

AGREEMENT

CONTRACT FOR PURCHASE OF SERVICES

Contract Number:
C-CSUCO-00007756

This Contract for Purchase of Software, or Services ("Contract"), dated this 1st day of January, 2025 (the "Effective Date"), is made and entered into in the State of California by and between the Trustees of the California State University, which is the State of California acting in a higher education capacity ("CSU" or "University"), on behalf of [Trustee of the California State University], through CSU's duly appointed and acting officer, and

CONTRACTOR'S NAME THE SEGAL GROUP	(“Contractor”).
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The term "Contractor" includes Contractor and its sub-contractors. CSU and Contractor are referred to individually as a "Party" and collectively as "Parties." The term "Campus" shall include any campus or administrative office of CSU.

For and in consideration of the mutual covenants, conditions, and stipulations in this Contract, the Parties agree:

1. This is an Agreement under administrative office of the California State University may participate and obtain Services. Contractor shall provide services in accordance with the requirements of RFP # CSUCO-RFP-611-2024.
2. Contractor shall furnish to CSU certain ("Services"). The term "Contracted Work" refers to the Services, and Software supplied by Contractor under the terms of this Contract.
3. The following documents are incorporated and made part of this Contract by reference. In the event of a conflict or inconsistency between the documents that are part of this Contract, the documents shall prevail in the descending order listed below, with the first document listed having the highest precedence:
 - (1) Rider A: California State University Terms and Conditions of Purchase, consisting of twenty-one (21) pages;
 - (2) Rider B: California State University Data Privacy and Security Rider, consisting of four (4) pages;
 - (3) Rider C: CSU Scope of Work, consisting of two pages;
 - (4) Rider D: The Segal Group Scope of Work, consisting of eight (8) pages;
 - (5) Rider E: The Segal Group Cost Sheet, consisting of four (4) pages;
4. The term of this Contract ("Term") shall be from the Effective Date through December 31, 2030 [with two-five-year renewal options to be taken individually, in combination, or as a single block of five (5) years through December 31, 2040.
5. The total amount of this Agreement shall not exceed one hundred seventy-five thousand dollars, (\$175,000.00)
6. Written acceptance, or shipment of all or any portion of the Software, or the performance of all or any portion of the Services, or acceptance of any payment, will constitute Contractor's unqualified acceptance of all of the Contract's terms and conditions. The terms of any proposal referred to in the Contract are included and made part of the Contract only to the extent the proposal specifies the Contracted Work ordered, the price therefor, and the delivery thereof, and then only to the extent that such terms are consistent with the terms and conditions of the Contract.
7. The following paragraphs are incorporated in the Contract only if the box preceding that paragraph is marked:
 - ☒ a. **Background Checks.** Contractor employs individuals who: (1) perform duties where a background check is required by law, or (2) are in a position defined as "sensitive" by [CSU's policy on background checks](#). Contractor warrants that all employees or agents of Contractor who perform work for CSU, or who perform work at any CSU campus or facility, have completed or cleared appropriate background checks. All background checks shall be at the sole expense of Contractor. Contractor shall conduct all background checks directed by CSU, required by law, or required by CSU policy, but in no case less than would be required of a CSU employee performing similar job duties.
 - ☒ b. **Follow-on Contracts.** Paragraph 9.4 of the California State University Terms and Conditions of Purchase is deleted in its entirety and replaced with the following language: "The Parties agree that Contractor's duties and services under this

Contract shall not include preparing or assisting CSU with any portion of CSU's preparation of a Request for Proposals, Request for Qualifications, or any other solicitation regarding a subsequent or additional contract with CSU. CSU shall at all times retain responsibility for public contracting, including with respect to any subsequent phase of the Contracted Work. Contractor's participation in the planning, discussions, or drawing of the Contracted Work's plans or specifications, if any, shall be limited to conceptual, preliminary, or initial plans or specifications. Contractor shall cooperate with CSU to ensure that all bidders for a subsequent contract on any subsequent phase of the Contracted Work have access to the same information, including all conceptual, preliminary, or initial plans or specifications prepared by Contractor pursuant to this Contract."

8. Contract shall report to Lety Hernandez-Landeros, Sr. Director, SW General Employment Services and Policy Administration.

Document Creation: Erika Takenaka, Contracts Manager

IN WITNESS WHEREOF, this Contract has been executed by the parties hereto.

UNIVERSITY		CONTRACTOR	
Trustees of the California State University		Segal Company	
BY (AUTHORIZED SIGNATURE)	DATE	BY (AUTHORIZED SIGNATURE)	DATE
	12/12/2024	 <small>Bill Reinmann (Dec 12, 2024 10:14 PST)</small>	12/11/2024
PRINTED NAME AND TITLE OF PERSON SIGNING		PRINTED NAME AND TITLE OF PERSON SIGNING	
Ivonne Romo, Director of Procurement Operations		Bill Reinmann Vice President	
ADDRESS		ADDRESS	
401 N Goldenshore Longe Beach CA 90802		180 Howard, Suite 1100, San Francisco, CA 94105	

CALIFORNIA STATE UNIVERSITY

TERMS AND CONDITIONS OF PURCHASE

Contract Number:
C-CSUCO-00007756

1. Contract

These California State University Terms and Conditions of Purchase ("Terms and Conditions") are made part of that certain Contract for Purchase of Goods, Software, or Services with the contract number written above ("Contract"), made by and between the contractor named in such Contract ("Contractor") and The Trustees of the California State University ("CSU" or "University"). CSU and Contractor are individually referred to herein as a "Party", and together referred to as the "Parties". Terms that are Capitalized in these Terms and Conditions shall have the same meaning as those terms are defined in the Contract. If no contract number is written above, the equipment, material, or supplies ("Goods"), software, software as a service, platform as a service, or online subscriptions ("Software") or services ("Services") furnished by Contractor, and covered by a CSU Purchase Order or other agreement, are governed by these Terms and Conditions, which shall take precedence over any other terms and conditions.

Written acceptance or shipment of all or any portion of the Goods or Software, or the performance of all or any portion of the Services, will constitute Contractor's unqualified acceptance of the Terms and Conditions. Unless otherwise agreed in writing, the terms of any proposal referred to in the Contract are included and made a part of the Contract only to the extent the proposal specifies the Goods, Software, or Services ordered, the price, and the terms of delivery, and then only to the extent that those terms are consistent with the terms and conditions of the Contract.

2. General

2.1 Commencement of Work

Contractor shall not commence work under the Contract until Contractor has received a fully executed Contract and been given written approval by CSU to proceed. Any work performed by Contractor prior to the date of written approval shall be performed at Contractor's own risk and as a volunteer.

2.2 Entire Contract

This Contract, together with its riders, attachments, and exhibits, constitutes the entire agreement between the Parties with respect to the subject matter hereof and shall govern the respective rights and obligations of each Party. All prior agreements, representations, inducements, and negotiations, and any and all existing contracts previously executed between the parties with respect to this subject matter, are superseded hereby. This Contract also supersedes all click-through, click-wrap, shrink-wrap, Terms of Use, Terms of Service, or other End User License Agreements, all of which are null and void. CSU rejects any different or additional terms without prior written consent from an authorized CSU officer or employee.

2.3 No Oral Modifications or Understandings

No alteration or modification of the Contract shall be valid unless made in writing and signed by the Parties, and no oral understanding or agreement not incorporated in writing in the Contract shall be binding on any of the Parties.

2.4 Severability

Contractor and CSU agree that the terms of this Contract are severable. If any provision of this Contract is found to be illegal or unenforceable, such provision shall be deemed stricken and the remainder of the Contract shall remain in full force and effect. Any Party having knowledge of such provision shall promptly inform the other of the presumed non-enforceability of such provision. Should such illegal or unenforceable provision be a material or essential term of the Contract, the Contract shall be terminated in a manner commensurate with the interests of the Parties, to the maximum extent reasonable.

2.5 Governing Law and Choice of Venue

This Contract shall be construed in accordance with and governed by the laws of the State of California. Any action brought by any Party hereto shall be brought in a court of competent jurisdiction within the State of California.

2.6 Independent Status

Contractor and its employees, agents, and subcontractors, in the performance of this Contract, shall act in an independent capacity and not as officers, employees, or agents of CSU or the State of California. While Contractor may be required by this Contract to carry Workers Compensation Insurance, in no event shall Contractor or its employees, agents, or subcontractors be entitled to unemployment or workers' compensation benefits from CSU.

2.7 Personnel

Contractor maintains the sole right to determine the assignment of its employees to keep all phases of work under its control. If an employee of Contractor is unable to perform due to illness, resignation, or other factors beyond Contractor's control, Contractor shall use its best effort to provide suitable substitute personnel. If services are provided under this Contract, Contractor warrants that its staff, which is assigned to performing work under this Contract, is legally able to perform such duties in the country where the work is being performed.

2.8 Assignments

Neither Party shall assign this Contract, in whole or in part, without the other Party's written consent, which shall not be unreasonably withheld **except Contractor may assign its rights or delegate performance to one of its affiliates that is wholly-owned by the same parent company and operating under the same trade name; provided that there is no charge in primary personnel performing services or to the ownership structure.**

2.9 No Waiver of Rights

Any action or inaction by a Party or the failure of a Party on any occasion to enforce any right or provision of this Contract shall not be deemed a waiver by such Party of its rights hereunder, and shall not prevent such Party from enforcing such provision or right on any future occasion. A Party's rights and remedies provided in this Contract shall not be exclusive and are in addition to any other rights and remedies provided by law.

2.10 Time

Time is of the essence in the performance of this Contract.

2.11 Material Change of Circumstances

The terms of this Contract are based on conditions in existence on the date that Contractor commences performance. In the event of a material change in the conditions that adversely affects the ability of Contractor to perform its obligations, Contractor shall reasonably cooperate with CSU to minimize the impact from such change in conditions on Contractor's performance and shall, if requested by CSU, negotiate in good faith to adjust the terms of this Contract on a mutually agreeable basis to address the impact of such material change in conditions. This provision shall not limit CSU's ability to avail itself of any rights or remedies provided to CSU by law, equity, or any other term of this Contract.

2.12 Prevailing Wage

In the event that prevailing wage requirements apply to the Contracted Work, Contractor shall pay employees the current prevailing rate wages for any work performed under this Contract in accordance with California Labor Code section 1720.

2.13 Contractor's Power and Authority

Contractor represents and warrants it has full power and authority to enter into this Contract and will hold CSU harmless from and against any and all loss, cost, liability, or expense (including reasonable attorney fees) arising out of any breach of this representation and warranty. Further, Contractor shall not enter into any arrangement, agreement, or contract with any third party that might abridge any rights of CSU under this Contract.

2.14 Sovereign Immunity

Notwithstanding anything herein to the contrary, nothing in this Contract shall be deemed a waiver of sovereign immunity of the State of California or of CSU.

2.15 Headings

Headings in this document are for convenience of reference only, and shall not be used in the interpretation of this Contract.

3. Termination and Remedies

3.1 Termination for Convenience

CSU may terminate this Contract at any time for any or no reason and without future financial obligation upon thirty (30) days written notice to Contractor. Upon notice of termination pursuant to this section, if directed by CSU Contractor shall immediately stop all work and cause its suppliers and/or subcontractors to immediately cease their work related to this Contract. Contractor shall be paid for Contracted Work performed in accordance with the Contract, prior to the notice of termination or such date that CSU has directed to stop work. In no event shall Contractor be paid for costs incurred or Services performed after receipt of notice of termination, or, if later, the date Contractor is directed to stop work.

3.2 Termination for Default

CSU may terminate the Contract and be relieved of the payment of any consideration to Contractor if Contractor fails to comply with any material term or condition of the Contract, **provided that CSU offers Contractor a reasonable opportunity to cure the default unless CSU reasonably and in good faith determines cure is not possible.** Late performance, or delivery of Contracted Work that is defective or does not conform to the requirements of the Contract, shall, without limitation, be causes allowing CSU to terminate for default. In the event of such termination, CSU may proceed with the Contracted Work in any manner deemed proper by CSU. The cost to CSU of procuring substitute goods, services, or software shall be deducted from any sum due to the Contractor under the Contract for Contractor's prior satisfactory performance.

3.3 CSU's Rights and Remedies for Contractor's Default

- (a) **Defective Contracted Work.** In the event any Contracted Work provided by Contractor in the performance of this Contract fails to conform to the requirements herein, CSU may reject the same. It shall thereupon become Contractor's duty forthwith to reclaim and remove all nonconforming deliverables and correct the performance of Services at no expense to CSU, and to immediately replace all such rejected items and/or work with others conforming to the requirements of this Contract. Should Contractor fail, neglect, or refuse to do so, CSU shall thereupon have the right, but not the obligation, to purchase in the open market, in lieu thereof, a corresponding quantity of any such items or services, and to deduct the cost of such cover from any moneys due or that may thereafter become due to Contractor; or, if applicable, CSU shall have the right to complete all or any part of the Statement of Work, and charge its expense of completing the service/work to Contractor and to deduct from any moneys due or that may thereafter become due to Contractor the difference between the price named in the Contract and the actual cost to CSU.
- (b) **Late Delivery.** In the event Contractor fails to make prompt delivery of any Good, Software, or Service as specified in this Contract, CSU shall have the same rights, but not obligations, as set forth in subsection (a)

above to purchase replacement items or services in the open market and to deduct the cost of such cover from any moneys due or that may thereafter become due to Contractor.

- (c) **Termination for Default.** In the event that CSU terminates this Contract, either in whole or in part, for Contractor's default or breach, Contractor shall compensate CSU, in addition to any other remedy that CSU may have available to it, for any loss or damage sustained and cost incurred by CSU in procuring any items or services that Contractor agreed to supply.
- (d) **Rights and Remedies Not Exclusive.** CSU's rights and remedies provided in this section shall not be exclusive and shall be in addition to any other rights and remedies provided by law, equity, or this Contract.

3.4 Dispute

Any dispute arising under or resulting from this Contract that is not resolved within sixty (60) days by authorized representatives of Contractor and CSU shall be brought to the attention of Contractor's Chief Executive Officer (or designee) and CSU's Chief Business Officer (or designee) for resolution. Either Contractor or CSU may request that the CSU Vice Chancellor, Business and Finance (or designee) participate in the dispute resolution process to provide advice regarding CSU contracting policies and procedures. If this informal dispute resolution process is unsuccessful, the Parties may pursue all remedies not inconsistent with this Contract. Despite an unresolved dispute, Contractor shall continue without delay in performing its responsibilities under this Contract. Contractor shall accurately and adequately document all service it has performed under this Contract.

3.5 Force Majeure

- (a) **Liability.** Neither Party shall be liable for any failure to perform its obligations under this Contract for the period of time that it is prevented, hindered, or delayed in performing those obligations by circumstances beyond its control, including, but not limited to, fire, strike, war, riots, acts of terrorism, disaster, acts of God, acts of any governmental authority, communicable disease outbreak, epidemic or pandemic, quarantines, unavailability or shortages of labor, materials, or equipment, disruption of transportation, or any other comparable event beyond the control of the Party whose performance is affected (each, a "Force Majeure Event."). For the avoidance of doubt, Force Majeure shall not include (a) financial distress or the inability of either party to make a profit or avoid a financial loss, (b) changes in market prices or conditions, or (c) a party's financial inability to perform its obligations hereunder.
- (b) **Notice.** The Party claiming Force Majeure shall, as soon as reasonably practicable after the occurrence of a Force Majeure Event, provide written notice to the other Party of the nature, extent, and expected duration of the Force Majeure Event and use its diligent efforts to mitigate the effects of the Force Majeure Event upon such Party's performance under this Contract, it being understood that upon completion of the Force Majeure Event, the Party whose performance was affected must, as soon as reasonably practicable, recommence the performance of its obligations under this Contract.
- (c) **Force Majeure Remedies.** Notwithstanding any other term in this Contract, including, but not limited to, the foregoing subsections of this term, during the period of a Force Majeure Event affecting performance by Contractor, in addition to any other remedies permitted by law or this Contract, CSU may elect to do all or any of the following:
 - (1) suspend the Contract between CSU and Contractor for the duration of the Force Majeure Event and be relieved of any payment obligation for Contracted Work not delivered or accepted due to the Force Majeure Event;
 - (1) obtain elsewhere the Contracted Work not delivered or accepted due to the Force Majeure Event;
 - (2) extend the time for Contractor's performance by a period equal to the duration of the Force Majeure Event; or
 - (3) terminate the Contract between CSU and Contractor as to any Contracted Work not already received

with no further financial obligation if the Force Majeure Event continues to exist for more than thirty (30) days.

4. Indemnity

4.1 General Indemnity

Contractor shall indemnify, defend, and hold harmless the State of California, CSU, and their respective officers, agents and employees from any and all claims and losses accruing or ~~to the extent resulting to any other person, firm or corporation furnishing or supplying work, service, materials or supplies in connection with the performance of this Contract, and from any and all claims and losses accruing or resulting to any person, firm or corporation related to, arising out of or resulting from Contractor's any negligence, willful misconduct or fraud by the Contractor or any Contractor Personnel ins the performance of this Contract.~~

4.2 Patent, Copyright, and Trade Secret Indemnity

- (a) **Indemnification.** Contractor shall indemnify, defend, and hold harmless the State of California, CSU, and their respective officers, agents, and employees (collectively referred to as Indemnitees), from any and all third-party claims, costs (including without limitation reasonable attorneys' fees), and losses for infringement or violation of any intellectual property right, domestic or foreign, by any product or service provided hereunder. With respect to claims arising from computer hardware or software manufactured by a third party and sold by Contractor as a reseller, Contractor will pass through to Indemnitees, in addition to the foregoing provision, such indemnity rights as it receives from such third party ("Third-Party Obligation") and will cooperate in enforcing them; provided that if the third-party manufacturer fails to honor the Third-Party Obligation, Contractor will provide Indemnitees with indemnity protection.
- (b) **Notice and Defense.** Indemnitees will notify Contractor of such claim in writing and tender their defense within a reasonable time. Contractor will control the defense of any action on such claim and all negotiations for its settlement or compromise, except when substantial principles of government or public law are involved, when litigation might create precedent affecting future Indemnitees' operations or liability, or when involvement of the Indemnitees is otherwise mandated by law. In such case, no settlement shall be entered into on behalf of Indemnitees without Indemnitees' written approval.
- (c) **Bond.** Contractor may be required to furnish Indemnitees a bond against any and all loss, damage, costs, expenses, claims and liability for patent, copyright, and trade secret infringement.
- (d) **Substitution.** Should the Contracted Work, or the operation of the Contracted Work, become, or in Contractor's opinion be likely to become, the subject of a claim of infringement or violation of an intellectual property right, whether domestic or foreign, Indemnitees shall permit Contractor at its option and expense either to procure for Indemnitees the right to continue using the Contracted Work or to replace or modify the same so they become non-infringing, provided they comply with Contract and performance requirements and expectations. If neither option is reasonably practicable or if the use of such Contracted Work by Indemnitees shall be prevented by injunction, Contractor agrees to take back such Contracted Work and use its best effort to assist Indemnitees in procuring substitute Contracted Work at Contractor's cost and expense. If, in the sole opinion of Indemnitees, the return of such infringing Contracted Work makes the retention of other deliverables or software acquired from Contractor under this Contract impracticable, Indemnitees shall then have the option of terminating this Contract, or applicable portions thereof, without penalty or termination charge. Contractor agrees to take back such Contracted Work and refund any sums Indemnitees paid Contractor less any reasonable amount for use or damage.
- (e) **Controls.** Contractor certifies it has appropriate systems and controls in place to ensure State funds will not be used in the performance of this Contract for the acquisition, operation, or maintenance of

computer software in violation of copyright laws.

- (f) Notwithstanding anything to the contrary herein, Contractor shall not have any liability whatsoever for any claim of infringement based on (i) use of any of the Deliverables by the CSU in a manner contrary to their intended use if the infringement would have been avoided by the use of the Deliverables in accordance with their intended use, (ii) modification of the Deliverables by any party other than Contractor if the infringement would have been avoided without such modification, or (iii) the combination or use of the Deliverables with materials or intellectual property not furnished by Contractor if such infringement would have been avoided by use of the Deliverables alone.

5. Warranty

5.1 Free from Defect

Contractor warrants that (i) the Contracted Work furnished hereunder will conform to the requirements of this Contract (including, without limitation, all descriptions, specifications, and drawings identified in any specific Statement of Work between Contractor and CSU), and (ii) the Contracted Work will be free from fault and defects in design, materials, and workmanship. Where the Parties have agreed to design specifications in a Statement of Work, if any, directly or by reference, Contractor warrants the Contracted Work shall provide all functionality required thereby, and Contracted Work shall be new and of industry standard quality in the trade and in accordance with the approved and agreed-to design and specifications. CSU's approval of designs or specifications furnished by Contractor shall not relieve Contractor of its obligations under this warranty.

5.2 Permits

Contractor warrants that it will procure all permits, licenses, and authorizations necessary to properly perform its obligations under this Contract in accordance with all applicable laws, regulations and ordinances.

5.3 Software

In addition to the other warranties set forth herein, where the Contract calls for delivery of commercial software, Contractor warrants that such software shall perform in accordance with its license and accompanying documentation. Contractor further warrants that, at the time of delivery, any deliverables consisting of software (i) shall be free of harmful code (i.e., computer viruses, worms, trap doors, time bombs, disabling code, or any similar malicious mechanism designed to interfere with the intended operation of, or cause damage to, computers, data, or software); and (ii) shall not infringe or violate any third-party's intellectual property right. Without limiting the generality of the foregoing, if CSU believes harmful code may be present in any commercial software delivered by Contractor, Contractor shall, upon CSU's request, provide a master copy of the software for comparison and correction.

5.4 Warranty Pass-Through

Unless otherwise specified in the Statement of Work, where Contractor resells hardware or software it purchased from a third party and such third party offers additional or more advantageous warranties than those set forth herein, Contractor shall pass through any such warranties to CSU and shall cooperate in enforcing them. Such warranty pass-through shall be supplemental to, and shall not relieve Contractor from, Contractor's warranty obligations set forth above.

5.5 Inure to CSU

All warranties, including special warranties specified elsewhere herein, shall inure to CSU, its successors, assigns, CSU agencies, and other governmental users of the deliverables or services.

6. Operational

6.1 Safety and Accident Prevention

In the event this Contract requires Contractor to perform work on premises owned or controlled by CSU ("CSU Premises"), Contractor shall conform to all specific safety requirements contained in this Contract and/or as

required by law, regulation, or CSU policies, plans, and procedures, including, but not limited to, the campus Workplace Violence Prevention Plan applicable to the CSU Premises at which work is performed. Contractor shall take all additional precautions as CSU may reasonably require for safety and accident prevention purposes. Contractor's violation of such rules and requirements, unless promptly corrected, shall constitute a material breach of this Contract.

6.2 Protection/Restoration of Facilities

If the Contract involves performing work on CSU's Premises, Contractor shall properly and adequately protect from damage all of CSU's property, including, but not limited to, land, structures, equipment, and utilities while providing goods or services on CSU's premises. Contractor shall comply with all facility, safety and security rules and regulations, and other instructions of CSU, when performing work at CSU's Premises, and shall conduct its work at CSU's Premises in such a manner as to avoid endangering the safety, or interfering with the convenience of, CSU employees, students, or members of the public. If any of CSU's property is damaged, altered or disturbed in any way during the performance of this Contract, whether by Contractor, sub-Contractor, or anyone acting on behalf of Contractor, Contractor shall promptly restore CSU's property to the condition it was in immediately before the damage or alteration at Contractor's sole cost and expense. If Contractor is unable or unwilling to restore CSU's property, CSU may restore such property at Contractor's sole cost and expense, and CSU shall be entitled to promptly recover from Contractor the cost and expense of such restoration.

6.3 Cleaning and Removal of Debris/Salvage

If the Contract involves performing work on CSU's Premises, Contractor shall remove at the end of each workday all dirt, debris, waste, rubbish, equipment, and obstacles to CSU pedestrian or vehicular traffic, as directed by CSU. Contractor shall thoroughly clean (vacuum, wet mop, etc.) any dust, soot or similar construction generated materials and contaminants at the end of each workday. Contractor shall not allow debris, waste, or unused construction material to accumulate under, in, or about the work site, nor shall such materials be used in backfilling. Contractor shall not ask any employee, volunteer, or CSU student for assistance in work or use of equipment, tools, or supplies. Upon completion of work, Contractor shall thoroughly clean the work area, including all fixtures, equipment, floors, and hardware, and shall remove all plaster spots, stains, paint spots, and accumulated dust and dirt. This shall include thorough cleaning of all roofs, sidewalks, or other surfaces where debris may have collected. Additionally, Contractor shall remove all scaffolding, planking, surplus materials, temporary structures, waste materials and rubbish around the equipment or upon the site and dispose of any such items in safe and legal fashion. Absolutely no materials shall be left on CSU's Premises. All salvage items removed in connection with any work remain the property of CSU and shall be deliverable to the location designated by the authorized representative of CSU.

6.4 Invoices

- (a) **Submission.** Contractor shall submit invoices to CSU for payment of goods and/or services rendered under this Contract. Such invoices shall be submitted in arrears to the address provided in the Contract. In the event that the Contracted Work is of a continuing nature, such invoices shall be submitted in arrears upon completion of each phase. Each invoice must contain the Contract number and Contractor's Identification number. The final invoice shall be marked as such.
- (b) **Payment.** Unless otherwise specified, CSU shall pay properly submitted invoices not more than ~~45~~ 30 days after the latest of:
 - (1) CSU's acceptance of goods conforming to the Contract;
 - (2) Contractor's satisfactory completion of services conforming to the Contract; or
 - (3) CSU's receipt of an undisputed invoice.
- (c) **Late Payment.** Late payment penalties shall not apply to this Contract.
- (d) **Full Compensation.** The consideration to be paid Contractor, as described within the Contract, shall be in full compensation for all of Contractor's expenses incurred in the performance of this Contract, including

travel and travel-related expenses, unless otherwise expressly so provided. Any of Contractor's travel or travel-related expenses that CSU agrees to reimburse shall be reimbursed only in accordance with CSU policy.

6.5 Document Referencing

All correspondence, invoices, bills of lading, shipping memos, packages, and other documentation exchanged pursuant to the Contract shall contain the Contract number. If factory shipment, the factory must be advised by Contractor to comply. Invoices not properly identified with the Contract number and Contractor identification number may be returned to Contractor and may cause delay in payment.

6.6 Packing and Shipment of Goods

- (a) **Containers.** Should Goods be provided under this Contract, all Goods are to be packed in suitable containers for protection in shipment and storage, and in accordance with applicable specifications. Each container of a multiple container shipment shall be identified to:
 - (1) Show the number of the container and the total number of containers in the shipment; and
 - (2) The number of the container in which the packing sheet has been enclosed.
- (b) **Packing Sheets.** All shipments of Goods by Contractor or its subcontractors must include packing sheets identifying: the contract number; item number; quantity and unit of measure; part number and description of the goods shipped; and appropriate evidence of inspection, if required. Goods for different contracts shall be listed on separate packing sheets.

6.7 Delivery

Contractor shall strictly adhere to the delivery and completion schedules specified in this Contract. Time, if stated as a number of days, shall mean calendar days unless otherwise specified. The quantities specified herein are the only quantities required. If Contractor delivers in excess of the quantities specified herein, CSU shall not be required to make any payment for the excess deliverables and may return them to Contractor at Contractor's expense or utilize any other rights available to CSU at law or in equity.

6.8 Substitutions

Contractor may not tender substitute items for any Goods or Software to be provided under this Contract without advance written consent of CSU. Contractor shall not use any specification in lieu of those contained in the Contract without written consent of CSU.

6.9 Inspection, Acceptance and Rejection

Unless otherwise specified in a Statement of Work, all Contracted Work may be subject to inspection and test by CSU. CSU shall not be deemed to have accepted Contracted Work until it has had a reasonable period to inspect it following delivery or completion of performance. Contractor shall be liable to correct all deficiencies at its own expense. Notwithstanding any prior payment or inspection, CSU will also have the right to reject Contracted Work as though it had not been accepted after any latent defect has become apparent.

6.10 Taxes, Delivery, and Permits

- (a) **Taxes.** Contractor certifies that it shall comply with all California Sale and Use Tax requirements. Articles sold to CSU may be exempt from certain Federal Excise Taxes. CSU will furnish an exemption certificate on request.
- (b) **FOB.** Unless otherwise specified, FOB shall be destination.
- (c) **Charges.** Prices quoted shall include all required and applicable taxes, and applicable delivery or freight charges, insurance, license fees, permits, and costs of bonds. If Contract includes a charge for freight, Contractor shall provide supporting documentation for any charge over \$50. If Contract includes a charge for handling, it must be itemized separately from any charge for shipping.
- (d) **Prohibited Charges.** No charge for delivery, drayage, express, parcel post, packing, cartage, insurance, license fees, permits, cost of bonds, or for any other related purpose will be paid by CSU unless expressly

included and itemized in the Contract.

- (e) **Permits.** Contractor certifies that it will immediately advise CSU of any change in its retail seller's permit or certification of registration or applicable affiliate's seller's permit or certificate of registration.

6.11 Electronic Software Tax Liability

If Software is provided under the terms of this Contract, Contractor agrees to deliver Software solely in an intangible form and via electronic means. Contractor shall be responsible for ensuring that the Software is not delivered to CSU in tangible form and shall defend and indemnify CSU for any and all tax liability resulting from Contractor's failure to deliver Software as required by this Contract.

6.12 Rights in Contracted Work

- (a) **Work Made for Hire.** Unless CSU indicates that the Contracted Work does not involve work made for hire, Contractor acknowledges and agrees that all inventions, discoveries, intellectual property, technical communications, and records originated or prepared by Contractor pursuant to this Contract, including papers, reports, charts, computer programs, and other documentation or improvements thereto, and including Contractor's administrative communications and records relating to this Contract (collectively, the "Work Product"), shall be the exclusive property of CSU. ~~The Work Product shall be considered "work made for hire" under U.S. copyright law and all right, title, and interest to and in such Work Product including, but not limited to, any and all copyrights or trademarks, will be owned by CSU.~~ CSU will have a perpetual, fully paid, nonexclusive, non-transferable and non-sublicensable right to use, copy, and modify Work Product for their intended purpose. Contractor will not have any responsibility or liability for use of any Deliverable in any manner other than for the intended purpose. However, all finished product or deliverables required under this contract shall be exclusive property of the CSU and may be used at CSU's discretion. In the event that it is determined that CSU is not the owner of such Work Product under the "work made for hire" doctrine of U.S. copyright law, Contractor hereby irrevocably assigns to CSU all right, title, and interest to and in such Work Product and any copyrights or trademarks thereto.
- (b) **Noninfringement.** Contractor warrants that it has the complete right and title to sell, license, or convey all parts of the Contracted Work, and has obtained any and all necessary permissions from third parties to sell, license, or convey the Contracted Work, and that use of the Contracted Work shall not infringe the intellectual property or any other property rights of any third party. Contractor shall indemnify and hold CSU and authorized users of the Contracted Work harmless for any losses, claims, damages, awards, penalties, or injuries incurred which arise from any claim by any third party of an alleged infringement of copyright or any other property right arising out of the use of the Contracted Work by CSU or any authorized user in accordance with the terms of this Contract.

6.13 Use of Name or Marks, and Endorsement

Neither Party shall use the other Party's name, trade names, trademarks, service marks, logos, or domain names without the prior written agreement of the other Party. Nothing contained in this Contract shall be construed as conferring on any Party any right to use the other Party's name or mark as an endorsement of any product or service or to advertise, promote or otherwise market any product or service without the prior written consent of the other Party. Furthermore, nothing in this Contract shall be construed as the endorsement of any commercial product or service by CSU.

7. Insurance

Contractor shall not commence the Contracted Work until it has obtained all the insurance required by this Contract, and such insurance has been approved by CSU.

7.1 Policies and Coverage

- (a) **Required.** Contractor shall obtain and maintain the following policies and coverage:

- (1) Comprehensive or Commercial General Liability Insurance, on an occurrence basis, covering Contracted Work done or to be done by or on behalf of the Contractor and providing insurance for bodily injury, personal injury, property damage, and contractual liability. CSU may require the aggregate limit to apply specifically to the Contracted Work in certain circumstances, and will notify Contractor of this requirement.
 - (2) Business Automobile Liability Insurance on an occurrence basis, covering owned, hired, and non-owned automobiles used by or on behalf of Contractor and providing insurance for bodily injury, property damage, and contractual liability. Such insurance shall include coverage for uninsured and underinsured motorists.
 - (3) Worker's Compensation, including Employers Liability Insurance as required by law.
- (b) **Additional.** Contractor shall also be required to obtain and maintain the following policies and coverage to the extent indicated below: **if applicable**
- (1) Environmental Impairment Liability or Pollution Liability Insurance in the event that the Contracted Work involves hazardous materials which could result in any loss, cost or expense arising out of any requirement to clean up, remove, contain, treat, detoxify or in any way respond to pollutants or injury or damage resulting therefrom. This includes, but is not limited to, Contracted Work involving asbestos, lead, fuel storage or pipes, sewage, industrial waste, and hazardous chemicals (such as pesticides, carcinogens, trichloroethylene (TCE), or polychlorinated biphenyls (PCBs).
 - (2) Privacy, Technology and Data Security Liability, Cyber Liability, or Technology Professional Liability Insurance in the event that the Contracted Work involves access to or storage of Protected Data. For purposes of this Contract, "Protected Data" has the same meaning as defined in the [CSU Information Security Policy and Standards, section VI](#) (which, for clarification, includes both "Level 1 - [Confidential](#)" data and "[Level 2 - Internal Use](#)" data). Such insurance shall cover liabilities for financial loss, damages, and/or costs incurred as a result of any confirmed or suspected data security breach or loss of Protected Data (including personally identifiable information) due to the acts, omissions, and/or intentional misconduct of Contractor, its officers, employees, agents, sub-contractors, or anyone acting on behalf of Contractor in connection with the performance of this Contract. Such coverage shall include without limitation, all of the following:
 - (A) Costs to notify persons whose data were lost or compromised
 - (B) Costs to provide credit monitoring and credit restoration services to persons whose data were lost or compromised
 - (C) Costs associated with third party claims arising from a confirmed or suspected data security breach or loss of CSU confidential data, including litigation costs and settlement costs
 - (D) Any investigation, enforcement, fines and penalties, or similar miscellaneous costs arising from a confirmed or suspected data security breach or loss of CSU confidential data
 - (E) Any payment made to a third party as a result of extortion related to a confirmed or suspected data security breach or loss of CSU confidential data
 - (3) Professional Liability Insurance if the Contracted Work involves professional services involving specialized skill or training, including but not limited to:
 - (A) preparation of any map, shop drawing, opinion, report, survey, field order, change order, design, drawing, specification, recommendation, warning, permit application, payment request, manual or inspection;
 - (B) supervision, inspection, quality control, architectural, engineering or surveying activity or service;
 - (C) job site safety;
 - (D) construction contracting, construction administration, or construction management;

- (E) computer consulting or design, software development or programming service;
 - (F) selection of a contractor or subcontractor;
 - (G) real estate, legal, medical, employment, investment, or management services;
 - (H) monitoring, testing, or sampling services; or
 - (I) if otherwise directed by CSU in writing.
- (4) Other insurance as agreed upon by CSU and Contractor.
- (c) **Verification of Coverage.** Contractor shall submit original certificates of insurance and endorsements to the policies of insurance required by the Contract to CSU as evidence of the insurance coverage. Renewal certifications and endorsements shall be timely filed by Contractor for all coverage until the Contracted Work is accepted as complete. ~~CSU reserves the right to require Contractor to furnish CSU complete, certified copies of all required insurance policies.~~
- (d) **Required Provisions.** Nothing in these insurance provisions shall be deemed to alter the indemnification provisions in this Contract. The insurance policies shall contain, or be endorsed to contain, the following provisions.
- (1) The general and automobile liability policies shall name the State of California, CSU, the Trustees of the California State University, and their officers, employees, representatives, volunteers, and agents as additional insureds. Such endorsement shall be documents on an ACCORD or similar form for this purpose; a statement on the certificate itself does not satisfy this requirement.
 - (2) For any claims related to the Contracted Work, Contractor's insurance coverage shall be primary insurance as respects the State of California, CSU the Trustees of the California State University, and their officers, employees, representatives, volunteers, and agents. Any insurance or self-insurance maintained by the State of California, CSU, the Trustees of the California State University, and their officers, employees, representatives, volunteers, and agents shall be in excess of Contractor's insurance and shall not contribute with it.
 - (3) Each insurance policy required by this section shall state that coverage shall not be canceled by either Contractor or the insurance carrier, except after thirty (30) days prior written notice ~~by certified mail, return receipt requested (or other written notice with proof of receipt), has been given to CSU.~~
 - (4) The State of California, CSU, the Trustees of the California State University, and their officers, employees, representatives, volunteers, and agents shall not by reason of their inclusion as additional insureds incur liability to the insurance carriers for payment of premiums for such insurance.
 - (5) Each insurance policy required by this section shall contain an endorsement providing a waiver of transfer of rights of recovery against others (waiver of subrogation) as to the State of California, CSU, the Trustees of the California State University, and their officers, employees, representatives, volunteers, and agents.

7.2 Amount of Insurance

- (a) **Minimum Coverage.** The limits stated below are minimum required amounts of insurance coverage but do not serve to limit amounts recoverable by CSU. CSU is entitled to any valid and collectible insurance and any other sources of recovery. The insurance furnished by Contractor under this Contract shall provide coverage in amounts not less than the following:
- (1) Comprehensive or Commercial General Liability Insurance—Limits of Liability
 - (A) \$4,000,000 General Aggregate
 - (B) \$2,000,000 Each Occurrence—combined single limit for bodily injury and property damage.
 - (C) \$2,000,000 Each Person/Entity for personal liability
 - (D) \$2,000,000 for contractual liability
 - (2) Business Automobile Liability Insurance—Limits of Liability

- (A) \$1,000,000 Each Accident—combined single limit for bodily injury and property damage to include uninsured and underinsured motorist coverage.
- (B) Workers’ Compensation—limits as required by law with Employers Liability limits of \$1,000,000.
- ~~(b) **Hazardous Materials.** For Contracts involving hazardous materials, Contractor shall provide additional coverage in amounts not less than the following, unless a different amount is agreed upon in writing signed by Contractor and CSU:~~
 - ~~(1) **Environmental Impairment or Pollution Liability Insurance—Limits of Liability**~~
 - ~~(A) \$10,000,000 General Aggregate~~
 - ~~(B) \$5,000,000 Each Occurrence—combined single limit for bodily injury and property damage, including cleanup costs.~~
 - ~~(2) In addition to the above referenced coverage for Business Automobile Liability Insurance, Contractor shall obtain for hazardous material transporter services:~~
 - ~~(A) MCS-90 endorsement~~
 - ~~(B) Sudden & Accidental Pollution coverage endorsement—Limits of Liability*~~
 - ~~\$2,000,000 Each Occurrence~~
 - ~~\$2,000,000 General Aggregate~~
- *A higher limit on the MCS-90 endorsement required by law must be matched by the Sudden & Accidental Pollution Insurance.
- (3) With CSU’s approval, Contractor may delegate the responsibility to provide the additional coverage required under this subsection (2) to its hazardous materials subcontractor. In the event that Contractor has obtained CSU’s permission to delegate such responsibility to its hazardous materials subcontractor, Contractor shall provide CSU a letter within thirty (30) days of executing this Contract stating that Contractor is requiring its hazardous materials subcontractor to provide the additional coverage required under this subsection (2), if applicable. Contractor shall affirm in this letter that the hazardous materials subcontractor’s certificate of insurance shall adhere to all of the requirements of this Contract. Further, this letter will provide that the subcontractor’s certificate of insurance will be provided to CSU as soon as Contractor fully executes its subcontract with the hazardous materials subcontractor, or within thirty (30) days of the Notice to Proceed, whichever is less.
- (c) **Cyber.** For Contracts involving Contractor access to or storage of Protected Data, Contractor shall obtain the additional coverage in amounts not less than the following, unless a different amount is agreed upon in writing signed by Contractor and CSU:
 - (1) Privacy, Technology and Data Security Liability, Cyber Liability, or Technology Professional Liability Insurance – Limits of Liability
 - (A) \$20,000,000 General Aggregate
 - (B) \$20,000,000 Each Occurrence
- (d) **Professional Services.** For Contracts involving professional services, Contractor shall obtain the additional coverage in amounts not less than the following, unless a different amount is agreed upon in writing signed by Contractor and CSU:
 - (1) Professional Liability Insurance – Limits of Liability
 - (A) \$5,000,000 General Aggregate
 - (B) \$5,000,000 Each Claim

7.3 Acceptability of Insurers

Insurers shall be licensed by the State of California to transact insurance and shall hold a current A.M. Best’s rating of A:VII, or shall be a carrier otherwise acceptable to CSU.

7.4 Subcontractor's Insurance

Contractor shall ensure that its subcontractors are covered by insurance of the types required by this Contract, and that the amount of insurance for each subcontractor is appropriate for that subcontractor's work as relates to this Contract. Contractor shall not allow any subcontractor to commence work on its subcontract until the insurance has been obtained and approved by CSU. Only the Contractor and its hazardous materials subcontractor(s) are required to have the coverage for projects involving hazardous materials.

7.5 Miscellaneous

- (a) Any deductible under any policy of insurance required in this Contract shall be Contractor's liability.
- (b) Acceptance of certificates of insurance by CSU shall not limit Contractor's liability under the Contract.
- (c) In the event Contractor does not comply with these insurance requirements, CSU may, at its option, provide insurance coverage to protect CSU. The cost of the insurance shall be paid by Contractor and, if prompt payment is not received, may be deducted from Contract sums otherwise due the Contractor.
- (d) If CSU is damaged by Contractor's failure to provide or maintain the required insurance, Contractor shall pay CSU for all such damages.
- (e) Except as specifically provided for in contracts involving hazardous materials, Contractor's obligations to obtain and maintain all required insurance are non-delegable duties under this Contract.

8. University Data

8.1 California Consumer Privacy Act (CCPA)

Contractor warrants that it complies with the CCPA and other California laws regarding data privacy. For purposes of this section only, "personal information" shall have the same meaning as that term is defined in the CCPA. If Contractor meets the definition of a "Business" under the CCPA, Contractor shall comply with the following obligations:

- (a) **Personal Information.** Contractor will only collect, use, retain, or disclose personal information for the contracted business purposes.
- (b) **Use.** Contractor will not collect, use, retain, disclose, sell, or otherwise make personal information available for Contractor's own commercial purposes or in a way that does not comply with the CCPA. If a law requires the Contractor to disclose personal information for a purpose unrelated to the contracted business purpose, the Contractor must first inform CSU of the legal requirement and give CSU an opportunity to object or challenge the requirement, unless the law prohibits such notice.
- (c) **Purpose.** Contractor shall limit personal information collection, use, retention, and disclosure to activities reasonably necessary and proportionate to achieve the contracted business purposes or another compatible operational purpose.
- (d) **Prompt Response.** Contractor shall promptly comply with any request or instruction from a software user or from CSU requiring the Contractor to provide, amend, transfer, or delete the personal information, or to stop, mitigate, or remedy any unauthorized processing.
- (e) **Notice.** If the contracted business purposes require the collection of personal information from individuals on CSU's behalf, Contractor will always provide a CCPA-compliant notice addressing use and collection methods.

8.2 Permissible Use of Data

- (a) **License to Use CSU Data.** All rights, including all intellectual property rights, in and to University Data shall remain the exclusive property of CSU, and Contractor has a limited, nonexclusive license to use such data as provided in this Contract solely for the purpose of performing its obligations pursuant to the

Contract, and only to the extent necessary to carry out its obligations to CSU under the terms of the Contract.

- (b) **No Pecuniary Gain.** Contractor shall not utilize any University Data for pecuniary gain not contemplated by this Contract, regardless of whether Contractor is or is not under contract at the time such gain is realized.
- (c) **Disclosure of Data.** Contractor may disclose University Data only to the extent necessary to carry out its obligations to CSU under the terms of the Contract, and shall not share such data with or disclose it to any third party without the prior written consent of CSU, except as required by law or permitted in this Contract. Contractor may only disclose University Data to affiliates or subcontractors for the purposes set forth in this Contract and only after the affiliates or subcontractors agree in writing to be bound by the same restrictions, conditions, and requirements that apply to Contractor under this Contract.

8.3 Confidentiality of Data

- (a) **Duty of Confidentiality.** Contractor shall maintain the confidentiality and privacy of Personal Information, Protected Data, and all other information designated “confidential” by CSU, to which Contractor has access, during the Term and after termination of the Contract. For purposes of this Contract, “Personal Information” shall have the same meaning as that term is defined in the Information Practices Act (California Civil Code, § 1798 *et seq.*) (the “IPA”), and “Protected Data” shall have the same meaning as defined in the [CSU Information Security Policy and Standards, section VI](#) (which, for clarification, includes both “Level 1 - [Confidential](#)” data and “[Level 2 - Internal Use](#)” data). Collectively, Personal Information, Protected Data, and all other information designated “confidential” by CSU, and to which Contractor has access, are collectively referred to in this Contract as “University Data”. Contractor acknowledges the privacy rights of individuals to their personal information that are expressed in the IPA and in California Constitution Article 1, Section 1.
- (b) **Level of Care.** Contractor will store and process University Data in accordance with commercial best practices, including appropriate administrative, physical, and technical safeguards, to secure such data from unauthorized access, disclosure, alteration, and use. Such measures shall be no less protective than Contractor uses or would use in good faith to secure its own data of a similar type, and in no event less than reasonable in view of the type and nature of the data involved.
- (c) **Statutory Compliance.** Contractor shall comply with applicable state, Federal, and non-U.S. privacy laws, including but not limited to the Gramm-Leach-Bliley Act (15 U.S.C. §§ 6801(b) and 6805(b)(2)) (“GLBA”), the Family Educational Rights and Privacy Act (20 U.S.C. § 1232g) (“FERPA”), the IPA, the Health Insurance Portability and Accountability Act (110 Stat. 1936) (“HIPAA”), and the California Consumer Privacy Act (CA Civil Code 1798.100 *et seq.*). Contractor shall use best efforts, consistent with guidance from the Federal Trade Commission, the California Office of the Attorney General, the California Privacy Protection Agency, and other applicable guidance, to protect University Data from identity theft, fraud and unauthorized use. Contractor shall comply with all requirements governing redisclosure of education records, as that term is defined in FERPA.
- (d) **Exceptions to Confidentiality.** The obligations of confidentiality of this section shall not apply to any information that:
 - (1) Contractor rightfully has in its possession when disclosed to it, free of obligation to CSU to maintain its confidentiality;
 - (2) Contractor independently develops without access to University Data;
 - (3) Is or becomes known to the public other than by breach of this Contract;
 - (4) CSU or its agent releases without restriction; or
 - (5) Contractor rightfully receives from a third party without the obligation of confidentiality.

Any combination of University Data disclosed with information not so classified shall not be deemed to be within such exclusions because individual portions of such combination are free of any confidentiality obligation or are separately known in the public domain.

(e) **Geographical Restriction.** Any access, transmission, processing, or storage of University Data outside the United States shall require prior written authorization by CSU. This requirement is a material term of this Contract.

(f) **Notice of Subpoenas.** Except as otherwise expressly prohibited by law, Contractor shall:

- (1) immediately notify CSU in writing of any threatened or actual subpoenas, warrants, or other legal orders, demands or request received by Contractor seeking University Data, and
- (2) Before making any disclosure of University Data, cooperate with CSU's requests in connection with efforts by CSU to intervene and quash or modify the legal order, demand, or request.

(g) **Return or Destruction of Data.** Within thirty (30) days of termination or expiration of this Contract, or at any time upon the request of CSU, Contractor and its agents and subcontractors shall:

- (1) provide CSU staff with the opportunity and ability to download /export University Data for records retention purposes;
- (2) return or destroy all University Data received from CSU and/or any retained by any of its affiliates, agents, representatives, or subcontractors, in any form, and delete from any computer system, retaining no copies of such information; and
- (3) Provide written certification to CSU that these actions have been completed.

Contractor agrees that all paper, film, or other hard copy media shall be shredded or destroyed such that it may not be reconstructed, and University Data shall be purged or destroyed in accordance with NIST Guidelines for media sanitization (<https://csrc.nist.gov/>). If Contractor determines that return or destruction of University Data is not feasible, Contractor shall extend the protections of this Addendum to such information, and shall limit further uses and disclosures to those purposes that make the return or destruction of the University Data infeasible; and Contractor's obligations under this Addendum shall survive the termination of the Contract.

(h) **Material Breach.** Contractor's failure to comply with any provision of this Section shall constitute a material breach of this Contract.

8.4 Unauthorized Disclosure of Data

(a) **Report to CSU.** Contractor shall report, in writing, to csuciso@calstate.edu any use or disclosure of University Data not authorized by this Contract or in writing by CSU ("Security Incident"), including any reasonable belief that an unauthorized individual has accessed University Data. This report shall:

- (1) be made not later than within twenty-four (24) hours after discovery, if information was, or is reasonably believed to have been, acquired by an unauthorized person;
- (2) include details relating to any known or suspected security breach of Contractor's system or facilities which contain University Data, or any other breach of University Data relating to this Contract; and
- (3) identify:
 - (A) the nature of the unauthorized use or disclosure,
 - (B) the time and date of incident,
 - (C) a description of University Data used or disclosed,
 - (D) who made the unauthorized use or received the unauthorized disclosure,
 - (E) the actions Contractor has taken or will take to mitigate any potentially harmful effect of the unauthorized use or disclosure,
 - (F) the corrective action Contractor has taken or shall take to prevent future similar unauthorized

use or disclosure, and

(G) such other information in the written report as reasonably requested by CSU.

- (b) **Cooperation.** Contractor shall cooperate with CSU and its agents and provide reasonable information in its possession or in the possession of any of its affiliates and subcontractors to assist CSU in meeting its obligations to investigate and respond to the Security Incident, including allowing CSU staff to access log information and other pertinent information related to any investigation related to such breach or unauthorized use or disclosure. Contractor shall cooperate with any litigation or investigation proceedings concerning University Data loss or other breach of Contractor's obligations under this Contract.
- (c) **Notice to Affected Parties.** Contractor shall fully cooperate with CSU with the preparation and transmittal of any notice, that CSU may deem appropriate or required by law, to be sent to affected parties regarding the known or suspected Security Incident. If directed by CSU, Contractor shall be administratively responsible for providing such notification in the most expedient time possible, consistent with the methods prescribed in California Civil Code §§ 1798.29 and 1798.82.
- (d) **Financial Responsibility.** Contractor shall reimburse CSU in full for all costs incurred by CSU in investigation and remediation of a Security Incident, including but not limited to providing notification to individuals whose Personal Information was compromised, and to regulatory agencies or other entities as required by law or contract; providing one year's credit monitoring to the affected individuals if University Data exposed during the breach could be used to commit identity theft; and the payment of legal fees, audit costs, fines, and other fees imposed by regulatory agencies or contracting partners as a result of the security breach. Contractor shall be financially responsible for any notice to affected parties resulting from Contractor's, its Representatives', its Affiliates', or its Subcontractors' acts or omissions with regard to the data security requirements of this Contract.
- (e) **Remedial Action.** In the event of an unauthorized disclosure of data, Contractor shall take appropriate remedial action with respect to the integrity of its security systems and processes.
- (f) **Indemnification.** In addition to any other remedies available to CSU under law or equity, Contractor shall indemnify (to the extent permitted by applicable law), reimburse, and hold CSU, its affiliates, regents, directors, officers, employees, agents and, if applicable, students (the "Indemnified Parties") harmless from and against all claims, actions, causes of action, demands, liabilities, judgments, fines, assessments, penalties, awards, or other costs and/or expenses, of any kind or nature, including without limitation, those associated with: (i) providing notice to the individuals whose personal information may be impacted by a Security Incident; (ii) providing any applicable credit monitoring that CSU may elect in its sole discretion, depending upon the severity of the incident, to provide to the affected individuals; and (iii) legal fees, audit costs, fines and other fees imposed upon any of the Indemnified Parties by regulatory agencies or contracting partners, relating to or arising out of any breach or alleged breach of this Contract by Contractor, its affiliates or subcontractors.

8.5 Artificial Intelligence.

Contractor shall disclose to CSU, on an ongoing basis, if it uses or has used AI systems, including generative artificial intelligence, in the creation or delivery of the Contracted Work. Contractor use of AI systems with University Data is not permitted except with prior written consent of CSU. "AI system" has the meaning provided in NIST AI RMF 1.0, as may be amended from time to time.

9. Statutory Requirements

9.1 Examination and Audit

For contracts in excess of \$10,000, this Contract and Contractor shall be subject to examination and audit ~~by:~~ upon reasonable notice and during normal business hours by:

- (a) the CSU Office of the University Auditor, or its designated agent, and by the California State Auditor, or its designated agent, for a period of three (3) years after final payment under the Contract. Such examinations and audits shall be confined to those matters connected with the performance of the Contract, including, but not limited to, the costs of administering the Contract.
- (b) the Comptroller General of the United States or designated federal authority for a period of up to five (5) years after final payment under the contract in the event the underlying contract is paid for in whole or in part by a federal contract or grant.

9.2 Conflict of Interest

CSU requires a Statement of Economic Interests (California Form 700) to be filed by any Contractor who is involved in the making or participates in the making of decisions which may foreseeably have a material effect on any financial interest of CSU.

9.3 Appropriation of Funds

If the term of this Contract continues into fiscal years subsequent to the fiscal year in which it is approved, such continuation is subject to the appropriation of funds for such purpose by the state legislature. If funds to continue payment are not appropriated, Contractor agrees to take back any commodities furnished under the Contract and not yet paid for by CSU, terminate any future services and/or commodities to be supplied to CSU under the Contract, and to relieve CSU of any further obligation.

9.4 Follow-On Contracts

No person, firm, or subsidiary thereof who has been awarded a contract for Consulting and Direction (as defined in this section) shall be awarded a contract for the provision of services, or any other related action that is required, suggested, or otherwise deemed appropriate in the end product of the consulting services contract.

- (a) If Contractor or its affiliates provides Consulting and Direction, Contractor, and its affiliates:
 - (1) shall not be awarded a subsequent Contract to supply the service or system, or any significant component thereof, that is used for, or in connection with, any subject of such Consulting and Direction; and
 - (2) shall not act as consultant to any person or entity that does receive a Contract described in subsection (i). This prohibition will continue for one (1) year after termination of this Contract or completion of the Consulting and Direction, whichever is later.
- (b) "Consulting and Direction" means services for which Contractor received compensation from CSU includes:
 - (1) development of, or assistance in the development, of work statements, specifications, solicitations, or feasibility studies;
 - (2) development or design of test requirements;
 - (3) evaluation of test data;
 - (4) direction of or evaluation of another contractor;
 - (5) provision of formal recommendations regarding the acquisition of products or services; or
 - (6) provisions of formal recommendations regarding any of the above.
- (c) For purposes of this Section, "affiliates" means employees, directors, partners, joint venture participants, parent corporations, subsidiaries, or any other entity controlled by, controlling, or under common control with Contractor; control exists when an entity owns or directs more than fifty percent (50%) of the outstanding shares or securities representing the right to vote for the election of directors or other

managing authority.

(d) Except as prohibited by law, the restrictions of this Section will not apply:

- (1) to follow-on advice given by vendors of commercial off-the-shelf products, including software and hardware, on the operation, integration, repair, or maintenance of such products after sale; or
- (2) where CSU has entered into a Contract for software or services and the scope of work at the time of Contract execution expressly calls for future recommendations among the Contractor's own products.

(e) The restrictions set forth in this Section are in addition to conflict of interest restrictions imposed on public Contractors by California law ("Conflict Laws"). In the event of any inconsistency, such Conflict Laws override the provisions of this Section, even if enacted after execution of this Contract.

9.5 Covenant Against Gratuities

Contractor warrants that no gratuities (in the form of entertainment, gifts, or otherwise) were offered or given by Contractor, or any agent or representative of Contractor, to any officer or employee of CSU with a view toward securing the Contract or securing favorable treatment with respect to any determinations concerning the performance of the Contract. For breach or violation of this warranty, CSU shall have the right to terminate the Contract, either in whole or in part, and any loss or damage sustained by CSU in procuring on the open market any items that Contractor agreed to supply shall be borne and paid for solely by Contractor. CSU's rights and remedies provided in this clause shall not be exclusive and are in addition to any other rights and remedies provided by law, equity or under the Contract.

9.6 Nondiscrimination

- (a) **Nondiscrimination.** During the performance of this Contract, Contractor and its subcontractors shall not deny the Contract's benefits to any person on the basis of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, or military and veteran status, nor shall they discriminate unlawfully against any employee or applicant for employment because of race, religious creed, color, national origin, ancestry, physical disability, mental disability, reproductive health decision making, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, or military and veteran status. Contractor shall ensure that the evaluation and treatment of employees and applicants for employment are free of such discrimination.
- (b) **Compliance.** Contractor shall comply with the provisions of the Fair Employment and Housing Act (Gov. Code, § 12900 et seq.), the regulations promulgated thereunder (Cal. Code Regs., tit. 2, § [11000](#) et seq.), the provisions of Article 9.5, Chapter 1, Part 1, Division 3, Title 2 of the Government Code (Gov. Code, §§ 11135- 11139.8), and the regulations or standards adopted by CSU to implement such article.
- (c) **Access.** Contractor shall permit access by representatives of the Civil Rights Department and CSU upon reasonable notice at any time during the normal business hours, but in no case less than 24 hours' notice, to such of its books, records, accounts, and all other sources of information and its facilities as said Department or CSU shall require to ascertain compliance with this clause.
- (d) **Notice to labor organizations.** Contractor and its subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement.
- (e) **Subcontracts.** Contractor shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under the contract.

9.7 Compliance with NLRB Orders

Contractor declares under penalty of perjury under the laws of the State of California that no more than one final, unappealable finding of contempt of court by a federal court has been issued against Contractor within the immediately preceding two-year period because of Contractor's failure to comply with an order of a federal court to comply with an order of the National Labor Relations Board.

9.8 Drug-Free Workplace Certification

Except in the case of credit card purchase of goods of \$2,500 or less, Contractor certifies that Contractor shall comply with the requirements of the Drug-Free Workplace Act of 1990 and shall provide a drug-free workplace by taking all of the following actions:

- (a) Publish a statement notifying employees that unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited and specifying actions to be taken against employees for violations.
- (b) Establish a Drug-Free Awareness Program to inform employees about all of the following:
 - (1) the dangers of drug abuse in the workplace;
 - (2) the person's or organization's policy of maintaining a drug-free workplace;
 - (3) any available counseling, rehabilitation, and employee assistance programs; and,
 - (4) penalties that may be imposed upon employees for drug abuse violations.
- (c) Require that each employee who works on the proposed or resulting Contract:
 - (1) will receive a copy of Contractor's drug-free policy statement; and
 - (2) agrees to abide by the terms of Contractor's statement as a condition of employment on the Contract.

9.9 Forced, Convict, Indentured and Child Labor

By accepting a contract with CSU, Contractor:

- (a) certifies that no equipment, materials, or supplies furnished to CSU pursuant to this Contract have been produced in whole or in part by sweatshop labor, forced labor, convict labor, indentured labor under penal sanction, abusive forms of child labor or exploitation of children in sweatshop labor, or with the benefit of sweatshop labor, forced labor, convict labor, indentured labor under penal sanction, abusive forms of child labor or exploitation of children in sweatshop labor. Contractor further certifies it will adhere to the Sweat-free Code of Conduct as set forth on the California Department of Industrial Relations website located at <https://www.dir.ca.gov/sweatfreecode.htm>, and Public Contract Code section 6108.
- (b) agrees to cooperate fully in providing reasonable access to its records, documents, agents or employees, or premises if reasonably required by authorized officials of the State, the Department of Industrial Relations, or the Department of Justice to determine Contractor's compliance with the requirements under paragraph (A).

9.10 Recycled Content Certification

Contractor shall certify in writing the minimum, if not exact, percentage of postconsumer material, as that term is defined in Public Contract Code section 12200, in products, materials, goods, or supplies offered or sold to CSU regardless whether the product meets the requirements of Public Contract Code section 12209. With respect to printer or duplication cartridges as defined in Public Contract Code section 12156(e)(1), the certification required by this subdivision shall specify that the cartridges so comply (Public Contract Code, section 12205).

9.11 Entertainment Event Certification

In accordance with CA Labor Code section 9250 *et seq.* (2022), for any contract for the production, set up, operation, or tear down of any live event, Contractor certifies all of the following:

- (a) All of Contractor's employees and any subcontractors or subcontractors' employees involved in the setting up, operation, or tearing down of a live event at the venue have completed the Cal/OSHA-10, the OSHA-10/General Entertainment Safety training, or the OSHA-10 as applicable to their occupation.
- (b) One of the following applies for all of Contractor's employees and any subcontractors or subcontractors' employees:
 - (1) Heads of departments and leads have completed the Cal/OSHA-30, the OSHA-30/General Entertainment safety training, or the OSHA-30, and are certified through the Entertainment Technician Certification Program relevant to the task or tasks they are supervising or performing, or another certification program, as specified by the division.
 - (2) Contractor's employees and any subcontractors' employees meet the conditions for a skilled and trained workforce.
- (c) Contractor certifies that Contractor has verified the training completion and certification requirements of all employees, and any subcontractor's employees, who will work on the setting up, operation, or tearing down of the event.

9.12 Child Support Compliance Act

For any contract in excess of \$100,000, Contractor acknowledges in accordance with Public Contract Code section 7110, that:

- (a) Contractor recognizes the importance of child and family support obligations and shall fully comply with all applicable state and federal laws relating to child and family support enforcement, including, but not limited to, disclosure of information and compliance with earnings assignment orders, as provided in Chapter 8 (commencing with Section 5200) of Part 5 of Division 9 of the Family Code; and
- (b) Contractor, to the best of its knowledge, is fully complying with the earnings assignment orders of all employees and is providing the names of all new employees to the New Hire Registry maintained by the California Employment Development Department.

9.13 Americans With Disabilities Act (ADA)

Contractor warrants that it complies with California and federal disabilities laws and regulations (including but not limited to the Americans with Disabilities Act of 1990, 42 U.S.C. 12101 et seq). Contractor hereby warrants the products or services it will provide under this Contract comply with the accessibility requirements of Section 508 of the Rehabilitation Act of 1973, as amended (29 U.S.C. 794d), and its implementing regulations set forth at Title 36, Code of Federal Regulations, Part 1194. Contractor shall ensure that any Contracted Work or deliverables are in compliance with the Web Content Accessibility Guidelines ("WCAG") 2.1 level AA, or a subsequent version, published by the Web Accessibility Initiative of the World Wide Web Consortium. Contractor agrees to promptly respond to and resolve any complaint regarding accessibility of its products or services. Contractor further agrees to indemnify and hold harmless CSU from any claims arising out of Contractor's failure to comply with the aforesaid requirements. Failure to comply with these requirements shall constitute a material breach of this Contract.

9.14 Debarment and Suspension

By accepting a contract with CSU, Contractor certifies neither it nor its principals or its subcontractors are presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from participating in this transaction by any federal department or agency, in accordance with the Office of Management and Budget guidelines at 2 C.F.R. Part 180 that implement Executive Orders 12549 (3 C.F.R. Part 1986 Comp., p. 189) and 12689 (3 C.F.R. Part 1989 Comp., p. 235). The Contractor shall provide immediate written notice to CSU if, at any time, Contractor learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.

9.15 Expatriate Corporations

Contractor declares and certifies that it is not an expatriate corporation and is not precluded from contracting with CSU by The California Taxpayer and Shareholder Protection Act of 2003, Public Contract Code Section 10286, et seq.

9.16 Citizenship and Public Benefits

If Contractor is a natural person, Contractor certifies he or she is a citizen or national of the United States or otherwise qualified to receive public benefits under the federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (P.L. 104-193; 110 STAT. 2105, 2268-69).

9.17 Loss Leader

Contractor certifies and declares it is not engaged in business within this State of California to sell or use any article or product as a "loss leader" as defined in Section 17030 of the Business and Professions Code section 17030.

9.18 DVBE and Small Business Participation

- (a) If Contractor has committed to achieve small business (SB) participation, it shall, within sixty (60) days of receiving final payment under this Contract (or within such other time period as may be specified elsewhere in this Contract), report to CSU:
 - (1) the name and address of the SB(s) that participated in the performance of the Contract;
 - (2) the total amount the prime Contractor received under the Contract; and
 - (3) the amount each SB received from the prime Contractor. (Government Code, section 14841.)
- (b) If Contractor has committed to achieve disabled veteran business enterprise (DVBE) participation, it shall, within sixty (60) days of receiving final payment under this Contract (or within such other time period as may be specified elsewhere in this Contract), certify to CSU:
 - (1) the name and address of the DVBE(s) that participated in the performance of the Contract and the contract number;
 - (2) the total amount Contractor received under the Contract;
 - (3) the amount and percentage of work that Contractor committed to provide to each DVBE, and the amount each DVBE received from Contractor;
 - (4) the actual percentage of DVBE participation that was achieved for this Contract; and
 - (5) that all payments under the Contract have been made to each DVBE.

Contractor shall provide CSU with proof of payment made to each DVBE. A person or entity that knowingly provides false information shall be subject to a civil penalty for each violation. Ten thousand dollars (\$10,000) (or the full final payment, if less than \$10,000) shall be withheld from final payment until the required certification and proofs of payment have been delivered to CSU. If Contractor fails to comply with the certification and proofs of payment requirement, after notice it may cure the defect. If after thirty (30) calendar days from the date of notice, Contractor does not comply with the certification and proofs of payment requirements, CSU shall permanently deduct ten thousand dollars (\$10,000) (or the full final payment, if less than \$10,000) from the final payment. Such penalty may be levied regardless of whether Contractor ultimately provides documentation indicating it has met the minimum participation obligations. (Military and Veterans Code, section 999.5(d); Government Code, section 14841.)

CALIFORNIA STATE UNIVERSITY

DATA PRIVACY AND SECURITY

RIDER

Contract Number:
C-CSUCO-00007756

This Data Privacy and Security Rider ("DPS Rider") is made part of that certain Contract for Purchase of Goods, Software, or Services with the contract number written above ("Contract"), made by and between the contractor named in such Contract ("Contractor") and The Trustees of the California State University ("CSU" or "University"). CSU and Contractor are individually referred to herein as a "Party", and together referred to as the "Parties". This DPS Rider supplements the California State University Terms and Conditions of Purchase.

The Parties agree that the following terms and conditions are incorporated into the Contract:

1. **Definitions.** For purposes of this Contract:
 - a. Terms that are capitalized in this Rider shall have the same meanings as those terms are defined in the California State University Terms and Conditions of Purchase.
 - b. "Representative" shall mean an employee (full time or part time), officer, director, or agent of a Party.
 - c. "Affiliate" shall mean an entity now or hereafter controlled by, controlling or under common control with a Party; control exists when an entity owns or controls more than 50% of the outstanding shares or securities representing the right to vote for the election of directors or other managing authority of another entity.
 - d. "Subcontractor" shall mean a third party to whom Contractor has delegated or subcontracted any portion of its obligations set forth herein.
2. **University Data.** Under the Contract, Contractor will do one or more of the following: create, obtain, access, transmit, maintain, use, process, store, host, or dispose of University Data.
3. **Personnel Security Requirements.**
 - a. **Need to Know.** Contractor shall permit access to University Data only to those Representatives, Affiliates, or Subcontractors of Contractor who require such access to carry out the purposes of this Contract.
 - b. **Security Training.** Contractor shall require all Representatives, Affiliates and Subcontractors with access to University Data, as a condition of their engagement, to participate in annual security awareness training.
 - c. **Record Access.** Contractor shall not knowingly permit a Representative, Affiliate, or Subcontractor to have access to the records, data or premises of CSU when such Representative, Affiliate or Subcontractor:
 - (a) has been convicted of a crime;
 - (b) has engaged in a dishonest act or a breach of trust; or
 - (c) uses illegal drugs.
 - d. **Personal Devices.** At no time shall Contractor's Representatives, Affiliates or Subcontractors connect to any CSU system or access any University Data, for purposes of downloading, extracting, storing or transmitting data, using personally owned, rented or borrowed equipment, including but not limited to mobile devices.
 - e. **Background Checks.** Contractor shall maintain comprehensive hiring policies and procedures which include, among other things, a background check for criminal convictions, and pre-employment drug testing, to the extent permitted by law. Contractor shall conduct background checks and obtain references for all its Representatives, Affiliates, and Subcontractors who have access to University Data. Such background checks shall include but not be limited to: Social Security Number trace; seven (7) year felony and misdemeanor criminal records check of federal, state, or local records (as applicable) for criminal convictions CSU deems inconsistent with

assigned duties; Office of Foreign Assets Control List (OFAC) check; Bureau of Industry and Security List (BIS) check; and Office of Defense Trade Controls Debarred Persons List (DDTC).

- a. **Contract Flow-Down.** Contractor shall require all its Affiliates and Subcontractors, as a condition to their engagement, to agree to be bound by provisions substantially similar to those included in this Contract related to information security matters.
4. **Information Security Plan.** Contractor shall develop, implement, maintain and use appropriate administrative, technical and physical security measures, which may include but not be limited to encryption techniques, to preserve the confidentiality, integrity and availability of all University Data. No later than 30 days after the Effective Date of this Contract, and subject to the review and approval of CSU, Contractor shall establish, maintain, comply with, and provide to CSU an information security plan ("Information Security Plan"), which shall:
- i. ensure the security, integrity and confidentiality of University Data;
 - ii. protect against any anticipated threats or hazards to the security or integrity of University Data;
 - iii. protect against unauthorized access to or use of University Data that could result in substantial harm or inconvenience to the person that is the subject of University Data;
 - iv. protect against unauthorized changes to or use of University Data;
 - v. comply with all applicable CSU policies legal and regulatory requirements for data protection;
 - vi. include business continuity and disaster recovery plans; and
 - vii. include a written response program addressing the appropriate remedial measures it shall undertake in the event that there is a Security Incident.

Contractor shall cause all Subcontractors and other persons and entities whose services are part of the Contracted Work or who hold University Data, to implement an information security program and plan substantially equivalent to Contractor's. The Information Security Plan shall require that any Level 1 – Confidential data transmitted or stored by Contractor only be transmitted or stored in an encrypted form acceptable to CSU.

If requested by CSU, on at least an annual basis, Contractor shall review, update and revise its Information Security Plan, subject to CSU's review and approval. At CSU's request, Contractor shall make modifications to its Information Security Plan or to the procedures and practices thereunder to conform to CSU's security requirements as they exist from time to time.

5. **Risk Assessments.**
- a. **Self-Assessment.** Contractor shall conduct risk assessments and/or audits of its use of University Data at least annually. Upon request by CSU, Contractor shall provide CSU with copies of its latest information security risk assessments and/or audits. If any assessment and/or audit discloses material variances from the performance requirements set forth in this Contract, Contractor shall be deemed in breach of this Contract.
 - b. **SOC Report.** Upon request by CSU, Contractor shall provide to CSU, at no cost, its most recent AICPA Service Organization Control (SOC 2 Type 2) audit report and that of all subservice provider(s) relevant to the Contract. If so requested by CSU, such SOC report shall be provided annually, within 30 days of its issuance by the auditor, and shall be directed to the appropriate representative identified by CSU. Contractor shall provide CSU with a designated point of contact for the SOC report, address issues raised in the SOC report with relevant subservice provider(s), and respond to any follow-up questions posed by CSU in relation to the SOC report.
 - c. **Audit by CSU.** During regular business hours, CSU may, at its sole expense and on a mutually agreed upon date (which shall be no more than fourteen (14) days after written notice), time, location and duration, perform or arrange for a site visit and/or confidential audit of Contractor's operations, facilities, financial records, and security and business continuity systems which pertain specifically to the Contracted Work. If Contractor is not in substantial compliance with the requirements of the performance requirements set forth in this Contract, CSU shall be entitled, at Contractor's expense, to perform additional such assessments and/or audits. CSU will provide to Contractor a copy of each

report prepared in connection with any such audit within thirty (30) calendar days after it prepares or receives such report. Contractor agrees to promptly take action at its expense to correct those matters or items that require correction.

- d. **Default.** If any assessment and/or audit discloses material variances from the performance requirements or terms of this Contract, Contractor shall be deemed in breach of this Contract.

6. **Data Encryption.** Contractor warrants that all electronic data will be encrypted in transmission (including via web interface) and stored at no less than 128-bit level encryption. Contractor warrants that all University Data shall be securely destroyed, when destruction is requested by CSU.
7. **Network Security.** Contractor agrees to maintain network security that, at a minimum conforms to one of the following:
- Current standards set forth and maintained by the National Institute of Standards and Technology, as found at <https://nvd.nist.gov>; or
 - Any generally recognized, comparable standard that Contractor then applies to its own network (e.g. ISO 27002) and which has been approved in writing by CSU.
8. **Security Code Access.** Contractor will be responsible for safekeeping all keys, access codes, combinations, access cards, personal identifying numbers and similar security codes, identifiers, passwords or authenticators issued to Contractor's employees, agents, contractors or subcontractors working with CSU accounts. Contractor agrees to report a lost or stolen device or information of these employees within 24 hours of such device or information being lost or stolen.
9. **Assistance with eDiscovery.** Contractor will make itself and any Representatives, Affiliates, Subcontractors, and/or agents assisting in the performance of its obligations under the Agreement, available to CSU at no cost to CSU. This shall include, without limitation, any data preservation or eDiscovery required by CSU or testimony, or otherwise, in the event of litigation or administrative proceeding.
10. **Supplemental Provisions.** The following subsections are incorporated in the Contract only if the box preceding that subsection is checked:
- ☒ a. **HIPAA.** Contractor provides Goods or Services which involves patient health information under HIPAA. Contractor shall use and disclose Protected Health Information in compliance with the security standards for the protection of electronic protected health information provided in 45 C.F.R. Parts 160 and 164.
- ☒ b. **Records Retention.** Contractor provides a product or Service which involves storage of CSU records. Contractor shall maintain all records pertaining to the Contracted Work for the periods of time required by the CSU Retention schedule (at <https://www.calstate.edu/recordsretention>), including following termination of this Contract, subject to applicable law or regulation. Contractor further agrees to provide to CSU, at its request, a full copy of all such records for CSU to maintain at a U.S. location designated by CSU. Destruction or deletion of data shall be in accordance with the most current version of ISO 27001. Contractor shall provide evidence or certification that this section has been complied with.
- ☐ c. **PCI Compliance Standards.** Contractor provides a service that involve storage, processing or transmission of payment card data. Contractor represents and warrants that it shall implement and maintain certification of Payment Card Industry ("PCI") compliance standards regarding data security and that it shall undergo independent third-party quarterly system scans that audit for all known methods hackers use to access private information, in addition to vulnerabilities that

would allow malicious software (i.e., viruses and worms) to gain access to or disrupt the network devices. If during the term of the Agreement, Contractor undergoes, or has reason to believe that it will undergo, an adverse change in its certification or compliance status with the PCI DSS standards and/or other material payment card industry standards, it will promptly notify CSU of such circumstances.

Contractor agrees to promptly provide current evidence of compliance with PCI-DSS standards at CSU's request and on an annual basis thereafter. The form and substance of such evidence must be reasonably satisfactory to and must be certified by an authority recognized by the payment card industry for that purpose. Contractor shall maintain and protect in accordance with all applicable laws and PCI regulations the security of all cardholder data when performing the contracted Services on behalf of CSU. Contractor will provide reasonable care and efforts to detect fraudulent credit card activity in connection with credit card transactions processed for CSU. Contractor shall indemnify and hold CSU harmless from loss or damages resulting from Contractor's failure to maintain PCI compliance standard in accordance with this section. Contractor shall not be held responsible for any such loss of data if it is shown that the loss occurred as a result of the sole negligence of CSU.

- ☒ d. **ACH Transaction Compliance.** Contractor provides Goods or Services which involves ACH payments. Contractor agrees to assist CSU in documenting compliance with NACHA rules and regulations and with compliance of security standards for the protection of ACH transactions.

RIDER C: SCOPE OF WORK

1.1 BACKGROUND

The California State University system is comprised of twenty-three campuses statewide and the Office of the Chancellor (CO), located in Long Beach, California. The CSU is a state agency with limited independence governed by the CSU Board of Trustees. It is exempt from the state civil service system but does not have the same degree of independence as the University of California.

1.1.1 EXECUTIVE POSITIONS

The Board of Trustees appoints CSU executives and sets executive compensation in open sessions of the Board of Trustees' meetings. Systemwide Human Resources in the Office of the Chancellor develops, implements, and administers the university's executive compensation program under the direction of the Chancellor and the Board of Trustees. In addition to the Chancellor, the CSU has thirty (30) executive positions: one president at each of the twenty-three (23) campuses and seven (7) vice chancellors at the CO. The executive positions subject to this study are listed below:

- Executive Vice Chancellor and Chief Financial Officer
- Executive Vice Chancellor and General Counsel
- Vice Chancellor, Academic and Student Affairs— Chief Academic Officer
- Vice Chancellor, Academic and Student Affairs – Chief Student Affairs Officer
- Vice Chancellor and Chief Audit Officer
- Vice Chancellor, Human Resources
- Vice Chancellor, External Relations, and Communications
- 23 Campus Presidents

1.2. SCOPE OF WORK

1.2.1 EXECUTIVE TOTAL COMPENSATION

Once the contract is awarded, the selected Compensation Consultant will partner with the CSU to provide the services described below:

- 1) Evaluate current comparator institutions used for benchmarking executive compensation (for presidents and vice chancellors) and current criteria used to select those comparators. Conduct thorough research to identify best practices and recommend suitable public institutional comparators that more accurately reflect a competitive market for the CSU.
- 2) Analyze internal campus groupings the CSU uses for purposes of internal equity comparison for presidents. Evaluate and assess current criteria used, and using consultant expertise and knowledge of best practices, determine if current criteria and current structure remains appropriate and present necessary recommendations for improvement.
- 3) Prepare separate comprehensive reports: comparator institutions and campus groupings. Reports must include executive summaries outlining findings, detailed benchmarking information and any other relevant supporting data. Reports must also include a list of actionable recommendations supported by data. Reports are to be provided February 2025.
- 4) Prepare a presentation and present findings and recommendations for changes to comparator institutions and internal campus groupings to CSU leadership by March 2025.
- 5) Research and identify executive compensation trends and best practices and identify what factors (geographic difference in pay, supplemental compensation, fringe benefits, short and long-term incentives, etc.) to consider when determining elements in executive compensation.
- 6) Conduct a total compensation study to include the following:
 - a) A market study with agreed upon comparator institutions and produce a comprehensive analysis of total cash compensation for executives. Elements to be included in the study are base pay, supplemental compensation, bonuses, executive perquisites (such as automobile and housing).
 - i) Consultant may need to conduct a compensation survey with agreed upon comparators to capture data not available in published survey sources.
 - b) The consultant will conduct a thorough evaluation of executive benefits, including executive transition and retreat benefits, health and retirement benefits.
 - c) The market study and benefits evaluation must be conducted consistent with the CSU's Policy on Compensation which can be accessed [here](#).
- 7) Prepare a comprehensive report that includes an executive summary outlining findings and actionable recommendations regarding total compensation. Include detailed benchmarking information and any other relevant supporting data. Report is to be provided by May 2025.
- 8) The consultant will prepare presentations and present their findings and recommendations to CSU leadership
 - a) May be requested to prepare a presentation and present findings and recommendations to the Board of Trustees at a public BOT

meeting.

9) Provide expert compensation consultation and guidance throughout the process to address questions and emerging needs.

NOTE – Reports, presentations, and proposals may require multiple revisions based on feedback from the CSU.

1.2.2 RE-OCCURRING TOTAL COMPENSATION STUDIES

Going forward, after the first year, the consultant may be requested to conduct executive total compensation studies, prepare corresponding reports, and present its findings to the Board of Trustees on an as needed basis (typically once every 5 years).

1.2.3 ADDITIONAL SERVICES

- Management Personnel Plan (MPP), Staff, and Faculty

The consultant may be requested to conduct a total compensation study for the MPP, staff or faculty groups. Work may include the following: research compensation trends and best practices for university jobs, identify institutional comparators (public, private, and non-profit) and survey data sources to benchmark salaries and benefits, conduct a market study that includes base pay, supplemental compensation, incentive plans, and other perquisites such as housing and auto allowances.

- Market Survey Data

All market surveys shall be provided to the CSU. Additional market surveys and analysis shall be released to the CSU only, unless the consultant is directed otherwise by the CSU.

When conducting market surveys, the consultant may be requested to provide data to the CSU on the comparison institutions that includes scope of institution, budget, grant revenue, full time equivalent employees, full time equivalent faculty, total enrollment, graduate enrollment, and advanced degrees granted. The information would need to be arrayed showing 25th percentile, mean, median and 75th percentile, in the number of institutions surveyed.

The consultant shall keep a historical database of collected survey data and provide special analyses and reports as needed.

Rider D: Section 4.2.1, Scope of Work

It is our understanding the CSU Board of Trustees would like to conduct a total compensation study and additional executive compensation services as detailed below. The study includes the following positions:

- System Chancellor
- Seven (7) vice chancellors
 - Executive Vice Chancellor and Chief Financial Officer
 - Executive Vice Chancellor and General Counsel
 - Vice Chancellor, Academic and Student Affairs – Chief Academic Officer
 - Vice Chancellor, Academic and Student Affairs – Chief Student Affairs Officer
 - Vice Chancellor and Chief Audit Officer
 - Vice Chancellor, Human Resources
 - Vice Chancellor, External Relations and Communications
- Twenty-three (23) campus Presidents

Specifically, we understand the scope of this study will require the consultant to:

1. Evaluate current comparator institutions used for benchmarking executive compensation (for presidents and vice chancellors) and current criteria used to select those comparators. Conduct thorough research to identify best practices and recommend suitable public institutional comparators that more accurately reflect a competitive market for the CSU.
2. Analyze internal campus groupings the CSU uses for purposes of internal equity comparison for presidents. Evaluate and assess current criteria used, and using consultant expertise and knowledge of best practices, determine if current criteria and current structure remains appropriate and present necessary recommendations for improvement.
3. Prepare separate comprehensive reports: comparator institutions and campus groupings to include executive summaries outlining findings, detailed benchmarking information, and any other relevant supporting data and a list of recommendations by February 2025.
4. Prepare a presentation and present findings and recommendations for changes to comparator institutions and internal campus groupings to the CSU leadership by March 2025.
5. Research and identify executive compensation trends and best practices and identify what factors (geographic difference in pay, supplemental compensation, fringe benefits, short and long-term incentives, etc.) to consider when determining elements in executive compensation.
6. Conduct a total compensation study consistent with the CSU's policy on compensation to include:
 - A market study with agreed upon comparator institutions and produce a comprehensive analysis of total cash compensation for executives. Elements to be included in the study

are base pay, supplemental compensation, bonuses, executive perquisites (such as automobile and housing).

- Consultant may need to conduct a compensation survey with agreed upon comparators to capture data not available in published survey sources.
 - A thorough evaluation of executive benefits, including executive transition and retreat benefits, health and retirement benefits.
 - The market study and benefits evaluation must be conducted consistent with the CSU's Policy on Compensation.
7. Prepare a comprehensive report that includes an executive summary outlining findings and actionable recommendations regarding total compensation including detailed benchmarking information and any other relevant supporting data by May 2025.
 8. Prepare presentations and present findings and recommendations to the CSU leadership. The consultant may be requested to prepare a presentation and present findings and recommendations to the Board of Trustees at a public BOT meeting.
 9. Provide expert compensation consultation and guidance throughout the process to address questions and emerging needs.

Project approach and work steps

We recognize that each system and institutions have their own unique operating model, processes, and culture. Serving as your executive compensation advisor begins with first understanding your strategy, challenges, executive compensation programs, philosophy, and history. This is the foundational relationship management context that will inform how we serve you and sets the stage for a trusted advisor relationship.

We employ a collaborative approach and throughout the course of our engagement, we expect to meet with you regularly to review progress and either obtain input or provide advice and guidance. Project update and check-in calls are common and will be scheduled as needed. Specifically, we will have the following:

- Dedicated Project Manager for this engagement
- Project plan that will be reviewed and agreed upon with the Project Team
- Check-in calls to ensure progression in the project plan

Segal keeps current on executive compensation trends and practices. Throughout our conversations with you and within our reports and presentations, we will provide the CSU with specific guidance on the relevant trends and best practices to consider in executive compensation. Please see Section 5 (pages 29 and 30) for a current list of trends in Higher Education Executive Compensation maintained by Segal.

A full description of our proposed approach is described on the following pages.

Step One: Initiation and Discovery

Kickoff Meeting: We recommend conducting a project launch meeting (virtual) with the appropriate stakeholders to confirm the details of the engagement, discuss project role expectations, detailed timeline, milestones, and the data request.

Data Review: Our data review process provides the necessary background and context on the system and its institutions as well as your executive compensation programs. It includes (but is not limited to) the following information:

- Organizational charts
- Current executive compensation philosophy (if documented)
- Descriptions of executive roles and responsibilities (for non-Chancellor, non-President roles)
- Current and historical executive compensation data, including base salary, incentives, and any supplemental benefits and perquisites
- Any employment contracts/agreements, guarantees or implicit offer letter promises
- Current compensation comparator groups and supporting rationale
- Any previous compensation studies
- All relevant executive compensation governance materials
- Any additional pertinent executive compensation information

Stakeholder Interviews: Interviews provide helpful context on the System, as well as surface current issues and concerns to be addressed in our analysis. We recommend interviewing 3-6 key stakeholders (as individuals or groups), including members of the Board of Trustees, Chancellor, and system HR. We expect our interviews will cover topics such as: strategic priorities, viewpoints on the executive compensation programs, comparator institutions, executive compensation pay components, pay positioning, etc.

Step Two: Campus Groupings and Comparator Groups

Internal Campus Groupings: We will analyze the three current internal campus groupings the CSU uses for purposes of internal equity comparison for Presidents and evaluate and assess the criteria. Given our expertise in higher education and knowledge of peer group development best practices, we will determine if the current criteria and current structure remain appropriate. If not, we will prepare recommendations for changes and will review them with the CSU. We expect at least one round of refinement to the groupings based on feedback.

Comparator Group Review: We will also review the CSU's current comparator groups (i.e., list of peer institutions and criteria) and provide our feedback on any potential changes or modifications. Using input gathered from the interviews, as well as our expertise in defining executive comparison markets, we will recommend changes (if needed) to the comparator groups to be used for executive compensation analysis.

We develop comparator groups based on similar institutional characteristics that reflect size and complexity. We typically recommend that these groups include somewhere between 20 – 30

institutions such that there is a sufficient sample size to assess market levels and that trend information is valid when compared over time. Segal notes that the current comparator groups are significantly smaller.

When developing comparator groups for higher education institutions, we often review the following criteria:

- Structure (e.g., individual institution/campus)
- Control (e.g., public/private)
- Carnegie classification
- Geography/location
- Research expenditures
- Total expenses
- Student FTE
- Staff and faculty FTE
- Funding sources
- Retention rates
- Endowment/resources
- Other factors as appropriate (e.g., is there a hospital or health system or Division 1 athletics)

We will work closely with the appropriate stakeholders to ensure there is consensus on these groups before proceeding to the next phase. We assume up to two (2) iterations if needed and no more than six peer groups¹.

Comprehensive Reports and Presentation: We will prepare two separate comprehensive reports, one on the campus groupings and one on the comparator institutions by February 2025. These reports will include executive summaries outlining findings, detailed benchmarking information of the above criteria, and other relevant supporting data. Reports will also include a list of actionable recommendations and rationale supported by the analysis. We will prepare a presentation and present findings and recommendations for changes to internal campus groupings and comparator institutions to the CSU leadership by March 2025.

Step Three: Total Compensation Study

We will benchmark total compensation for the positions in scope using a variety of data sources. The analysis will include evaluation of elements including base pay, supplemental compensation, incentives/bonuses, executive perquisites (such as automobile and housing), executive transition and retreat benefits, health, and retirement benefits.

We expect data will come primarily from the following sources:

- **The Chronicle of Higher Education's Annual Survey of Executive Compensation:** The Chronicle of Higher Education annually publishes a study of presidential pay, which is widely

¹ If more than six peer groups are needed, Segal will need to discuss additional fees.

regarded as an authoritative source of compensation data. This source includes data on salary, incentives, other compensation, and retirement and deferred compensation.

- **Contracts and University Disclosures from Public Institutions:** We will gather and analyze publicly available contracts as part of the assessment. Most public universities are also required to disclose compensation information in some fashion as mandated by the state and/or their governing bodies. To the extent this information is not publicly available, we will gather information through FOIA requests. This source will also allow us to conduct a custom review of contract terms including incentives, deferred compensation, severance and termination provisions, perquisites, sabbaticals, etc.
- **CUPA-HR's Executive Compensation and Benefits Survey:** The data from this survey is available through CUPA-HR's DataonDemand subscription and typically requires participation by the institution. This source includes compensation level data for base salary, bonus/incentive, and retirement and deferred compensation, along with some data on benefit and perquisite prevalence. We have found this survey becoming a more valuable source of executive compensation, benefits, and perquisites data, specifically within public institutions. The CSU institutions may want to consider participating in this survey.

The RFP noted that the consultant may need to conduct a compensation survey of the comparator institutions to gather data unavailable in published survey sources. This work is included as part of the contract analysis for presidents (i.e., FOIA requests). We have many years of experience in conducting these custom compensation studies for higher education institutions as well as public sector agencies. Such contracts may not exist for system executives, and we may see the need for a custom survey for this group. We will evaluate the need for a custom survey as early as possible in the process and make a decision as to the best approach to gather the data you need to make strategic, informed decisions. In the last few years, we are finding that custom surveys are time consuming, expensive, and do not result in the desired level of participation.

Step Four: Total Compensation Report and Presentation

Report: We will develop a comprehensive report of findings and recommendations that will include the following:

- Study objectives and methodology
- Executive summary outlining findings and actionable recommendations regarding total compensation
- Results of the competitive benchmarking, in aggregate, and by position. Includes examination of all components of pay as well as pay levels at the 25th, 50th, 75th, and 90th percentiles
- Incentive prevalence and levels
- Deferred compensation prevalence and levels
- Analysis on executive benefits and perquisites (e.g., automobile allowances, housing allowances, executive physicals, sabbaticals etc.)

Our report will also outline compensation trends, practices, and/or variations among the comparator groups. We will also assess what we see within the various comparator groups to

broader executive compensation trends and practices across public institutions to bring as much market insight as possible for stakeholders' consideration.

Segal consultants have deep relationships within higher education and our network gives us access to people and information that provide valuable insights for our clients. Should the need arise, we can use this network to gather competitive intelligence either through quick "pulse" surveys or more detailed custom studies.

This report will be provided by May 2025.

Presentation: We will prepare a presentation and present our findings and recommendations to the CSU leadership. At your direction, we will also prepare a presentation and present findings and recommendations to the Board of Trustees at a public BOT meeting.

Step Five: Ongoing Consultation and Guidance

Throughout our work with you, Segal will provide expert executive compensation consultation and guidance proactively, and as requested. It is typical that in addition to the above work steps, Segal regularly holds conversations with leaders and/or Trustees to discuss compensation and/or governance-related matters.

Timeline

It is our understanding the CSU anticipates beginning the study in January 2025. Below is a high-level estimate of the work steps; we will work with the appropriate stakeholders to develop a detailed, mutually agreeable timeline.

Work Step	Timing
One: Initiation and Discovery	<ul style="list-style-type: none">January 6 – January 17
Two: Campus Groupings and Comparator Groups	<ul style="list-style-type: none">Analysis: January 13 – February 28Presentation on current evaluation of internal groupings and current comparator groups: by end of FebruaryPresentation on changes to internal groupings and comparator groups: by end of March
Three: Total Compensation Study	<ul style="list-style-type: none">March 3 – May 16
Four: Total Compensation Report and Presentation	<ul style="list-style-type: none">May 19 – May 30
Five: Ongoing Consultation and Guidance	<ul style="list-style-type: none">Throughout our engagement: January 6 – May 30

Rider D: Section 4.2.2 and 4.2.3

Scope of Work

4.2.2 Re-occurring total compensation studies

Going forward, after the first year, Segal is able to conduct re-occurring total compensation studies, prepare corresponding reports, and present findings to the Board of Trustees on an as needed basis (i.e., currently, once every 5 years). We will follow a similar approach as described for our services in 4.2.1, with adjustments as needed based on our learnings and outcomes from the first study.

While the CSU's Board of Trustees Policy on Compensation states that Presidential market data should be reviewed every five years, many of our clients are choosing to conduct studies more frequently due to disruption in the market. The presidential role is more challenging than ever and increased turnover has led to a noticeable decrease in average length of service for sitting incumbents. Should we be requested to conduct an updated market assessment, we are able to approach the work in several ways, including aging market data from a prior study (i.e., usually in the following year or two after the original study), conducting a full update, or using a mix of the two approaches.

Segal is also available to provide additional executive advisory services as requested by the CSU leadership and/or Board of Trustees. Based on our experience with other clients, on-going advisory support services may include (but are not limited to):

- Attendance at meetings of the Board (as requested)
- Education sessions on current executive compensation trends
- Executive benchmarking updates, analysis, or individual pay recommendations
- Ad hoc requests on handling exceptions and ancillary issues
- Variable pay and deferred compensation arrangements
- Contract (re)negotiation support
- Evaluations of any proposed plan design changes
- Regulatory and executive compensation trend updates to the Committee and management
- Administration of the President's performance management process
- Other ad hoc analyses, as requested
- Pay equity analysis

4.2.3 Additional services

Management Personnel Plan (MPP), Staff, and Faculty

Segal may be requested to conduct a total compensation study for the MPP, staff or faculty groups. Work may include the following: research compensation trends and best practices for university jobs, identify institutional comparators (e.g., public, private, and non-profit) and survey data sources to benchmark salaries and benefits, conduct a market study that includes base pay, supplemental compensation, incentive plans, and other perquisites such as housing and auto allowances.

Segal is well-versed in conducting total compensation studies across all populations within the higher education environment. We have been partnering with higher education institutions for over two decades, serving over 400 colleges and universities in that time. Please see the file named “CSUCO-RFP-00000611-2024_Segal_Human Resources Compensation Consultant_Contractor Qualifications and Requirements_Section 5” for additional details on our firm, our Higher Education practice, services, and clients.

Market Survey Data

As requested in the RFP, Segal will provide all appropriate market survey data related to executive compensation to the CSU. Additional market surveys and analysis shall be released to the CSU only, unless the consultant is directed otherwise by the CSU. When conducting market surveys, Segal may be requested to provide data to the CSU on the comparison institutions that includes scope of institution, budget, grant revenue, full time equivalent employees, full time equivalent faculty, total enrollment, graduate enrollment and advanced degrees granted. The information would be arrayed showing 25th percentile, mean, median, and 75th percentile, in the number of institutions surveyed. Segal shall keep a historical database of collected survey data and provide special analyses and reports as needed.

Rider E: Cost Sheet

Consultant shall provide fixed pricing for the elements outlined in the scope of work, section 4.2.1. Include a description of the services and deliverables, price per section, and fixed not-to-exceed total cost of the project. Sample Cost Sheet (Consultant may add rows to the table as necessary to include additional details that support the cost proposal):

Description of Deliverables	Cost
Evaluation of comparator Institutions	\$35,000
Add brief description of work that includes reports, recommendations, and presentations. Please see file named CSUCO-RFP-00000611-2024_Segal_Human Resources Compensation Consultant_Scope of Work _Section 4.2.1" for detailed description of work and deliverables.	
Subtotal	\$35,000
Evaluation of campus groups	\$15,000
Add brief description of work that includes reports, recommendations, and presentations. Please see file named CSUCO-RFP-00000611-2024_Segal_Human Resources Compensation Consultant_Scope of Work _Section 4.2.1" for detailed description of work and deliverables.	
Subtotal	\$15,000
Executive compensation trends and best practices	Included as part of our consulting relationship and services
Add brief description of work that includes reports, recommendations, and presentations. Please see file named CSUCO-RFP-00000611-2024_Segal_Human Resources Compensation Consultant_Scope of Work _Section 4.2.1" for detailed description of work and deliverables.	
Subtotal	Included as part of our consulting relationship and services
Total Compensation Study	\$125,000
Market Study: include base pay, supplemental compensation, bonuses	Included in amount above
Perquisites (such as auto and housing)	
Health and Welfare	
Retirement	
Add brief description of work that includes reports, recommendations, and presentations. Please see file named CSUCO-RFP-00000611-2024_Segal_Human Resources Compensation Consultant_Scope of Work _Section 4.2.1" for detailed description of work and deliverables.	

Subtotal	\$125,000
Conduct Total Compensation Custom Survey (if necessary)	\$30,000 - \$50,000 (Note: we do not expect this will be necessary)
Add brief description of work that includes reports, recommendations, and presentations. Please see file named CSUCO-RFP-00000611-2024_Segal_Human Resources Compensation Consultant_Scope of Work_Section 4.2.1" for detailed description of work and deliverables.	
Subtotal	\$30,000 - \$50,000
Total Price Year 1 (without Total Compensation Custom Survey) (include total not-to exceed amount)	\$175,000

Future costs can vary greatly depending on the needs and requests of the CSU. We have provided a sample approach below that incorporates updates to the executive compensation study and includes ad hoc executive compensation support. We would envision working with the CSU at the beginning of each year to debrief our work over the past year and create a planned scope of work for the upcoming year or even three years.

~~Below is an illustrative table of how we can support you over the next five years, which represents a projected increase of 5% in our rates annually. Lock in rates for 5 year term. Subsequent years an annual increase shall be lesser of a cap of 2% increase or a cap at CPI-U (Consumer Price Index – All Urban Consumers) rates.~~

Total Cost Sheet – Exhibit C	Year 1	Year 2	Year 3	Year 4	Year 5	Optional Rate Years 6-10	Rate Years 11-15
Full Executive Total Compensation Study – Includes Review and Update of Campus Groupings and Comparator Institutions	\$175K						
Executive Total Compensation Study – Aging of the Market Data from Prior Year Study		\$70K		\$80K			
Executive Total Compensation Study – Market Assessment Only, with Minimal Peer Group Revisions			\$150K				
Review and Update of Campus Groupings and Comparator Institutions					\$55K		
Ad Hoc Executive Compensation Support as Requested	Based on Hourly Rates for Specific Year						

Additionally, please list your “all in” billing rates for optional services, including additional services outlined in sections Scope of Work, 4.2.2 and 4.2.3, as well as other services that may be requested outside of the scope of this RFP :

Itemized Hourly Rates	Rate Year 1	Rate Year 2	Rate Year 3	Rate Year 4	Rate Year 5	Rate Year 6-10	Rate Year 11-15
Executive Compensation Senior Vice President/Vice President	\$515 to \$620	Lock in rates for 5 year term. Subsequent years an annual increase shall be lesser of a cap of 2% increase or a cap at CPI-U (Consumer Price Index – All Urban Consumers) rates.					
Executive Compensation Consultant/Senior Consultant	\$320 to \$420 \$300						
Executive Compensation Senior Associate/Associate	\$235 to \$280						
Executive Compensation Communications Support	\$375						

Miscellaneous costs including travel and expenses, etc. Not to exceed amount

Segal successfully manages our projects by communicating with clients via virtual technology, conducting Project Team meetings, employee interviews, and presenting final reports via conference call or video conference. Segal currently uses Zoom and Microsoft Teams to conduct meetings remotely. We are able to attend meetings in person as appropriate and as agreed-upon with the CSU. Travel expenses vary depending on the time of year as well as the number of consultants attending the meeting and can range from 5 to 10% of fees. Below are estimates for each year assuming each onsite-visit costs up to \$7.5K in travel costs.

Total Cost Sheet – Exhibit C	Cost Year 1	Cost Year 2	Cost Year 3	Cost Year 4	Cost Year 5	Optional Rate Years 6-10	Rate Years 11-15
Full Executive Total Compensation Study – Includes Review and Update of Campus Groupings and Comparator Institutions	\$7.5K						
Executive Total Compensation Study – Aging of the Market Data from Prior Year Study		\$7.5K		\$7.5K			
Executive Total Compensation Study – Market Assessment Only, with Minimal Peer Group Revisions			\$7.5K				
Review and Update of Campus Groupings and Comparator Institutions					\$7.5K		
Ad Hoc Executive Compensation Support as Requested	Travel as needed and determined by the CSU and billed at cost.						

The CSU reserves the right to elect the level of services to be provided. Travel rates, including but not limited to airfare, lodging, car rental, meals, or miscellaneous travel expenses shall conform with the CSU Travel Policy identified in Appendix E. Contractor will be reimbursed for actual travel costs incurred in accordance with the ~~Travel Policy~~. **Billed on a hourly basis. Any travel associated to this agreement must comply with California State University travel procedures and regulations, details of which can be found at: <https://calstate.policystat.com/policy/12002664/latest>**

We would be pleased to work with the CSU to fine-tune the budget and the corresponding deliverables. Timing and fees are dependent upon the degree of consensus on key decisions, number of iterations of deliverables/materials, number of meetings, and internal review and vetting of items.

Proposed payment schedule

~~Professional fees represent a fixed fee. All professional fees are non-contingent and non-refundable unless specifically stated otherwise in this Agreement. We bill for direct out of pocket expenses including travel and lodging, as incurred, on a pass-through basis.~~

Segal will bill its fees in five equal monthly installments for Year 1 of the study, with the first installment issued ~~at the beginning of the engagement~~. **payments will be in arears, at the completion of each deliverable based upon CSU acceptance. For future years, we will bill in equal installments over the agreed upon timeframe of the study.**

~~All amounts are due and payable within 30 days upon receipt of an invoice submitted by Segal. Circumstances encountered during the performance of these services that warrant additional time or process changes may alter the above fee quote. Should we encounter any of these circumstances, we will notify you immediately prior to incurring any additional charges.~~
Payments will be in arears, at the completion of each deliverable based upon CSU acceptance.