

STATE OF CALIFORNIA
STANDARD AGREEMENT
 STD 213 (Rev 06/03)

AGREEMENT NUMBER 16C029005
REGISTRATION NUMBER



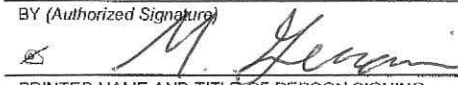

- This Agreement is entered into between the State Agency and the Contractor named below:

STATE AGENCY'S NAME Department of California Highway Patrol
CONTRACTOR'S NAME National Security Industries
- The term of this Agreement is: September 1, 2016 or Upon Approval through January 31, 2018
(whichever occurs later) (with one-year option to extend)
- The maximum amount of this Agreement is: \$ 0.00
 Zero Dollar Master Service Agreement
- The parties agree to comply with the terms and conditions of the following exhibits which are by this reference made a part of the Agreement.

Exhibit A – Scope of Work	18 pages
Exhibit A-1 - Service Regions	1 page
Exhibit B – Budget Detail and Payment Provisions	2 pages
Exhibit B-1 - Rate Sheets	2 pages
Exhibit C* – General Terms and Conditions	GTC 610
Exhibit D – Special Terms and Conditions	3 pages
Exhibit E – Insurance Requirements	2 pages

Items shown with an Asterisk (*), are hereby incorporated by reference and made part of this Agreement as if attached hereto. These documents can be viewed at www.ols.dgs.ca.gov/Standard+Language.

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

CONTRACTOR		California Department of General Services Use Only  <div style="border: 2px solid blue; padding: 5px; text-align: center;"> APPROVED FEB - 9 2017 </div> OFFICE OF LEGAL SERVICES DEPT. OF GENERAL SERVICES  <input type="checkbox"/> Exempt per:
CONTRACTOR'S NAME (if other than an individual, state whether a corporation, partnership, etc.) National Security Industries		
BY (Authorized Signature) 	DATE SIGNED (Do not type) 9/9/2016	
PRINTED NAME AND TITLE OF PERSON SIGNING MICHAEL GERAMI, President		
ADDRESS 940 Park Avenue San Jose, CA 95126		
STATE OF CALIFORNIA		
AGENCY NAME Department of California Highway Patrol		
BY (Authorized Signature) 	DATE SIGNED (Do not type) 9.29.16	
PRINTED NAME AND TITLE OF PERSON SIGNING P. SLINEY, Assistant Chief, Administrative Services Division		
ADDRESS P.O. Box 942898, Sacramento, CA 94298-0001		

**EXHIBIT A
(Standard Agreement)**

SCOPE OF WORK

1. Contractor agrees to provide unarmed security guard services in accordance with this Master Service Agreement (MSA), to state agencies (hereinafter referred to as "Client Agency" or "Client Agencies") through subsidiary agreements established by Client Agencies.
 - A. Contractor shall be the **Secondary** Unarmed Security Guard service provider in **Region 4**. As the secondary provider Client Agencies will contact the Contractor only when the Primary provider is unable to perform services.
 - B. Contractor shall be the **Tertiary** Unarmed Security Guard service provider in **Region 2**. As the tertiary provider Client Agencies will contact the Contractor only when both the Primary and Secondary providers are unable to perform services.
 - C. The CHP makes no guarantee as to the actual hours, if any, to be contracted for by various Client Agencies. CHP and Client Agencies reserve the right to reduce or increase unarmed security guard service hours as required, at the rate(s) specified in this MSA. Services are to be provided to any Client Agency requesting them without limitation.
 - D. Approximately 1035 Security Guard positions exist statewide. The approximate breakdown by region can be found in Exhibit A-1. These estimates are based on historical usage and State makes no guarantee as to the number of positions utilized under this MSA.
 - E. Client Agencies may require unarmed security guard services of any duration, up to the end of the term of this MSA. Contractor shall supply the number of Security Guards and the level of security services required by the Client Agency.
2. The services shall be performed at:
locations throughout the State of California to be determined by Client Agencies.
3. The services shall be provided during:
the hours required by Client Agencies and established in subsidiary agreements.
4. The project representatives during the term of this MSA will be:

STATE AGENCY		CONTRACTOR	
Department of California Highway Patrol		National Security Industries	
SECTION/UNIT		SECTION/UNIT	
Emergency Operations and Safety Services Section			
NAME		NAME	
Majken Larsen, MSA Coordinator		Michael Gerami, President	
TELEPHONE NUMBER	FAX NUMBER	TELEPHONE NUMBER	FAX NUMBER
(916) 843-3250	(916) 843-3236	(408) 371-6506	(408) 371-6506
ADDRESS		ADDRESS	
P.O. Box 942898, Sacramento, CA 94298-0001		940 Park Ave., San Jose, CA 95126	
	EMAIL		EMAIL
			info@nationalsecurityind.com

**EXHIBIT A
(Standard Agreement)**

SCOPE OF WORK (Continued)

5. Detailed description of work to be performed:

A. General Duties and Responsibilities

- 1) Security Guards are utilized as a visual deterrent to crime and the criminal element. Security Guards shall maintain high visibility, answer routine questions for directions and handle minor problems.
- 2) Security Guards are expected to observe and immediately report situations to the appropriate personnel, and/or emergency services via telephone, radio or any means possible.
- 3) Security Guards shall immediately contact local law enforcement or emergency personnel by calling 911 (or 9-911 if calling from a state phone) in the following cases:
 - a) Assault, burglary, robbery, vandalism, or any suspicious activities.
 - b) A seriously injured or ill person, i.e., heart attack, stroke, or seizure.
 - c) Fire or smoke.
 - d) Any other conditions as identified by the Client Agencies.
- 4) Contractor and assigned personnel will cooperate with the CHP, local police, and Client Agency personnel in the event of any major conflict or disturbance. The Security Guard shall promptly contact the appropriate local law enforcement agency for assistance.
- 5) Any incident which results in the Contractor's personnel contacting emergency services, including but not limited to, police, fire or medical, the Contractor shall, no later than the next business day, contact the CHP Project Representative at the telephone number listed in item 4 of this Exhibit. Within three (3) business days after the incident, Contractor shall provide the CHP Project Representative with a written summary of the incident.
- 6) Contractor shall furnish the Client Agency with security, law violation, accident, injury and appropriate incident reports when such incidents occur. Failure to submit such a report to the Client Agency within 24 hours of the incident will result in a \$250 payment, as liquidated damages, to the Client Agency from the Contractor, and may include other actions the Client Agency deems necessary.

EXHIBIT A
(Standard Agreement)

SCOPE OF WORK *(Continued)*

- 7) Security Guards shall be required to prepare incident reports pursuant to the terms of the subsidiary agreement. Incident reports shall include, but are not limited to, the following items:
- a) Identify any exterior doors not properly secured. If the situation is of a suspicious nature, the appropriate local law enforcement agency shall be notified immediately.
 - b) Identify any exterior doors with defective hardware which might affect building security.
 - c) Report any incidents affecting the safety or security of the building or occupants.
 - d) Report any defective exterior lights.
 - e) Note any areas where staff is working after-hours.
 - f) Report unusual circumstances, suspicious persons and any other problems encountered to the appropriate law enforcement agency.
-
- g) Report electrical outages, broken pipes, smashed windows, etc. Notify those persons designated by the Client Agency and request the Department of General Services, Office of Buildings and Grounds or the landlord, be notified in order to make repairs immediately.
 - h) Report any accidents or injuries.
 - i) Any other reporting requirements as identified in the Client Agencies' subsidiary agreements.
- 8) Contractor shall ensure that while on duty at the Client Agency facility, Security Guards shall **not**:
- a) Carry on their person any firearms, batons, handcuffs, knives, saps, brass knuckles, stun-gun, Taser, oleoresin capsicum (pepper) spray, or any tear gas agent. "On their person" shall include, but not be limited to, the employee's vehicle or locker on the Client Agency site.
 - b) Listen to radios, police scanners, or any other audio medium that is not directly job-related.
 - c) Watch television and/or play video games.
 - d) Read any materials which are not job-related.
 - e) Sleep while on duty.
 - f) Display a discourteous, abrupt, abrasive, or belligerent attitude.
 - g) Use state telephones or any other state-owned electronic equipment for anything other than state business.
 - h) Use or tamper with Client Agency equipment, such as computers, calculators, fax machines, etc., not necessary for the performance of the unarmed security guard services or disturb workstations located in the Client Agency facility in any manner.

EXHIBIT A
(Standard Agreement)

SCOPE OF WORK *(Continued)*

- i) Use any employee workstation other than those designated for the Security Guard's use.
- j) Leave their area of responsibility.
- k) Entertain personal visitors.
- l) Be under the influence of illegal drugs or alcohol.
- m) Be under the influence of any prescribed or over-the-counter medications which inhibit job performance in accordance with the specifications set forth herein.
- n) Fraternize with state employees or members of the public.
- o) Present or identify themselves as employees of the State of California.
- p) Express or interpret policies, statements, and/or opinions of Client Agencies to the media, or to the public.

B. License & Registration

- 1) Contractor shall possess the licenses and permanent guard registration cards required by the California Department of Consumer Affairs, Bureau of Security and Investigative Services. Contractor shall furnish a copy of its current and valid Private Patrol Operator's License to all Client Agencies. If Contractor's license expires or is suspended or revoked, CHP shall be notified immediately and the MSA will be subject to immediate termination by the CHP.
- 2) Contractor shall ensure that written documentation on the minimum qualifications of all Security Guards assigned under the provisions of this MSA meet the criteria listed below. All documentation must be kept on file at the Contractor's place of business. Failure to do so may result in the termination of the MSA and all subsidiary agreements.
- 3) Contractor's unarmed security guard personnel must meet the following qualifications prior to their **initial** assignment:
 - a) Security Guards must possess a high school diploma or G.E.D. equivalent, and shall have the ability to speak, read, and write the English language; understand and carry out oral and written directions; write accurate and clear reports; and monitor environmental and electronic security systems.
 - b) All Security Guards must have a valid California Driver License or a California Identification Card issued by the Department of Motor Vehicles and shall carry it in their possession while on duty. If driving is a requirement for the assignment, a valid California Driver License is mandatory.

**EXHIBIT A
(Standard Agreement)**

SCOPE OF WORK (Continued)

- c) Contractor employees providing services under this MSA must be registered with the California Department of Consumer Affairs, Bureau of Security and Investigative Services, as a Security Guard. Security Guards shall carry in their possession his/her guard registration card, or screen-print of the Bureau's approval from the Bureau's web site at www.bsis.ca.gov, along with valid photo identification, while on duty.
- 4) All required cards listed above must be presented to Client Agencies or CHP upon demand. If the Security Guard is unable to present his/her guard registration card (or screen print) upon demand, he/she will be relieved from duty and the Contractor shall provide a Security Guard who has appropriate cards/screen prints in his/her possession. The MSA is subject to immediate termination if the Contractor is unable to provide Security Guards with all required cards.
- 5) Contractor shall also maintain all other business and professional licenses that may be required by federal, state, and local codes. Contractor shall provide on demand as requested if necessary.
- 6) Contractor shall meet the specific requirements of each Client Agency with which it enters into a subsidiary agreement to the extent such requirements do not conflict with the substantive terms and conditions of the MSA.

C. Mental & Physical Requirements

- 1) All Security Guards assigned to work under this MSA shall have a physical examination within six (6) months prior to their assignment. Security Guards must be in good physical condition, which enables them to perform the full range of security work. Security Guards must be fully capable of performing work requiring moderate to arduous physical exertion under either normal or emergency conditions.
- 2) Security Guards shall possess a good distance vision in each eye, corrected to 20/30 on the Snellen chart. Security Guards shall have normal fields of vision, good depth perception, close vision correctable to Jaeger #4 type test of both eyes, and the ability to distinguish basic colors.
- 3) Any hearing loss for Security Guards is not to exceed 30 decibels in both ears or 35 decibels in the poorer ear.
- 4) Security Guards must be mentally alert and capable of exercising good judgment, implementing instructions, and assimilating necessary specialized training.
- 5) All Security Guards assigned to a Client Agency under this MSA shall successfully pass a pre-employment drug screen examination within six (6) months prior to their assignment. The screen must have the ability to detect the use of: marijuana, cocaine, heroin, amphetamines, opiates, and benzodiazepines. **Client Agencies have the right to inspect the drug examination results.**

**EXHIBIT A
(Standard Agreement)**

SCOPE OF WORK (Continued)

D. Training Requirements

- 1) In addition to required Department of Consumer Affairs training, and prior to their initial assignment, Security Guards shall complete the following training:
 - a) First Aid and CPR: maintain current certification; a copy of the First Aid/CPR certification/completion document shall be furnished to the Client Agency designee. The certification cards must be carried while on duty.
 - b) Security and emergency procedures, crowd control, irate/hostile individual and public relations.
- 2) Client Agencies may require that assigned Security Guards be trained on all matters it deems necessary or appropriate including, but not limited to; state policy regarding drug awareness, sexual harassment, workplace violence, discrimination, and prohibition of the use of Client Agency equipment.
- 3) If required by the Client Agency, Security Guards shall sign a document indicating their understanding of and conformance with, state or Client Agency policy.
- 4) If additional training is required by the Client Agency, time spent by the Security Guard in the required training will be compensated at the agreement rate.
- 5) Client Agencies may also require **successful** completion of training for Security Guards assigned to monitor and operate electronic computer and/or alarm and communication systems.
- 6) Client Agencies as well as the CHP Project Representative, have the right to inspect any training documentation that is retained at the Contractor's place of business.

E. Appearance

- 1) Security Guards shall maintain a clean, neat appearance and a courteous attitude.
- 2) All Contractor employees shall wear, at all times while on duty, the Contractor's complete uniform. This uniform, if required by applicable local ordinance(s), shall have been approved by the appropriate local law enforcement agency and approved by the CHP. All uniform markings, patches and colors shall be distinctive from uniforms worn by local law enforcement personnel.
- 3) All such uniforms and equipment shall be provided to Contractor employees without direct expense to the State of California, nor expense to the individual employee.
- 4) Contractor shall provide each employee, a minimum of three (3) complete sets of uniforms, which consists of: three (3) shirts, with appropriate patches and/or markings; three (3) trousers, with appropriate trim; and/or three (3) pairs of shorts, with appropriate trim (if assigned to bike patrol when the weather permits); one (1) company jacket with appropriate patches; one (1) badge; and one (1) name tag. Each Security Guard shall receive replacement uniforms as necessary to maintain a neat appearance.

EXHIBIT A
(Standard Agreement)

SCOPE OF WORK *(Continued)*

- 5) Security Guards shall wear badges, company designation patches and name tags at all times.
- 6) Security Guards may wear company hats only when outdoors.
- 7) Security Guards shall keep their uniforms in good condition, free from tears, cleaned and pressed, and shall wear a complete uniform while on duty. The uniform shall be tailored to properly fit the Security Guard.
- 8) Jackets, wind breakers, or sweaters are allowed provided the outermost garment contains the Contractor's identification, and the colors are consistent with the uniform.
- 9) Skirts are not permitted.
- 10) Footwear worn by Contractor employees while performing services shall be closed-toe shoes or boots of black smooth leather or Corfam-type material. If boots are worn, they shall be worn inside the trouser legs such that the trouser legs fall straight (trousers shall not be "bloused" in the boots). Socks shall be worn and shall be black, dark brown or navy blue in color. High-heel, open-toe shoes, or sandals are not permitted.
- 11) Leather gear, shoes and metal equipment shall be clean and polished. Security Guards shall keep all equipment clean and in good condition.
- 12) The Contractor employee's personal appearance shall conform to the following standards:
 - a) Male: Beards, chin, and lip whiskers (except a mustache) are not permitted. If a mustache is worn, it shall not extend more than ½ inch beyond the corners of the mouth nor below the vermilion border of the upper lip, or more than ¼ inch below the corner of the mouth. Waxed ends or points are prohibited.

Sideburns shall be neatly trimmed and shall not extend below the bottom of the ear and shall end with a clean-shaven horizontal line. The maximum width at the bottom of the sideburns shall not exceed 1 ½ inches. The hair shall be trimmed on the sides and back as to present an even appearance. The back of the hairline shall not extend beyond the top of the uniform collar.
 - b) Female: Hair shall be neat and styled or trimmed in such a manner it does not extend beyond the top edge of the uniform collar or detract from a professional image. Makeup and nail polish shall be natural in appearance and shall be in good taste.
- 13) Wrist watches, medical or identification bracelets, rings and earrings (only post-type) are the only items of jewelry and ornaments authorized to be exposed when in uniform and on duty. No jewelry will be worn in such a manner as to present a safety hazard to the individual, or a distraction of professional appearance.

EXHIBIT A
(Standard Agreement)

SCOPE OF WORK (Continued)

F. Contractor Employee Classifications

1) Project Representative

- a) Contractor shall assign one (1) employee the designation of Project Representative. The Contractor Project Representative shall not be a Security Guard. The Contractor Project Representative shall be included in the cost for the Security Guard services at no additional cost to the Client Agency. Contractor shall provide CHP with the telephone number at which the Contractor Project Representative can be reached.
- b) The Contractor Project Representative will meet with the CHP Project Representative and/or Client Agency designee, as often as requested. The Contractor Project Representative must be available to meet upon 24-hours notice.
- c) At Client Agency facilities which employ a Site Guard Supervisor and/or Site Guard Manager, and require 24-hour, seven days per week coverage, the Contractor Project Representative, or designee shall conduct unannounced visits of all stations.

2) Security Guard 1 & Security Guard 2

This MSA will provide two (2) categories of Security Guards: Security Guard 1 (SG1) and Security Guard 2 (SG2).

- a) Typical SG1 duties include, but are not limited to: monitoring the entry and exit of personnel at Client Agency facilities; inspecting facilities to ensure doors, windows, and roofs are secure; protecting state property and deterring theft by physical presence while making security checks throughout Client Agency facilities; reporting of unusual conditions to the proper personnel, including law enforcement; maintaining security logs; writing reports; and notifying the appropriate Client Agency personnel and CHP.
- b) The typical duties of the SG2 are similar to the SG1 but require more technical expertise. Duties include, but are not limited to: the operation of complex computer equipment for fire, intrusion, and other types of alarm systems. Client Agencies may assign other complex duties related to security services as deemed necessary. The SG2 may receive Client Agency sponsored formal training, if necessary.

3) Supervision

Contractor shall adequately supervise all Security Guards assigned under the provisions of this MSA during each Security Guard's entire shift. "Adequately supervise" includes, but is not limited to: ensuring staffing levels are met, ensuring Security Guards arrive on time and are prepared to begin work, observing the Security Guard's work habits, appearance, overall performance, and verifying applicable patrol. Day-to-day Security Guard supervision will be accomplished by one of three classifications of supervision: 1) Contract Guard Supervisor (CGS), 2) Site Guard Supervisor (SGS), and/or 3) Site Guard Manager (SGM).

EXHIBIT A
(Standard Agreement)

SCOPE OF WORK (Continued)

4) Contract Guard Supervisor

The CGS will be the first-line class of supervision for SG1 and SG2. The CGS shall be included in the cost for the Security Guard services at no additional cost to the Client Agency. The duties will include, but may not be limited to, all of the requirements as outlined in this section.

- a) Contractor shall have and maintain a minimum ratio of one CGS to approximately twenty (20) Security Guards while performing duties related to this MSA for Client Agencies that do not contract for a SGS and/or SGM.
- b) The Contractor's CGS shall conduct one (1) unannounced visit each day at each location where Security Guards are scheduled on-site. The Contractor shall maintain a sign-in log at the Client Agency's location. The CGS shall sign-in to verify his/her visit, unless the Client Agency specifies a different reporting requirement under its subsidiary agreement. The sign-in log shall be updated each shift and remain at the Client Agency work site.

5) Site Guard Supervisor

- a) The SGS will perform various supervisory responsibilities including, liaison to the Client Agency, prepare shift schedules, train replacement Security Guards, ensure post orders are updated and complete, inspect and ensure Security Guards are in compliance with all agreement requirements, ensure and review Security Guard reports, and discipline Security Guards, when necessary.
- b) The SGS may report directly to the SGM or the Client Agency representative. When not performing administrative responsibilities, the SGS will assume routine patrol duties. The Client Agencies will have the ability to modify the SGS's duties to fit their agency's needs. The number of Security Guards the SGS will supervise will not exceed twenty (20), unless approved in writing by the Client Agency, but not less than two (2) based on the needs of the Client Agency and the complexity of the assignment.

6) Site Guard Manager

The SGM shall be the highest level of Contractor supervision allowed at a Client Agency site. The SGM will supervise no more than ten (10) SGSs, unless approved in writing by the Client Agency, and not less than one (1). The SGM may perform all of the functions of the SGS and is charged with overall responsibility for the security of the Client Agency site having multiple security systems and/or complex security issues.

**EXHIBIT A
(Standard Agreement)**

SCOPE OF WORK (Continued)

G. Rates of Pay & Benefits

1) Minimum Wage

- a) Contractor shall pay all Security Guards assigned under the provisions of this MSA a minimum wage and benefit rate in accordance with applicable law; Government Code section 19134 and any applicable California Code of Regulations.
- b) **It shall be incumbent upon the contractor to comply with all Federal Minimum Wage Requirements and Local Minimum Wage Ordinances.** No increase to contracted hourly rates will be allowed outside of those specified in Section 3) Rate Modification.

2) Hourly Rate

The Contractor Hourly Rate is a flat rate, which includes all costs, wages, benefits*, allowances, differentials, travel and per diem and the CGS necessary to supervise the SG1 and SG2. The Contractor Hourly Rate **shall not** include overtime hours, hours worked on a holiday, the cost of SG2, or continuous on-site supervision as described in this MSA.

The Contractor Hourly Rate is the rate the Contractor will be paid by the Client Agency for the term of the MSA.

**Per Government Code 19134, "benefits" shall include health, dental, retirement, and vision benefits; and holiday, sick, and vacation pay. For purposes of this MSA, the blended benefit rate will apply.*

- a) The SG1 is not a "state" classification but similar to the civil service classification of Security Guard. Contractor's hourly rate shall include the civil service classification's minimum hourly pay and benefit rates as well as all overhead costs. Please see Exhibit B-1, Rate Sheet for math calculations and rates.
- b) The Contractor Hourly Rates for all other classifications under this MSA are tied **directly** to the SG1 hourly rate. The pay rates for SG2, SGS and SGM are calculated as follows:
 - i) Security Guard 2 (SG2) pay rate is determined by multiplying hourly rate for SG1 by a factor of 1.05. For example, if the SG1 hourly rate for the agreement is \$20.00 then the SG2 hourly rate is calculated by $\$20.00 \times 1.05 = \21.00 .
 - ii) Site Guard Supervisor (SGS) pay rate is determined by multiplying the hourly rate for SG1 by a factor of 1.15. Continuing with this example, the SGS pay rate is calculated by $\$20.00 \times 1.15 = \23.00 .
 - iii) Site Guard Manager (SGM) pay rate is determined by multiplying the hourly rate for SG1 by a factor of 1.25. Continuing with this example, the SGM pay rate is calculated by $\$20.00 \times 1.25 = \25.00 .

EXHIBIT A
(Standard Agreement)

SCOPE OF WORK (Continued)

3) **Rate Modification**

- a) Hourly pay rate and benefit rate for the Security Guards working under this MSA may be modified in the event the Department of Human Resources (CalHR) approves a modified rate for the similar civil service classification. The rates are published by CalHR February 2nd of every year and are effective until February 1st of the following year.
- b) Rates agreed upon at contract agreement execution shall remain in effect for the first year of the contract term, at a minimum. After the first year any pay or benefit changes as published by CalHR may be given effect by contract agreement amendment.
- c) In the event the state's hourly pay or benefit rate increases or decreases, the hourly rate for SG1 will increase or decrease by the same amount; and the Contractor shall increase and may decrease the rate it pays its Security Guards and supervisory personnel under this MSA, in accordance with applicable laws.

4) **Overtime**

- a) Overtime and hours worked must be expressly authorized by the Client Agency, and shall be paid in accordance with the current agreement for Service Employees International Union (SEIU), Local 1000, Bargaining Unit 15. **In no event will the Contractor charge overtime to the Client Agency if the Contractor fails to meet staffing obligations as outlined in the subsidiary agreement executed between the Contractor and the Client Agency.**
- b) Contractor shall observe all federal and state laws and regulations pertaining to employee wages, benefits, hours, and working conditions. Contractor shall pay its employees the proper authorized overtime.

5) **Working on State Holidays**

Unless expressly required and authorized by the Client Agency in its subsidiary agreement to this MSA, no work will be performed on state holidays identified on the Department of Personnel Administration (DPA) web-site: <http://www.dpa.ca.gov/personnel-policies/holidays.htm>.

State holidays are subject to collective bargaining and may change during the term of this MSA. Holiday rates are defined by Service Employees International Union (SEIU), Local 1000, Bargaining Unit 15.

6) **Payment of Employees**

All Security Guards and supervisory personnel assigned by the Contractor under this MSA are considered employees of the Contractor. Contractor shall be responsible for paying all salaries, wages, benefits, expenses, social security taxes, federal and state taxes and any and all other expenses or taxes based on labor laws associated with employment by the Contractor.

EXHIBIT A
(Standard Agreement)

SCOPE OF WORK (Continued)

H. Temporary Replacement of Security Guards

- 1) Substandard performance of any kind will not be allowed. CHP and Client Agencies reserve the right to refuse or reject any assigned Security Guard or related employee assigned under this MSA, who, in CHP or the Client Agency's belief, fails to meet the minimum requirements set forth in this MSA. CHP and/or Client Agencies, whichever has deemed the employee unfit shall notify Contractor, in writing, as to the reason why the employee is not fit for the assignment.
- 2) Contractor shall replace such Security Guard with a Security Guard who meets all requirements as set forth in this MSA and the subsidiary agreement. If a Security Guard is rejected by any Client Agency, the Contractor will not use that particular Security Guard at any Client Agencies. **Contractor shall provide immediate notification to all Client Agencies with subsidiary agreements of any and all Security Guards rejected for service under this MSA.**
- 3) Contractor shall maintain a pool of Security Guards who have been trained and are approved by the Client Agencies to serve as replacement Security Guards. Contractor will be responsible to ensure the replacement Security Guards are appropriately trained in the particular Client Agency location. Under these circumstances, the Contractor is responsible for any additional payment to the Security Guard required to work overtime.
- 4) If a Security Guard is deemed unfit while on duty, the Contractor shall make every effort to replace that Security Guard as soon as possible, but no later than two (2) hours following the notification. If a replacement cannot be on site within two (2) hours, the Client Agency may call another security guard company to complete the shift.
- 5) At the discretion of the Client Agency, the temporary security guard company may provide service until the Client Agency determines the Contractor's ability to provide unarmed security guard services without disruption to their agency or site.
- 6) The costs incurred to temporarily replace the Security Guard(s) shall be reimbursed by Contractor for any costs above the agreement rate. The Client Agency will submit a copy of the invoice to the Contractor showing the actual costs for services.
- 7) Contractor shall notify the Client Agency designee as soon as the Contractor becomes aware of a Security Guard's absence or delay. In no event shall more than two (2) hours elapse before the Contractor provides an alternate qualified Security Guard.
- 8) If a Client Agency requests replacement of all Security Guards, the Contractor shall replace them within two (2) state business days of receiving such request.

NOTE TO CLIENT AGENCIES: The above described unarmed security guard services shall be procured in accordance with state law.

**EXHIBIT A
(Standard Agreement)**

SCOPE OF WORK (Continued)

I. Additional Security Guards

- 1) If additional Security Guards are required at the location, the Client Agency shall be responsible for notifying the Contractor as soon as possible. Contractor shall make every reasonable effort to provide the additional qualified Security Guard(s) within two (2) working days of receiving such notice. The subsidiary agreement shall be amended to reflect the change in service as soon as possible.
- 2) In the event the Contractor fails to provide contractually agreed upon unarmed security guard services, the Client Agency has the right to hire the services of a law enforcement agency or another security guard company in accordance with state law. The costs incurred shall be reimbursed by Contractor for any costs above the agreement rate. The Client Agency will submit a copy of the invoice to the Contractor showing the actual costs for services.

J. Short-Term Cancellation Policy

The State is not responsible for closures due to unforeseen emergencies, including but not limited to, fire, acts of nature, or governmental action (e.g., furloughs). Whenever possible, Client Agencies shall provide 24-hour notice to Security Guard(s) if it is known the office will be closed. No payment will be made if a Security Guard reports to work when services are not needed.

K. Dispatch Center & Communication Equipment

- 1) Contractor shall maintain a 24-hour dispatch center. A dispatcher shall be on duty and at the dispatch console at all times.
- 2) The dispatcher shall have the capability of transmitting to and receiving communication from all on-duty Security Guards. Contractor shall equip each Security Guard with a two-way radio and "holster" or cellular telephone where radio communications are not feasible. The radio and/or cellular telephone shall provide direct contact between the Security Guard(s), their supervisors, and the Contractor's dispatch center at no additional cost to the Client Agency.
- 3) Contractor shall maintain a computer aided dispatch system which requires Security Guards to notify dispatch when they are on and off duty. This is a means of alerting the dispatcher when Security Guards have not gone on and/or off duty, in order to contact the Security Guard by telephone and/or radio, and possibly send the necessary level of response (i.e. additional Security Guard personnel, supervisor, manager, or emergency services) to determine the status of the Security Guard.
- 4) The dispatch console shall be equipped with a telephone and a list of emergency contact telephone numbers, including the local law enforcement agency, fire, paramedics, and ambulance.

**EXHIBIT A
(Standard Agreement)**

SCOPE OF WORK *(Continued)*

- 5) Each radio and/or cellular telephone shall be operational and have sufficient back-up batteries. Upon notification that any radio or base radio becomes non-functional, the Contractor will immediately arrange for repairs and provide suitable replacement equipment as soon as possible, but no later than 24 hours after such notification.
- 6) All communication equipment must comply with Federal Communications Commission (FCC) rules and regulations. Contractor shall maintain an emergency plan for providing two-way communications in the event of an emergency where the primary communication method is disabled.
- 7) Contractor shall provide a 24-hour "hot line" phone number to the Client Agency so that poor work performance, unsatisfactory work habits, or other problems may be reported to the Contractor immediately by Client Agency personnel.
- 8) For the purpose of receiving direct communication from Client Agency personnel Security Guards may be required to carry paging equipment, two-way radios, and/or a cellular telephone. All such items solely for this purpose will be supplied by the Client Agency or the Contractor shall be reimbursed based on rental rates which are consistent with those generally applicable in the same area.
- 9) It will be the responsibility of each Security Guard to transfer possession of any state-owned communication equipment to the next Security Guard on duty. Failure to transfer equipment to the next Security Guard as required by the specific terms of the subsidiary agreements may result in the replacement of the Security Guard and may be deemed a material breach of the agreement.

L. Reporting Requirements

- 1) On a quarterly basis, unless requested otherwise, the Contractor Project Representative shall mail or e-mail updated information to the CHP Project Representative stating: the locations serviced, including addresses; number of Security Guards; hours/shifts worked; billed hours paid; and emergency contact telephone number and name (and alternate).
- 2) Contractor shall report to the CHP Project Representative, any changes, additions, or deletions of service for all locations serviced statewide.

M. Additional Terms

- 1) If Contractor is a subsidiary, Contractor must obtain approval from the parent company to enter into and sign this MSA. The parent company will be responsible for all obligations under the MSA in the event the Contractor fails to perform under the terms and conditions of the MSA.
- 2) CHP and Client Agencies reserve the right to review the personal background and to conduct security clearances on all Contractor personnel. Client Agencies shall have the right to request previous employment history with a list of references for any Security Guards assigned. Failure to provide this information, if requested, may result in termination of the subsidiary agreement.
- 3) Upon expiration of this MSA, Contractor shall meet with any new unarmed security guard service provider(s) and make all reasonable efforts to assure an effective transfer of services.

**EXHIBIT A
(Standard Agreement)**

SCOPE OF WORK (Continued)

6. Instructions for Client Agencies

- A. Each Client Agency shall provide a designee who will be the main contact with the CHP Project Representative and the Contractor Project Representative.
- B. Each Client Agency with a fully executed and signed subsidiary agreement **shall send a copy of the subsidiary agreement and any amendments to the agreement to the CHP Project Representative within seven (7) working days of the execution of the subsidiary agreement.**
 - 1) Electronic copies may be sent to masterserviceagreement@chp.ca.gov
 - 2) Hard copies may be sent to:

Department of California Highway Patrol
State Security Division
P. O. Box 942898
Sacramento, CA 94298-0001
- C. Client Agencies shall report amounts paid for unarmed security guard services to the CHP Project Representative, on a quarterly basis. These reports should be sent to the address above.
- D. Each Client Agency shall be responsible for the acts and omissions of its own personnel.
- E. Client Agencies cannot delete, waive, modify, or change the terms and conditions of the MSA.
- F. Pursuant to this MSA, Client Agencies may contract with the Contractor for services at the hourly rate set forth herein. Client Agencies will use the Standard Agreement (Std. 213), when contracting with the Contractor and shall ensure Contractor is in compliance with all small business and disabled veteran business enterprise requirements.
- G. CHP intends to award Secondary and Tertiary agreements in each region for backup purposes.
 - 1) When services are needed, the Client Agency shall always contact the Primary Contractor first. The Primary Contractor is defined as the lowest responsible bidder in the applicable region.
 - 2) IF and ONLY IF, the Primary Contractor is unable to provide services, the Client Agency may then contact the Secondary Contractor, defined as the second lowest responsible bidder in the applicable region.
 - 3) IF and ONLY IF, the Primary and Secondary Contractors are unable to provide services, the Client Agency may contact the Tertiary Contractor, defined as the third lowest responsible bidder in the applicable region.

EXHIBIT A
(Standard Agreement)

SCOPE OF WORK (Continued)

- 4) Failure of a Contractor to provide services on three (3) or more occasions with any one (1) Client Agency may be grounds for terminating the Client Agency's subsidiary agreement for cause, as provided for in this Agreement. If a subsidiary agreement with the Primary Contractor is terminated for cause or by mutual agreement of the parties, the Client Agency may contract with the Secondary Contractor for the duration of the term of this MSA. Likewise, if subsidiary agreements with both the Primary Contractor *and* the Secondary Contractor have been terminated for cause or by mutual agreement of the parties, the Client Agency may contract with the Tertiary Contractor for the duration of the term of this MSA.
- H. Each Client Agency will set forth its requirements in its subsidiary agreement with the Contractor.
- I. Individual subsidiary agreements may be terminated by a Client Agency upon thirty (30) days prior written notice to the Contractor. A copy of said termination notification shall be provided to the CHP Project Representative within seven (7) working days.
- J. The following information should be contained in each subsidiary agreement entered into between the Contractor and Client Agency:
- 1) The Client Agency's name, contact person, and telephone number.
 - 2) The service location(s).
 - 3) The shift times.
 - 4) The number of Security Guards per shift, required classes of Security Guards and/or supervision, and applicable hourly rates for each level of Security Guard and/or level of supervision.
 - 5) Name of Subcontractor.
 - 6) Reference to MSA number and inclusion of MSA as part of the agreement.
 - 7) Term of agreement.
 - 8) Total dollar amount.
 - 9) Client agency's additional terms and conditions.

**EXHIBIT A
(Standard Agreement)**

SCOPE OF WORK *(Continued)*

K. It is recognized that the particular needs of each Client Agency are unique and will vary between agreements. Each Client Agency entering into a subsidiary agreement shall be responsible for the general direction of the Security Guards in the areas of:

- 1) Security plans and procedures.
- 2) Premises access control.
- 3) Administration.
- 4) Supervision by Client Agency personnel.
- 5) Quality and property control.
- 6) Work instructions and post orders.
- 7) Work scheduling.
- 8) Patrol procedures.
- 9) Shift relief.
- 10) Emergency procedures.
- 11) Safety and health.
- 12) Lost and found.
- 13) Key and card-key control.
- 14) Specific reporting requirements and records.
- 15) Telephone use.
- 16) Any additional requirements requested by Client Agencies. All specific requirements will be detailed in the subsidiary agreement.

IMPORTANT NOTE: Receipt and delivery of medical and/or hazardous materials does not fall within the range of duties performed by Security Guards under this MSA.

EXHIBIT A
(Standard Agreement)

SCOPE OF WORK *(Continued)*

- L. Each Client Agency shall provide any post orders, changes and/or additions to a Security Guard's post orders. These post orders will be developed and communicated in writing through an amendment to the subsidiary agreement from the Client Agency to the Contractor. All changes or additions to the Security Guard instructions will originate with the Client Agency.
 - M. Client Agencies shall provide CHP Project Representative with written notification of each newly enrolled location.
 - N. Client Agencies shall advise the Contractor on all safety and health-related requirements and procedures in writing prior to entering into the subsidiary agreement, and periodically as necessary, to assure that the Contractor is aware of all hazardous conditions. Such advisement shall include training and equipment required to implement the Client Agency's safety and health program(s).
 - O. Client Agencies may require extra copies of sign-in sheets and/or reports. If the Client Agency specifies the need, the Client Agency shall provide the necessary supplies such as pens and copy paper.
-

**EXHIBIT A
ATTACHMENT 1**

SERVICE REGIONS

REGION 1	REGION 2	REGION 3	REGION 4
Estimated value: \$66,000,000*	Estimated value: \$4,000,000*	Estimated value: \$37,000,000*	Estimated value: \$22,000,000*
Approximate number of positions: 528	Approximate number of positions: 32	Approximate number of positions: 300	Approximate number of positions: 175
Alpine Amador Butte Colusa Del Norte El Dorado Glenn Humboldt Lake Lassen Mendocino Modoc Napa Nevada Placer Plumas Sacramento Shasta Sierra Siskiyou Solano Sutter Tehama Trinity Yolo Yuba	Calaveras Fresno Inyo Kern Kings Madera Mariposa Merced Mono Monterey San Benito San Joaquin San Luis Obispo Santa Cruz Stanislaus Tulare Tuolumne	Imperial Los Angeles Orange Riverside San Bernardino San Diego Santa Barbara Ventura	Alameda Contra Costa Marin San Francisco San Mateo Santa Clara Sonoma

*These estimated values are based on 2010 pay rates.

EXHIBIT B
(Standard Agreement)

BUDGET DETAIL AND PAYMENT PROVISIONS

1. Invoicing and Payment

- A. For services satisfactorily rendered, and upon receipt and approval of the invoice(s), the Client Agency agrees to compensate Contractor for actual expenditures incurred in accordance with the rates specified in Exhibit B-1, which is attached hereto and made a part of this MSA.
- B. Contractor shall bill each Client Agency monthly, in arrears, for services provided pursuant to any subsidiary agreements entered into under this MSA. Contractor shall submit to the Client Agency the number of copies required by that agency to the attention of the designee listed under each separate subsidiary agreement.
- C. Contractor's invoices to the Client Agency will provide, at a minimum, the following information for each service site:
- 1) Date(s) of service.
 - 2) Service location(s).
 - 3) Shift time(s).
 - 4) Number of Contractor personnel (Security Guards and Supervision) required at service location.
 - 5) Amount billed for service period.
- D. Client agencies may require additional invoicing information and/or format under the terms and conditions of their subsidiary agreements.
- E. Contractor must comply with Government Code 19134 which requires Contractor to provide employee benefits valued at least 85% of the state employer cost of benefits provided to state employees for performing similar duties. **Contractor must provide proof of employee benefits by monthly completion on the form to be supplied by the Client Agency.**
- F. Contractor must submit a summary of the benefits or cash paid to employees with each invoice submitted to the State. The summary must clearly document the following information:
- 1) The number of employees who received benefits and/or cash payments.
 - 2) The name of each employee who received benefits and/or cash payment.
 - 3) The number of hours each employee worked in the month.
 - 4) The amount paid to each employee for benefits and/or cash payments in the month.
 - 5) The total monthly cost of benefits and/or cash payments in the month.

**EXHIBIT B
(Standard Agreement)**

BUDGET DETAIL AND PAYMENT PROVISIONS (Continued)

- G. Contractor shall maintain a system of record keeping which provides the ability to record and report financial data in accordance with generally accepted accounting principles. The system will ensure that all costs billed to each Client Agency are supported by adequate documentation and in compliance with applicable federal and state regulations.
- H. Contractor shall be required to provide Client Agency invoices to the CHP upon request.
- I. The CHP is not obligated under this MSA to pay Contractor for services rendered to Client Agencies under any subsidiary agreement.
- J. In the event of a dispute with a Contractor or Client Agency the parties shall deal in good faith and attempt to resolve the dispute informally. If the dispute persists, the disputing party shall complete the Invoice Dispute Notification (Std. 209) in pursuit of a remedy. A dispute may consist of, but not be limited to, non-payment of undisputed invoices, past due accounts, or non-executed agreements. If an agreement cannot be reached, either the Contractor or Client Agency may assert their rights and remedies under this MSA.

2. Budget Contingency Clause

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

3. Prompt Payment Clause

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

**EXHIBIT B-1
 (Standard Agreement)**

RATE SHEET

The Contractor agrees to provide Unarmed Security Guard Services in accordance with Exhibit A, Scope of Work. Payment for services shall be in accordance with the rates provided below.

Agreement is for a term of two (2) years with an option to extend for an additional one (1) year. Should the State exercise this option, rates will remain unchanged except for required amendments of revised Blended Benefit Rates and/or State Hourly Pay Rates.

The Contractor further certifies that the requirements of GC Section 19134 relative to employee benefits will be met by providing:

Check one: Employee Benefits to Covered Employees
 Cash Payments to Covered Employees
 Combination of Employee Benefits and Cash Payments to Covered Employees

REGION 4

1) Security Guard 1 Hourly Rate

$$\frac{\$10.87}{\text{Hourly Rate}^1} + \frac{\$8.75 \text{ per hour}}{\text{Blended Benefit Rate}^1} + \frac{\$4.57}{\text{Contractor's Administrative/Overhead Costs}} = \frac{\$24.19}{\text{Contractor's SG1 Hourly Rate}}$$

(\$10.87 minimum State Hourly Pay Rate for Security Guard)

2) Security Guard 1 Overtime (OT) Rate

$$\frac{\$24.19}{\text{Contractor's SG1 Hourly Rate}} - \frac{\$8.75}{\text{Blended Benefit Rate}^1} = \frac{\$15.44}{\text{Base Rate}} \times \frac{1.5}{\text{Time And A Half}} = \frac{\$23.16}{\text{Contractor's SG1 OT Rate}}$$

3) Security Guard 2 Hourly Rate

$$\frac{\$24.19}{\text{Contractor's SG1 Hourly Rate}} \times 1.05^2 = \frac{\$25.40}{\text{Contractor's SG2 Hourly Rate}}$$

4) Security Guard 2 Overtime (OT) Rate

$$\frac{\$25.40}{\text{Contractor's SG2 Hourly Rate}} - \frac{\$8.75}{\text{Blended Benefit Rate}^1} = \frac{\$16.65}{\text{Base Rate}} \times \frac{1.5}{\text{Time And A Half}} = \frac{\$24.98}{\text{Contractor's SG2 OT Rate}}$$

**EXHIBIT B-1
 (Standard Agreement)**

RATE SHEET (Continued)

5) Site Guard Supervisor Hourly Rate

$$\frac{\$24.19}{\text{Contractor's SG1 Hourly Rate}} \times 1.15^2 = \frac{\$27.82}{\text{Contractor's SGS Hourly Rate}}$$

6) Site Guard Supervisor Overtime (OT) Rate

$$\frac{\$27.82}{\text{Contractor's SGS Hourly Rate}} - \frac{\$8.75}{\text{Blended Benefit Rate}^1} = \frac{\$19.07}{\text{Base Rate}} \times \frac{1.5}{\text{Time And A Half}} = \frac{\$28.61}{\text{Contractor's SGS OT Rate}}$$

7) Site Guard Manager Hourly Rate

$$\frac{\$24.19}{\text{Contractor's SG1 Hourly Rate}} \times 1.25^2 = \frac{\$30.24}{\text{Contractor's SGM Hourly Rate}}$$

8) Site Guard Manager Overtime (OT) Rate

$$\frac{\$30.24}{\text{Contractor's SGM Hourly Rate}} - \frac{\$8.75}{\text{Blended Benefit Rate}^1} = \frac{\$21.49}{\text{Base Rate}} \times \frac{1.5}{\text{Time And A Half}} = \frac{\$32.24}{\text{Contractor's SGM OT Rate}}$$

¹In compliance with Government Code 19134; these rates are subject to change during the term of the agreement. Rates and wages shall remain in effect for the first year of the contract term, at a minimum. After the first year any pay or benefit changes (as published by CalHR) shall be given effect by contract agreement amendment.

²As explained in Exhibit A, Scope of Work, Section G., Rate of Pay & Benefits, Item 2) Hourly Rate b).

**EXHIBIT D
(Standard Agreement)**

SPECIAL TERMS AND CONDITIONS

1. Amendment

This MSA may be amended in writing with the mutual consent of the parties hereto. Verbal agreements are not binding unless and until confirmed in writing.

2. Audit

Contractor agrees that the state auditor, CHP or its designated representative, Client Agencies, and all authorized state control agencies shall have access to all internal and external reports and documents used by the Contractor in the operation and administration of this MSA; and shall have an absolute right of access to all of the Contractor's records, files, documents, accounts, and financial affairs as deemed necessary for the purpose of conducting an audit to determine compliance with the terms and conditions of the MSA, upon 24 hour prior notice.

Contractor shall provide all relevant information requested without unnecessary delay and, upon reasonable notice permit access to its premises during normal business hours for the purposes of interviewing staff and inspecting and copying such books, records, accounts, and other material as warranted to conduct the audit. Contractor further agrees to maintain such records for a period of three (3) years after expiration of this MSA or until completion of the action and resolution of all issues which may arise as a result of any litigation, claim, negotiation or audit, or last payment from any subsidiary agreement, whichever is later.

3. Cancellation

- A. CHP reserves the right to cancel this MSA without cause, upon sixty-five (65) calendar days advance written notice to Contractor.
- B. CHP reserves the right to cancel or terminate this MSA immediately for cause. The term "for cause" shall mean that the Contractor fails to meet the terms, conditions, and/or responsibilities of this MSA.
- C. Failure to pay Security Guards or failure to pay the correct rates on the employer established pay date, at the discretion of the CHP, may be cause for immediate termination of the MSA and all subsidiary agreements.
- D. Failure to comply with the provisions of Government Code section 19134 will be deemed a material breach of this MSA, which may result in termination of the MSA and all subsidiary agreements.
- E. Agreement cancellation/termination shall be effective as of the date indicated in notification from CHP to the Contractor. The notice shall stipulate any final performance, invoicing or payment requirements.
- F. In the event of early cancellation/termination, Contractor shall be entitled to compensation for services performed satisfactorily under this MSA and expenses incurred up to the date of cancellation in support of this MSA.

**EXHIBIT D
(Standard Agreement)**

SPECIAL TERMS AND CONDITIONS *(Continued)*

4. Contractor Name Change

Contractor shall provide a written notice to the CHP Project Representative at least thirty (30) days prior to any changes to the Contractor's current legal name. Upon receipt of required documentation, an agreement amendment will be processed. Failure to provide notice could impact invoice payment.

5. Use of Small Business/DVBE Reporting Requirements

Pursuant to Government Code 14811, if Contractor made a commitment to achieve small business and/or disabled veteran business enterprise participation, then Contractor must within 60 days of receiving final payment under any and all agreements certify in a report (Final Report - Utilization of Small Business [SB] and Disabled Veteran Business Enterprise [DVBE] to the client agencies identifying (1) the total amount the prime contractor received under the contract; (2) the name and address of the small business(es) that participated in the performance of the contract; (3) the amount each small business(es) received from the prime contractor; (4) that all payments under the contract have been made to the small business(es); and (5) the actual percentage of small business(es) participation that was achieved. A person or entity that knowingly provides false information shall be subject to a civil penalty for each violation. **Client Agencies shall provide each Contractor with a Final Report – Utilization of Small Business and Disabled Veteran Business Enterprise Form.**

6. Dispute

- A. Any dispute of fact arising under the terms of this MSA which is not resolved within a reasonable period of time as defined by CHP Project Representative or Contractor, shall be brought by either party to the attention of the Chief Executive Officer (or designated representative) of each organization for joint resolution. If an agreement cannot be reached through the application of high-level management attention, either party may assert its rights and remedies under this MSA.
- B. In the event of a dispute, Contractor will continue without delay to carry out all of the responsibilities under those agreements that are not affected by the dispute.

7. Incorporation by Reference

The CHP solicitation as well as all required documents and bids submitted by Contractor pursuant to and prior to execution of the agreement are incorporated by reference and made a part of this MSA.

EXHIBIT D
(Standard Agreement)

SPECIAL TERMS AND CONDITIONS *(Continued)*

8. Inspection

The CHP, through any authorized representative(s), has the right at all reasonable times to inspect or otherwise evaluate the services performed or being performed hereunder including subcontract supported activities and the premises in which it is being performed. If any inspection or evaluation is made of the premises of the Contractor or subcontractor, the Contractor shall provide and shall require subcontractors to provide all reasonable facilities and assistance for the safety and convenience of the authorized representative(s) in the performance of the duties. All inspection and evaluations shall be performed in such a manner as will not unduly delay the services.

9. Liability and Damages

A. Contractor shall assume full liability for any and all property lost or damaged while under its care, except when loss or damage arises from causes beyond the control of, or without the fault or negligence of the Contractor, its subcontractors, its agents and/or employees (e.g., fire, acts of nature, or governmental action.)

B. Contractor shall be responsible for fully reimbursing the Client Agency for any and all damage caused by the Contractor, its subcontractors, its employees and/or agents; to the interior or exterior of the buildings or other improvements, or to any personal property including computer hardware and software, from and for which Contractor's employees provide security services. Contractor will reimburse Client Agency for actual damages at existing current market replacement value for like quality and/or model for such damage.

10. Right to Bar

The State reserves the right to bar any Contractor employee from the work site(s).

11. Subcontracting

A. Contractor, as well as any and all subcontractors, are required to be properly licensed for the scope of work performed under this MSA.

B. All persons engaged in work for the purpose of fulfilling this MSA will be considered as employees of the Contractor, including all subcontractors. Contractor shall give personal attention to fulfillment of this MSA and shall maintain control over the work provided.

C. CHP shall not entertain requests to arbitrate disputes among subcontractors or between Contractor and subcontractors concerning responsibility of performing any part of the work. Contractor is responsible for all work performed under this MSA.

D. CHP assumes no responsibility for the payment of subcontractors. Contractor accepts sole responsibility for the payment of subcontractors used in the performance of work relating to this MSA.

E. Contractor shall ensure that all subcontracts for services include provisions requiring compliance with applicable terms and conditions specified in this MSA and all exhibits incorporated by reference.

EXHIBIT E
(Standard Agreement)

INSURANCE REQUIREMENTS

1. Commercial General Liability

- A. Contractor shall furnish to CHP and Client Agency a valid certificate of commercial general liability insurance, at no expense to CHP or to the State, and shall maintain or cause to be maintained and in effect, at all times during the term of the MSA, a policy of no less than \$2,000,000 per occurrence for bodily injury and property damage liability combined.
- B. This policy should include coverage for liabilities arising out of premises, operations, independent contractors, products/completed operations, personal & advertising injury and liability assumed under an insured agreement. This insurance shall apply separately to each insured against whom claim is made or suit is brought subject to the Contractor's limit of liability. The policy must contain an annual aggregate of \$4,000,000. When a Contractor operates more than one location the aggregate limit of liability shall apply on a per location basis for all insured locations.

For purposes of this provision, "location" is defined as a Client Agency work site.

2. Automobile Liability (Applicable when automobile(s) are required to provide services in accordance with the agreement.)

Contractor shall furnish to CHP and Client Agency a valid certificate of automobile liability insurance, at no expense to CHP or to the State, and shall maintain or cause to be maintained and in effect, at all times during the term of the MSA, a policy of no less than \$1,000,000 per occurrence for bodily injury and property damage liability combined. This insurance shall provide coverage for owned, hired, and non-owned automobiles.

3. Employee Dishonesty

Contractor must maintain employee dishonesty insurance with a limit of not less than \$100,000 each loss. The employee dishonesty insurance shall name the State of California as loss payee.

4. Specific Requirements

Any or all types of insurance coverage must meet the following State of California requirements:

- A. Evidence of insurance shall be of a form and content acceptable to the Department of General Services, Office of Risk and Insurance Management (ORIM).
- B. The certificate of insurance shall be issued by an insurance company, or be provided through a partial or total self-insurance, acceptable to ORIM.
- C. The certificate shall contain the name and address of the insurance company, the policy number, and the beginning and ending dates of the policy.
- D. The certificate of insurance shall show that hazardous activities are protected through comprehensive general liability.
- E. The certificate of insurance shall provide that the insurer shall not cancel the insured's coverage without **thirty (30)** days prior written notice to the CHP.

**EXHIBIT E
(Standard Agreement)**

INSURANCE REQUIREMENTS (Continued)

- F. The insurance carrier shall provide an endorsement for the additional insured statement as follows:
"the State of California, its officers, agents, employees, and servants are included as additional insured, but only with respect to work performed for the State of California under this MSA."
- G. The certificate of insurance shall meet such additional standards as may be determined by the CHP, either independently or in consultation with ORIM, for protection of the CHP.

5. Cancellation of Insurance

- A. In the event said insurance coverage expires or is cancelled at any time or times during the term of the MSA, Contractor shall provide, at least thirty (30) days prior to said date, a new certificate of insurance coverage as provided for herein for not less than the remainder of the term of the MSA, or for a period of not less than one (1) year.
- B. New certificates of insurance are subject to the approval of ORIM. Contractor agrees that no work or services shall be performed prior to such approval. In the event Contractor fails to keep current and in effect at all times, insurance coverage as herein provided, the CHP may, in addition to any other remedies, terminate the MSA and any and all subsidiary agreements.

6. Worker's Compensation

Contractor, at its own expense, shall maintain Workers' Compensation Insurance or a certificate of consent to self-insure in compliance with California Labor Code section 3700. This coverage shall be maintained for all employees who will be engaged in the performance of the agreement.

7. Submission of Certificate(s) to CHP

Contractor shall submit to the CHP before the start of the MSA, and annually thereafter throughout the term of the MSA, the certificate(s) of insurance as outlined in Exhibit E to the following address:

Department of California Highway Patrol
Business Services Section
Attention: Contract Services Unit
P.O. Box 942898
Sacramento, California 94298-0001

To expedite processing, certificates may be faxed to: (916) 322-3155.

8. Submission of Certificate(s) to Client Agencies

Contractor shall submit to the Client Agency before the start of each Agreement, and annually thereafter throughout the term of the MSA, the certificate(s) of insurance as outlined in Exhibit E.

AGREEMENT SUMMARY
STD 215 (REV. 1-2014)

AGREEMENT NUMBER	AMENDMENT NUMBER
16C029005	

CHECK HERE IF ADDITIONAL PAGES ARE ATTACHED

1. CONTRACTOR'S NAME National Security Industries	2. FEDERAL I.D. NUMBER 95-4558363
--	--------------------------------------

3. AGENCY TRANSMITTING AGREEMENT Department of California Highway Patrol	4. DIVISION, BUREAU, OR OTHER UNIT Business Services Section - CSU	5. AGENCY BILLING CODE 008076
---	---	----------------------------------

6. NAME AND TELEPHONE NUMBER OF CONTRACT ANALYST FOR QUESTIONS REGARDING THIS AGREEMENT
Melissa Hall (916) 843-3611 or mehall@chp.ca.gov

7. HAS YOUR AGENCY CONTRACTED FOR THESE SERVICES BEFORE?
 NO YES (If YES, enter prior contractor name and Agreement Number) Same
7C065002

8. BRIEF DESCRIPTION OF SERVICES - LIMIT 72 CHARACTERS INCLUDING PUNCTUATION AND SPACES
Unarmed Security Guard

9. AGREEMENT OUTLINE (Include reason for Agreement: Identify specific problem, administrative requirement, program need or other circumstances making the Agreement necessary; include special or unusual terms and conditions.)
Contractor to be the Secondary provider of the Statewide Master Service Agreement for Unarmed Security Guard Services in Region 4 and the Tertiary provider in Region 2. "Client Agencies" will issue subsidiary agreements based off this Zero Dollar Master.

CHP MSA Coordinator: Majken Larsen, (916) 843-3250
Contractor Service Contact: Michael Gerami, (408) 371-6505

Services shall commence on the start/effective date or upon approval by the Department of General Services, whichever is later. No services shall begin before that time.


10. PAYMENT TERMS (More than one may apply.)
 MONTHLY FLAT RATE QUARTERLY ONE-TIME PAYMENT PROGRESS PAYMENT
 ITEMIZED INVOICE WITHHOLD _____ % ADVANCED PAYMENT NOT TO EXCEED
 REIMBURSEMENT/REVENUE \$ _____ or _____ %
 OTHER (Explain) _____

11. PROJECTED EXPENDITURES FUND TITLE	ITEM	F.Y.	CHAPTER	STATUTE	PROJECTED EXPENDITURES
MV Account State Trans.	2720-001-0044	16/17	23	2016	\$0.00
MV Account State Trans.	2720-001-0044	17/18	pending	2017	\$0.00

OBJECT CODE AGREEMENT TOTAL \$ 0.00

OPTIONAL USE AMOUNT ENCUMBERED BY THIS DOCUMENT
\$ 0.00

I CERTIFY upon my own personal knowledge that the budgeted funds for the current budget year are available for the period and purpose of the expenditure stated above. PRIOR AMOUNT ENCUMBERED FOR THIS AGREEMENT
\$ 0.00

ACCOUNTING OFFICER'S SIGNATURE DATE SIGNED TOTAL AMOUNT ENCUMBERED TO DATE
 \$ 0.00

12. AGREEMENT	TERM		TOTAL COST OF THIS TRANSACTION	BID, SOLE SOURCE, EXEMPT
	From	Through		
Original	09/01/16	01/31/18	\$ 0.00	BID
Amendment No. 1			\$	
Amendment No. 2			\$	
Amendment No. 3			\$	
TOTAL			\$ 0.00	

(Continue)

AGREEMENT SUMMARY

STD. 215 (REV. 1-2014)

13. BIDDING METHOD USED:

- REQUEST FOR PROPOSAL (RFP) INVITATION FOR BID (IFB) USE OF MASTER SERVICE AGREEMENT
(Attach justification if secondary method is used)
- SOLE SOURCE CONTRACT EXEMPT FROM BIDDING OTHER *(Explain)*
(Attach STD. 821) *(Give authority for exempt status)*

NOTE: *Proof of advertisement in the State Contracts Register or an approved form STD. 821, Contract Advertising Exemption Request, must be attached*

14. SUMMARY OF BIDS (List of bidders, bid amount and small business status) (If an amendment, sole source, or exempt, leave blank)

See bid evaluation sheets attached.

15. IF AWARD OF AGREEMENT IS TO OTHER THAN THE LOWER BIDDER, PLEASE EXPLAIN REASON(S) (If an amendment, sole source, or exempt, leave blank)**16. WHAT IS THE BASIS FOR DETERMINING THAT THE PRICE OR RATE IS REASONABLE?**

Agreement was competitively bid, advertised on Bidsync, with twelve (12) bids received. Awarded to the lowest responsible bidder.

17 (a) JUSTIFICATION FOR CONTRACTING OUT (Check one)

- Contracting out is based on cost savings per Government Code 19130(a). The State Personnel Board has been so notified. Contracting out is justified based on Government Code 19130(b). Justification for the Agreement is described below.

Justification:

(3) The services contracted are not available within civil service, cannot be performed satisfactorily by civil service employees, or are of such a highly specialized or technical nature that the necessary expert knowledge, experience, and ability are not available through the civil service system. *The civil service classification for security guard does not meet the education and licensing requirements needed for this service. Security guards working under this agreement must possess a high school diploma or equivalent, driver's license or state issued identification card and be registered with the California Department of Consumer Affairs, Bureau of Security and Investigative Services.*

17 (b) EMPLOYEE BARGAINING UNIT NOTIFICATION

- By checking this box, I hereby certify compliance with Government Code section 19132(b)(1).

AUTHORIZED SIGNER:

P. Slone

DATE:

9.29.16

18. FOR AGREEMENTS IN EXCESS OF \$5,000, HAS THE LETTING OF THE AGREEMENT BEEN REPORTED TO THE DEPARTMENT OF FAIR EMPLOYMENT AND HOUSING?

- NO YES N/A

19. HAVE CONFLICT OF INTEREST ISSUES BEEN IDENTIFIED AND RESOLVED AS REQUIRED BY THE STATE CONTRACT MANUAL SECTION 7.10?

- NO YES N/A

20. FOR CONSULTING AGREEMENTS, DID YOU REVIEW ANY CONTRACTOR EVALUATIONS ON FILE WITH THE DGS LEGAL OFFICE?

- NO YES NONE ON FILE N/A

21. IS A SIGNED COPY OF THE FOLLOWING ON FILE AT YOUR AGENCY FOR THIS CONTRACTOR?

- A. CONTRACTOR CERTIFICATION CLAUSES B. STD. 204, VENDOR DATA RECORD
 NO YES N/A NO YES N/A

22. REQUIRED RESOLUTIONS ARE ATTACHED

- NO YES N/A

23. ARE DISABLED VETERANS BUSINESS ENTERPRISE GOALS REQUIRED? (If an amendment, explain changes, if any)

- NO *(Explain below)* YES *(If YES complete the following)*

DISABLED VETERAN BUSINESS ENTERPRISES: 3 % OF AGREEMENTS

Explain:

Client Agencies will issue subsidiary agreements. Contractor has committed to using 3% DVBE Participation.

24. IS THIS A SMALL BUSINESS CERTIFIED BY OFFICE OF SMALL BUSINESS AND DISABLED VETERAN BUSINESS ENTERPRISE SERVICES?

- NO YES *(Indicate Industry Group)* Service

SMALL BUSINESS REFERENCE NUMBER

1202700

25. IS THIS AGREEMENT (WITH AMENDMENTS) FOR A PERIOD OF TIME LONGER THAN TWO YEARS? (If YES, provide justification)

- NO YES

I certify that all copies of the referenced Agreement will conform to the original Agreement sent to the Department of General Services.

SIGNATURE/TITLE

M. Hall

DATE SIGNED

9/28/16