title 3]</td></tr>
<tr><td>[Company Name]</td><td>[City]</td><td>[State]</td></tr>
<tr><td colspan="3">[Dates of Employment (Month & Year – Month & Year)]</td></tr>
<tr><td colspan="3">[Duties/Tasks] Include detailed work experience for Job Title 3 as it relates to the requirements of the RFP.</td></tr>
<tr><td colspan="3">Professional Certifications/Licenses
(Include professional certifications and licenses as it relates to the requirements of the RFP.)</td></tr>
<tr><td colspan="3"></td></tr>
<tr><td colspan="3">Education
(Include Education information as it relates to the requirements of the RFP.)</td></tr>
<tr><td colspan="3"></td></tr>
</table>

F.15. ATTACHMENT 15: COMPANY CERTIFICATION CHECKLIST

Instructions: Proposer must complete **ATTACHMENT 15: Company Certification Checklist** by responding to the question in the following table:

By completing the following table, the Proposer certifies they meet the Mandatory Scored requirements outlined therein, at the time of Proposal submission.

Proposer must include a completed **ATTACHMENT 15: Company Certification Checklist** as part of their Proposal submission to the FTB Procurement Official identified on the RFP.

TABLE 22: COMPANY CERTIFICATION CHECKLIST			
Req. #	**Req. Type**	**Company Experience and Qualifications**	**Select One:**
Mandatory Scored – (MS)			
1.	MS	**Instructions:** Proposer must select <u>either</u> A., B., or C: A. **Company has a minimum of five (5) years' (within the last five (5) years)** experience with providing a broad range of consulting services to both insurance companies and self-insured entities including experience evaluating captive/microcaptive insurers, including the review of numerous captive/microcaptive feasibility studies spanning a broad range of property/casualty and professional liability lines of business including experience with reserve evaluations, pricing and ratemaking for personal and commercial lines of insurance. **OR** B. **Company has more than five (5) years and up to ten (10) years'** experience within the last five (5) years with providing a broad range of consulting services to both insurance companies and self-insured entities including experience evaluating captive/microcaptive insurers, including the review of numerous captive/microcaptive feasibility studies spanning a broad range of property/casualty and professional liability lines of business including experience with reserve evaluations, pricing and ratemaking for personal and commercial lines of insurance. **OR** C. **Company has more than ten (10) years'** experience within the last five (5) years with providing a broad range of consulting services to both insurance companies and self-insured entities including experience evaluating captive/microcaptive insurers, including the review of numerous captive/microcaptive feasibility studies spanning a broad range of property/casualty and professional liability lines of	☐ ☐ ☐

TABLE 22: COMPANY CERTIFICATION CHECKLIST			
Req. #	**Req. Type**	**Company Experience and Qualifications**	**Select One:**
		business including experience with reserve evaluations, pricing and ratemaking for personal and commercial lines of insurance. Additional Details: ______________________________ ______________________________	

F.16. ATTACHMENT 16: KEY STAFF CERTIFICATION CHECKLIST (MS)

Instructions: Proposer must complete both checklists herein by responding to all questions in **Table 23: Key Staff #1 Qualifications Checklist** and **Table 24: Key Staff #2 Qualifications Checklist** below. By completing both checklists, the Proposer certifies both of their proposed expert consultants (Key Staff) meet the Mandatory Scored (MS) requirements, and Desirable Scored (DS) requirements if applicable, as outlined in each checklist at the time of Proposal submission.

Proposer must include a completed **ATTACHMENT 16: Key Staff Certification Checklist** as part of their Proposal submission to the FTB Procurement Official identified on the RFP.

Each Key Staff resume must support the Proposer's responses in **Table 23 and Table 24** below for each proposed expert consultant, respectively.

TABLE 23: KEY STAFF #1 QUALIFICATIONS CHECKLIST			
Mandatory Scored – (MS)			
Work Experience			
Instructions: Proposer must select either A, B, or C for **Key Staff #1** and should provide the resume section(s) and pages(s) where the supporting details are located.			
Req. #	**Req. Type**	**Qualifications Description**	**Select One:**
1.	MS	A. Expert Consultant (Key Staff) #1 has a **minimum of five (5) years' work experience (within the last five (5) years)** assessing captive and microcaptive insurance programs, with significant experience evaluating the actuarial pricing, reserving, reinsurance, and regulatory considerations associated with these insurance arrangements for tax reporting purposes. **OR** B. Expert Consultant (Key Staff) #1 has **six (6) to ten (10) years'** work experience assessing captive and microcaptive insurance programs, with significant experience evaluating the actuarial pricing, reserving, reinsurance, and regulatory considerations associated with these insurance arrangements for tax reporting purposes. **OR** C. Expert Consultant (Key Staff) #1 has **more than ten (10) years'** work experience assessing captive and microcaptive insurance programs, with significant experience evaluating the actuarial pricing, reserving, reinsurance, and regulatory considerations associated with these insurance arrangements for tax reporting purposes. Resume Section:__________________ Page(s): ____________	☐ ☐ ☐

TABLE 23: KEY STAFF #1 QUALIFICATIONS CHECKLIST			
Knowledge, Skills and Abilities			
Instructions: Proposer must select either A, B, or C for **Key Staff #1** and should provide the resume section(s) and pages(s) where the supporting details are located.			
Req. #	**Req. Type**	**Qualifications Description**	**Select One:**
2.	MS	A. Expert Consultant (Key Staff) #1 has a **minimum of five (5) years' Knowledge, Skills and Abilities** (within the last five (5) years) performing the tasks specified in bullets 1) through 12) below. **OR** B. Expert Consultant (Key Staff) #1 has **six (6) to ten (10) years' Knowledge, Skills and Abilities** performing the tasks specified in bullets 1) through 12) below. **OR** C. Expert Consultant (Key Staff) #1 has **more than ten (10) years' Knowledge, Skills and Abilities** performing the tasks specified in bullets 1) through 12) below. 1) Assessing risk transfer based on accounting standards, actuarial standards and principles, and evaluating premiums for captive insurance programs. 2) Specializing in reserve evaluations, financial modeling, and captive insurance program evaluations. 3) Expertise in determining reasonable rates for personal and commercial lines of insurance, and experience with catastrophic modeling and actuarial analyses. 4) Providing expert reports and serving as an expert witness in microcaptive insurance cases regarding Internal Revenue Code (IRC) Section 831 (b) "micro-captives". 5) Evaluating reserves using traditional analysis and alternative financial analysis for all lines of business for both self-insured and insurance companies.	☐ A ☐ B ☐ C

TABLE 23: KEY STAFF #1 QUALIFICATIONS CHECKLIST				
		6) Evaluating alternative risk financing and experience in all aspects of actuarial pricing, ratemaking, regulatory and data management issues. 7) Evaluating reserves for reinsurance companies, captive reinsurers, and excess coverage. 8) Identifying the genuine insurance purpose of the insurance policies and programs that involve bona fide risk transfer and risk distribution. 9) Evaluating the premiums that are charged for cost reasonableness and accuracy. 10) Preparing formal written evaluations of the insurance policies and coverages of captive/microcaptive insurance programs. 11) Strong verbal and written communication skills for interacting with clients, team members, and other stakeholders. 12) Strong customer service skills, possessing a professional demeanor and ability to interact effectively with clients. Resume Section:_________________________ Page(s): ____________		
Desirable Scored (DS)				
Req #	**Req Type**	**Qualifications Description**	**Yes**	**No**
Instructions: Proposer must select either Yes or No for **Key Staff #1** and should provide the resume section(s) and page(s) where the supporting details are located.				
3.	DS	Expert Consultant (Key Staff) #1 has an Actuarial Certification through either one of the following two professional organizations as listed below: 1) Society of Actuaries (SOA), or 2) Casualty Actuarial Society (CAS) Resume Section:_________________________ Page(s): ____________	☐	☐
Mandatory Scored – (MS)				
Prior Evaluations List				
Instructions: Proposer must select either Yes or No for **Key Staff #1** and should provide the resume section(s) and pages(s) where the supporting details are located.				

TABLE 23: KEY STAFF #1 QUALIFICATIONS CHECKLIST				
Req. #	**Req. Type**	**Qualifications Description**	**Yes**	**No**
4.	MS	Proposer must provide a list of **three (3) evaluations from each proposed Key Staff** who have performed business valuations which have been conducted and completed within the last five (5) years and include the criteria outlined in **TABLE 8: Point Allocation for Key Staff Qualifications – Prior Evaluations List** within **Section D.3.2 Key Staff Qualifications**. Resume Section: ______________________ Page(s): __________	☐	☐

<table>
<tr><th colspan="4">TABLE 24: KEY STAFF #2 QUALIFICATIONS CHECKLIST</th></tr>
<tr><td colspan="4">Mandatory Scored – (MS)</td></tr>
<tr><td colspan="4">Work Experience</td></tr>
<tr><td colspan="4">Instructions: Proposer must select <u>either</u> A, B, or C for Key Staff #2 and should provide the resume section(s) and pages(s) where the supporting details are located.</td></tr>
<tr><th>Req. #</th><th>Req. Type</th><th>Qualifications Description</th><th>Select One:</th></tr>
<tr><td>1.</td><td>MS</td><td>A. Expert Consultant (Key Staff) #2 has a minimum of five (5) years' work experience (within the last five (5) years) assessing captive and microcaptive insurance programs, with significant experience evaluating the actuarial pricing, reserving, reinsurance, and regulatory considerations associated with these insurance arrangements for tax reporting purposes.

OR

B. Expert Consultant (Key Staff) #2 has six (6) to ten (10) years' work experience assessing captive and microcaptive insurance programs, with significant experience evaluating the actuarial pricing, reserving, reinsurance, and regulatory considerations associated with these insurance arrangements for tax reporting purposes.

OR

C. Expert Consultant (Key Staff) #2 has more than ten (10) years' work experience assessing captive and microcaptive insurance programs, with significant experience evaluating the actuarial pricing, reserving, reinsurance, and regulatory considerations associated with these insurance arrangements for tax reporting purposes.

Resume Section:______________________________ Page(s): ___________</td><td>☐

☐

☐</td></tr>
<tr><td colspan="4">Knowledge, Skills, and Abilities</td></tr>
<tr><td colspan="4">Instructions: Proposer must select <u>either</u> A, B, or C for Key Staff #2 and should provide the resume section(s) and pages(s) where the supporting details are located.</td></tr>
<tr><th>Req. #</th><th>Req. Type</th><th>Qualifications Description</th><th>Select One:</th></tr>
<tr><td>2.</td><td>MS</td><td>A. Expert Consultant (Key Staff) #2 has a minimum of five (5) years' Knowledge, Skills and Abilities (within the last five (5) years) performing the tasks specified in bullets 1) through 12) below.</td><td>☐</td></tr>
</table>

TABLE 24: KEY STAFF #2 QUALIFICATIONS CHECKLIST			
		OR B. Expert Consultant (Key Staff) #2 has **six (6) to ten (10) years' Knowledge, Skills and Abilities** performing the tasks specified in bullets 1) through 12) below. **OR** C. Expert Consultant (Key Staff) #2 has **more than ten (10) years' Knowledge, Skills and Abilities** performing the tasks specified in bullets 1) through 12) below. 1) Assessing risk transfer based on accounting standards, actuarial standards and principles, and evaluating premiums for captive insurance programs. 2) Specializing in reserve evaluations, financial modeling, and captive insurance program evaluations. 3) Expertise in determining reasonable rates for personal and commercial lines of insurance, and experience with catastrophic modeling and actuarial analyses. 4) Providing expert reports and serving as an expert witness in microcaptive insurance cases regarding Internal Revenue Code (IRC) Section 831 (b) "micro-captives". 5) Evaluating reserves using traditional analysis and alternative financial analysis for all lines of business for both self-insured and insurance companies. 6) Evaluating alternative risk financing and experience in all aspects of actuarial pricing, ratemaking, regulatory and data management issues. 7) Evaluating reserves for reinsurance companies, captive reinsurers, and excess coverage. 8) Identifying the genuine insurance purpose of the insurance policies and programs that involve bona fide risk transfer and risk distribution. 9) Evaluating the premiums that are charged for cost reasonableness and accuracy.	☐ ☐

TABLE 24: KEY STAFF #2 QUALIFICATIONS CHECKLIST				
		10) Preparing formal written evaluations of the insurance policies and coverages of captive/microcaptive insurance programs. 11) Strong verbal and written communication skills for interacting with clients, team members, and other stakeholders. 12) Strong customer service skills, possessing a professional demeanor and ability to interact effectively with clients. Resume Section:_________________________ Page(s): ____________		
Desirable Scored (DS)				
Req #	**Req Type**	**Qualifications Description**	**Yes**	**No**
Instructions: Proposer must select either Yes or No for **Key Staff #2** and should provide the resume section(s) and page(s) where the supporting details are located.				
3.	DS	Expert Consultant (Key Staff) #2 has an Actuarial Certification through either one of the following two professional organizations as listed below: 1) Society of Actuaries (SOA), or 2) Casualty Actuarial Society (CAS) Resume Section:_________________________ Page(s): ____________	☐	☐
Mandatory Scored – (MS)				
Prior Evaluations List				
Instructions: Proposer must select either Yes or No for **Key Staff #2** and should provide the resume section(s) and pages(s) where the supporting details are located.				
Req. #	**Req Type**	**Qualifications Description**	**Yes**	**No**
4.	MS	Proposer must provide a list of **three (3) evaluations from each proposed Key Staff** who have performed business valuations which have been conducted and completed within the last five (5) years and include the criteria outlined in **TABLE 8: Point Allocation for Key Staff Qualifications – Prior Evaluations List** within **Section D.3.2 Key Staff Qualifications**. Resume Section: _________________________ Page(s): ____________	☐	☐

F.17. ATTACHMENT 17: SAMPLE REPORT COVER PAGE (M)

Instructions: Proposers must provide **two (2) sample reports** completed by **each** of the two (2) Proposed Key Staff (for a total of four (4) Sample Reports) in accordance with the requirements outlined in RFP **Section D.3.4. Sample Reports**. Each Sample Report submitted should include this Cover Page and each Sample Report must include a description of the scope of the services entailed and its relevance to this RFP.

Firm Name: ____

Author(s) Name(s) – First and Last: ______________________________________

F.18. ATTACHMENT 18: CUSTOMER REFERENCE FORM (M)

Instructions: Proposer must submit the following form for completion and signature to **two (2)** different Customer References for **two (2)** distinct services engagements. Customer references should preferably be from state, federal, or local government entities and the Customer Reference contact shall be a manager or supervisor of the referenced services engagement, and their contact information shall be included on each completed form. FTB reserves the right to contact the customer references provided by the Proposer.

Proposer must include the two (2) completed and signed Customer Reference Forms as part of their Proposal to the Procurement Official identified on the RFP.

Instructions to Customer References: Customer Reference must complete this form by providing the information requested in "Section A – Proposer and Engagement Information," by answering the questions in "Section B – Customer Reference Satisfaction," and by signing and completing the signatory information in "Section C – Signature and Contact Information".

Section A – Proposer and Engagement Information		
1)	**Proposer Name (Company Name):**	
2)	**Customer Reference Name (Company Name):**	
3)	**Title and Description of Services Engagement:**	
4)	**Proposer's Role in the Services Engagement** (Prime, Subcontractor, or Other):	
5)	**Contract Amount:**	
6)	**Contract Start Date (MM / DD / YYYY):**	
7)	**Contract End Date (MM / DD / YYYY):**	

Section B – Customer Reference Satisfaction				
#	**Questions**	**Customer Reference Response** 1 = Unsatisfied 2 = Satisfied 3 = Very Satisfied		
		1	2	3
1)	How would you rate the Proposer's ability to perform the work for each assignment?	☐	☐	☐
2)	How would you rate the effectiveness of the Proposer's communication and collaboration throughout each assignment?	☐	☐	☐
3)	How well did the Proposer fulfill all requirements of the	1	2	3

Section B – Customer Reference Satisfaction				
	assignments including quality standards?	☐	☐	☐
4)	How would you rate your likelihood of choosing to work with the Proposer again for future assignments?	1 ☐	2 ☐	3 ☐
5)	How would you rate your overall experience working with the Proposer?	1 ☐	2 ☐	3 ☐

Additional clarification(s) for the responses above:

Section C – Signature and Contact Information	
By signing below, I declare that I have reviewed the information contained herein and confirm the information is true and correct.	
Signature:	**Date:**
Customer Reference Contact Printed First and Last Name:	
Title:	
Email:	
Phone:	
Customer Reference self-certifies they served as a Manager or Supervisor in the above referenced service engagement. <u>Check one</u>: Supervisor ☐ Manager ☐	

SAMPLE OF STANDARD AGREEMENT (STD 213)

Reset Form | Print Form

SCO ID: 7730-0000000000000000000XXXXXX

STATE OF CALIFORNIA - DEPARTMENT OF GENERAL SERVICES
STANDARD AGREEMENT
STD 213 (Rev. 04/2020)

AGREEMENT NUMBER	PURCHASING AUTHORITY NUMBER (If Applicable)
000000000000000000XXXXXX	

1. This Agreement is entered into between the Contracting Agency and the Contractor named below:

CONTRACTING AGENCY NAME
Franchise Tax Board

CONTRACTOR NAME
(Proposed Contractor)

2. The term of this Agreement is:

START DATE
November 17, 2025 or upon approval, whichever is later

THROUGH END DATE
November 16, 2028

3. The maximum amount of this Agreement is:
$XXXXXX.XX (XXXXXXXX AND XX/100 DOLLARS)

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	15
Exhbit A-1	Consulting Service Request	5
Exhibit A-2	FTB Work Auhorization "Sample"	1
Exhibit A-3	Conflict of Interest Certification	1
Exhibit B	Cost Detail and Payment Provisions	3
Exhibit C *	General Terms and Conditions	GTC02/25
Exhibit D	FTB Special Non-IT Terms and Conditions	8
Exhibit E	Additional Provisions	6
Exhibit F	Consultant Resumes	2

Items shown with an asterisk (*), are hereby incorporated by reference and made part of this agreement as if attached hereto.
These documents can be viewed at https://www.dgs.ca.gov/OLS/Resources

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

CONTRACTOR

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

CONTRACTOR BUSINESS ADDRESS	CITY	STATE	ZIP

PRINTED NAME OF PERSON SIGNING	TITLE

CONTRACTOR AUTHORIZED SIGNATURE	DATE SIGNED

EXHIBIT A: SCOPE OF WORK

A. INTRODUCTION

This Agreement (hereinafter referred to as “Agreement” or “Contract”), is entered into between the California Franchise Tax Board (hereinafter referred to as “FTB” or the “State”) and *TBD – Enter Contractor Name*, (hereinafter referred to as “Contractor”).

FTB hereby retains the Contractor for the consulting services described herein. Contractor shall provide all captive/microcaptive insurance expert services (including any other items and incidentals) necessary to accomplish the deliverables and associated tasks for such FTB consulting service requests as detailed in this Scope of Work (SOW). Under the direction of FTB’s Audit Division, the Contractor agrees to furnish and perform the consulting services as described herein, for the entire term of this Agreement. Both the Contractor and FTB enter into this Agreement on the terms and conditions set forth herein and in Request for Proposal #**RFP FTB-2526-PW-039,** and any subsequent addenda, which are hereby incorporated by reference and made an integral part of this Agreement.

This Agreement does not include the exchange of Federal Tax Information (FTI).

B. BACKGROUND

This Agreement shall serve as an as-needed consulting service contract.

Requirements specified in this SOW are representative of common tasks necessary for the Contractor to accomplish for this engagement for an expert consultant opinion on captive/microcaptive insurance service requests. Taxpayers may report insurance expense deductions for premiums paid to a captive/microcaptive insurance subsidiary. FTB’s Audit Division requests an expert consultant to determine whether premiums paid to a captive/microcaptive insurance subsidiary constitute a deductible business expense pursuant to Internal Revenue Code (IRC) Section 162 (a).

The facts and circumstances of each captive/microcaptive insurance service request are to be considered, and an outside expert consultant is needed to provide the objective evaluation of the facts and circumstances of each captive/microcaptive insurance consulting service request. Captive insurance companies provide insurance for the parent entity (parent-subsidiary) and/or for other subsidiaries in a given organizational structure (brother-sister arrangement). In a parent-subsidiary arrangement, premiums are paid by the captive's parent to the captive insurance subsidiary. In a brother-sister arrangement, premiums are paid by affiliated subsidiaries of a taxpayer to another subsidiary of the same taxpayer. A pure captive insurance company is one that insures only the risks of companies within the same organizational structure. Some captive insurance companies insure the risks of third parties in addition to its parent and/or brother-sister companies.

A microcaptive insurance company is a small-to-mid size captive insurance company earning $2.85 million or less in annual premium income, as adjusted in 2026 and 2027, which may elect for such treatment under IRC Section 831 (b). Pursuant to an IRC Section 831 (b) election, a microcaptive is subject to federal income tax only on its investment income, e.g., interest, but not its premiums. The microcaptive insurance company is a combination of two concepts:

captive insurance companies and the IRC Section 831 (b) tax advantages for small insurance companies.

The Expert Consultant(s) performing services will review and analyze pertinent documentation and evidence such as FTB audit and protest files, supporting documentation provided by the taxpayer, and any other documentation or evidence as relevant. Certain consulting service requests will also require the review of general documentation and evidence related to specific transactions but not necessarily related to a case under audit or protest. Specific information pertaining to the validity of the insurance policies of the captive/microcaptive insurance subsidiary must be properly analyzed in order to determine whether the taxpayer's tax reporting of the captive/microcaptive insurance activity is in compliance with applicable law. Refer to **Section G. Description of Work Phases** in this Exhibit for further details.

Throughout this engagement, FTB may provide **State Data** to the Contractor. For purposes of this Agreement, State Data means all data owned by FTB and submitted, processed, or stored under this Agreement. State Data includes, but is not limited to, all data that originated with FTB or that FTB provided to the Contractor, and all data generated, manipulated, produced, reported by, or otherwise emanating from or by applications run by Contractor that included FTB's data. State Data includes "FTB's data," "FTB electronic data," "confidential information," "confidential data," and "sensitive information and data" as used in this Agreement.

C. LEGAL AUTHORITY

This Agreement and terms herein are authorized under California Public Contracting Code Sections 10335, et seq., and Revenue and Taxation Code Sections 19501 et seq., 19032, 19041 and subject to the disclosure provisions in 19542, et seq.

D. AGREEMENT TERM

The term of this Agreement will be for **Three (3) Years for the term dates specified on the executed Standard Agreement (STD. 213).** The Contractor shall be available to commence the services outlined in this SOW during the term specified on the executed Standard Agreement (STD 213, or STD 213A if applicable) or upon approval of FTB's background screening, whichever is later. The Contractor must complete the services outlined in the SOW within the term specified in the STD 213, or STD 213A if applicable.

The Contractor shall not be authorized to deliver or commence performance of services as described in this Agreement until written approval has been obtained from all entities. Any delivery or performance of tasks commenced prior to the Contractor obtaining all written approvals shall be considered voluntary on the part of the Contractor and non-compensable by FTB.

E. CONTRACTOR REQUIRED QUALIFICATIONS

Contractor shall provide Key Staff that possess the required work experience and knowledge, skills, abilities specified in solicitation #**RFP FTB-2526-PW-039,** and any subsequent addenda, **Section D.3.2. Key Staff Qualifications**.

F. CONSULTING SERVICE REQUEST

An FTB approved **Consulting Service Request (CSR) (Refer to Exhibit A-1)** is required for each request for consulting services prior to the Contractor performing any work at each phase (described in **Section G. Description of Work Phases** below), as applicable. In order to provide a detailed and quantifiable measure of the Contractor's performance, the deliverable due dates and cost breakdowns per consulting service request shall be specified in each CSR, be completed and accepted by both parties, and each CSR must be approved by FTB before work commences at each phase. Each CSR shall provide a detailed description of work to be performed and a good-faith estimate of the associated time and cost required for the Contractor to complete the requested services. Each CSR shall include the projected Key Staff hours needed to complete the scope of the CSR and the estimated cost for the services, including the hourly rate(s) based on the Expert Consultant(s) (Key Staff) performing the work.

If during any phase of a consulting service request there are any unexpected deviations from the approved CSR that would require a revised cost estimate, such changes shall be communicated in writing by the Contractor to the FTB Contract Manager in advance of any deviation of services being performed. In the event a CSR revision is needed, the Contractor shall email the FTB Contract Manager to request the CSR form to be revised. Any revision(s) to the cost estimate of a previously approved CSR must be agreed to between FTB and the Contractor, and approved by the FTB Contract Manager via a revised CSR. Once a revised CSR is approved by FTB, the prior CSR for each consulting service request respectively, is considered void as of the date of the FTB signature approval on the revised CSR.

The cost of the requested services satisfactorily performed shall be invoiced based on the actual hours worked at the hourly rate(s) identified in **Exhibit B: Cost Detail and Payment Provisions**, and shall not exceed the projected cost estimate provided by the Contractor on the approved CSR, including any revision(s).

G. DESCRIPTION OF WORK PHASES

There are up to four (4) Work Phases that **may** be required for captive/microcaptive insurance consulting service requests. Not all consulting service requests will result in the need for consulting services for all four (4) phases.

1. Phase One – Intake Assessment

Step 1 - Conflict of Interest
Prior to any work being performed on the consulting service request, the State requires the Contractor to identify and address any conflicts of interest. For the purpose of this Agreement, a conflict exists when the Contractor's (or Contractor's subcontractor's) economic, financial, or personal interests could influence, or appear to influence, their judgment in their official capacity. For this reason, FTB requires the Contractor to complete an **FTB Conflict of Interest Certification (COIC)** form **(Refer to Exhibit A-3)** attesting that a conflict of interest does not exist, or providing written notification if a conflict of interest reasonably may or actually does exist, for each named taxpayer for each consulting service request.

By email, the FTB Contract Manager shall request the Contractor confirm whether a conflict of interest exists. The email shall include, as an attachment, the **Exhibit A-3:**

COIC form identifying the taxpayer name. The Contractor shall respond to the FTB Contract Manager's email within **five (5) state business days** from the date of FTB's email by either attaching the completed COIC form certifying there is not a conflict of interest, or explaining in the body of the email that a conflict of interest reasonably may or actually does exist.

<u>In the event FTB determines a conflict of interest exists, FTB shall not proceed with any of the next steps or Work Phases.</u>

Step 2 – Preliminary Review of Documents and Preliminary Conference
In the event FTB determines, based on the Contractor's and Contractor's subcontractor(s)' representations (as applicable), there is not a conflict of interest, the FTB Contract Manager shall:

a. Email the Contractor the relevant documents for Contractor's preliminary review. Confidential records shall be made available for review by secured email or Secure Web Internet File Transfer (SWIFT) before the date of the required preliminary conference with FTB.

b. Schedule a preliminary conference with the FTB personnel handling the taxpayer's case, the Expert Consultant(s), and the FTB Contract Manager to discuss the scope of the proposed consulting service request, and to address any questions regarding the documents previously provided to the Contractor for their preliminary review. Preliminary conferences are estimated to not exceed one (1) hour.

c. Participate in preliminary conference - Follow-up questions and documentation that may need to be requested from the taxpayer shall be discussed between the Contractor and FTB during the preliminary conference to ensure that all pertinent information is obtained for the Contractor to perform their consulting services.

<u>**Note:** The Contractor shall notify the FTB Contract Manager via email within **five (5) State business days** of the date FTB emails the documents for preliminary review if a conflict of interest reasonably may or actually does exist.</u>

Step 3 – Consulting Service Request
Upon conclusion of the preliminary conference, and prior to any work being performed by the Contractor in Work Phases Two, Three, or Four, as applicable, the FTB Contract Manager shall email an **Exhibit A-1: Consulting Service Request (CSR)** to the Contractor for their completion.

The Contractor shall complete, sign, and return the **Exhibit A-1: CSR** via email to the FTB Contract Manager within **five (5) State business days** from the date of FTB's **Exhibit A-1: CSR** email.

Upon FTB approval of the **Exhibit A-1: CSR**, the FTB Contract Manager shall notify the Contractor via email with the FTB approved **Exhibit A-1: CSR** attached.

The Contractor shall begin performing the work as specified in Phase Two below and according to the FTB approved **Exhibit A-1: CSR** within **five (5) State business days** of the date of FTB's **Exhibit A-1: CSR** approval email.

2. **Phase Two - Narrative Review Report of the Captive/Microcaptive Insurance Program**

Step 1 – Narrative Review Report Preparation
The Expert Consultant shall prepare a draft written *Narrative Review Report* of the taxpayer's captive/microcaptive insurance program(s), actuarial reports, feasibility studies and insurance policy contracts, including analysis of the data, assumptions, and other information that may or may not have been included for each approved **Exhibit A-1: CSR.** The Expert Consultant shall identify any problems associated with the underlying information and assumptions used to reach the conclusion. The Expert Consultant shall review the insurance policies to make sure they are valid and binding and cover an actual insurable risk. The Expert Consultant shall evaluate whether the premiums are reasonable and determined objectively. The *Narrative Review Report* must include the Expert Consultant's observations and opinions on the deductibility of the premiums paid in the captive/microcaptive insurance program under statutory and case law.

Step 2 – Deliverables and Timeframes
The draft *Narrative Review Report* completed by the Contractor must follow the Actuarial Standard of Practice Number 41 (Actuarial Communications) and include the following information, at a minimum:

A. Scope of the assignment:

   i. Evaluate whether the insurance policies were appropriately priced using reasonable actuarial techniques.

   ii. Evaluate whether the arrangements and transactions make economic sense, absent the tax savings achieved.

B. Materials reviewed and analyzed:

   i. Insurance premiums for each type of coverage (commercial property/casualty/professional).

   ii. Captive insurance company's actuarial report.

   iii. Captive insurance business plan.

   iv. Income Statements and Balance Sheets for the captive insurance company.

   v. Correspondence from those involved in the captive insurance formation and management.

   vi. All other materials the Contractor obtains and relies on in conducting the analysis.

vii. Conclusion and overall findings in summary format with Expert Consultant's opinion of the taxpayer's captive/microcaptive insurance program(s).

The Contractor shall provide the draft *Narrative Review Report* via email to the FTB Contract Manager within **thirty (30) State business days** of the date of FTB's approved **Exhibit A-1: CSR** approval email.

FTB personnel shall review the draft *Narrative Review Report* and respond to the Contractor via email within **ten (10) State business days** of the date the Contractor emailed the *Narrative Review Report* by either:

1. Providing comments and questions regarding the draft *Narrative Review Report*, or

2. Notifying the Contractor via email that there are no comments or questions.

The Contractor shall provide the FTB Contract Manager a final *Narrative Review Report* via email within **ten (10) State business days** of the date of FTB's email response.

3. Phase Three – Report of Expert Opinion of the Captive/Microcaptive Insurance Program

Consulting services in Phase Three are contingent upon FTB's determination after consideration of the Contractor's final written *Narrative Review Report*. Not all consulting service requests will result in the need for Phase Three consulting services.

Step 1 – Consulting Service Request

a. If FTB determines that a *Report of Expert Opinion* is needed, and prior to any work in Phase Three being performed, the FTB Contract Manager shall email the Contractor the **Exhibit A-1: Consulting Service Request (CSR)** to be revised for the addition of Phase Three.

b. The Contractor shall complete, sign, and return the **Exhibit A-1: CSR** via email to the FTB Contract Manager within **five (5) State business days** of the date of FTB's revised **Exhibit A-1: CSR** email.

c. Upon FTB Approval of the revised **Exhibit A-1: CSR**, the FTB Contract Manager shall notify the Contractor via email with an attached FTB approved **Exhibit A-1: CSR**.

d. The Contractor shall begin performing the work as specified in the FTB approved revised **Exhibit A-1: CSR** within **five (5) State business days** of the date of FTB's revised **Exhibit A-1: CSR** approval email.

Step 2 – Deliverables and Timeframes
The Expert Consultant shall prepare a draft *Report of Expert Opinion* describing findings and opinions regarding the tax deductibility of insurance premiums paid under the subject captive/microcaptive insurance program. The *Report of Expert Opinion* will

analyze and document the extent to which the subject captive/microcaptive insurance program meets the risk transfer, risk distribution, insurability, and consistency with common insurance practices criteria used in Federal Tax Court determinations. The findings and opinions will specifically address available actuarial work, such as feasibility studies. The Contractor will review the feasibility studies and actuarial reports to make sure they are in line with industry standards and contain all the elements required. The Contractor will verify that the premiums are justified and the methodology the actuaries use can be explained and substantiated.

The draft *Report of Expert Opinion* shall follow the Actuarial Standard of Practice Number 41 (Actuarial Communications) and include, at a minimum, the following information:

A. Qualifications, Assignment, and Materials Considered
    i. Qualifications of Contractor
    ii. Assignment
    iii. Materials Considered and Research Conducted for this Matter
B. Summary of Opinions
C. Description of the Parties and Entities
    i. Taxpayer and Taxpayer's affiliated entities
    ii. Taxpayer captive/microcaptive (Reinsurance) ("Re") Insurers and Owning Entities
    iii. Captive/Microcaptive (Re) Insurer
    iv. Actuarial Study regarding the captive/microcaptive (Re) Insurer
D. Analytical Study re: Captive/Microcaptive (Re) Insurer
E. Analytical Preliminaries
    i. Business economics and taxation
    ii. Overview of Taxpayer's captive/microcaptive insurance program
F. Introduction to Insurance Focusing on Commercial Property/Casualty/Liability
    i. Principles of Insurability
    ii. Determining Specific Insurability – The Underwriting Process
    iii. The Demand and Supply of Commercial Insurance
    iv. Introduction to captive/microcaptive insurance companies
    v. Introduction to Reinsurance
G. Examination of the Taxpayer and Taxpayer's insured affiliates and the captive/microcaptive insurance programs
    i. The captive/microcaptive insurance company's actual net loss insurance policy
H. The Reinsurance Agreements between the captive/microcaptive insurance company/companies
I. Summary of the captive/microcaptive insurance company/companies' operations
J. The actual feasibility studies for the captive/microcaptive insurance company/companies
K. The captive/microcaptive insurance company/companies' coverage for the taxpayer's insured entities/affiliates
    i. List the specific coverage types and the description of each coverage in detail

L. Concluding Evaluation and Analysis regarding the taxpayer's captive/microcaptive insurance program(s)
   i. Analysis of insurability
   ii. Analysis of risk transfer/risk shifting
   iii. Analysis of risk distribution
   iv. Analysis of commonly accepted notions of insurance
   v. Discussion as to whether the taxpayer's captive/microcaptive insurance program(s) and coverages would or would not be purchased from a commercial insurer by a reasonable business owner
   vi. Final conclusion and expert opinion

The Contractor shall provide the draft *Report of Expert Opinion* via email to the FTB Contract Manager within **thirty (30) State business days** of the date of FTB's **Exhibit A-1: CSR** approval email.

FTB personnel shall review the draft *Report of Expert Opinion* and respond to the Contractor via email within **ten (10) State business days** of the date the Contractor emailed the *Report of Expert Opinion* by either:

1. Providing comments and questions regarding the draft *Report of Expert Opinion*, or

2. Notifying the Contractor via email that there are no comments or questions.

The Contractor shall provide the FTB Contract Manager a final *Report of Expert Opinion* via email within **ten (10) State business days** of the date of FTB's email response.

4. Phase Four – Narrative Rebuttal

Consulting services in Phase Four are contingent upon FTB's determination after consideration of the Contractor's final *Report of Expert Opinion*. Not all consulting service requests will result in the need for Phase Four consulting services.

Step 1 – Consulting Service Request
If FTB determines a *Narrative Rebuttal* is needed, and prior to any work in Phase Four being performed, the FTB Contract Manager shall email the Contractor the **Exhibit A-1: Consulting Service Request (CSR)** to be revised for the addition of Phase Four.

The Contractor shall complete, sign, and return the **Exhibit A-1: CSR** via email to the FTB Contract Manager within **five (5) State business days** of the date of FTB's CSR email.

Upon FTB Approval of the revised **Exhibit A-1: CSR**, the FTB Contract Manager shall notify the Contractor via email with the FTB approved revised **Exhibit A-1: CSR** attached.

The Contractor shall begin performing the work as specified in the FTB approved revised **Exhibit A-1: CSR** within **five (5) State business days** of the date of FTB's revised **Exhibit A-1: CSR** approval email.

Step 2 – Deliverables and Timeframes
The Expert Consultant may be required on an as-needed basis to provide additional expert consultant services. Additional expert consultant services include assisting FTB personnel in effectively explaining FTB's audit (or protest) position and responding to the taxpayer's (or representative's) contentions; as well as providing a formal written *Narrative Rebuttal* to the taxpayer's or representative's contentions or position letter on the expert consultant's report and findings.

The *Narrative Rebuttal* shall include, at a minimum, the following:

a. Address the taxpayer's critiques or contentions with the analysis and conclusions.

b. Provide a clear and professionally supported response to any disputes related to the analysis and conclusions, and

c. Be presented in a narrative format with references to relevant documentation in support of the Contractor's analysis and conclusions.

The Contractor shall provide a draft *Narrative Rebuttal* via email to FTB Contract Manager within **thirty (30) State business days** of the date of FTB's **Exhibit A-1: CSR** approval email.

FTB personnel shall review the draft *Narrative Rebuttal* and respond to the Contractor via email within **ten (10) State business days** of the date the Contractor emailed the rebuttal by either:

1. Providing comments and questions regarding the draft *Narrative Rebuttal*, or

2. Notifying the Contractor via email that there are no comments or questions.

The Contractor shall provide the FTB Contract Manager a final *Narrative Rebuttal* via email within **ten (10) State business days** of the date of FTB's email response.

H. MONTHLY STATUS REPORT

To ensure that timely progress is made on each consulting service request, Contractor shall submit a monthly status report to the FTB Contract Manager every **thirty (30) calendar days** after the date of the preliminary conference for each consulting service request until completion. The purpose of the monthly status report is to document work performed and to ensure each consulting service request is on schedule for timely completion of the requested deliverables as described in this **Exhibit A: Scope of Work**.

The monthly status report shall be sent to the FTB Contract Manager via secured email and the FTB Contract Manager shall then schedule a videoconference or teleconference meeting to review and discuss the report, including troubleshooting any issues that may arise during each CSR so that remedies can be developed quickly. The meeting may include the FTB personnel handling the taxpayer's case to ensure that the work required is completed timely.

Below are the key data elements of the monthly status report:

1. Captive/Microcaptive Consulting Service Request Name
2. Current Date of Status Report
3. Date Contractor was contacted
4. Date Contractor began work
5. Hours currently spent on work, segmented by each Key Staff, including a detailed description of the work performed by each date.
6. Updates on progress since the prior Monthly Status Report (including current status, challenges, projected completion dates, etc.) Note: This may require additional information document requests in order for Contractor to complete the deliverable(s) per phase.
7. Estimated completion date(s) (correlates to Work Phases)

I. DELIVERABLES TYPES

The Contractor shall provide the deliverable types listed below as-needed upon FTB's request via an approved **Exhibit A-1: CSR** as approved by the FTB Contract Manager:

1. Narrative Review Reports
2. Report of Expert Opinion
3. Narrative Rebuttal
4. Monthly Status Reports

J. DELIVERABLES FORMAT

1. All Contractor deliverables shall be provided via secured email to the designated FTB Contract Manager in Microsoft (MS) Office Suite 2010 or newer (e.g., MS Word, MS Excel), Adobe Acrobat or Adobe Reader formats as specified by the State, or a combination of any of the specified formats using a secured method by the deadlines set forth in this Agreement or on a mutually agreed upon schedule.

2. Deliverables shall meet the accessibility requirements, including, but not limited to, compliance with Web Content Accessibility Guidelines (WCAG) 2.1.

K. WORK ENVIRONMENT

1. Contractor services shall be performed remotely.

2. Frequent videoconference or teleconference meetings may be requested by FTB to discuss each consulting service request, as needed. The date and time of these meetings shall be coordinated by the FTB Contract Manager and shall include FTB personnel handling the taxpayer's case, the Contractor, and the FTB Contract Manager.

3. Contractor shall attend the preliminary conference with FTB personnel to discuss the proposed consulting service request and to address any questions regarding the documents previously provided to the Contractor for preliminary review. The meeting will be held via videoconference and is estimated to not exceed one (1) hour. Confidential records will be made available for the Contractor's preliminary review via secured email or SWIFT prior to the date of the required preliminary meeting with the FTB.

Contractor shall be available to meet and communicate with FTB during State business hours which are, Monday through Friday, during State business hours (8:00 a.m. to 5:00 p.m., Pacific Time (PT)), excluding State observed holidays. Current State observed holidays are as follows:

a. New Year's Day
b. Martin Luther King, Jr. Day
c. President's Day
d. Cesar Chavez Day
e. Memorial Day
f. Independence Day
g. Labor Day
h. Veteran's Day
i. Thanksgiving Day
j. Day after Thanksgiving
k. Christmas Day

4. The Contractor must ensure all communications, records, and deliverables are treated as confidential tax information and handled in accordance with applicable privacy and data security requirements, specified in this Exhibit A: SOW and attached Exhibits, including but not limited to secure storage, transmission, and access controls.

L. CONTRACTOR RESPONSIBILITIES

1. Contractor shall be responsible for providing FTB two (2) Expert Consultants who are responsible for providing the deliverables and associated tasks that include (but are not limited to) those listed in this **Exhibit A: Scope of Work** adhering to the timeframes as outlined in **Exhibit A-1: Consulting Service Request** for each individual consulting service request. Upon FTB's request, all deliverables and documentation should be emailed to the designated FTB Contract Manager in the format specified in **Section J. Deliverables Format** of this **Exhibit A: SOW.**

2. Contractor shall maintain accurate and complete records regarding all actions taken in connection with each consulting service request. These records shall be made available to FTB within **five (5) State business days** of the date of FTB’s written request.

3. Contractor shall meet with FTB representatives as specified in this Exhibit, **Section K. Work Environment**.

4. Contractor shall provide a monthly status report, as specified in **Section H. Monthly Status Report** of this **Exhibit A: SOW**, to the FTB Contract Manager and be prepared to subsequently meet with the FTB Contract Manager to discuss the report to timely complete each consulting service request. The meetings may be held via video conference or teleconference, at FTB’s discretion.

5. Contractor, the Contractor’s subcontractors and each of the Contractor’s and subcontractors’ employees who may have access to confidential data shall be required to complete Privacy, Security and Disclosure Training (PSDT) and all applicable Confidentiality Statements as described in **Exhibit D: FTB Special Terms and Conditions, Provision 1. Statement of Confidentiality**.

6. Contractor, and Contractor's subcontractors, shall confirm no conflict of interest exists by Contractor completing a **Conflict of Interest Certification (COIC) (Refer to Exhibit A-3)** prior to the beginning of any work. **If at any point while performing work the Contractor or Contractor's subcontractor(s) identify a potential or actual conflict of interest, the Contractor and the Contractor's subcontractor(s) shall immediately cease performing work and Contractor shall promptly notify the FTB Contract Manager via email, and by phone call if necessary. For the purposes of this notification, "promptly" means within twenty-four (24) hours of discovery of a potential or actual conflict of interest.** Contractor shall invoice the State, and be paid, only for services performed up to the date of discovery of a potential or actual conflict of interest, unless a potential conflict of interest is determined not to be an actual conflict of interest.

7. All data and documentation exchanged between the Contractor and FTB shall be transmitted using secure electronic transmission methods such as encrypted email or SWIFT.

8. Contractor shall immediately notify the FTB Contract Manager via email, and by telephone call if necessary, of any potential issues or delays with meeting our deadlines or deliverables.

9. The Contractor shall treat all materials and information received from FTB as confidential and proprietary and shall not disclose such information to any third party without FTB's prior written consent. Confidential records shall not be used for any purpose other than fulfilling obligations under this Agreement.

M. <u>FTB RESPONSIBILITIES</u>

1. FTB personnel shall ensure that confidential records are made available to the Contractor via secured electronic transmission methods such as encrypted email or SWIFT prior to the scheduled preliminary meeting.

2. FTB Contract Manager shall coordinate and facilitate all meetings as needed, which shall include relevant FTB personnel.

3. FTB Contract Manager shall schedule monthly status report meetings with the Contractor to monitor progress against the agreed upon milestones, cost estimates, and timelines established in **Section G. Description of Work Phases** of this **Exhibit A: SOW**.

4. FTB Contract Manager shall validate Contractor invoices are in accordance with invoicing and payment requirements as specified in **Exhibit B: Cost Detail and Payment Provisions** for each deliverable and the costs shall be tracked so that the work performed is within the total cost for each consulting service request, as stated on each FTB approved **Exhibit A-1: CSR**.

N. <u>ACCEPTANCE CRITERIA</u>

The FTB Contract Manager shall review, verify, and confirm if the assigned work specified in each FTB approved **Exhibit A-1: Consulting Service Request** has been completed by the Contractor per this **Exhibit A: SOW**.

If FTB rejects the deliverable, FTB shall specify the reasons why the deliverable was rejected. The Contractor shall be notified via email by the FTB Contract Manager of the deficiencies and any issues pertaining to the required deliverables. The Contractor will make appropriate corrections to the deliverable and resubmit to FTB for review and acceptance. Once the deliverable is accepted by FTB, the Contractor will be notified by the FTB Contract Manager.

FTB shall make the final determination of the acceptability of all work performed (and all work products produced) by the Contractor under this Agreement. If the Contractor is unable to resolve the issue(s), FTB may terminate this Agreement in accordance with **Section Q: Cancellation Policy** of this **Exhibit A: SOW.**

O. PROBLEM ESCALATION

Problems or issues shall normally be reported to the FTB Contract Manager by the Contractor during regular meetings or via monthly status reports as deemed by the State. The parties acknowledge and agree that certain problems or issues may arise that cannot be solved at the lowest level and therefore justify escalated reporting. To this extent, the Contractor's Primary Contact shall notify the FTB State personnel via email in the order listed below. The First Level FTB State personnel shall review the problem or issue to determine if resolution can be reached or if needs escalation to the Second Level. If required, the Second Level FTB State personnel shall review the problem or issue to determine if a resolution can be reached or if escalation to the Third Level is needed. If required, Third Level FTB State personnel shall review the problem or issue and determine if a resolution can be reached.

The State personnel include, but are not limited, to the following:

1. First Level – FTB Contract Manager
2. Second Level – FTB Contract Manager Supervisor
3. Third Level – FTB Sponsor(s)

P. UNANTICIPATED TASKS

This Agreement may include Unanticipated Tasks, the cost of which shall be calculated on a time-and-materials basis and shall not exceed **five percent (5%)** of the total Agreement value. Unanticipated Tasks may include services not specifically set forth in this Agreement, but which, in the opinion of the State, are subsequently identified as in-scope and necessary for the successful delivery of the services described in this Agreement. Prior to commencement of any work being performed for Unanticipated Tasks, the Contractor shall have received an approved **FTB Work Authorization (Refer to Exhibit A-2)** for such work. The hourly rates for Unanticipated Tasks shall not exceed the rates as stated in **Exhibit B: Cost Detail and Payment Provisions**.

FTB Work Authorizations for Unanticipated Tasks shall include the Contractor's estimated number of hours required to complete the work, multiplied by the hourly rate specified in **Exhibit B: Cost Detail and Payment Provisions** to reach the associated fee. The State will authorize release of payment for any FTB Work Authorizations upon FTB's acceptance of the criteria specified in the approved FTB Work Authorization in accordance with the costs and payment provisions set forth in **Exhibit B: Cost Detail and Payment Provisions**.

1. It is understood and agreed by both parties to this Agreement that all of the terms and conditions of this Agreement shall remain in force, with the inclusion of any such FTB Work Authorization. Such FTB Work Authorization shall in no way constitute a new or separate contract. Nor shall such FTB Work Authorization in any way amend or supersede any of the other provisions of this Agreement.

2. Each FTB Work Authorization shall consist of a detailed statement of the purpose, objective, or goals to be undertaken by the Contractor, the job classification or approximate skill level of the personnel to be made available by the Contractor, an identification of all significant material to be developed by the Contractor and delivered to the State, an identification of all significant materials to be delivered by the State to the Contractor, an estimated time schedule for the provisions of these services by the Contractor, completion criteria for the work to be performed, the name or identification of the Contractor personnel to be assigned, the Contractor's estimated work hours required to accomplish the purpose, objective or goals, the Contractor's contracted billing rate per work hour, and the Contractor's estimated total cost of the FTB Work Authorization.

3. All FTB Work Authorizations must be in writing and signed by the Contractor and the State prior to beginning work.

4. The State has the right to require the Contractor to stop or suspend work on any FTB Work Authorization.

5. Personnel resources will not be expended at a cost to the State on task accomplishment in excess of estimated work hours required, unless the procedure below is followed:

    a. If, in the performance of the work, the Contractor determines that a FTB Work Authorization to be performed under this Agreement cannot be accomplished within the estimated work hours, the Contractor will immediately notify the State in writing of the Contractor's estimate of the work hours which will be required to complete the FTB Work Authorization in full. Upon receipt of such notification, the State may:

        i. Authorize the Contractor to expend or provide the estimated additional work hours or services in excess of the original estimate necessary to accomplish the FTB Work Authorization (such an authorization is not unreasonably to be withheld), or

        ii. Terminate the FTB Work Authorization, or

iii. Alter the scope of the FTB Work Authorization in order to define tasks that can be accomplished within the remaining estimated work hours.

6. The State will notify the Contractor in writing of its election within seven (7) calendar days after receipt of the Contractor's notification. If notice is given of the election to proceed, the Contractor may expend or provide the estimated additional work hours or services. In that event, the State agrees to reimburse the Contractor for such additional work hours or services as approved by the FTB Contract Manager.

7. In the event that the cost of work performed under an FTB Work Authorization will exceed the maximum amount of the Agreement, a Standard Agreement Amendment (STD 213A) must be signed by the Contractor and the State, in addition to the Contractor and State signed FTB Work Authorization prior to beginning work.

Q. CANCELLATION POLICY

The State may exercise its option to terminate the Agreement at any time with thirty (30) calendar days' prior written notice. In the event of such termination, the State shall pay all amounts due to the Contractor for all services accepted by FTB prior to date of notification of termination.

R. STATE POINTS OF CONTACT

Name	Phone Number(s)	Email
XXXXXXXXXX, FTB Contract Manager	Office: TBD	TBD
XXXXXXXXXX, FTB Contract Supervisor (FTB Contract Manager back-up)	Office: TBD	TBD
Sheri Birkmaier, FTB Procurement Official	Office: (916) 845-3984	Sheri.Birkmaier@ftb.ca.gov

S. CONTRACTOR POINTS OF CONTACT

Name	Phone Number(s)	Email
Name: TBD Title: Project Coordinator	Office: TBD Cell: TBD	TBD
Name: TBD Title: TBD	Office: TBD Cell: TBD	TBD
Name: TBD Title: TBD	Office: TBD Cell: TBD	TBD

T. CONTRACTOR KEY STAFF

The Contractor's Key Staff listed in the table below will work in conjunction with FTB personnel to complete the consulting services described in this **Exhibit A: SOW**. The Contractor shall notify the State in writing of any proposed changes to the Contractor's Key Staff assigned to complete the deliverables and related tasks. The Contractor and the State agree that Contractor's Key Staff are critical to the performance of the Agreement and cannot be replaced without prior FTB approval.

Any changes to the Contractor's Key Staff shall be processed through an approved FTB Work Authorization **Exhibit A-2: FTB Work Authorization.** New Contractor Key Staff may not commence any work until the Contractor submits a resume that outlines how their proposed Key Staff meets or exceeds the requirements set forth in solicitation #**RFP FTB-2526-PW-039,** and any subsequent addenda, and an FTB Work Authorization to update the Key Staff name(s) has been approved by FTB. If the Contractor requests to change Key Staff during the commencement of work at any phase of a consulting service request, the Contractor shall confirm a conflict of interest does not exist by completing and submitting a new **Exhibit A-3: FTB COIC** form to the FTB Contract Manager. Contractor's ongoing responsibility to notify FTB promptly in writing at any time during the Agreement of the discovery that a conflict of interest reasonably may or actually does exist applies to any changes in Key Staff. No amendment to the Agreement shall be needed. The State has the right of refusal for any Key Staff assigned to these tasks.

CONTRACTOR'S KEY STAFF			
Name	**Role/Title**	**Phone(s)**	**Email**
	Expert Consultant		
	Expert Consultant		

U. CHANGES TO THE SOW

Requests for changes in scope or Agreement terms must be made in writing to the assigned FTB Contract Manager. However, no such changes may commence unless approved by FTB, in writing, in the form of an amendment to the Agreement.

Consistent with the terms and conditions of #RFP FTB-2526-PW-039, and any subsequent addenda, and upon mutual consent, the State may execute written amendments to this Agreement. At the State's discretion, this Agreement may be amended for time or money, but not both based on the rates herein. No verbal understanding or agreement not incorporated into the Agreement is binding on any of the parties

V. SUBCONTRACTORS

The Contractor may enter into subcontracts with third parties, with FTB prior written approval as described in **Exhibit D: FTB Special Terms and Conditions**, for the performance of any part of the Contractor's duties and obligations. The Contractor is responsible and liable for the proper performance of, and the quality of any work performed by, any and all subcontractors. FTB reserves the right to reject or refuse admission to any subcontractor personnel whose workmanship, in the reasonable judgment of the FTB, is deemed to be substandard. In no event shall the existence of a subcontract operate to release or reduce liability of the Contractor to the Agreement for any breach in performance of the Contractor's duties.

EXHIBIT A-1: CONSULTING SERVICE REQUEST

<table>
<tr><th colspan="4">CONSULTING SERVICE REQUEST
PHASE TWO – NARRATIVE REVIEW REPORT</th></tr>
<tr><th colspan="4">Section A – Phase Two Tasks</th></tr>
<tr><td colspan="4">Instructions: FTB Contract Manager shall complete Section A.</td></tr>
<tr><td>Contractor Name:</td><td colspan="2">Agreement Number:</td><td>Date of Request:</td></tr>
<tr><td>FTB Contract Manager Name:</td><td>Phone:</td><td colspan="2">Email:</td></tr>
<tr><td>Date of Preliminary Conference Call:</td><td>CSR Number:</td><td colspan="2">CSR Title:</td></tr>
<tr><td colspan="4">High-Level Description of Tasks to be Performed by Contractor for <u>Phase Two - Narrative Review Report:</u></td></tr>
<tr><td colspan="4">Key Milestone(s):</td></tr>
<tr><td colspan="4">Deliverables Due Date(s)/Timeframes:

1) Contractor shall communicate their findings and conclusion(s) in writing via a written <u>draft</u> Narrative Review Report submitted to the FTB Contract Manager within thirty (30) State business days of the date of FTB’s CSR approval email.

2) FTB shall review the draft Narrative Review Report and respond to the Contractor via email within ten (10) State business days of the date the Contractor emailed Narrative Review Report.

Final Due:

3) Contractor shall provide the FTB Contract Manager a final Narrative Review Report via email within ten (10) State business days of the date of FTB’s email response.

Note: At FTB’s sole discretion, the deliverable due dates/timeframes above may be modified in writing without the need for a revised CSR. Upon completion of Section A above, FTB Contract Manager shall submit to Contractor for completion of subsequent sections, as applicable.</td></tr>
</table>

CONSULTING SERVICE REQUEST
PHASE TWO – NARRATIVE REVIEW REPORT

Section B - Phase Two Costs

Instructions: Contractor shall complete Section B.

Contractor Address (number and street) or P.O. Box:		Apt. no./Ste. no.:
City:	State:	ZIP Code:
CSR Number:	CSR Title:	

The following cost information below are projected for the tasks associated with Contractor's completion of the Phase Two –Narrative Review Report for the CSR Number / CSR Title referenced directly above.

#	Consultant Name	Consultant Title	Projected Number of Hours	Hourly Rate	Projected Extended Cost (Projected Number of Hours x Hourly Rate)
1.					
2.					
				Projected Grand Total:	**$**

Section C - Phase Two Approvals

Instructions: Contractor and FTB Contract Manager shall complete and sign Section C.

Signature Authorization by Contractor for Phase Two – Narrative Review Report Tasks

By signing below, I agree to provide the services outlined in Section A above, at the costs specified in Section B above, and in accordance with Agreement # XXXXXX.

Contractor Representative Printed Name (First and Last):	Email:	Phone:
Signature:		Date:

Signature Approval by FTB Contract Manager for Phase Two –Narrative Review Report Tasks

By signing below, I approve the Contractor to begin the services outlined in Section A above at the costs specified in Section B above, in accordance with Agreement # XXXXXX.

FTB Contract Manager Printed Name or designee (First and Last)	Email:	Phone:
Signature:		Date:

CONSULTING SERVICE REQUEST PHASE THREE – REPORT OF EXPERT OPINION	
Section D - Phase Three Tasks	
Instructions: FTB Contract Manager shall complete Section D.	
CSR Number:	CSR Title:
High-Level Description of Tasks to be Performed by Contractor for Phase Three – Report of Expert Opinion:	
Key Milestone(s):	
Deliverables Due Date(s)/Timeframes: 1) Contractor shall provide a draft *Report of Expert Opinion* of the taxpayer's captive/microcaptive insurance program(s) within **thirty (30) State business days** of the date of FTB's CSR approval email. 2) FTB shall review the draft *Report of Expert Opinion* and respond to the Contractor via email within **ten (10) State business days** of the date the Contractor emailed *Report of Expert Opinion*. **Final Due:** 3) Contractor shall provide the FTB Contract Manager a final *Report of Expert Opinion* via email within **ten (10) State business days** of the date of FTB's email response. **Note:** At FTB's sole discretion, the deliverable due dates/timeframes above may be modified in writing without the need for a revised CSR. Upon completion of Section D above, FTB Contract Manager shall submit to Contractor for completion of subsequent sections, as applicable.	

CONSULTING SERVICE REQUEST
PHASE THREE – REPORT OF EXPERT OPINION

Section E - Phase Three Costs

Instructions: Contractor shall complete Section E.

Contractor Address (number and street) or P.O. Box:			Apt. no./Ste. no.:
City:		State:	ZIP Code:
CSR Number:	CSR Title:		

The following cost information below are projected for the tasks associated with Contractor's completion of the Phase Three – Report of Expert Opinion for the CSR Number / CSR Title referenced directly above.

#	Consultant Name	Consultant Title	Projected Number of Hours	Hourly Rate	Projected Extended Cost (Projected Number of Hours x Hourly Rate)
1.					
2.					
				Projected Grand Total:	$

Section F - Phase Three Approvals

Instructions: Contractor and FTB Contract Manager shall complete and sign Section F.

Signature Authorization by Contractor for Phase Three – Report of Expert Opinion Tasks

By signing below, I agree to provide the services outlined in Section D above, at the costs specified in Section E above, and in accordance with Agreement # XXXXXX.

Contractor Representative Printed Name (First and Last):	Email:	Phone:
Signature:		Date:

Signature Approval by FTB Contract Manager for Phase Three – Report of Expert Opinion Tasks

By signing below, I approve the Contractor to begin the services outlined in Section D above, at the costs specified in Section E above, and in accordance with Agreement # XXXXXX.

FTB Contract Manager Printed Name or designee (First and Last)	Email:	Phone:
Signature:		Date:

CONSULTING SERVICE REQUEST PHASE FOUR – NARRATIVE REBUTTAL	
Section G - Phase Four Tasks	
Instructions: FTB Contract Manager shall complete Section G.	
CSR Number:	CSR Title:
High-Level Description of Tasks to be Performed by Contractor for Phase Four – Narrative Rebuttal:	
Key Milestone(s):	
Deliverables Due Date(s)/Timeframes: 1) Contractor shall provide a draft *Narrative Rebuttal* within **thirty (30) State business days** of the date of FTB's CSR approval email. 2) FTB shall have within **ten (10) State business days** of the date the Contractor emailed *Narrative Rebuttal* to review and respond to the Contractor via email. **Final Due:** 3) Contractor shall provide the FTB Contract Manager a final *Narrative Rebuttal* via email within **ten (10) State business days** of the date of FTB's email response. **Note:** At FTB's sole discretion, the deliverable due dates/timeframes above may be modified in writing without the need for a revised CSR. Upon completion of Section G above, FTB Contract Manager shall submit to Contractor for completion of subsequent sections, if applicable.	

CONSULTING SERVICE REQUEST
PHASE FOUR – NARRATIVE REBUTTAL

Section H - Phase Four Costs

Instructions: Contractor shall complete Sections H.

Contractor Address (number and street) or P.O. Box:		Apt. no./Ste. no.:
City:	State:	ZIP Code:
CSR Number:	CSR Title:	

The following cost information below are projected for the tasks associated with Contractor's completion of the Phase Four – Narrative Rebuttal for the CSR Number / CSR Title referenced directly above.

#	Consultant Name	Consultant Title	Projected Number of Hours	Hourly Rate	Projected Extended Cost (Projected Number of Hours x Hourly Rate)
1.					
2.					
				Projected Grand Total:	$

Section I - Phase Four Approvals

Instructions: Contractor and FTB Contract Manager shall complete and sign Section I.

Signature Authorization by Contractor for Phase Four – Narrative Rebuttal Tasks

By signing below, I agree to provide the services outlined in Section G above, at the costs specified in Section H above, and in accordance with Agreement # XXXXXX.

Contractor Representative Printed Name (First and Last):	Email:	Phone:
Signature:		Date:

Signature Approval by FTB Contract Manager for Phase Four – Narrative Rebuttal Tasks

By signing below, I approve the Contractor to begin the services outlined in Section G above, at the costs specified in Section H above, and in accordance with Agreement # XXXXXX.

FTB Contract Manager Printed Name or designee (First and Last)	Email:	Phone:
Signature:		Date:

EXHIBIT A-2: FTB WORK AUTHORIZATION "SAMPLE"

Date: *Month, Day, Year*

Subject: *XXX*

Work Authorization #: *X*

FTB Authorized Representative:	Contractor Authorized Representative:
Name	*Name*
Telephone	*Telephone*
Email	*Email*

Description of Services/Tasks to be Performed, and Materials needed:
FTB is requesting the following:

XXX

Schedule Dates:
Start Date: *Month, Day, Year*
Completion Date: *Month, Day, Year*

Estimated Services Hours	Hourly Rate	Fixed Fee
XXX	*$00.00*	*$00.00*

Contractor Staff to be Assigned	Job Classification and Certification(s)
First and Last Name	*XXX*

Completion Criteria:
XXX

These services/tasks will be performed in accordance with this Work Authorization and the provisions of Agreement No. *XXXXX*.

Approval:
Upon authorized original signature by both parties, the Contractor is approved to perform the services/tasks specified above. Per Agreement number *XXXXX* the State shall pay the Contractor for services rendered, in arrears. Services invoices prepared in accordance with the aforementioned provisions shall not be submitted more frequently than monthly to the State. This Work Authorization is incorporated by reference into Agreement number *XXXXX*.

____
Authorized Representative
Company Name

____
Contract Manager
Franchise Tax Board

____
Procurement Official, Franchise Tax Board

EXHIBIT A-3: CONFLICT OF INTEREST CERTIFICATION

Franchise Tax Board

Conflict of Interest Certification

As an authorized representative of the company named below, I agree that this company and all persons employed by this company, including subcontractor(s) of this company, will adhere to the following policies and further certify that this company, its employees, including subcontractor(s) shall not make, or participate in making a departmental decision, or in any way attempt to use their position to influence a departmental decision in which we know, or have reason to know, that this company, its employees, or subcontractor(s) have an economic, financial, or personal interest. I certify that this company and all persons employed by this company, including subcontractor(s) of this company have no economic, financial, or personal interest incompatible with their involvement in the performance of services specifically with the entity listed below. I certify that within the past 12-month period this company and all persons employed by this company, including subcontractor(s) of this company have not been employed by the entity listed below. I certify that this company, all persons employed by this company, any spouse, sibling, parent, or dependent child(ren) of all persons employed by this company, including subcontractor(s) of this company has no economic, financial, or personal interest and no present employment which would be incompatible with their participation in the Consulting Service Request (CSR) associated with the entity listed below. I further certify that this company and all persons employed by this company, including subcontractor(s) of this company are not currently discussing employment opportunities with the entity listed below, nor have within the past 12 months. For the duration of this company's involvement regarding the associated CSR, this company and all persons employed by this company, including subcontractor(s) of this company agree to not accept any gift, benefit, gratuity or consideration, or begin an economic, financial, or personal interest with the entity listed below:

1. Insert entity name here

Confidentiality Certification

This company and all persons employed by this company, including subcontractor(s) of this company, further certify that we will maintain confidentiality as agreed per the signed Vendor/Contractor Confidentiality Statement (FTB 7904) and Confidentiality Statement (FTB 7912), as applicable and on file with the Franchise Tax Board (FTB).

This company and all persons employed by this company, including subcontractor(s) of this company, understand that if they leave their position or involvement in the associated CSR before it ends, they must continue to keep confidential any information which was made available to them as part of their duties in relation to the associated CSR. This company and all persons employed by this company, including subcontractor(s) of this company agree to follow any instructions provided to them by FTB relating to the confidentiality of the associated CSR information.

Signature	Date
Printed Name	Company Name
Title	E-Mail Address
Telephone	Fax Number

Instructions: Return original signed certification to (insert FTB Contract Manager name and email address here) and keep copy for company file.

EXHIBIT B: COST DETAIL AND PAYMENT PROVISIONS

A. COST DETAIL

PLACEHOLDER – As part of Agreement finalization, the State shall insert all information contained in Proposer's completed **RFP Cost Worksheets #1 and #2** within RFP **Section D.4. Cost Requirements.** Proposers cost data shall be submitted by the Proposer in the cost worksheets below:

- RFP Cost Worksheet #1 – Billing Rates
- RFP Cost Worksheet #2 – Unanticipated Tasks Hourly Rate

B. PAYMENT PROVISIONS

1. INVOICING AND PAYMENT: For services satisfactorily rendered and upon receipt and FTB approval of itemized invoices, the State agrees to compensate the Contractor at the hourly rate(s) per Key Staff specified in RFP Cost Worksheet #1 and RFP Cost Worksheet #2 of this Exhibit, which is attached hereto and made a part of this Agreement.

   a. The total amount of this Agreement shall not exceed the amount identified on the face of the Standard Agreement form, STD 213 (or face of the Standard Agreement Amendment STD 213A, if applicable); including all applicable State tax. There is no obligation on the FTB's part to utilize the entire amount.

   b. The Contractor shall submit invoices not more frequently than monthly in arrears for all actual hours worked per approved CSR during the previous calendar month. Invoicing must occur no later than **sixty (60) calendar days after the task has been completed.**

   c. The number of weekly hours FTB will compensate the Contractor shall be no more than forty (40) hours per individual, unless pre-approved in writing by the FTB Contract Manager. For partial hours worked, the Contractor must prorate the hourly charge in fifteen (15) minute or quarter (1/4) hour increments. Total hours billed per individual must not exceed the hours approved by the FTB Contract Manager without prior written approval by FTB.

   d. The State shall pay the Contractor upon FTB's deliverable acceptance and receipt of undisputed itemized invoices submitted by the Contractor, in triplicate, by U.S. Mail, clearly referencing this Agreement Number and not more frequently than monthly, in arrears to:

Franchise Tax Board
Fiscal Accounting
P. O. Box 2800
Sacramento, CA 95812-2800

e. **Invoices shall include the following information:**

i. Agreement Number 0000000000000000000XXXXXX
ii. Date of invoice
iii. Consulting Service Request (CSR) Number
iv. Contractor's name (as indicated on the face of the Standard Agreement form; STD 213 or STD 213A if applicable), address, telephone number, and email address
v. Description of approved deliverables/tasks completed and accepted by the State
vi. Name(s) of the Key Staff who performed the described work
vii. Number of approved hours expended by the Key Staff for each description of work performed and hourly rate
viii. Costs associated with the approved service(s).
ix. A ten percent (10%) withhold as a line item.
x. Total amount invoiced (shall be clearly distinguished from other figures or computations appearing on the invoice)

IMPORTANT: As permitted under Public Contract Code Section 10346, ten percent (10%) of payment shall be withheld from all invoices until completion of each corresponding Consulting Service Request. Upon written notification from the FTB Contract Manager that all tasks and deliverables for that CSR have been met and accepted by the State, the Contractor may submit the final invoice for the ten percent (10%) withheld amount.

f. Invoices for Unanticipated Tasks shall not be submitted more frequently than monthly in arrears to the State as a separate line item and shall be processed for payment upon the FTB Contract Manager's approval.

g. Contractor shall maintain a system of record keeping which provides the ability to record and report financial data in accordance with generally accepted accounting principles. The system will ensure that all costs billed to FTB are supported by adequate documentation and in compliance with applicable federal and state requirements.

h. Final billing under this Agreement must be received by the State **within sixty (60) calendar days following the end date of the Agreement term.**

2. BUDGET CONTINGENCY CLAUSE: 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 or effect. In this event, the State shall have no liability to pay any funds whatsoever to the Contractor or to furnish any other consideration under this Agreement, and Contractor shall not be obligated to perform any provisions of this Agreement.

   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 the 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, Title 1, Division 3.6, Part 3, Chapter 4.5 (commencing with Section 927).

4. TRAVEL AND EXPENSES: There are no travel or other incidental expenses associated with this Agreement. Notwithstanding the contract provisions, the State will not be responsible for the cost of travel, travel expense, per diem or travel time to bring contractor personnel to the agency site to commence work.

5. COMPENSATION FOR SERVICES: The Contractor shall be compensated for services rendered in accordance with the terms of this Agreement up to the total contract amount. The Contractor will be responsible for its own operating costs associated with this Agreement. Operating costs include, but are not limited to, all costs such as direct labor and operating overhead, subcontracting services, insurance, and all taxes and fees.

EXHIBIT C: GENERAL TERMS AND CONDITIONS

This Agreement incorporates by reference the State's General Terms and Conditions (GTC 02/2025) which may be viewed and downloaded at the Internet site https://www.dgs.ca.gov/OLS/Resources/Page-Content/Office-of-Legal-Services-Resources-List-Folder/Standard-Contract-Language.

The State's General Terms and Conditions (GTC 02/2025) are made part of this Agreement as if attached hereto.

EXHIBIT D: FTB SPECIAL NON-IT TERMS AND CONDITIONS (MODIFIED 9/22/2025)

1. STATEMENT OF CONFIDENTIALITY: The Franchise Tax Board has state tax return information and other data in its custody, which are confidential. Unauthorized inspection or disclosure of state returns or other confidential information or data is a misdemeanor (Revenue and Taxation Code Sections 19542, 19542.1, 19542.3, and 19552, and Government Code Section 90005).

   For purposes of this Exhibit, the terms “information” and “data” are used interchangeably and each, when used, encompasses the meanings of both terms. As used in this exhibit, the terms “confidential information” and “confidential data” each include “sensitive information and data.” As used for this exhibit, the term “Party” means FTB, Contractor, or Contracting Agency.

   Upon the approval of this Agreement and prior to any access to the confidential data, the party receiving the information from FTB and each of the party’s employees, subcontractors, and subcontractors’ employees who may have access to the confidential data of the other party, will be required to have on file annually a signed Confidentiality Statement (FTB Form 7904 or 7912), attesting to the fact that they are aware of the confidential data and the penalties for unauthorized access, inspection, acquisition, or disclosure thereof under applicable state and federal law.

   The Contractor, the Contactor's subcontractors and each of the Contractor's and subcontractors' employees who may have access to the confidential data shall be required to complete Privacy, Security, and Disclosure Training (PSDT) provided by FTB. The training must be completed within **two (2) business days** of commencing work with FTB, and annually thereafter. Upon completion of the PSDT, a Privacy, Security and Disclosure Training Certification (FTB Form 7819) will be provided, to be signed confirming that the training was completed, and returned to FTB.

2. USE OF INFORMATION: Each Party receiving FTB’s data agrees that the information furnished or secured pursuant to this Agreement shall be used solely for the purposes described in **Exhibit A: Scope of Work**. Each Party receiving FTB’s data further agree(s) that information obtained under this Agreement will not be reproduced, published, sold, or released in original or in any other form for any purpose other than as identified in **Exhibit A: Scope of Work.**

3. DATA OWNERSHIP: The confidential tax information or other confidential information provided under this Agreement remains the exclusive property of the providing party. Confidential tax information and other confidential information are not open to the public and require special precautions to protect from loss and unauthorized access, inspection, acquisition, use, disclosure, modification, or destruction. Each party shall have the right to use and process the disclosed information for the purposes stated in **Exhibit A: Scope of Work** of this Agreement, which right shall be revoked and terminated immediately upon termination of this Agreement.

4. EMPLOYEE ACCESS TO INFORMATION: Each party receiving data agrees that the information obtained will be kept in the strictest confidence and shall make information

available to its own employees only on a “need-to-know” basis. The “need-to-know” standard is met by authorized employees who need information to perform their official duties in connection with the uses of the information authorized by this Agreement. Each party receiving data recognizes its responsibility to protect the confidentiality of the information in its custody as provided by law and to ensure that such information is disclosed only to those individuals and for such purposes as are authorized by law and this Agreement.

5. <u>PROTECTING CONFIDENTIAL INFORMATION/ INCIDENT REPORTING:</u> Each party receiving data, in recognizing the confidentiality of the information to be exchanged, agrees to take all appropriate precautions to protect the confidential information obtained pursuant to this Agreement from unauthorized access, use, or disclosure. Each party receiving data will conduct oversight of its users with access to the confidential information provided under this Agreement, and will immediately notify FTB’s Information Security Audit & Investigations Unit (SecurityAuditMail@ftb.ca.gov) of any unauthorized or suspected unauthorized accesses, uses and/or disclosures (incidents). For purposes of this section, “immediately” is defined as within 24 hours of the discovery of the breach or suspected breach. The notification must describe the incident in detail and identify responsible personnel (name, title and contact information). The party with an incident will comply with the incident reporting requirements in accordance with Civil Code Section 1798.29, State Administrative Manual (SAM) Chapter 5300 and Sections 8643 and 20080, and Statewide Information Management Manual 5340-A and 5340-C to facilitate the required reporting to the taxpayer(s) or state oversight agencies.

6. <u>INFORMATION SECURITY:</u> Information security is defined as the preservation of the confidentiality, integrity, and availability of information. A secure environment is required to protect the confidential information obtained by each party or entity pursuant to this Agreement. Each party or entity receiving data will store information so that it is physically secure from unauthorized access. The records received will be securely maintained and accessible only by employees of the specified program who are committed to protect the data from unauthorized access, use or disclosure. All FTB electronic data must be encrypted when in transit using FIPS 140-3 approved encryption technology, and be password protected and secure at all times when in storage. Confidential information obtained from FTB must be secured in accordance with the SAM, including Chapters 5100 and 5300 (Information Security), and National Institute of Standards and Technology (NIST) Special Publication 800-53 (moderate); and additional security requirements provided by FTB. FTB may require that a Security Questionnaire for the entity receiving confidential data from FTB be completed or be on file with FTB’s Chief Security Officer, or their designee.

7. <u>CLOUD COMPUTING ENVIRONMENT:</u> Each entity receiving FTB’s confidential data must submit a completed FTB Cloud Computing Questionnaire before using a Cloud Computing Environment. The questionnaire will be reviewed for approval by FTB’s Chief Security Officer, or their designee. A Cloud Computing Environment cannot be used to receive, transmit, store or process FTB’s confidential data without prior written approval from FTB’s Chief Security Officer, or their designee.

8. <u>DESTRUCTION OF RECORDS:</u> All records received by each party under this Agreement, and any database(s) created, copies made, or files attributed to the records received, shall be destroyed when they are no longer needed for the business purpose

for which they were obtained. The records shall be destroyed in a manner to be deemed unusable or unreadable, and to the extent that an individual record can no longer be reasonably ascertained.

9. INSPECTION: FTB retains the right to conduct on-site or remote reviews of the other party's use of FTB information and the security controls established. The reviews may include, but are not limited to, an examination of the adequacy of information security controls, application of the "need-to-know" standard, and use justifications established by the party to ensure compliance with the terms and conditions of this Agreement. Unless otherwise agreed by the Parties, FTB will provide a minimum of **seven (7) business days'** notice of a review of the use of FTB information.

10. SURVIVAL OF OBLIGATION TO PROTECT DATA: Each party's obligation to protect the data and information received from the other party shall survive the expiration or termination of this Agreement. In the event a party continues to provide any data or information to the other party after the expiration or termination of this Agreement, the receiving party agrees to continue to protect all such data and information received in accordance with the provisions of this Exhibit D and **Exhibit E: Additional Provisions**, and all applicable state and federal laws.

11. DISPUTE RESOLUTION: The Parties agree to work cooperatively and in good faith in a timely manner to attempt to resolve any disputes resulting from their conduct under this Agreement. Problems shall be set down in writing by the party initially identifying the problem and submitted within **ten (10) calendar days** of discovery of the problem to the other party for resolution.

    If the Parties are unable to resolve an issue within **thirty (30) calendar days** of the written notice despite their good faith efforts, the Contractor shall file a "Notice of Dispute" with FTB's Chief Financial Officer within **ten (10) business days** of a determination that the Parties are unable to resolve the issue. Within **ten (10) business days**, FTB's Chief Financial Officer, or their designee, shall meet with the Contractor Designee for purposes of resolving the dispute. The decision of the Chief Financial Officer shall be final.

    Upon resolution of a dispute, such resolution shall be set forth in writing and shall be maintained by the Parties.

12. POTENTIAL SUBCONTRACTORS: Prior to the use of any subcontractor to store, use, process, transmit, and/or access FTB data, Contractor must submit written notification to, and seek prior written approval from FTB at least **sixty (60) days** in advance. The notification must include the Agreement number, the CSR number, the complete name and address of the entity, location(s) where the data is or will be stored and/or used, and the name, phone number and email address of the subcontractor's primary point of contact per each Consulting Service Request as applicable. FTB will require a Security Questionnaire from the subcontractor(s) and perform risk analysis to meet FTB's security requirements, prior to allowing the subcontractor(s) access to FTB data. FTB approval must be obtained prior to a subcontractor(s)' access, acquisition, storage, use, processing, and/or transmission of FTB confidential data.

Nothing contained in this Agreement or otherwise shall create any contractual relationship between FTB and any subcontractors, and no subcontract shall relieve Contractor of its responsibilities and obligations hereunder. Contractor agrees to be as fully responsible to FTB for the acts and omissions of its subcontractors and of persons either directly or indirectly employed by any of them, as it is for the acts and omissions of persons directly employed by the Contractor. Contractor agrees to be responsible for ensuring that its subcontractors and persons either directly or indirectly employed by its subcontractors who may have access to FTB's confidential data are informed of, and comply with, all terms and conditions of this Exhibit D. Contractor's obligation to pay its subcontractors is an independent obligation from any obligation of FTB to make payments to the party. As a result, FTB shall have no obligation to pay or to verify the payment of any monies to any subcontractor or agent of the Contractor.

13. DENIAL OF ACCESS TO SUBCONTRACTOR: FTB reserves the right to deny access to the Contractor's subcontractor immediately in the event FTB determines, in its sole discretion, that the subcontractor is not in compliance with, or at any time in the past has not complied with, any terms or conditions of this Exhibit D, or that the subcontractor's use of FTB information or security controls, including as identified through an Inspection described under Section 10 of this Exhibit, are not satisfactory to FTB. FTB will provide written notice to the Contractor upon termination of the subcontractor's access. Unless terminated earlier, subcontractor's access shall be terminated automatically upon termination of this Agreement, without further notice to the subcontractor. The subcontractor's obligations to protect the confidentiality of FTB's data and information, including the destruction of records, shall survive the termination of the subcontractor's access to FTB data and information under this Agreement and the termination of this Agreement.

14. 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 **thirty (30) calendar days** to provide a written response. Termination shall be at the sole discretion of the State.

15. BACKGROUND CHECK AND FINGERPRINTING OF CONTRACTOR PERSONNEL: FTB will investigate the personal history of all Contractor personnel who will have access to FTB's facilities, data systems or confidential materials during the term of the Agreement. FTB will require all such Contractor personnel, subcontractors, independent contractors, and their employees to complete a Personal History Statement and be fingerprinted. Fingerprints will be sent to the California Department of Justice for information regarding prior criminal history and subsequent arrests while the Agreement is in effect. Based upon the results, FTB reserves the right to prohibit individuals from performing work under this Agreement.

As part of the background check, FTB may require tax identification information to validate compliance with the California Revenue and Taxation Code throughout the term of the Agreement. Compliance with the Revenue and Taxation Code means an individual has filed all required State income tax returns, and all State income taxes are paid, or a current installment payment agreement is in place. Prospective Agreement staff are encouraged to verify their individual filing status by calling 1-800-852-5711 to resolve any potential tax compliance issues.

FTB requires all Contractors, subcontractors, and members of their staff to be residents of and located in the United States. All Contractor personnel, subcontractors, and members of their staff must also be eligible for authorization to work in the US. Individuals must be either: (1) US citizens; (2) lawful permanent residents; or (3)(a) foreign nationals, (b) nonresident aliens, or (c) nonimmigrants, all with the appropriate work visas. Before we grant access to our facilities or data systems, contractors, subcontractors, and members of their staff must meet the citizenship requirement or have the appropriate documentation to work in the US. FTB verifies work eligibility through the E-Verify system.

If the Contractor, subcontractor or a member of the Contractor’s or subcontractor’s staff (including replacements) is ineligible to work for FTB, they will be notified. If the Contractor is unable to provide an eligible replacement per the terms of this Agreement, it may be deemed a breach of this Agreement and may be grounds for termination of this Agreement.

16. EVALUATION OF CONTRACTOR: Performance of the Contractor under this Agreement will be evaluated. The evaluation shall be prepared on the Contract/Contractor Evaluation Sheet STD. 4 and maintained in the Agreement file. A copy of the evaluation will be sent to the Department of General Services Legal Office if it is negative and the contract amount is over $5,000.00.

17. EXCISE TAX: The State of California (the State) is exempt from Federal Excise Taxes, and no payment will be made by the State 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. The State may pay any applicable sales or use tax imposed by another state.

    The State of California and Contractor will each bear their own respective federal, state and local tax liabilities arising from this Agreement. It is expressly understood that neither the State nor the Contractor will assign, shift, pass on or otherwise assume the tax liabilities of the other party.

18. FTB LIABILITY: The Contractor warrants, by execution of this Agreement, that no person or selling agency has been employed or retained to solicit or secure this Agreement upon agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by the Contractor for the purpose of securing business. For breach or violation of this warranty, FTB will, in addition to other remedies provided by law, have the right to annul this Agreement without liability, paying only for the value of

the work actually performed and accepted, or otherwise recover the full amount of such commission, percentage, brokerage, or contingent fee.

19. SOFTWARE: The Contractor certifies that 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.

20. TAX COMPLIANCE: The Contractor must be in compliance with the Revenue and Taxation Code throughout the term of the Agreement. Failure to comply with this provision shall be deemed to be a breach of this Agreement and shall be grounds for cancellation of this Agreement.

21. ACCOUNTING PRINCIPLES: The Contractor will adhere to generally accepted accounting principles as outlined by the American Institute of Certified Public Accountants. Dual compensation is not allowed; a Contractor cannot receive simultaneous compensation from two or more funding sources for the same services performed even though both funding sources could benefit.

22. CONTRACT VIOLATIONS: The Contractor acknowledges that any violation of Chapter 2 of Part 2 of Division 2 of the Public Contract Code (PCC) is subject to the remedies and penalties contained in PCC Sections 10420 through 10425.

23. EXTENSION OF TERM: If it is determined to be in the best interest of the State, this Agreement may be amended to extend the term. Upon signing the amendment, the Contractor hereby agrees to provide services for the extended period at the rates specified in the original Agreement.

24. CONFLICT OF INTEREST: In recognition of the fact that Contractor personnel providing services under this Agreement may perform similar services from time to time for others, this Agreement shall not prevent Contractor from performing such similar services or restrict from using the personnel provided to the State under this Agreement, providing that such use does not conflict with the performance of services under this Agreement.

    During the performance of this Agreement, should the Contractor become aware of a financial conflict of interest that may foreseeably allow an individual or organization involved in this Agreement to materially benefit from the State’s adoption of an action(s) recommended as a result of this Agreement, the Contractor must inform the State in writing within **ten (10) State business days** as specified in **Exhibit A: Scope of Work, Section L. Contractor’s Responsibilities.** If, in the State’s judgment, the financial interest will jeopardize the objectivity of the recommendation, the State shall have the option of terminating the Agreement.

    Failure to disclose a relevant financial interest on the part of the Contractor will be deemed grounds for termination of the Agreement, with all associated costs to be borne by the Contractor.

25. ORDER OF PRECEDENCE: In the event of any inconsistency between the articles, attachments, specifications or provisions which constitute this Agreement, the following order of precedence shall apply:

    a. State's General Terms and Conditions (GTC 02/2025), or State's General Terms and Conditions for Interagency Agreements (GIA – 11/2022), whichever is listed on the face of the Standard Agreement (STD 213) or Purchase Order;
    b. Standard Agreement (STD 213), Purchase Order, and any amendments thereto;
    c. Scope of Work, including any specifications incorporated by reference herein;
    d. these Special Non-IT Terms and Conditions; and
    e. all other attachments or exhibits incorporated in the Agreement or listed by reference.

26. SMALL BUSINESS PARTICIPATION REPORTING REQUIREMENT: If for this Agreement, Contractor made a commitment to achieve small business participation, then Contractor must within 60 days of receiving final payment under this Agreement report to the FTB Procurement contact the actual percentage of small business participation that was achieved. (Gov. Code § 14841.). The Prime Contractor's Certification - SB Subcontractor Report shall be sent via hard copy or sent electronically to the procurement contact. It is incumbent on the Contractor to submit the subcontracting form within the specified timeframe.

SB Subcontractor Report.pdf

27. DVBE PARTICIPATION REPORTING REQUIREMENT: If for this Agreement, the Contractor made a commitment to use a disabled veteran business enterprise (DVBE), then, pursuant to Military and Veterans Code Section 999.5, subdivision (d), upon completion of this Agreement, and prior to the last payment being made by the awarding Department, the Department requires the Contractor to certify DVBE usage by completing and submitting the *Prime Contractor's Certification – DVBE Subcontracting Report* (STD 817) to FTB. Failure to submit the certification will be cause for FTB to withhold ten thousand dollars ($10,000) from the final payment, or the full final payment if less than ten thousand dollars ($10,000). It is incumbent on the Contractor to certify the following:

    a. The total amount the prime contractor received under the Agreement;

    b. The name, address, and certification ID number (as located on Cal eProcure) of the DVBE(s) that participated in the performance of this Agreement, along with the Agreement number of this Agreement;

    c. The amount and percentage of work the prime contractor committed to provide to one or more DVBE(s) under the requirements of the Agreement, and the total amount of payments each DVBE received from the prime contractor;
    d. That all payments under the Agreement have been made to the DVBE(s); and

e. The actual percentage of DVBE participation that was achieved.

Upon request, the prime contractor shall provide proof of payment to the DVBE(s) for the work prior to the last Agreement payment being made to the prime contractor by the awarding Department.

A prime contractor that fails to comply with the certification requirement shall, after notice, be allowed to cure the defect. Notwithstanding any other law, if, after at least **fifteen (15) calendar days** but not more than **thirty (30) calendar days** from the date of notice, the prime contractor refuses to comply with the certification requirements, FTB shall permanently deduct ten thousand dollars ($10,000) from the final payment, or the full payment if less than ten thousand dollars.

The Prime Contractor's Certification – DVBE Subcontracting Report (STD 817) shall be sent via hard copy or sent electronically to the procurement contact stated in the Agreement. It is incumbent on the Contractor to submit the completed subcontracting report form timely at the end of the Agreement.

28. DISABLED VETERAN BUSINESS ENTERPRISE (DVBE) SUBSTITUTION: If the award of this Agreement is based in part on the Contractor's commitment to use the Disabled Veteran Business Enterprise (DVBE) subcontractor(s) identified in their bid or offer, the Contractor shall use such DVBE subcontractors or suppliers unless a substitution is requested and approved, as required under Military and Veterans Code Section 999.5, subdivision (g). A DVBE subcontractor may only be replaced by another DVBE subcontractor and must be approved by the Department of General Services (DGS).The Contractor shall submit the written request for substitution to FTB, and obtain approvals from both FTB and the Department of General Services in writing prior to the commencement of any work by the proposed subcontractor or supplier. Changes to the scope of work that impact the DVBE subcontractor(s) identified in the bid or offer, including approval of substitutions of subcontractor(s) or supplier(s) will be documented by Agreement amendment.

    Failure of Contractor to seek substitution and adhere to the DVBE participation level identified in the bid or offer may be cause for Agreement termination, recovery of damages under rights and remedies due to the State, and penalties as outlined in Military and Veterans Code Section 999.9; Public Contract Code (PCC) Section 10115.10, or (as to contracts for public works) PCC Section 4110.

29. REPLACEMENT OF SUBCONTRACTORS ACTING AS CONSULTANTS IN CONSULTING SERVICES AGREEMENTS: For Consulting Services Agreements, Contractor is required to identify all Consultants who will perform labor or render services in the performance of this Agreement. Additionally, the Contractor shall seek FTB approval in writing at least ten (10) working days prior to any changes to the assigned Consultants. FTB approval must be obtained prior to a replacement Consultant performing labor or rendering services in performance of this Agreement.

30. TEMPORARY NONPERFORMANCE: If, because of mechanical failure or for any other reason, the Contractor is temporarily unable to perform the work as required under this Agreement, Contractor must notify FTB in writing of the inability to perform within 2

business days of Contractor becoming aware of such inability or potential inability to perform. If FTB determines in its sole discretion that Contractor’s temporary inability or potential inability to perform materially impacts the purpose of this Agreement, FTB may accomplish the work during the period of Contractor’s inability to perform by other means and shall be reimbursed by the Contractor for any additional costs above the Agreement price, as outlined in the original Statement of Work incorporated into this Agreement, or as otherwise agreed upon by the Parties in writing.

31. ELECTRONIC WASTE RECYCLING: The Contractor certifies that it complies with the requirements of the Electronic Waste Recycling Act of 2003, Chapter 8.5, Part 3 of Division 30, commencing with Section 42460 of the Public Resources Code, relating to hazardous and solid waste. Contractor shall maintain documentation and provide FTB reasonable access to its records and documents that evidence compliance.

32. LIMITED WARRANTY: Neither party represents or warrants the accuracy or content of the material available through this Agreement, nor each expressly disclaims any express or implied warranty, including any implied warranty of fitness for a specific purpose.

33. NO THIRD-PARTY LIABILITY: Nothing contained in or related to this Agreement shall create any contractual relationship between either of the Parties and any other party; and no other party shall relieve the Contractor or FTB of its responsibilities and obligations hereunder. Each of the Parties agrees to be fully responsible for the acts and omissions of its third-party contractors and agents, and of persons either directly or indirectly employed by the Party. Neither of the Parties shall have any obligation to pay, or to see to the payment of, any monies to any party or persons either directly or indirectly employed by the other.

EXHIBIT E: ADDITIONAL PROVISIONS
(MODIFIED 9/22/2025)

1. CUSTOMER SERVICE

In addition to the requirements specified, the Contractor will conduct business in a manner that supports FTB's goal of fair and equitable treatment of taxpayers.

2. AUDIT AND/OR PROTEST CASE MANAGEMENT

A. Contractor is prohibited from modifying any documents provided by FTB unless specifically authorized by FTB in writing to do so.

B. FTB may recall any or all consulting service requests from the Contractor. If this occurs, the Contractor must immediately stop all activities and wait for further instructions from FTB.

C. If FTB requests a cessation of activity on a Consulting Service Request (CSR), the Contractor must return all information provided by FTB during the engagement concerning that case and, at the request of FTB, any and all documents or products, including electronic documents, developed by the Contractor during the engagement concerning that case.

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3. CASE RECORDS

A. The Contractor will maintain records on each CSR. These records shall include all actions taken and activities performed on each CSR, and all related materials. These records must be maintained in a common format to ensure readability by FTB and the Contractor. These records will remain the property of FTB but will be maintained by the Contractor, who must retain the workfile for a period of at least five (5) years after preparation or at least two (2) years after final disposition of any judicial proceeding in which the Contractor provided testimony related to the assignment, whichever period expires last. The Contractor will retain the workfile for a longer period of time if notified in writing by FTB.

   Upon termination or expiration of the Agreement, all consulting service request records will be returned to FTB, if requested by FTB within thirty (30) calendar days of the Agreement ending date.

B. The Contractor agrees that all information obtained from FTB and used when performing duties under this Agreement is the property of FTB and will not be used by the Contractor for any purpose other than as identified in **Exhibit A: Scope of Work**.

4. CONFIDENTIALITY / DOCUMENT CONTROL

A. All State Data provided by FTB is confidential and shall be properly safeguarded. At a minimum, during non-working hours, FTB data shall be kept in locked containers. When the Contractor replaces any equipment, device, or parts thereof that contain confidential data, the Contractor must certify to FTB that all such data contained on such equipment, device or part has been destroyed and is no longer readable. Any hard copy printouts created during the engagement that disclose any confidential data or information will be destroyed by the Contractor after the applicable retention periods apply, or will be given to FTB for proper disposal.

B. If service under this Agreement is terminated for any reason, including bankruptcy, all materials and records must be immediately turned over to FTB upon notice from FTB, except that Contractor may retain a copy of the work file to the extent required to comply with the Actuarial Standard of Practice Number 41 (Actuarial Communications).

5. BREACH OF AGREEMENT

In the event of any breach of this Agreement by the Contractor, the State may, without prejudice to any of its other legal remedies, terminate this Agreement upon five (5) days' written notice to the Contractor. In such an event, the State shall pay only for the reasonable value of the services theretofore rendered by the Contractor and accepted by FTB (plus expenses incurred), as agreed upon by the parties hereto or determined by a court of law, not to exceed the maximum amount of the Agreement. In no event shall the foregoing be construed to reduce the Contractor's rate below those used as a basis for the Agreement budget.

6. MONITORING AND EVALUATION OF CONTRACTOR'S PREMISES

To assure compliance with the Agreement, FTB may enter the Contractor's physical premises or conduct a virtual inspection during normal working hours to inspect, monitor or otherwise evaluate Contractor's work performance in regard to a CSR.

7. CONTRACTOR'S RESPONSIBILITY FOR WORK

A. Until the formal acceptance of the work by FTB, the Contractor will have the charge and care thereof, and will bear the responsibility for risk of injury or damage to any part of the work, whether arising from the execution or non-execution of the work. The Contractor will repair, restore, and make good all injuries or damages to any portion of the work before its completion and acceptance, and will bear the expense thereof.

B. In case of suspension of work from any cause whatsoever, including acts of God, e.g., fire, floods, earthquakes, epidemics; acts of the public enemy, e.g., strikes, freight embargoes, or unusual action of the elements, or delays of subcontractors due to such cause, the Contractor will be responsible for all materials and must properly store and secure them if necessary.

8. RELEASE OF INFORMATION BY CONTRACTOR

No reports, information, discoveries, or State Data obtained, assembled, used or developed, by the Contractor pursuant to this Agreement will be released, made available to any person, or used in any manner by the Contractor in other activities, including, but not limited to, the Contractor's marketing of its services, without the prior written approval of FTB.

9. GENERAL

A. FTB reserves the right to modify, reject, cancel or stop any and all plans, schedules or work in progress. In such event, the Contractor agrees to use all reasonable efforts to mitigate expenses and obligations thereunder. FTB shall pay for all satisfactory services rendered and expenses, if any, incurred prior to such notice of termination.

B. The Contractor represents that it has, or shall secure at its own expense, all staff, including subcontractors and legal staff, required to perform the services described in this Agreement. Such personnel shall not be employees of or have any personal contractual relationship with any governmental entity of the State of California.

C. In the event of subcontracting, the subcontractor and its employees will be considered agents only for confidential data purposes, and will be held liable under applicable state and federal statutes for unauthorized disclosures.

D. The Contractor, the Contractor's subcontractors, and each of the Contractor's and subcontractors' employees shall not represent nor claim to be an officer or employee of the State, and shall not make any claim, demand or application to or for any right or privilege applicable to an officer or employee of the State, including, but not limited to; workers' compensation coverage, unemployment insurance benefits, social security coverage or retirement membership or credit. The State disclaims any obligation to employ the Contractor's services for any future consulting needs, other than the services required by this Agreement.

E. Termination or expiration of this Agreement does not relieve the Contractor of the responsibility to maintain the confidentiality of documents or to turn over to FTB immediately upon request all information, whether in paper format or electronic data, received from or on behalf of FTB, or created for FTB.

10. SECURITY INCIDENTS

Upon discovery or reasonable belief of any actual or suspected Data Breach affecting this Agreement or State Data received under this Agreement, Contractor shall immediately notify the FTB Contract Manager by the fastest means available, as well as in writing, with additional notification provided to FTB's Information Security Audit & Investigations Unit (SecurityAuditMail@ftb.ca.gov). For purposes of this section, "immediately" is defined as within 24 hours of the discovery or reasonable belief of the breach or suspected breach.

Further, Contractor's notification shall identify, to the full extent known to Contractor: (a) the indicators of compromise; (b) the nature of the Data Breach (for example, but not limited to, phishing/social engineering, physical theft, ransomware attack); (c) the State Data improperly accessed, used, or disclosed; (d) the number of individual records within the State Data that were improperly accessed, used, or disclosed if Personal Information is involved; (e) the person(s) who improperly accessed, used, disclosed or received State Data; (f) what Contractor has done or will do to quarantine and remediate the Data Breach; (g) what corrective action(s) Contractor has taken or will take to prevent future Data Breaches; and (h) any additional, relevant information. Contractor will cooperate with the State to complete a timely investigation.

If Contractor experiences a Data Breach, FTB shall determine whether notification to any individuals whose State Data has been improperly accessed, lost or breached is appropriate. If Personal Information is reasonably believed to have been improperly accessed or acquired by an unauthorized person as a result of a Data Breach that is not due to the fault of the State or any person or entity under the control of the State, Contractor shall bear any and all costs associated with the State's notification obligations and other obligations set forth in Civil Code Section 1798.29, subdivision (d), as well as the cost of credit monitoring for impacted individuals. These costs may include, but are not limited to staff time, material costs, postage, media announcements, and other identifiable costs associated with the breach of the security of such Personal Information.

For purposes of this section, the following definitions apply:

Data Breach: any access, destruction, loss, theft, use, modification, or disclosure of State Data by an unauthorized party or that is in violation of the terms of this Agreement or applicable state or federal law.

Personal Information: has the definition set forth in the California Information Practices Act (Civ. Code, § 1798).

11. INSURANCE REQUIREMENTS

A. General Provisions Applying to All Insurance Policies

1. **Coverage Term** – All required insurance coverage must be in force for the complete term of the contract, or in the case of claims-made insurance as referenced in Section 11.C. Professional Liability, the requisite amount of time after the end of the contract term. The required coverage(s) as set forth in this Exhibit E shall be a condition of FTB's obligation to pay for services provided under this contract. The State reserves the right to verify the Contractor's evidence of coverage. If any required insurance expires during the term of the Contract, Contractor agrees to give FTB at least thirty (30) days' prior notice of the expiration date. In addition, a new certificate must be received by the State at least ten (10) days prior to the expiration of the insurance. Any new insurance must comply with the terms of this Contract.
2. **Policy Cancellation or Termination & Notice of Non-Renewal** – Contractor and/or Permittee shall notify the State within five (5) business days before the effective date of any cancellation, non-renewal, or material change that affects required insurance coverage. In the event Contractor and/or Permittee fails to keep the specified insurance coverage in effect at all times as required, the State may, in addition to any other remedies it may have, terminate this Contract

upon the occurrence of such event, subject to the provisions of this Contract, and pursue any other remedies afforded by law.

3. **Deductible** – Contractor and/or Permittee is responsible for any deductible or self-insured retention contained within their insurance program.
4. **Primary Clause** – Any required insurance contained in this Contract shall be primary, and not excess or contributory, to any other insurance carried by the State.
5. **Insurance Carrier Required Rating** – All insurance companies must carry a rating acceptable to the Office of Risk and Insurance Management (A- or better and financial size category of VII or better to the latest edition of the A.M. Best Key Rating Guide). If the Contractor and/or Permittee is self-insured for a portion or all of its insurance, review of financial information, including a letter of credit, may be required.
6. **Endorsements** – Any required endorsements requested by the State must be physically attached to all requested certificates of insurance and not substituted by referring to such coverage on the certificate of insurance.
7. **Inadequate Insurance** – Inadequate or lack of insurance does not negate the Contractor's and/or Permittee's obligations under the contract.
8. **Satisfying SIR** – All insurance required by this contract must allow the State to pay and/or act as the Contractor's agent in satisfying any self-insured retention (SIR). The choice to pay and/or act as the Contractor's agent in satisfying any SIR is at the State's discretion.
9. **Available Coverages/Limits** – All coverage and limits available to the Contractor shall also be available and applicable to the State, regardless of the minimum limits required in Section 2. Insurance Requirements below.
10. **Subcontractors** – In the case of Contractor's and/or Permittee's utilization of subcontractors to complete the contracted scope of work, Contractor and/or Permittee shall include all subcontractors as insureds under Contractor's and/or Permittee's insurance or supply evidence of insurance to the State equal to policies, coverages and limits required of Contractor and/or Permittee.
11. **Premiums** – The Contractor/Permittee shall be responsible for any premium, deductible or self-insured retention in connection with any Required Insurance.
12. **Required Insurance** – By requiring the insurance herein, FTB does not represent that the insurance coverage and limits will necessarily be adequate to protect the Contractor/Permittee,
    and such coverage and limits shall not be deemed as a limitation on the Contractor's/Permittee's liability under the indemnities granted to FTB in this contract.
13. **Insurance Certificate** – Contractor and any subcontractor shall provide to FTB an insurance certificate(s) evidencing the required insurance coverage before work commences under this Contract. Insurance Binders are not acceptable as evidence of coverage. The certificate of insurance must include the following provisions:

i. The California Franchise Tax Board must be named as the "Certificate Holder" and list the following:

State of California
California Franchise Tax Board
Procurement Bureau
9646 Butterfield Way
Sacramento, CA 95827

ii. The State of California, its officers, agents, and employees are hereby named as additional insureds but only with respect to work performed for the State of California, under the contract (SCM Volume 1, Section 7.40).

14. **Owner Operated Company** – If Contractor is an owner operated company, a Workers' Compensation Statement of Exemption must be on file with FTB.

B. Commercial General Liability

Contractor shall maintain general liability insurance on an occurrence form with limits of not less than $1,000,000 per occurrence and $2,000,000 annual policy aggregate for bodily injury and property damage liability. The policy shall include coverage for liabilities arising out of premises, operations, independent contractors, products, completed operations, personal and advertising injury, and liability assumed under an insured Contract. This insurance shall apply separately to each insured against which claim is made or suit is brought, subject to the Contractor's limit of liability. **The policy must name The State of California, its officers, agents, and employees as additional insureds, but only with respect to work performed under the contract.**

C. Professional Liability

Contractor shall maintain professional liability insurance appropriate to the Contractor's profession and work to be performed under this Contract with limits of not less than $1,000,000 per occurrence and $2 million annual policy aggregate. The policy shall include coverage for liabilities arising out of errors and omissions related to the performance of the Contract and coverage shall be sufficiently broad to respond to the duties and obligations undertaken by the Contractor in this Agreement, including, but not limited to, claims for breach of contract, invasion of privacy violations, information theft, and release of private information. The policy shall include, or be endorsed to include, personal injury and property damage coverage. This insurance shall apply separately to each insured against which claim is made or suit is brought, subject to the Contractor's limit of liability. **The policy must name The State of California, its officers, agents, and employees as additional insureds, but only with respect to work performed under the contract.**

If Contractor's professional liability policy provides claims-made coverage, the following requirements apply:

i. The Retroactive Date must be shown and must be before the date of the Contract or the beginning of contract work.
ii. Insurance must be maintained, and evidence of insurance must be provided, for at least five (5) years after completion of the Contract of work.
iii. If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a Retroactive Date prior to the Contract effective date, the Contractor must purchase "extended reporting" coverage for a minimum of five (5) years after completion of work.

D. Workers' Compensation and Employer's Liability

Contractor shall maintain statutory worker's compensation and employer's liability insurance coverage for all its employees who will be engaged in the performance of the Contract. In addition, employer's liability limits of $1,000,000 are required. By signing this Contract, Contractor acknowledges compliance with these requirements. The insurer waives any right of recovery the insurer may have against the State because of payments the insurer makes for injury or damage arising out of the work done under contract/permit with the State. **A Waiver of Subrogation or Right to Recover endorsement in favor of the State of California must be attached to the certificate.** Contractor hereby represents and warrants that Contractor is currently carrying and shall, for the duration of this Agreement carry, workers' compensation insurance, at Contractor's expense, or that it is self-insured through a plan acceptable to the State, for all of its employees who will be engaged in the performance of this Agreement. **Contractor also agrees to indemnify, defend and hold the State, its officers, agents and employees harmless from any and all of Contractor's workers' compensation claims and losses by Contractor's officers, agents and employees related to the performance of this Agreement.**

12. LICENSE AND PERMITS

The Contractor shall be an individual or firm licensed to do business in California and shall obtain at Contractor's expense all license(s) and permit(s) required by law for accomplishing any work required in connection with this Contract. In the event any license(s) and/or permit(s) expire at any time during the term of this Contract, Contractor agrees to provide FTB with a copy of the renewed license(s)and/or permit(s) within **thirty (30) days** following the expiration date. In the event the Contractor fails to keep in effect at all times all required license(s) and permit(s), the State may, in addition to any other remedies it may have, terminate this contract upon occurrence *of such event.*

EXHIBIT F: EXPERT CONSULTANT RESUMES

Placeholder for Consultant Resumes