Subject: Agreement Number: 7C065002-0

Complete the following marked item(s) and return to the above address within ten (10) business days:

- STD. 213, Standard Agreement with attached exhibits. Sign and date the four (4) copies of the STD. 213 and return them to my attention for further processing. A copy will be returned to you when it is completed.
- STD. 213A, Standard Agreement Amendment. Sign both copies of the STD. 213A where indicated and return them to me for further processing.
- STD. 210, Short Form Contract. Please sign where indicated and return both copies for further processing. A fully executed copy will be returned to you once completed.
- Letter of Agreement. Sign both copies of the letter where indicated and return both copies at your earliest convenience.
- STD. 204, Payee Data Record. Complete and return.
- CCC, Contractor Certification Clauses. Complete and return.
- Obtain and forward the liability insurance certificate required by the terms of contract.
- Resolution, motion, order, or ordinance from the local governing body authorizing this agreement.
- STD. 807, Payment Bond. Complete and return one copy.
- Other:

Contract status:

☐ The enclosed agreement is signed on behalf of the Department of California Highway Patrol. Process and when approved, return an original to this office.
☒ The enclosed approved agreement is for your records. You are now authorized to provide services.

SANDRA BRADLEY
Contract Analyst

Enclosures
STANDARD AGREEMENT

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

   State Agency:
   Department of California Highway Patrol

   Contractor:
   Security Services USA, Inc.

2. The term of this Agreement is:

   07/01/2007

3. The maximum amount to be paid is:
   Zero Dollars

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

   Exhibit A - Scope of Work
   Exhibit B - Budget Detail and Payment Provisions
   Exhibit C - General Terms and Conditions
   Exhibit D - Special Terms and Conditions

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

CONTRACTOR

Security Services USA, Inc.

President:

Address:

SACRAMENTO, CA 95825

STATE OF CALIFORNIA

AGENCY NAME

Department of California Highway Patrol

Address:

Administrator:

P.O. BOX 4298, SACRAMENTO, CA 95808-0298

California Department of General Services Use Only

APPROVED

REV: 5/18/07

STATE OF CALIFORNIA

AGENCY NAME

Department of California Highway Patrol

Address:

Administrator:

P.O. BOX 4298, SACRAMENTO, CA 95808-0298

California Department of General Services Use Only

APPROVED

REV: 5/18/07

STATE OF CALIFORNIA

AGENCY NAME

Department of California Highway Patrol

Address:

Administrator:

P.O. BOX 4298, SACRAMENTO, CA 95808-0298
SCOPE OF WORK

1. Contractor agrees to provide to Department of California Highway Patrol (CHP), Master Services Agreement (MSA) for unarmed security guards services utilized by state agencies (Client Agencies) through subsidiary Agreements.

   A. Contractor is the first contingent for Regions 1 through 4. The regions are defined in Attachment 1.

   B. Liability insurance and dishonesty bond requirements contained herein will be required before the execution of a subsidiary contractor with a Client Agency.

2. The services shall be performed at: □ If checked see attached for additional service locations.

   The state agency locations utilizing the MSA.

3. The services shall be provided during:

   hours required by the Client Agencies’ subsidiary Agreements.

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

<table>
<thead>
<tr>
<th>STATE AGENCY</th>
<th>CONTRACTOR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Department of California Highway Patrol</td>
<td>Securitas Security Services, USA, Inc.</td>
</tr>
<tr>
<td>NAME</td>
<td>NAME</td>
</tr>
<tr>
<td>Renita Ward</td>
<td></td>
</tr>
<tr>
<td>TELEPHONE NUMBER</td>
<td>FAX NUMBER</td>
</tr>
<tr>
<td>(916) 445-0752</td>
<td>(916) 323-0079</td>
</tr>
<tr>
<td>TELEPHONE NUMBER</td>
<td>FAX NUMBER</td>
</tr>
<tr>
<td>(916) 569-4500</td>
<td></td>
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</table>

Direct all inquiries to:

<table>
<thead>
<tr>
<th>STATE AGENCY</th>
<th>CONTRACTOR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Department of California Highway Patrol</td>
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<tr>
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<td>Field Support Services</td>
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<td>ATTENTION</td>
<td>ATTENTION</td>
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<tr>
<td>Renita Ward</td>
<td></td>
</tr>
<tr>
<td>ADDRESS</td>
<td>ADDRESS</td>
</tr>
<tr>
<td>P.O. Box 942898, Sacramento, CA  94298-0001</td>
<td>2045 Hurley Way, Suite 175, Sacramento, CA  95825</td>
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<td>TELEPHONE NUMBER</td>
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<td>FAX NUMBER</td>
</tr>
<tr>
<td>(916) 569-4500</td>
<td></td>
</tr>
</tbody>
</table>
5. Detailed description of work to be performed:

a. Contractor shall provide unarmed, uniformed security guard services to Client Agencies, through subsidiary contracts executed by the Client Agencies. Contractor will provide the services described herein pursuant to the terms and conditions of the MSA and all specific requirements of the subsidiary contracts.

b. Contractor shall assign one Project Manager, a principal officer, along with the telephone number, who is not a uniformed security guard. The Project Manager will meet with the CHP Contract Coordinator and/or Client Agency designee, as often as requested. On a monthly basis, the Project Manager shall fax, email or mail updated information as to the locations serviced (including addresses), number of guards, hours/shifts worked, emergency contact telephone number and name (and alternate) to the CHP Contract Coordinator. The Project Manager must be able to meet upon 24 hours notice.

c. 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 in file at Contractor’s place of business. Failure to do so may result in the termination of the MSA and all subsidiary contracts.

Contractor’s guard personnel must meet the following qualifications before their initial assignment:

1. Contractor employees providing services under this contract must be registered with the California Department of Consumer Affairs, Bureau of Security and Investigative Services, as a security guard. The security guard must carry with him/her at all times the permanent guard registration card issued by the California Department of Consumer Affairs. Contractor is responsible for ensuring the continued currency of all required registrations, licenses, and/or permits required of its employees. Temporary guard cards are not acceptable.

2. All unarmed security guards must have at the time of assignment and carry in their possession while on duty, a valid California Driver License or a California Identification Card issued by the Department of Motor Vehicles. If driving is a requirement for the assignment, a valid California Driver License is mandatory.

3. 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.

4. All guards assigned to work under this MSA shall have a physical examination within six months of their assignment and must be in good physical condition, which enables him/her to perform the full range of security work. Guards must be fully capable of performing work requiring moderate to arduous physical exertion under either normal or emergency conditions. Guards shall possess a good distance vision in each eye corrected to 20/30 on the Snellen Chart. They 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. Any hearing loss is not to exceed 30 decibels in both ears or 35 decibels in the poorer ear.

(5) All guards assigned to a Client Agency under this MSA shall successfully pass a pre-employment drug screen examination within six (6) months of their assignment. The screen must have the ability to detect the use of: marijuana, cocaine, heroine, amphetamines, opiates, and benzodiazepines. Client Agencies have the right to inspect the drug examination results.

d. Guards must be mentally alert and capable of exercising good judgment, implementing instructions, and assimilating necessary specialized training.

e. In addition to required Department of Consumer Affairs training, and prior to their initial assignment, guards shall complete the following training:

(1) First Aid and CPR and maintain current certification. (Copy of the First Aid/CPR certification/completion document shall be furnished to the Facility Security Coordinator.) The certification cards must be carried while on duty.

(2) Security and emergency procedures, crowd control, irate/hostile individual and public relations.

(3) Client Agencies may require that assigned 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.

(4) If required by the Client Agency, guards shall sign a document indicating the guard understands, and conforms with state or Client Agency policy.

Time spent by the guard in state-sponsored training will be compensated at the contract rate. Client Agencies may also require successful completion of training for guards assigned to monitor and operate electronic computer and/or alarm and communication systems.

Client Agencies as well as the CHP Contract Coordinator have the right to inspect any training documentation that is retained at the Contractor’s place of business.

f. Substandard performance of any kind will not be allowed. The Client Agency reserves the right to refuse or reject any assigned guard, who, in the agency's belief, fails to meet the minimum requirements set forth in this MSA. If a guard is rejected by any Client Agency, the Contractor will not use that particular guard at any other state agency location. If a guard is deemed unfit while on duty, the Contractor shall make every effort to replace that guard as soon as possible, but no later than two 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. 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 security services without disruption to their agency or site. The costs incurred to replace the guards will be deducted from any amounts due the Contractor by the Client Agency. The Client Agency will
submit a copy of the bill to the Contractor showing the actual costs for services, and that amount will be deducted from any balance due the Contractor.

(1) Contractor shall replace such guard with a guard who meets all state agency requirements as set forth in this agreement and provide a monthly report to the CHP Contract Coordinator of all guards rejected for service under this MSA.

(2) Contractor shall maintain a pool of guards who have been trained to work at state agencies and are approved by the state agencies to serve as replacement guards. Contractor will be responsible to ensure the replacement guards are appropriately trained in the particular state agency location. Under these circumstances, Contractor is responsible for any additional payment to the guard required to work overtime.

(3) If additional guards are required at the location, the state agency shall be responsible for notifying Contractor as soon as possible. Contractor shall make every reasonable effort to provide the additional qualified guard(s) within two working days of receiving such notice. The Client Agency contract shall be amended to reflect the change in service as soon as possible.

(4) In the event Contractor fails to provide contractually agreed upon guard services, the state agency has the right to hire the services of a law enforcement agency or another security guard company. The Client Agency will submit a copy of the bill to Contractor showing the actual costs for services and that amount will be deducted from any balance due Contractor.

g. This contract will provide two categories of security guards: Security Guard 1 (SG1) and Security Guard 2 (SG2).

(1) Typical SG1 duties include, but are not limited to: monitoring the entry and exit of personnel at state facilities, inspecting facilities to ensure doors, windows, and roofs are secure, protecting state property and theft prevention by physical presence while making security checks throughout state 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.

(2) 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. The Client Agency may assign other complex duties related to security services as deemed necessary. The SG2 will receive a minimum of 40 hours of Client Agency sponsored formal training.

h. Contractor shall adequately supervise its guards assigned under the provisions of this MSA during each 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 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).

(1) Contractor shall have and maintain a minimum ratio of one CGS to approximately 20 security guards while performing duties related to this contract for agencies that do not
contract for a SGS and/or SGM. At state facilities, which employ a SGS and SGM and require 24-hour, seven days a week coverage, Contractor’s coordinator shall conduct unannounced visits of all stations. The CGS shall be included in the cost for the security guard services at no additional cost to the Client Agency.

(2) Contractor's CGS shall conduct one unannounced visit each day at each location where security guards are scheduled on site. 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 contract. The sign-in log shall be updated each shift and remain at the Client Agency work site.

(3) The SGS will be the first-line class of supervision for SG1 and SG2. The duties will include, but may not be limited to, all of the requirements as outlined in Item h. The SGS will also perform various supervisory responsibilities including, contract liaison to the Client Agency, prepare shift schedules, train replacement guards, ensure post orders are updated and complete, inspect and ensure security guards are in compliance with all contract requirements, ensure and review security guard reports, and discipline security guards, when necessary. 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 20, unless approved in writing by the Client Agency, but not less than two based on the needs of the Client Agency and the complexity of the assignment.

i. The SGM shall be the highest level of contractor supervision allowed at a Client Agency site. The SGM will supervise no more than ten SGSs, unless approved in writing by the Client Agency, and not less than one. 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.

j. While on duty, all Contractors’ employees shall wear at all times Contractor’s complete uniform which, if required by applicable local ordinance(s), 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.

(1) All such uniforms and equipment shall be provided to Contractor employees without direct expense to the State of California or expense to the individual employee.

(2) Contractor shall provide employees, without cost to the employee, a minimum of three complete sets of uniforms, which consists of three shirts (with appropriate patches and/or markings), three trousers (with appropriate trim), and/or three pairs of shorts (with appropriate trim) if assigned to bike patrol when the weather permits, one company jacket with appropriate patches, one badge, and one name tag. Each guard shall receive replacement uniforms as necessary to maintain a neat appearance.

(3) Guards may wear company hats only when outdoors, and shall wear badges, company designation patches and name tags at all times.

(4) Guards shall keep their uniforms in good condition, free from tears, cleaned, and pressed.
(5) The uniform shall be tailored to properly fit the security guard.

(6) Jackets, wind breakers, or sweaters are allowed provided the outermost garment contains the Contractor’s identification, and the colors are consistent with the uniform.

(7) Skirts are not permitted.

(8) 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.

(9) Leather gear, shoes and metal equipment shall be clean and polished.

(10) 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 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. High-heel, open-toe shoes or sandals are not permitted.

(c) General: Wrist watches, medical or identification bracelets, rings and earrings 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. Only post-type earrings may be worn.

k. Contractor shall maintain a 24-hour dispatch center. A dispatcher shall be on duty and at the dispatch console at all times.

(1) The dispatcher shall have the capability of transmitting to and receiving communication from all on-duty security guards. Contractor shall equip each guard with a two-way radio and “holster” or cellular telephone where radio communications are not feasible.

(2) The radio and/or cellular telephone shall provide direct contact between the guard(s), their supervisors, and the Contractor’s dispatch center at no additional cost to the state agency.

(3) 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)

(4) 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.

(5) All communication equipment must comply with 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.

(6) 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.

(7) For the purpose of receiving direct communication from Client Agency personnel 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.

(8) It will be the responsibility of each guard to transfer possession of any state-owned communication equipment to the next guard on duty. Failure to transfer equipment to the next guard as required by the specific terms of the subsidiary contracts may result in the replacement of the guard and may be deemed a material breach of the contract.

l. Contractor shall ensure that all guards assigned under the provisions of this MSA meet the following standards of conduct and appearance:

(1) Guards shall maintain clean, neat appearance and a courteous attitude.

(2) Guards shall keep their uniforms in good condition, cleaned and pressed, and shall wear a complete uniform while on duty.

(3) Guards shall keep all equipment clean and in good condition.

(4) Guards shall maintain high visibility, answer routine questions for directions and handle minor problems.

m. Contractor shall ensure that while on duty at the state facility, guards shall not:

(1) Carry firearms, batons, handcuffs, knives, saps, brass knuckles, stun-gun, taser, oleoresin capsicum (pepper) spray, or any tear gas agent at any time while on-duty. This includes, but is not limited to, the employee’s vehicle or locker on the Client Agency site.

(2) Listen to radios, police scanners, or any other audio medium that is not directly job-related.

(3) Watch television.

(4) Read any materials which are not job-related.
(5) Use state telephones or any other electronic equipment for other than state business.

(6) Leave their area of responsibility.

(7) Entertain personal visitors.

(8) Be under the influence of illegal drugs or alcohol.

(9) Be under the influence of any prescribed or over-the-counter medications which inhibit job performance in accordance with the specifications set forth herein. The Client Agency shall be notified by the Contractor of all guards taking medicine and the type of medication being taken.

(10) Display a discourteous, abrupt, abrasive, or belligerent attitude.

(11) Use or tamper with agency equipment, such as computers, calculators, FAX machines, etc., not necessary for the performance of the guard services or disturb workstations located in the state facility in any manner.

(12) Use any employee workstation other than those designated for the guard’s use.

(13) Fraternize with state employees or members of the public.

(14) Sleep while on duty.

(15) Present them as, or identify themselves as an employee of the State of California.

(16) Express or interpret policies, statements, and/or opinions of Client Agencies to the media, or to the public.

n. Client Agencies may require bicycles and/or vehicles for security guards and supervisory personnel to monitor facilities, grounds, and parking lots. These requirements must be written in the subsidiary agreements.

(1) **Bicycles** - Client Agencies may require guards to patrol parking areas and/or multiple sites in a close proximity. The specifications and specific types of bicycles will be determined by the Client Agencies and bicycles shall be maintained in accordance with the manufacturer’s recommendations. Client Agencies have the option of providing the bicycles for the contractor including necessary safety equipment such as helmets, bike flags, safety vests, bike locks, baskets, and any additional equipment deemed necessary. If the bicycle is provided by Contractor, Contractor shall be reimbursed based on rental rates which are consistent with those generally applicable in the same area.

(2) **Vehicles** - Client Agencies may require guards to patrol parking areas and/or multiple sites. The vehicles will contain an automatic transmission, heater and air conditioning and shall be maintained in accordance with the manufacturer’s recommendations. If the motor vehicle is provided by Contractor, Contractor shall be reimbursed based on rental rates which are consistent with those generally applicable in the same area. Contractor shall maintain motor vehicle liability with limits of not less than $1,000,000.00 per accident. Such insurance shall cover liability arising out of a motor vehicle including owned, hired, and non-owned motor
(3) vehicles. Client Agencies have the option of providing the vehicle for Contractor including vehicle radios if necessary, and any additional equipment deemed necessary.

o. Overtime and hours worked on a holiday must be expressly authorized by the Client Agency. Overtime and hours worked on a holiday will be calculated and paid at a factor of 1.5 times the (unit hourly rate minus the mandatory benefits) for the classification of the employee required. Contractor is entitled to claim holiday and overtime rates only in the event it pays its employee overtime and holiday rates at a factor of 1.5 for those times Contractor claims such rates. **In no event will Contractor charge overtime to Client Agency if Contractor fails to meet staffing obligations as outlined in the subsidiary contract executed between contractor and Client Agency.**

(1) Overtime will be credited on a one-quarter of an hour basis with a full quarter hour credit to be granted if half or more of the period is worked. In order to provide a consistent means of calculating time expended, the following time increments will govern overtime compensation:

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<tr>
<th>Actual overtime worked in minutes</th>
<th>Overtime Compensable in fraction of hour</th>
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<tr>
<td>8 to 22</td>
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<td>38 to 52</td>
<td>.75</td>
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<td>53 to 60</td>
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p. **State Holidays** - Unless expressly required and authorized by Client Agency in its subsidiary agreement to this MSA, no work will be performed on state holidays.

(1) State holidays are as follows:

New Year's Day  
Martin Luther King, Jr. Day  
Lincoln's Birthday  
President's Day/Washington's Birthday  
Cesar Chavez Day  
Memorial Day  
Independence Day  
Labor Day  
Columbus Day  
Veterans Day  
Thanksgiving (Thursday and Friday)  
Christmas Day

State holidays are subject to collective bargaining and may change during the term of this MSA.

q. Contractor and assigned contract personnel will cooperate with the CHP, local police, and state 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.
EXHIBIT A  
(Standard Agreement)

(1) Any incident which results in Contractor’s personnel contacting emergency services, including but not limited to, police, fire or medical, Contractor shall, no later than the next business day, contact the CHP Contract Coordinator at telephone (916) 445-0752, extension 2420. Within three business days after the incident, Contractor shall provide the CHP Contract Coordinator with a written summary of the incident.

r. 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:

(1) Assault, burglary, robbery, vandalism, or any suspicious activities.

(2) A seriously injured or ill person, i.e., heart attack, stroke, or seizure.

(3) Fire or smoke.

(4) Any other conditions as identified by the Client Agencies.

(5) Guards shall complete the appropriate report for each occurrence as required in the subsidiary contract.

s. Short-Term Cancellation Policy: The state is not responsible for closures due to emergencies, including but not limited to: fire, acts of nature, or governmental action. Whenever possible, Client Agencies shall provide 24-hour notice to security guard(s) if it is know the office will be closed. No payment will be made if a security guard reports to work when the office is closed.
EXHIBIT B
(Standard Agreement)

BUDGET DETAIL AND PAYMENT PROVISIONS

1. **INVOICING AND PAYMENT**: For services satisfactorily rendered and upon receipt and approval of the invoices, the State agrees to compensate the Contractor for actual expenditures incurred in accordance with the rates specified herein, which is attached hereto and made a part of this Agreement.

   Invoices shall include the Agreement Number and shall be submitted in duplicate not more frequently than monthly, in arrears, to:

   Name: As referenced by subsidiary Agreements
   Office: 
   Address: 

2. **BUDGET CONTINGENCY CLAUSE**: 

   A. It is mutually agreed that if the Budget Act of the current year and/or any subsequent years covered under this Agreement does not appropriate sufficient funds for the program, this Agreement shall be of no further force and effect. In this event, the State shall have no liability to pay any funds whatsoever to Contractor or to furnish any other considerations under this Agreement and Contractor shall not be obligated to perform any provisions of this Agreement.

   B. If funding for any fiscal year is reduced or deleted by the Budget Act for purposes of this program, the State shall have the option to either cancel this Agreement with no liability occurring to the State, or offer an Agreement Amendment to Contractor to reflect the reduced amount.

3. **Prompt Payment Clause**

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

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</tbody>
</table>
EXHIBIT D
(Standard Agreement)

1. The CHP reserves the right to cancel this Agreement with thirty (30) days advance written notice to Contractor.

2. The CHP shall suspend any service provider, for a period of 360 calendar days, from competing in future IFB's when the service provider has demonstrated unsatisfactory performance in complying with or completing previously awarded Agreements.

3. If Contractor shall be temporarily unable to provide services, the state, during the period of Contractor's inability to provide services, reserves the right to accomplish the work by other means and shall be reimbursed by Contractor for any costs above the agreement rate.
ADDITIONAL PROVISIONS

1. CONTRACTOR’S ADMINISTRATIVE RESPONSIBILITIES

a. Contractor shall bill each Client Agency, monthly in arrears, for services provided pursuant to any subsidiary agreements entered into under this MSA. Payment for contracted services will be made within forty-five (45) calendar days from the date of receipt of a properly submitted invoice. The number of copies required by the agency will be submitted to the Client Agency designee listed under each separate subsidiary contract. 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 (Guards and Supervision) required at Service Location.
(5) Amount billed for Service Period.
(6) Client Agencies may require under the terms and conditions of their subsidiary contracts, additional invoicing information and/or format. Contractor shall be required to provide Client Agency invoices to the CHP as requested.

The CHP is not obligated under this MSA to pay Contractor for services rendered to Client Agencies under any subsidiary contract.

b. Security guards wages, benefits and taxes:

(1) All security guards and supervisory personnel assigned by 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 associated with employment by Contractor.

(2) Contractor shall pay all security guards assigned under the provisions of this MSA a minimum wage and benefit rate which will not undercut, at any time, the state's wage and benefit rate for unarmed security guards.

(3) Vacation benefits shall be provided for all employees under this contract per Government Code 19134. The vacation benefit is tied to the SG1 pay rate and will be increased in conjunction with state mandated pay rate increases. The vacation benefit is included in the blended benefit rate.

(4) In the event the state's wage rate increases, the “Unit Hourly Rate” for SG1 will increase by the same percentage and the Contractor shall increase the rate it pays its security guards and supervisory personnel under this contract by the same percentage. Such an increase is required so as not to significantly undercut the state pay rate.
EXHIBIT E
(Standard Agreement)

(5) 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 contracts.

c. Contractor shall possess the licenses and permanent guard registration cards required by the California Department of Consumer Affairs, Bureau of Security and Investigative Services.

(1) 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, the MSA will be subject to immediate termination by the CHP.

(2) All unarmed security guards assigned by Contractor under this MSA shall be registered and shall have a current and valid permanent guard registration, First Aid, CPR and California Driver License or California Identification Cards in their possession while on-duty.

(3) All required cards listed in Item 1.c.(2) must be presented to Client Agencies or CHP upon demand. If Contractor's unarmed security guard is unable to present his/her guard registration card upon demand, he/she will be relieved from duty and Contractor shall provide an unarmed security guard who has appropriate cards in his/her possession. The MSA is subject to immediate cancellation if Contractor is unable to provide unarmed security guards with all required cards. Temporary cards are not acceptable.

(4) Contractor shall also maintain all other business and professional licenses that may be required by federal, state, and local codes.

d. Contractor shall meet the specific requirements of each Client Agency with which it enters into a subsidiary contract to the extent such requirements do not conflict with the substantive terms and conditions of the MSA. To that end, Contractor shall supply the number of guards and the level of security services requested by the Client Agency.

e. Contractor shall notify the Client Agency designee as soon as Contractor becomes aware of a guard’s absence or delay. In no event shall more than two hours elapse before Contractor provides an alternate qualified guard.

f. Client Agencies reserve the right to request replacement of any guard who, in the judgment of the Client Agency, is unfit for assignment. If a guard is deemed unfit while on duty, Contractor shall make every effort to replace that guard as soon as possible, but no later than two hours after notification, with a guard who meets all requirements.

(1) If the Client Agency requests replacement of all guards, Contractor shall replace them within two (2) state business days of receiving such request.

(2) If a guard is rejected by any Client Agency for non-compliance with any requirement of this MSA, Contractor shall not use that guard at any other state location. Client Agencies shall notify Contractor, in writing, as to the reason why the guard is not fit for the assignment.
(3) Contractor shall make every reasonable effort to provide the additional qualified guard(s) within two (2) state working days of receiving such notice.

g. In the event Contractor fails to provide contractually agreed upon guard services, the Client Agency has the express right to hire the services of a law enforcement agency or another security guard company. Client Agency will submit a copy of the bill to Contractor showing the actual costs for service, and that amount will be deducted from any balance due Contractor.

h. 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 within 24 hours of the incident will result in a $250 payment, as liquidated damages, to the Client Agency from Contractor, and may include other actions the Client Agency deems necessary.

(1) Guards shall be required to prepare incident reports pursuant to the terms of the subsidiary contract. 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 Office of Buildings and Grounds, or the landlord, be notified in order to affect immediate repairs.

(h) Report any accidents or injuries.

(i) Any other reporting requirements will be identified in the Client Agencies’ subsidiary contracts.

i. Contractor shall use its Federal Tax Identification Number contained on the front page of the MSA on each subsidiary contract entered into with each Client Agency.

j. Without the written consent of the CHP, this MSA is not assignable by Contractor either in whole or in part.

k. 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 Contractor, its subcontractors, its agents or employees.
(1) Such excluded causes may include, but are not limited to, fire, strike, acts of nature, or governmental action.

(2) In addition, Contractor shall be responsible for fully reimbursing the CHP and/or Client Agency for any and all damage caused by Contractor, its subcontractors, its employees 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 damage caused by Contractor's guards, employees, subcontractors or agents.

1. Contractor agrees to indemnify, defend and save harmless the state, its officers, agents and employees from any and all claims and losses accruing or resulting to any and all contractors, subcontractors, material men, laborers and any other person, firm or corporation furnishing or supplying work services, material 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 who may be injured or damaged by Contractor in the performance of this contract.

m. Contractor, at its own expense, shall maintain (1) Workers’ Compensation Insurance in compliance with California Labor Code, Section 3700, and (2) Automobile and General Liability Insurance which must include personal injury coverage throughout the term of this MSA for each subsidiary contract issued under this MSA.

(1) Contractor shall submit, as required to each Client Agency, original Certificates of Insurance for both Workers’ Compensation Insurance and Automobile, and General Liability Insurance and must show "occurrence" coverage. If a syndicate is used, the syndicate's name must be included.

(2) In the case of Workers’ Compensation Insurance, a certificate of consent to self insure issued by the Department of Industrial Relations is also acceptable. Both types of insurance must be issued by an insurer with a minimum Best Classification Rating of B + V, or equivalent as determined and deemed acceptable by the Department of General Services, Office of Risk and Insurance Management.

(3) Contractor must maintain general liability with limits of not less than $5,000,000 per occurrence for bodily injury and property damage liability combined. The 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 contract. 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 $10,000,000. When a Contractor operates more than one location the aggregate limit of liability shall apply on a per location basis for all insured locations. This can be accomplished in one of the following manners:

(a) Contractor shall maintain motor vehicle liability with limits of not less than $1,000,000 per accident. Such insurance shall cover liability arising out of a motor vehicle including own, hire, and/or non-owned motor vehicles.

(b) Contractor shall maintain workers’ compensation coverage in accordance with statutory law. Furthermore, the successful bidder will provide employers’ liability coverage in the following minimum amounts:
EXHIBIT E  
(Standard Agreement)

1. Bodily injury by accident - $1,000,000 each accident.
2. Bodily injury by disease - $1,000,000 per employee.
3. Bodily injury by disease - $1,000,000 policy limit.

The above coverage shall be maintained for all employees who will be engaged in the performance of the contract, including special coverage extensions where applicable.

(c) Certificate of Insurance must also contain all of the following provisions:

1. In the event any of the above-described insurance coverage expires during the term of this MSA, Contractor agrees to provide to the CHP at least thirty (30) days prior to said expiration date, a new certificate of insurance evidencing coverage as provided for herein for not less than one (1) year or the remainder of the term of this MSA, whichever is greater.

2. Name and address of the insurance company, the policy number, and the beginning and ending dates of the policy.

3. Statement requiring the Insurer to provide written notice to the CHP thirty (30) days prior to canceling Contractor's policy.

4. Statement that the State of California, its officers, agents, servants and employees are included as additional insured on the policy, but only insofar as the services under this MSA are concerned.

5. Statement that neither the State of California, nor any of its agencies, will be responsible for any premium or assessment on said policies.

(d) In the event Contractor fails to keep the insurance coverage as herein prescribed in effect at all times during the term of this MSA, the CHP may, in addition to any other remedies it may have, terminate this MSA and all resulting subsidiary contracts, effective the last day of insurance coverage.

n. Evidence of coverage for employee dishonesty bond in an amount of at least $25,000.00 to cover any loss to the state due to any act or omission on the part of contractor, its agents and employees, and its subcontractor(s) or any officer, employee or agent thereof.

o. Contractor agrees to give priority consideration in filling vacancies in positions funded by subsidiary contracts over $200,000 to qualified recipients of aid under Welfare and Institutions Code, Section 11200 (Public Contract Code Section 10353).

p. Contractor and the agents, subcontractors, and employees of Contractor, in the performance of the MSA, shall act in an independent capacity and not as officers or employees or agents of the State of California.
q. Contractor, by signing this MSA, does swear under penalty of perjury, that no more than one final non-appealable finding of contempt of court by a federal court has been issued against the Contractor within the immediately preceding two-year period because of Contractor’s failure to comply with an order of the federal court which orders Contractor to comply with an order of the National Labor Relations Board (Public Contract Code, Section 10296).

r. Contractor agrees to 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.

s. Contractor agrees that the State Auditor, CHP or its designated representative, shall have an absolute right of access to all of 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 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 contract, whichever is later.

t. Contractor agrees to recognize the mandatory standards and policies relating to energy efficiency in the State Energy Conservation Plan, Title 23, California Administrative Code, as required by the United States Energy Policy and Conservation Act (Public Law 94-165).

u. 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.

Contractor and subcontractors shall comply with the provision of the Fair Employment and Housing Act (Government Code, Section 12900 et seq.) and the applicable regulations promulgated there under (California Code of Regulations, Title 2, Section 7285.0 et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code, Section 12990 (a-f), set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations are incorporated into this contract by reference and made a part hereof as if set forth in full. Contractor and its subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have collective bargaining or other MSA. Contractor shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under the MSA.

v. Upon expiration of this MSA, Contractor shall meet with any new security service provider(s) and make all reasonable efforts to assure an effective transfer of services.

w. 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 Contractor fails to perform under the terms and conditions of the MSA.
x. Contractor shall report to the CHP Contractor Coordinator, any changes, additions, or deletions of service for all locations serviced statewide.

2. CLIENT AGENCY’S RESPONSIBILITIES

a. Client Agencies can not delete, modify or change the terms and conditions of the MSA.

b. Pursuant to this MSA, Client Agencies may contract with Contractor for services at the Unit Hourly Rate set forth herein. Client Agencies will use the STD. 213, Standard Agreement, when contracting with the Contractor. The CHP makes no guarantee as to the actual hours, if any, to be contracted for by various state agencies. The CHP and Client Agencies reserve the right to reduce or increase security service hours as required, at the contract rate. Such changes must be made by written contract amendment prior to implementation. Services are to be provided to any Client Agency requesting them without limitation.

(1) Each Client Agency will set forth its requirements in its subsidiary contract with the Contractor. Individual subsidiary agreements may be terminated by a Client Agency upon thirty (30) days prior written notice to Contractor. A copy of said termination notification shall be provided to the CHP Contract Coordinator within seven (7) working days.

(a) The following information should be contained in each subsidiary contract entered into between Contractor and Client Agency:

(b) Client Agency's name, contact person, and telephone number.

(c) The service location(s).

(d) The shift times.

(e) The number of guards per shift, required classes of guards and/or supervision, and applicable hourly rates for each level of guard and/or level of supervision.

(f) Name of Subcontractor, with a copy of subcontract, if applicable.

(g) Reference to MSA number and inclusion of MSA as part of the Agreement.

(h) Term of Agreement.

(i) Total dollar amount.

(j) Client Agency’s additional terms and conditions.
EXHIBIT E
(Standard Agreement)

(2) Client Agencies shall be required to submit a copy of the fully approved signed copy of each subsidiary contract and/or amendment to:

Department of California Highway Patrol
Enforcement Services Division
Attention: Renita Ward
P. O. Box 942898
Sacramento, CA 94298-0001

(3) Any incident which results in Contractor’s personnel contacting emergency services, including, but not limited to, police, fire or medical, Client Agency shall notify, no later than the next business day, the CHP Contract Coordinator at (916) 445-0752, extension 2420. Within three business days after the incident, the Client Agency shall provide the CHP Contract Coordinator with a written summary of the incident.

(4) Each Client Agency shall be responsible for the acts and omissions of its own personnel.

c. Each Client Agency shall provide a project coordinator who will be the main contact with the CHP Contract Coordinator, and the Contractor Project Manager.

d. The particular needs of each Client Agency are unique and will vary between contracts. Each Client Agency entering into a subsidiary contract 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.
Telephone use.

Client Agencies may have additional requirements. All specific requirements will be detailed in the subsidiary contract.

NOTE: Receipt and delivery of medical and/or hazardous materials does not fall within the range of duties performed by security personnel under this contract.

Client Agencies may require security services of any duration. Contractor shall supply the number of guards and the level of security services required by Client Agency.

e. 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 contract from Client Agency to Contractor. All changes or additions to the security guard instructions will originate with Client Agency. Client Agencies shall provide CHP Contract Coordinator written notification of each newly enrolled state location.

f. 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 guards assigned. Failure to provide this information, if requested, may result in termination of the subsidiary contract.

g. CHP and Client Agency reserve the right to disapprove the continuing assignment of guards and related personnel provided to Client Agency under this MSA if such personnel’s performance is, in CHP’s or Client Agency’s opinion, unsatisfactory as determined by the standards set forth in this MSA. If CHP or Client Agency exercises this right, Contractor shall immediately assign replacement personnel. Guards not meeting the standards cannot be assigned to another state location. Client Agency shall notify Contractor, in writing, as to the reason why the guard is not fit for the assignment.

h. CHP, Client Agencies, and all authorized state control agencies shall have access to all internal and external reports and documents used by Contractor in the operation and administration of this MSA.

i. Client Agencies shall advise Contractor on all safety and health-related requirements and procedures, in writing, at the time of entering into the subsidiary agreement, and periodically as necessary, to assure that 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).

j. Client Agencies cannot delete, modify or change the terms and conditions of this MSA.
## ATTACHMENT 1

### SERVICE REGIONS

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EMPLOYEE BENEFITS COMPLIANCE REQUIREMENT

1. 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.

2. The benefit rate is published by the Department of Personnel Administration (DPA) February 1st of every year and is effective until January 31st of the following year. If the rates should change during a contract period, contracts will be amended to reflect the rate change with an effective date retroactive to the date the rate changes. For purposes of this contract, the blended benefit rate will apply. The blended rate currently is $6.66 per hour, per employee. This hourly benefits rate shall be added to the hourly pay rate of each employee. Administrative, solely supervisory, or other support personnel are not covered.

3. Benefits/cash-in-lieu rates are calculated on a per-hour basis. Employees covered by GC Section 19134 shall be paid applicable benefits or cash-in-lieu payments for each hour of service they perform on the covered state contract (excluding overtime).

4. Compliance with this benefit provision may be accomplished by one of the following:
   a. Providing a benefits plan to employees:
      Contractors electing to provide actual benefits (vs. cash in-lieu) to their employees must provide evidence of benefit coverage prior to contract execution. Evidence shall consist of the name and address of the insurance company, insurance company telephone number or a signed statement on company letterhead that the contractor is self-insured, or
   b. Cash payment equal to the blended rate, or
   c. Combination of a benefit plan and cash payments which together equal the blended rate.

5. 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:
   a. The number of employees who received benefits and/or cash payments.
   b. The name of each employee who received benefits and/or cash payment.
   c. The number of hours each employee worked in the month.
   d. The amount paid to each employee for benefits and/or cash payments in the month.
   e. The total monthly cost of benefits and/or cash payments in the month.

6. Failure to comply with the provisions of GC Section 19134 will be deemed a material breach of this contract, which may result in contract termination at the state’s sole option.

7. This contract and all documents relating to implementation of GC Section 19134 are subject to audit by CHP, Department of General Services, Bureau of State Audits, and/or the state or its designee.
PAYEE DATA RECORD
(Required in lieu of IRS W-8 when doing business with the State of California)

NOTE: Governmental entities, federal, state, and local (including school districts) are not required to submit this form.

SECTION 1 must be completed by the requesting state agency before forwarding to the payee.

P.O. BOX 92188
10TH STREET PO BOX
SALT LAKE CITY, UT 84101

SECURITY SERVICES USA, INC.
2045 HUNTER WAY, SUITE 175
SAN JOSE, CA 95125

PAYEE ENTITY TYPE
- MEDICAL CORPORATION (2841)
- PARTNERSHIP
- EXPERIUM CORPORATION (Nominee)
- ESTATE OR TRUST
- ALL OTHER CORPORATIONS
- INDIVIDUAL/SOLE PROPRIETOR

SOCIAL SECURITY NUMBER (If INDIVIDUAL/SOLE PROPRIETOR BY AUTHORITY OF THE REVENUE AND TAXATION CODE, SECTION 16664 (CORPORATIONS))

NOTE: Statement by payee or agent of payee certifying that the information provided is true and correct. If any of this information changes, payee must promptly inform the requesting state agency.

I hereby certify under penalty of perjury that the information provided on this document is true and correct. If any of this information changes, payee will promptly inform the requesting state agency.

CERTIFYING SIGNATURE: [Signature]
DATE: [Date]

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CERTIFICATION

I, the official named below, CERTIFY UNDER PENALTY OF PERJURY, that I am duly authorized to legally bind the prospective Contractor to the terms(s) listed below. This certification is made under the laws of the State of California.

[Signature]

Printed Name and Title of Person Signing

Pete Niles, Area Vice President

Date Executed: October 27, 2005

CONTRACTOR CERTIFICATION CLAUSES

1. STATEMENT OF COMPLIANCE: Contractor has, unless exempted, complied with the non-discrimination program requirements (Gov. Code §12996 (h) and CCR, Title 2, Section 57201)) (Not applicable to public entities).

2. DRUG-FREE WORKPLACE REQUIREMENTS: Contractor will comply with the requirements of the Drug-Free Workplace Act of 1996 and will provide a drug-free workplace by taking the following actions:

   a. Publish a statement notifying employees that authorized manufacture, distribution, dispensing, 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:

      1) the dangers of drug abuse in the workplace;
      2) the persons 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. Every employee who works on the proposed Agreement will:

      1) receive a copy of the company's drug-free workplace policy statement, and,
      2) agree to abide by the terms of the company's statement as a condition of employment on the Agreement.

Failure to comply with these requirements may result in suspension of payments under the Agreement or termination of the Agreement, or both and Contractor may be ineligible for award of any future State agreements if the department determines that any of the following has occurred: the Contractor has made false certification, or violated the