

STATE OF CALIFORNIA
STANDARD AGREEMENT
CalPERS STD 213 (Rev 1/22/2025)

AGREEMENT NUMBER
2025-9476

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

STATE AGENCY'S NAME

California Public Employees' Retirement System

CONTRACTOR'S NAME

Sabot Technologies, Inc. dba Sabot Consulting

2. The term of this Agreement shall commence on July 1, 2025, or upon execution of the Agreement by all parties, whichever date is later, and end June 30, 2030.

3. The maximum amount of this Agreement is: \$ Undefined

4. THIS AGREEMENT IS ENTERED INTO BY AND BETWEEN THE CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM, HEREINAFTER "CALPERS", AND SABOT TECHNOLOGIES, INC. DBA SABOT CONSULTING, HEREINAFTER "CONTRACTOR", AS FOLLOWS:

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

CONTRACTOR

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

Sabot Technologies, Inc. dba Sabot Consulting

BY (Authorized Signature)

DocuSigned by:

Christopher Eaves

DATE SIGNED

4/17/2025

PRINTED NAME AND TITLE OF PERSON SIGNING

Christopher Eaves, President

ADDRESS

101 Parkshore Dr., Suite 100
Folsom, CA 95630

STATE OF CALIFORNIA

AGENCY NAME

California Public Employees' Retirement System

BY (Authorized Signature)

Michelle Lawson

DATE SIGNED

04/21/25

PRINTED NAME AND TITLE OF PERSON SIGNING

Michelle Lawson, Chief, Technology Business Management Division

ADDRESS

400 Q Street
Sacramento, CA 95811

*California Department of
General Services Use Only*

Exempt per:
Exempt from approval by the
Department of General
Services Per California
Constitution, Article XVI,
Section 17.

TABLE OF CONTENTS

SERVICE PROVISIONS	1
1. Services to be Provided	1
2. Key Persons	1
3. Changes in Control, Organization, or Key Persons	1
4. Term of Agreement	2
BUSINESS TERMS.....	2
5. Rights in Work Product	2
6. Attorneys’ Fees and Costs.....	4
7. Informal Dispute Resolution Process	4
8. Indemnification	4
9. Limitation of Liability.....	5
10. Intellectual Property in Deliverables; Intellectual Property Indemnity	6
11. Inspection, Acceptance, and Rejection	7
FINANCIAL PROVISIONS	8
12. Amount of Agreement	8
13. Invoices and Payments	9
14. Taxes.....	10
15. Budget Funding Provision	10
16. Use Tax Collection	10
COMPLIANCE PROVISIONS.....	10
17. Protection of Information Assets.....	10
18. Permits and Licenses.....	11
19. Reports and/or Meetings	12
20. Books and Records	12
21. Examination and Audit.....	12
22. Small Business and Disabled Veteran Business Enterprise Participation Goal	13
23. Small Business Participation and DVBE Participation Reporting Requirements	14
24. Nondiscrimination	14
25. Statement of Compliance – Nondiscrimination	15
26. Child Support Compliance Act.....	15

27.	Benefits for Domestic Partners	15
28.	Electronic Waste Recycling Act of 2003.....	15
29.	Sweatfree Code of Conduct	16
30.	Recycling Certification.....	16
31.	Priority Hiring Considerations	16
32.	Drug-Free Workplace	16
33.	Americans with Disabilities Act and Section 508 of the Rehabilitation Act.....	17
34.	National Labor Relations Board Certification.....	18
35.	Neutrality in Labor Organizing Activities.....	18
36.	Expatriate Corporations	18
37.	Contractor Compliance Audits and Validation / Security Awareness Training.....	18
REPRESENTATIONS AND WARRANTIES		19
38.	No Conflicts or Consents; Agreement Does Not Violate Law	19
39.	Due Organization.....	19
40.	Power and Authority	19
41.	Signature Authorization	20
42.	Assignment of Antitrust Actions	20
43.	Insurance Requirements	21
44.	Contract-Related Disclosure Requirements	21
TERMINATION AND REMEDIES.....		22
45.	Termination at CalPERS' Option.....	22
46.	Ancillary Issues Relating to Termination at CalPERS' Option.....	22
47.	Termination for Default	23
48.	Remedies in Case of Contractor Default	24
49.	Notice of Insolvency	25
50.	Legal Challenges to the Basis of Termination by CalPERS.....	25
51.	Effect of Termination	25
52.	Cumulative Remedies.....	26
CONTRACTOR AND PROCESS INTEGRITY PROVISIONS		26
53.	Gift and Political Contributions Disclosure	26
54.	Conflict of Interest.....	27

55.	No Benefit from Recommendations	28
56.	Business Continuity Plan	29
GENERAL PROVISIONS.....		29
57.	No Assignment or Delegation by Contractor	29
58.	Notice of Proceedings	29
59.	Subcontractors	29
60.	Joint and Several Liability.....	29
61.	Notices.....	30
62.	Publicity	30
63.	Timeliness.....	30
64.	Force Majeure	30
65.	Amendments	31
66.	Waivers.....	31
67.	Severability	31
68.	Incorporation of Amendments to Applicable Laws	31
69.	Titles/Section Headings.....	31
70.	Choice of Law	31
71.	Evaluation of Contractor	32
72.	Independent Contractor	32
73.	Counterparts	32
74.	Binding Effect.....	32
75.	Days	33
76.	Ambiguities Not Held Against Drafter.....	33
77.	Entire Agreement/Incorporated Documents/Order of Precedence.....	33
78.	Additional Documents.....	34
79.	Business Associate Agreement	34

ADDENDA

Information Technology (General) Addendum

Information Security Addendum

ATTACHMENTS

- A. Statement of Work**
- B. Fee Schedule**
- C. List of Key Persons and Resumes**
- D. CalPERS Gift Policy**
- E. Business Associate Agreement**
- F. Criminal Background Checks**

SERVICE PROVISIONS

1. Services to be Provided

Contractor agrees to provide the California Public Employees' Retirement System ("CalPERS") services in accordance with the terms and conditions set forth herein and as detailed in Attachment A, Statement of Work, which is attached hereto and by this reference incorporated herein.

2. Key Persons

A. "Key Persons" are identified as those individuals who are authorized to perform services under the Agreement. Key Persons will be identified at the time a Letter of Engagement. A copy of each individual Key Person's resume will be included as part of the Letter of Engagement.

B. CalPERS has the right to review and approve all Key Persons proposed by contractor at the time of the Letter of Engagement. Any individual not identified as a Key Person shall not perform services without CalPERS' prior written approval. Contractor shall not substitute, replace or reassign a Key Person without CalPERS' prior written approval.

3. Changes in Control, Organization, or Key Persons

A. Contractor shall promptly, and in any case within five (5) calendar days, notify CalPERS in writing:

- (i) if any of Contractor's representations and warranties, as set forth in this Agreement, cease to be true at any time during the term of this Agreement;
- (ii) of any proposed change in Key Persons;
- (iii) of any change in the majority ownership, control, or business structure of Contractor; or,
- (iv) of any other material change in Contractor's business, partnership or corporate organization.

B. All notices under this provision shall contain sufficient information to permit CalPERS to evaluate the changes. Contractor agrees to immediately provide CalPERS with such additional information as CalPERS may request with respect to any such change.

4. Term of Agreement

The term of this Agreement shall commence on July 1, 2025, or upon execution of the Agreement by all parties, whichever date is later, and end on June 30, 2030, unless terminated earlier in accordance with this Agreement.

BUSINESS TERMS

5. Rights in Work Product

- A. All inventions, discoveries, intellectual property, technical communications and records originated or prepared by Contractor pursuant to this Agreement including papers, reports, charts, computer programs, Deliverables and Documentation (collectively referred to as "Work Product"), but not including Contractor's administrative communications and records relating to this Agreement shall be CalPERS' exclusive property. This provision may be replaced in the Statement of Work/Letter of Engagement, if it is determined Contractor will own the Work Product.
- B. Software and other materials developed or otherwise obtained by or for Contractor or its affiliates independently of this Agreement or applicable purchase order ("Pre-Existing Materials") do not constitute Work Product. If Contractor creates derivative works of Pre-Existing Materials, the elements of such derivative works created pursuant to this Agreement constitute Work Product, but other elements do not. Nothing in this section will be construed to interfere with Contractor's or its affiliates' ownership of Pre-Existing Materials.
- C. In consideration of CalPERS' payment of fees pursuant to this Agreement, Contractor does hereby irrevocably sell, assign, transfer and convey to CalPERS, Contractor's entire right, title and interest, in and to the Work Product, including but not limited to, patents, trade secrets, trademarks, copyrights, moral rights, other intellectual property rights or other proprietary information embodied in or relating to the Work Product. Contractor retains no rights to use the Work Product and agrees not to challenge the validity of CalPERS' ownership in the Work Product. During the term of this Agreement and thereafter, Contractor hereby grants to CalPERS a non-exclusive, royalty-free, irrevocable and worldwide right, with rights to sublicense through multiple tiers of sublicensees, to make, use, sell, distribute, reproduce, make derivative works of, publicly perform, publicly display, or otherwise commercially exploit in any form or medium, whether now known or later developed, the Pre-Existing Materials used in connection with the Work Product for any purpose related to the use or exploitation of the Work Product.

- D. To the extent Contractor has any rights to the Work Product that cannot be assigned to CalPERS, Contractor unconditionally and irrevocably waives the enforcement of such rights, and all claims and causes of action of any kind against CalPERS with respect to such rights, and agrees, at CalPERS' request and expense, to consent to the use of such rights by CalPERS and its licensees. To the extent Contractor has any right to the Work Product that cannot be assigned to CalPERS or waived by Contractor, Contractor unconditionally and irrevocably grants to CalPERS during the term of such rights, an exclusive, irrevocable, perpetual, worldwide, fully paid and royalty-free license, with rights to sublicense through multiple levels of sublicensees, to make, use, sell, distribute, reproduce, make derivative works of, publicly perform, publicly display, or otherwise commercially exploit in any form or medium, whether now known or later developed, such rights.
- E. During the term of this Agreement and thereafter, Contractor shall, upon CalPERS' request, render reasonable cooperation to CalPERS in the procurement and maintenance of CalPERS' rights in the Work Product, and to execute, acknowledge, deliver and/or file any and all documents necessary or useful to vest in CalPERS all of Contractor's right, title and interest in and to the Work Product throughout the world, including the litigation of any applicable intellectual property rights, and shall further execute an assignment of copyright upon CalPERS' request. In the event CalPERS is unable for any reason whatsoever to secure a signature on behalf of Contractor to any document it believes necessary or useful in order to apply for or execute any patent, copyright or other application with respect to the Work Product, Contractor hereby irrevocably designates and appoints CalPERS and its duly authorized officers and agents as Contractor's agents and its attorneys-in-fact to act for and on its behalf and instead of it, to execute and file any such application and to do all other lawfully permitted acts to further the prosecution and issuance of patents, copyrights or other rights therein with the same legal force and effect as if executed by Contractor.
- F. Any Work Product developed by Contractor and designated confidential by CalPERS shall be protected by Contractor from unauthorized use and disclosure through the observance of the same or more effective procedural requirements as are utilized by CalPERS to protect such sensitive and confidential information. The identification of all such confidential data and information, as well as CalPERS' procedural requirements for protection of such data and information from unauthorized use and disclosure shall be provided by CalPERS in writing to Contractor.
- G. Any data or other materials furnished by CalPERS for use by Contractor in connection with the services to be performed under this Agreement shall remain

the sole property of CalPERS and shall be used by Contractor solely for performing its obligations under this Agreement.

- H. The ideas, concepts, know-how, or techniques relating to computer systems, developed during the course of this Agreement by Contractor or jointly by Contractor and CalPERS may be used by either party without obligation of notice or accounting.
- I. This Agreement shall not preclude Contractor from developing materials outside this Agreement that are competitive with the Work Product, provided that such materials do not infringe the Work Product and are not developed in breach of Contractor's obligations pursuant to this Agreement.

6. Attorneys' Fees and Costs

In any litigation between the parties arising from or related to this Agreement, the non-prevailing party will pay the prevailing party's expenses incurred from such litigation, including reasonable attorneys' fees, allocated costs for services of in-house counsel, and court costs. These expenses shall be in addition to any other relief to which the prevailing party may be entitled.

7. Informal Dispute Resolution Process

- A. Except as set forth in subsection (B) of this section, if the parties' respective staff who are normally responsible for the administration of this Agreement are unable to resolve any dispute arising from or related to this Agreement within a reasonable time, the parties will attempt to resolve it by involving higher-level executives. In such a case, a high-level executive of each party will meet and confer in an attempt to resolve the dispute. The parties may engage a neutral third party mediator to assist in dispute resolution at either the staff or executive level, or both. If after expending reasonable efforts at executive level resolution of the dispute, the parties are unable to resolve it, either party may then pursue any rights and remedies that are otherwise available to it.
- B. CalPERS shall not be required to follow the dispute resolution process set forth in this section before: (i) issuing any notice of termination under this Agreement; or (ii) barring Contractor from further access to CalPERS' files, computer systems and premises.

8. Indemnification

Contractor shall indemnify, defend and save harmless the State of California, CalPERS, the CalPERS Board of Administration ("Board"), the California Public Employees' Retirement Fund, Public Employees' Long-Term Care Fund, Legislators' Retirement

Fund, Judges' Retirement Fund, Judges' Retirement Fund II, Annuitants' Health Care Coverage Fund, Public Employees' Health Care Fund, State Peace Officers and Firefighters Defined Contribution Plan Fund, Public Agency Deferred Compensation Program, Replacement Benefit Fund, Supplemental Contributions Program Fund, Old Age & Survivors' Insurance Revolving Fund, Public Employees' Contingency Reserve Fund, Public Employees' Deferred Compensation Fund, and all of the officers, trustees, agents and employees of the foregoing, from and against any and all losses, costs, liabilities, damages or deficiencies, including interest, penalties and attorneys' fees, which:

- A. Arise out of or are due to a breach by Contractor of any of its representations, warranties, covenants or other obligations contained in this Agreement; or,
- B. Are caused by or resulting from Contractor's acts or omissions constituting bad faith, willful misconduct, gross negligence or reckless disregard of its duties under this Agreement; or,
- C. Accrue or result to or by any of Contractor's subcontractors, materialmen, laborers or any other person, firm or corporation furnishing or supplying services, material or supplies in connection with the performance of this Agreement.
- D. CalPERS reserves the right, in its sole discretion, to raise the level of negligence based upon the nature of the services or goods sought through the SOW/LOE. CalPERS will state the increase in negligence in the SOW/LOE that is provided to the Contractor in the prequalified pool of firms. Should Contractor respond to the SOW/LOE and ultimately be selected by CalPERS to perform the SOW/LOE with an increased negligence, the Contractor hereby agrees to be bound by the indemnification provision set forth in the SOW/LOE or as negotiated by the parties. Any change to the indemnification provision must be in writing, signed by both parties, and will be deemed to be incorporated in this Agreement.

9. Limitation of Liability

- A. Contractor's liability for damages to CalPERS for any cause whatsoever and regardless of the form of action, whether in contract or in tort, shall be limited to two times the total Purchase Order Amount including any change orders for the applicable SOW/LOE. CalPERS reserves the right, in its sole discretion, to raise the limitation of liability based upon the nature of the services or goods sought through the SOW/LOE. CalPERS will state the increase in the limitation of liability in the SOW/LOE that is provided to the Contractor in the prequalified pool of firms. Should Contractor respond to the SOW/LOE and ultimately be selected by CalPERS to perform the SOW/LOE with an increased limitation of liability, the Contractor hereby agrees to be bound by the limitation of liability set forth in the

SOW/LOE or as negotiated by the parties. Any change to the limitation of liability must be in writing, signed by both parties, and will be deemed to be incorporated in this Agreement.

- B. The foregoing limitation of liability shall not apply:
- (i) To liability under the provision in this Agreement entitled “Intellectual Property in Deliverables; Intellectual Property Indemnity” or to any other liability (including without limitation indemnification obligations) for infringement of third party intellectual property rights;
 - (ii) To claims covered by any specific provision herein calling for liquidated damages;
 - (iii) To claims arising under provisions herein calling for indemnification for third party claims against CalPERS for bodily injury to persons or damages to real or tangible personal property caused by Contractor’s negligence or willful misconduct; or,
 - (iv) To costs or attorneys’ fees that CalPERS becomes entitled to recover as a prevailing party in any action.
- C. CalPERS’ liability for damages for any cause whatsoever, and regardless of the form of action, whether in contract or tort, shall be limited to the Amount of Agreement. Nothing herein shall be construed to waive or limit CalPERS’ sovereign immunity or any other immunity from suit provided by law.
- D. In no event will either Contractor or CalPERS be liable for consequential, incidental, indirect, special, or punitive damages, even if notification has been given as to the possibility of such damages, except:
- (i) To the extent that Contractor’s liability for such damages is specifically set forth in the Services to be Provided (including the Statement of Work or any applicable Letter of Engagement); or,
 - (ii) To the extent that Contractor’s liability for such damages arises out of subsection (B)(i), (B)(ii), or (B)(iv) above.

10. Intellectual Property in Deliverables; Intellectual Property Indemnity

- A. Contractor hereby represents and warrants that (i) the Work Product will be an original work of Contractor and any third parties or subcontractors who assist Contractor in developing the Work Product shall have executed full assignment of rights agreements to Contractor that are reasonably acceptable to CalPERS, (ii) neither the Work Product nor any element thereof will infringe the intellectual property rights of any third party, (iii) neither the Work Product nor any element thereof will be subject to any restrictions, mortgages, liens, pledges,

security interests, encumbrances or encroachments, (iv) Contractor will not grant, directly or indirectly, any rights or interest whatsoever in the Work Product to third parties, and (v) Contractor either owns or has the right and authority to grant to CalPERS the rights in the Deliverables, which includes the Work Product and any accompanying Pre-Existing Materials, stated in this Agreement for use in the U.S., without infringing the proprietary rights of others. This provision may be replaced in the Statement of Work/Letter of Engagement, if it is determined Contractor will own the Work Product.

- B. Contractor shall (i) indemnify and hold CalPERS harmless from any loss, damage or injury, (ii) defend at its own expense any and all suits and actions brought against CalPERS by third parties, and (iii) pay any judgments against CalPERS arising out of: (a) the breach of any representation or warranty in Section 10.A (Intellectual Property in Deliverables; Intellectual Property Indemnity) above; or (b) any alleged infringement of any patent or copyright enforceable in the U.S. or alleged misuse of trade secret information arising out of or related to CalPERS' use of the Deliverables, which includes the Work Product and any accompanying Pre-Existing Materials. Contractor's indemnification obligations under this Section are subject to Contractor receiving notice of the claim and being given the right to control the defense of such claim.
- C. Contractor will have no liability to CalPERS pursuant to this section to the extent that:
 - (i) The claim of infringement is based upon the use of the Deliverables in connection with or in combination with equipment, devices, or software not reasonably intended for use with the Deliverables, if the infringement would not have occurred but for that connection or combination;
 - (ii) The claim of infringement is based upon the use of software, provided by Contractor under this Agreement, in a manner for which the software was not designed, if the infringement would not have occurred but for that use;
 - (iii) The claim of infringement is based upon CalPERS' modification to any Deliverable or service provided by Contractor under this Agreement, if such infringement would not have occurred but for such modification; or,
 - (iv) The claim of infringement arises out of Contractor's compliance with proprietary specifications, requirements, or directions provided by CalPERS, and such infringement would not have occurred but for such compliance.

11. Inspection, Acceptance, and Rejection

Unless otherwise specified in the Statement of Work:

- A. Contractor and its subcontractors will provide and maintain a quality assurance system acceptable to CalPERS covering Deliverables and services under this Agreement and will tender to CalPERS only those Deliverables that have been inspected and found to conform to this Agreement's requirements. Contractor will keep records evidencing inspections and their result, and will make these records available to CalPERS during performance under this Agreement and for three (3) years after final payment. Contractor shall permit CalPERS to review procedures, practices, processes, and related documents to determine the acceptability of Contractor's quality assurance system or other similar business practices related to performance of the Agreement.
- B. All Deliverables may be subject to inspection and test by CalPERS or its authorized representatives.
- C. Contractor and its subcontractors shall provide all reasonable facilities for the safety and convenience of inspectors at no additional cost to CalPERS. Contractor shall furnish to inspectors all information and data as may be reasonably required to perform their inspection.
- D. All Deliverables may be subject to final inspection, test, and acceptance by CalPERS at destination, notwithstanding any payment or inspection at source.
- E. CalPERS shall give written notice of rejection of Deliverables delivered or services performed hereunder within a reasonable time after receipt of such Deliverables or performance of such services. Such notice of rejection will state the respects in which the Deliverables do not substantially conform to their specifications. If CalPERS does not provide such notice of rejection within sixty (60) days of delivery, such Deliverables and services will be deemed to have been accepted. Acceptance by CalPERS will be final and irreversible, except as it relates to latent defects, fraud, and gross mistakes amounting to fraud. Acceptance shall not be construed to waive any warranty rights that CalPERS might have at law or by express reservation in this Agreement with respect to any nonconformity.

FINANCIAL PROVISIONS

12. Amount of Agreement

Contractor is participating in a pool of potential Contractors and as such is not guaranteed any compensation or engagements under this Agreement. Any fees paid to Contractor shall be based on the terms of any Letter of Engagement that is awarded to Contractor. Upon execution of a Letter of Engagement, money will be internally transferred to fund the work and will not require an amendment to this Agreement.

13. Invoices and Payments

- A. CalPERS agrees to pay Contractor for authorized services provided in conformance with this Agreement upon its receipt of Contractor's invoices and supporting receipts. Contractor shall submit itemized monthly invoices. Invoices shall state in detail the services performed or goods supplied, the charges associated with each line item of services or goods, and whether Contractor is a targeted business enterprise (see Section 22).
- B. If CalPERS consents in writing to the use of a subcontractor for any part of the work as provided in Section 59, subcontracted work shall be itemized separately, identifying:
- (i) The subcontractor; and
 - (ii) Whether the subcontractor is a Targeted Business Enterprise as that term is defined in Section 22.
- C. All invoices for payment shall be submitted in arrears for work already performed. No invoice may be submitted, and no payments will be made, for services not yet rendered, in whole or in part.
- D. Invoices should be sent, in triplicate, stating the Agreement Number to:
- California Public Employees' Retirement System
Administrative Accounting
P.O. Box 942703
Sacramento, CA 94229-2703
- Email: [FCSD AP invoice@calpers.ca.gov](mailto:FCSD_AP_invoice@calpers.ca.gov)
- E. CalPERS shall make payment to Contractor for performance under this Agreement as promptly as fiscal procedures permit, and in accordance with the terms of this Agreement. Payment is due to Contractor either 45 days from the date the services or Deliverables are received and accepted by CalPERS or 45 days from the date a correct invoice is received at the address set forth under 13.D above (or such other address as requested by CalPERS in writing), whichever is later. When provision is made for a testing period preceding acceptance by CalPERS, the date of acceptance shall be considered the date services or Deliverables are accepted by CalPERS during the specified testing period.

14. Taxes

CalPERS is exempt from federal excise taxes and shall not be required to make any payment for any personal property taxes levied on Contractor or any taxes levied on employee wages. CalPERS will pay for State or local sales or use taxes, if applicable, on the services rendered pursuant to this Agreement.

15. Budget Funding Provision

This Agreement is subject to the availability of funds to pay Contractor. If this Agreement overlaps CalPERS' fiscal years, CalPERS' monetary obligation under this Agreement in fiscal years subsequent to the one in which this Agreement is executed is subject to, and contingent upon, the availability of funds budgeted for the purpose of this Agreement.

16. Use Tax Collection

In accordance with Public Contract Code Section 10295.1, Contractor certifies that it complies with the requirements of Section 7101 of the Revenue and Taxation Code. Contractor further certifies that it will immediately advise CalPERS of any change in its retailer's seller's permit or certification of registration or applicable affiliate's seller's permit or certificate of registration as described in subdivision (a) of Public Contract Code Section 10295.1.

COMPLIANCE PROVISIONS

17. Protection of Information Assets

A. The following terms shall be given the meaning shown:

- (i) **"Information Assets"** means any proprietary, confidential or sensitive information regularly utilized in the conduct of either party's business and/or necessary to the operation of either party that is created, stored, transmitted, processed or managed on any hardware, software, network components, or any printed form.
- (ii) **"Disclosing Party"** means the party who sends Information Assets that it owns to the other party for the purposes outlined in this Agreement.
- (iii) **"Receiving Party"** means the party who receives Information Assets owned by the other.

B. The Receiving Party will not use any of the Disclosing Party's Information Assets for any purpose, except as set forth in this Agreement, or as otherwise required by law. Nothing contained in the previous sentence, however, shall require

CalPERS to circumvent or ignore any applicable provisions of the California Public Records Act (Govt. Code §§ 6250 – 6276.48 et seq.).

- C. The Receiving Party must take all reasonable and necessary steps to prevent the unauthorized disclosure, modification or destruction of the Disclosing Party's Information Assets. The Receiving Party must, at a minimum, use the same degree of care to protect the Disclosing Party's Information Assets that it uses to protect its own Information Assets.
- D. The Receiving Party agrees not to disclose the Disclosing Party's Information Assets to anyone, except to employees or third parties who require access to the Information Assets pursuant to this Agreement, but only where such third parties have signed agreements regarding the Information Assets containing terms that are equivalent to, or stricter than, the terms of this section, or as otherwise required by law.
- E. The Receiving Party shall notify the Disclosing Party in writing of any unauthorized disclosure, modification or destruction of the Disclosing Party's Information Assets by the Receiving Party, its officers, directors, employees, contractors, agents or third parties. The Receiving Party shall make this notification promptly upon becoming aware of such disclosure, modification or destruction, but in any event, not later than four (4) business days after becoming aware of the unauthorized disclosure, modification or destruction. After such notification, the Receiving Party agrees to cooperate reasonably, at the Receiving Party's expense, with the Disclosing Party to remedy or limit the unauthorized disclosure, modification or destruction and/or its effects.
- F. The Receiving Party understands and agrees that the Disclosing Party may suffer immediate, irreparable harm in the event the Receiving Party fails to comply with any of its obligations under this section; that monetary damages will be inadequate to compensate the Disclosing Party for such breach and that the Disclosing Party shall have the right to enforce this section by injunctive or other equitable remedies.
- G. The provisions of this section shall survive the expiration or termination, for any reason, of this Agreement.

18. Permits and Licenses

- A. Contractor shall carry out its duties and responsibilities herein in accordance with, be limited in the exercise of its rights by, and observe and comply with, all federal, state, city and county laws, rules or regulations affecting services under this Agreement. Contractor shall procure and keep in full force and effect during

the term of this Agreement all permits and licenses necessary to accomplish the work contemplated in this Agreement.

- B. If Contractor is either a foreign or domestic corporation it must be in good standing and be qualified to do business in California currently and throughout the term of the Agreement.
- C. Contractor agrees to abide by applicable federal immigration laws, including providing H-1B LCA notices for any employee(s), consultant(s), and third-party contractor(s) provided by Contractor to CalPERS.

19. Reports and/or Meetings

- A. Contractor will provide oral or written progress reports as requested by CalPERS.
- B. Contractor will meet with CalPERS' staff and/or the CalPERS Board of Administration upon request to discuss the status of matters assigned to Contractor or to present findings, conclusions and recommendations.

20. Books and Records

Contractor shall keep accurate books and records in connection with its performance of this Agreement in a secure location at Contractor's office(s). Contractor shall ensure that books and records of subcontractors, suppliers, and other providers are also accurately and securely maintained. All such books and records shall be available for inspection and copying by CalPERS and its representatives at any time upon thirty (30) days prior notice from CalPERS or such reasonable shorter notice period as contemplated in Section 21 (Examination and Audit).

21. Examination and Audit

- A. Contractor (and its parent, subsidiaries, affiliates, subcontractors and any other related parties that have relevant records) shall be subject to examination and audit by CalPERS, CalPERS' authorized representatives (Representatives), and the California State Auditor, during the term of this Agreement and for three (3) years after CalPERS' final payment to Contractor under this Agreement. Any examination or audit shall be limited to the performance of services under this Agreement, including, without limitation, the costs of administering this Agreement. Contractor shall cooperate fully with the California State Auditor (consistent with California Government Code section 8546.7), CalPERS, and their Representatives in connection with any examination or audit. On thirty (30) days prior notice for audits or examinations of a routine nature (and on reasonable shorter notice for non-routine audits or examinations), Contractor shall permit CalPERS, its Representatives and the California State Auditor, during normal

business hours, to inspect, audit, and copy all financial statements, books, accounts, and records of Contractor and anything else in connection to this Agreement; including Contractor's performance against performance standards and the terms of this Agreement. Contractor will provide copies of any records or documents requested in connection with an audit or examination within thirty (30) days after request.

- B. Contractor will cooperate fully in the development of any corrective action plans that CalPERS determines to be necessary as a result of a audit or examination. Contractor will research any discrepancies identified by CalPERS' auditors and report the results of this research to CalPERS within fifteen (15) state business days of the identification of the discrepancies. Any necessary adjustments, payments, or reimbursements shall be made promptly by the appropriate party.

22. Small Business and Disabled Veteran Business Enterprise Participation Goal

- A. If applicable, Contractor agrees that, as a Contractor of CalPERS, it will meet the requirements of the Board's policies which embrace section 10115, et seq. of the Public Contract Code regarding the three percent (3%) Disabled Veteran Business Enterprise (DVBE) participation goal for state contracts. Contractor has agreed to commit to three-point zero one percent (3.01%) DVBE participation. DVBE is also referred to as "Targeted Business Enterprise."

If Contractor is a California Certified Micro Business, as the requirements for that status are set forth on the California Department of General Services website located at www.dgs.ca.gov, Contractor is exempt from the three percent (3%) DVBE participation goal for State contracts.

- B. Nothing shall be construed to authorize any contractor to discriminate in the solicitation or acceptance of bids for subcontracting, or for materials or equipment, on the basis of race, color, sex, ethnic origin, or ancestry.
- C. Contractor agrees to provide CalPERS or its delegate with any information reasonably necessary to comply with the obligations set forth in the applicable provisions of Public Contract Code sections 10115, et seq. Upon reasonable notice, Contractor shall permit CalPERS or its delegate access to its premises during normal business hours to interview employees and to inspect and copy books, records, accounts, and other materials for the purpose of determining compliance with the applicable provisions of Public Contract Code sections 10115, et seq. and California Code of Regulations, Title 2, sections 1896.60, et seq. Contractor agrees to maintain such records for a period of three (3) years after final payment under this Agreement. Contractor further agrees to make this section applicable to all subcontracts entered into hereunder.

23. Small Business Participation and DVBE Participation Reporting Requirements

- A. If for this Agreement Contractor made a commitment to achieve small business participation, then Contractor must within sixty (60) days of receiving final payment under this Agreement (or within such other time period as may be specified elsewhere in this Agreement) report to the awarding department the actual percentage of small business participation that was achieved. (Govt. Code, § 14841.)
- B. If for this Agreement Contractor made a commitment to achieve disabled veteran business enterprise (DVBE) participation, then Contractor must within sixty (60) days of receiving final payment under this Agreement (or within such other time period as may be specified elsewhere in this Agreement) certify in a report to the awarding department: (1) the total amount the prime Contractor received under the Agreement; (2) the name and address of the DVBE(s) that participated in the performance of the Agreement; (3) the amount each DVBE received from the prime Contractor; (4) that all payments under the Agreement have been made to the DVBE; and (5) the actual percentage of DVBE participation that was achieved. A person or entity that knowingly provides false information shall be subject to a civil penalty for each violation. (Mil. & Vets. Code, § 999.5 subd. (d); Govt. Code, § 14841.)

24. Nondiscrimination

During the performance of this Agreement, Contractor and its subcontractors, as well as their agents and employees, shall not unlawfully discriminate, harass or allow harassment, against any employee or applicant for employment because of sex, sexual orientation, race, color, ancestry, religious creed, national origin, disability (including HIV and AIDS), medical condition (including health impairments related to or associated with a diagnosis of cancer for which a person has been rehabilitated or cured), age (40 or over), marital status, use of family and medical care leave pursuant to federal law, and gender identity (in compliance with Public Contract Code section 10295.35). Contractor and subcontractors, as well as their agents and employees, shall ensure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment. Contractor and subcontractors, as well as their agents and employees, shall comply with the provisions of the Fair Employment and Housing Act (Govt. Code § 12900 et seq.) and the applicable regulations promulgated thereunder (Cal. Code Regs., Title 2, § 11000 et seq.), the provisions of Article 9.5, Chapter 1, Part 1, Division 3, Title 2 of the Government Code (Gov. Code §§11135-11139.5), and the regulations or standards adopted by the awarding state agency to implement such article. The applicable regulations of the Fair Employment and Housing Commission implementing Government Code section 12990, subdivisions (a) through (f), set forth in Subchapter 5 of Division 4.1 of Title 2 of the California Code

of Regulations are incorporated into this Agreement 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 a collective bargaining or other agreement. Contractor shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under this Agreement.

25. Statement of Compliance – Nondiscrimination

Contractor, by signature hereto, certifies under penalty of perjury under the laws of the State of California that Contractor has, unless exempted, complied with the nondiscrimination program requirements of Government Code section 12990, subdivisions (a) through (f), and California Code of Regulations, Title 2, section 11100 et seq.

26. Child Support Compliance Act

For any contract in excess of \$100,000, Contractor:

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

27. Benefits for Domestic Partners

Contractor certifies, for contracts in excess of \$100,000, that it is in compliance with Public Contract Code section 10295.3 with regard to benefits for domestic partners.

28. Electronic Waste Recycling Act of 2003

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

29. Sweatfree Code of Conduct

- A. Contractor declares under penalty of perjury that no equipment, materials, or supplies furnished to CalPERS pursuant to the Agreement have been produced in whole or in part by sweatshop labor, forced labor, convict labor, indentured labor under penal sanction, abusive forms of child labor or exploitation of children in sweatshop labor, or with the benefit of sweatshop labor, forced labor, convict labor, indentured labor under penal sanction, abusive forms of child labor or exploitation of children in sweatshop labor. Contractor further declares under penalty of perjury that it adheres to the Sweatfree Code of Conduct as set forth on the California Department of Industrial Relations website located at www.dir.ca.gov, and Public Contract Code section 6108.
- B. Contractor agrees to cooperate fully in providing reasonable access to its records, documents, agents or employees, or premises if reasonably required by authorized officials of the State, the Department of Industrial Relations, or the Department of Justice to determine Contractor's compliance with the requirements under subsection (A).

30. Recycling Certification

Contractor shall use, to the maximum extent economically feasible in the performance of the Agreement work, recycled products.

31. Priority Hiring Considerations

If this Agreement includes services in excess of \$200,000 and is not a consulting services contract, the Contractor shall give priority consideration in filling vacancies in positions funded by the Agreement to qualified recipients of aid (under Welfare and Institutions Code § 11200) in accordance with Public Contract Code section 10353.

32. Drug-Free Workplace

Contractor certifies that it will comply with the requirements of the Drug-Free Workplace Act of 1990 (Government Code § 8350 et seq.) and will provide a drug-free workplace by taking the following actions:

- A. Publish a statement notifying employees that unlawful manufacture, distribution, dispensation, possession or use of a controlled substance is prohibited and specifying actions to be taken against employees for violations.
- B. Establish a Drug-Free Awareness Program to inform employees about:
 - (i) The dangers of drug abuse in the workplace;

- (ii) The person's or organization's policy of maintaining a drug-free workplace;
 - (iii) Any available counseling, rehabilitation and employee assistance programs; and,
 - (iv) Penalties that may be imposed upon employees for drug abuse violations.
- C. Every employee who performs services for CalPERS under the Agreement will:
- (i) Receive a copy of the company's drug-free policy statement; and,
 - (ii) Agree to abide by the terms of the company's statement as a condition of employment under the Agreement.

CalPERS may terminate the Agreement if the Contractor fails to comply with these requirements.

33. Americans with Disabilities Act and Section 508 of the Rehabilitation Act

Contractor, by signature hereto, certifies that it complies with the Americans with Disabilities Act (ADA) of 1990 (42 U.S.C. § 12101 et seq.), which prohibits discrimination on the basis of disability, as well as all applicable regulations and guidelines issued pursuant to the ADA.

Contractor is responsible for ensuring all products and services provided to CalPERS, including hosting services for electronic content, meet the accessibility requirements of the refreshed Section 508 of the Rehabilitation Act (29 U.S.C. § 794d) and all the applicable provisions of the Information and Communication Technology (ICT) Standards and Guidelines. These standards incorporate by reference all of the requirements of Web Content Accessibility Guidelines 2.0 AA success criteria. CalPERS reserves the right to ask for proof of conformance or to perform testing on any solution to verify conformance.

Contractor shall ensure that all deliverables provided by Contractor pursuant to this Agreement that will be posted to CalPERS' website or will be viewed and/or utilized by persons either within or outside CalPERS, comply with the aforementioned refreshed Section 508 accessibility requirements. In the event any deliverables provided by Contractor under this Agreement require remediation in order to comply with the refreshed Section 508 accessibility requirements, all costs for such remediation shall be borne by Contractor.

34. National Labor Relations Board Certification

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

35. Neutrality in Labor Organizing Activities

CalPERS recognizes the value of labor organizing and encourages the entities with which it contracts to demonstrate that they also value this principle by encouraging management neutrality in labor organizing activities.

To remain "neutral" means not to take any action or make any statement that will directly or indirectly state or imply any support for or opposition to the selection by the Contractor's employees of a collective bargaining agent, or preference or opposition to any particular union as a bargaining agent. Nothing in this section obligates or prohibits the Contractor from entering into private neutrality, labor peace or other lawful agreements with a labor organization seeking to represent or who currently represents the Contractor's employees.

36. Expatriate Corporations

Contractor hereby declares that it is not an expatriate corporation or subsidiary of an expatriate corporation within the meaning of Public Contract Code sections 10286 and 10286.1, and is eligible to contract with CalPERS.

37. Contractor Compliance Audits and Validation / Security Awareness Training

Pursuant to provisions set forth in this Agreement, including but not limited to 11 (Inspection, Acceptance, and Rejection), 17 (Protection of Information Assets), 20 (Books and Records), 21 (Examination and Audit) and 56 (Business Continuity Plan), Contractor is required to implement procedures, practices and processes to ensure the protection of CalPERS information assets in its provision of services under this Agreement. CalPERS may from time-to-time audit Contractor's procedures, practices and processes to confirm that adequate data privacy and security protections are in place and utilized in the handling of CalPERS information assets, and may require certain confirmations and attestations at Agreement commencement and annually (or at some other identified interval) thereafter to validate Contractor's compliance with data privacy and security protection requirements, and consistency with applicable industry best practices.

In the event Contractor has a CalPERS login and/or access to CalPERS information assets, it shall be required to provide CalPERS-approved security awareness training to its employees prior to initiating work under the Agreement, and annually thereafter. The required security awareness training program shall be pre-approved by CalPERS to ensure adequacy for CalPERS' data protection needs and shall include, amongst other critical data privacy and security protections, training in the handling of member and employee Personal Health Information (PHI) and Personally Identifiable Information (PII). Contractor shall submit proof of completion of the CalPERS-approved security awareness training for each employee of Contractor who has access to CalPERS information assets, and each such employee shall successfully complete the CalPERS-approved security awareness training prior to commencement of work under this Agreement, and annually thereafter. No invoice may be submitted, and no payments will be made, for the time Contractor and/or its employees dedicate to meeting the CalPERS-approved security awareness training requirement.

REPRESENTATIONS AND WARRANTIES

38. No Conflicts or Consents; Agreement Does Not Violate Law

- A. Contractor represents and warrants that neither the execution of this Agreement by Contractor, nor the acts contemplated hereby, nor compliance by Contractor with any provisions hereof will:
- (i) Violate any provision of the charter documents of Contractor;
 - (ii) Violate any statute or law or ordinance or any judgment, decree, order, regulation or rule of any court or governmental authority applicable to Contractor; or,
 - (iii) Violate, or be in conflict with, or constitute a default under, or permit the termination of, or require the consent of any person under, any agreement to which Contractor may be bound, the violation of which in the aggregate would have a material adverse effect on the properties, business, prospects, earnings, assets, liabilities, or condition (financial or otherwise) of Contractor.

39. Due Organization

Contractor represents and warrants that it is duly organized, validly existing, and in good standing under the laws of the State of its incorporation or organization and is authorized to do business in California.

40. Power and Authority

Contractor represents and warrants that it has the power and authority to enter into this Agreement and to carry out its obligations hereunder. The execution of this

Agreement has been duly authorized by Contractor and no other proceeding on the part of Contractor is necessary to authorize its performance under this Agreement.

Contractor has completed, obtained and performed all registrations, filings, approvals, authorizations, consents or examinations required by any government or governmental authority for the services contemplated by this Agreement.

41. Signature Authorization

The person signing this Agreement on behalf of Contractor hereby warrants that he/she is an agent of Contractor and is duly authorized to enter into this Agreement on behalf of Contractor.

42. Assignment of Antitrust Actions

Pursuant to Government Code sections 4552, 4553, and 4554, the following provisions are incorporated herein:

- A. In submitting a bid to CalPERS, the supplier offers and agrees that if the bid is accepted, it will assign to CalPERS all rights, title, and interest in and to all causes of action it may have under section 4 of the Clayton Act (15 U.S.C. § 15) or under the Cartwright Act (Chapter 2, commencing with § 16700, of pt. 2 of div. 7 of the Bus & Prof. Code), arising from purchases of goods, materials, or services by the supplier for sale to CalPERS pursuant to the solicitation. Such assignment shall be made and become effective at the time CalPERS tenders final payment to the supplier.
- B. If CalPERS receives, either through judgment or settlement, a monetary recovery for a cause of action assigned under this chapter, the assignor shall be entitled to receive reimbursement for actual legal costs incurred and may, upon demand, recover from CalPERS any portion of the recovery, including treble damages, attributable to overcharges that were paid by the assignor but were not paid by CalPERS as part of the bid price, less the expenses incurred in obtaining that portion of the recovery.
- C. Upon demand in writing by the assignor, the assignee shall, within one (1) year from such demand, reassign the cause of action assigned under this part if the assignor has been or may have been injured by the violation of law for which the cause of action arose and:
 - (i) The assignee has not been injured thereby; or,
 - (ii) The assignee declines to file a court action for the cause of action.

43. Insurance Requirements

Contractor warrants that it carries adequate commercial general liability insurance, workers' compensation insurance, and other necessary insurance and shall maintain such insurance at levels reasonably acceptable to CalPERS in full force and effect during the term of this Agreement. Contractor agrees that it shall ensure CalPERS is provided at least thirty (30) days' prior written notice of cancellation, modification, or non-renewal of any policy coverage required hereunder; provided that, prior to any such cancellation, modification, or non-renewal, Contractor will have new insurance policies in place that meet CalPERS' insurance coverage requirements under this Agreement. In the event Contractor fails to keep in effect at all times the insurance coverage required by CalPERS under this Agreement, at such levels as CalPERS has deemed reasonably acceptable, CalPERS may, in addition to any other remedies it may have, terminate this Agreement upon the occurrence of such event.

Prior to the Effective Date of this Agreement and upon CalPERS' written request, Contractor shall provide CalPERS with copies of the certificates of insurance and policy endorsements for all insurance coverage required by CalPERS under this Agreement, and shall not do anything to invalidate such insurance. All certificates and endorsements are to be received and approved by CalPERS before performance under the Agreement commences, and on an annual basis thereafter for the duration of the terms of this Agreement. Failure of CalPERS to enforce in a timely manner any of the provisions of this Section, including without limitation, the failure to request certificates of such insurance policies, shall not act as a waiver of any of these provisions or the required insurance policies. This Section shall not be construed in any manner as waiving, restricting, or limiting the liability of either party for any obligations imposed under this Agreement (including but not limited to, any provisions requiring a party hereto to indemnify, defend, and hold the other harmless under this Agreement).

44. Contract-Related Disclosure Requirements

- A. Contractor will comply with California Code of Regulations (CCR) Title 2, section 559.1, Required Contract-Related Disclosures ("Disclosure Requirements"), and will cooperate with CalPERS' staff to meet Contractor's obligations under the Disclosure Requirements.
- B. Contractor represents and warrants that it has provided CalPERS with the Contract-Related Disclosure Form PERS01A0068 (the "Disclosure Form") as described in CCR title 2, section 559.1 subdivision (b)(4), including all disclosures required by CCR title 2, section 559.1, at the time the Agreement is executed and that all information disclosed in the form is true, correct and complete as of the date Contractor signed it. If Contractor determines at any time subsequent to filing the Disclosure Form that the information disclosed has become inaccurate, untrue, incomplete or misleading, Contractor will notify CalPERS and provide

CalPERS with an updated Disclosure Form within fourteen (14) calendar days of the date that Contractor knew or should have known of such defect in the information.

TERMINATION AND REMEDIES

45. Termination at CalPERS' Option

- A. CalPERS, in its sole discretion and for any reason or no reason, may terminate this Agreement at any time upon written notice to Contractor. In the event CalPERS terminates this Agreement, CalPERS will within a reasonable time thereafter pay Contractor for the reasonable value of satisfactory services performed in accordance with this Agreement prior to the termination at the rates specified in this Agreement, but not in excess of the Amount of Agreement.
- B. Upon receipt of any notice terminating this Agreement, Contractor shall immediately discontinue all services for CalPERS unless the notice directs otherwise.

46. Ancillary Issues Relating to Termination at CalPERS' Option

- A. In case CalPERS notifies Contractor of a termination of the Agreement at CalPERS' option in whole or in part, Contractor shall immediately discontinue all services affected by the notice unless the notice directs otherwise, and proceed with the following obligations, as applicable, without delay:
 - (i) Place no further subcontracts for materials, services, or facilities except as necessary to complete the continuing portion of the Agreement (if any);
 - (ii) Terminate all subcontracts to the extent they relate to the work terminated; and,
 - (iii) Settle all outstanding liabilities and resolve all termination settlement proposals arising from the termination of subcontracts.
- B. In case CalPERS terminates this Agreement in whole, and promptly after CalPERS pays Contractor all amounts due under this Agreement, CalPERS and Contractor shall execute mutual general releases and covenants not to sue; provided, however, that the CalPERS' release and covenant may exclude claims for return or destruction of any CalPERS' documents that Contractor had not returned or destroyed at the time the CalPERS' release and covenant was executed.
- C. CalPERS shall not characterize any termination of the Agreement at CalPERS' option as a termination for cause or default by Contractor.

47. Termination for Default

- A. CalPERS may, by two (2) calendar days written notice to Contractor, and without prejudice to any other of CalPERS' remedies, terminate this Agreement for any of the following reasons, each of which shall be considered an event of default under this Agreement:
- (i) Contractor fails to fulfill its obligations under the Agreement;
 - (ii) Contractor fails to cure an inaccuracy or omission in Contractor's disclosure obligations under CCR, title 2, section 559.1, Disclosure Requirements, as required and within the timeframe described in Section 44 of this Agreement pursuant to section 559.1, subdivision (c);
 - (iii) CalPERS determines that Contractor's disclosures under CCR, title 2, section 559.1 contain a material inaccuracy or omission the Contractor knew or should have known existed; or,
 - (iv) Contractor fails to comply with CCR title 2, section 559.1 in any other way.
- B. If CalPERS determines, based on reliable information, that there is a substantial probability that:
- (i) Contractor will be financially unable to continue performance under this Agreement; or,
 - (ii) Contractor will be in material breach of this Agreement in the next thirty (30) days:

CalPERS shall have the option to demand that Contractor provide CalPERS with a reasonable assurance of performance. Upon Contractor's receipt of such a demand from CalPERS, Contractor shall provide to CalPERS a reasonable assurance of performance responsive to CalPERS' demand. If Contractor fails to provide such an assurance within ten (10) days of CalPERS' demand, the failure shall constitute a default by Contractor justifying termination of the Agreement by CalPERS pursuant to this Section.

- C. In case Contractor is working on CalPERS' premises or has access to CalPERS' computer systems at the time CalPERS issues a notice of termination for default, CalPERS reserves the right to bar Contractor from further access to CalPERS' premises or computer systems immediately upon issuance of the notice.
- D. Upon receipt of any notice terminating this Agreement for default, Contractor shall immediately discontinue all services affected unless the notice directs otherwise. At CalPERS' sole discretion, CalPERS may offer an opportunity to cure any default(s) prior to terminating this Agreement for a default.

48. Remedies in Case of Contractor Default

- A. CalPERS shall have all rights afforded by law in case of Contractor default, including but not limited to:
- (i) Termination of this Agreement;
 - (ii) Reformation of this Agreement to lower the price, so as to reflect the value of services actually rendered, in case CalPERS elects to accept services that do not fully meet the requirements of this Agreement;
 - (iii) Recovery of CalPERS' damages caused by Contractor delay or non-performance;
 - (iv) Recovery of liquidated damages specified in this Agreement (if any) regardless of whether CalPERS terminates the Agreement for default; and,
 - (v) Specific performance of particular covenants made by Contractor hereunder.
- B. All remedies of CalPERS under this Agreement for Contractor default are cumulative to the extent permitted by law.
- C. In the event CalPERS terminates all or a portion of this Agreement for default by Contractor, CalPERS shall pay Contractor the lesser of:
- (i) The actual value to CalPERS of services satisfactorily performed in accordance with the Agreement prior to the effective date of the termination; and,
 - (ii) Contractor's documented direct costs for supplies and labor associated with the performance, plus a reasonable allocation of overhead, but not including any profit.

In no event shall any amounts paid hereunder exceed the Amount of Agreement.

- D. In the event of a termination for Contractor's default, CalPERS reserves the right to take over and complete the work by contract or other means. In such case, one element of CalPERS' recoverable damages shall be any additional cost above the Amount of Agreement incurred by CalPERS to complete the work.
- E. In case CalPERS incurs damages arising out of Contractor default, CalPERS may recover the damages by setting them off against amounts it owes Contractor under this Agreement. CalPERS may exercise its right of offset whether or not CalPERS elects to terminate this Agreement for Contractor default. In case CalPERS elects to terminate this Agreement for Contractor default and CalPERS

owes a payment to Contractor under Subsection C of this Section, CalPERS may offset its damages against the payment owing to Contractor.

- F. CalPERS shall be entitled to retain any amounts that CalPERS has properly withheld from invoices rendered by Contractor until final resolution of all claims by the parties against each other arising out of any Contractor default alleged by CalPERS.

49. Notice of Insolvency

Contractor shall notify CalPERS immediately in writing in the event that Contractor files any federal bankruptcy action or state receivership action, any federal bankruptcy or state receivership action is commenced against Contractor, Contractor is adjudged bankrupt, or a receiver is appointed. Should any such event occur, CalPERS may, pursuant to Section 45 (Termination at CalPERS' Option), terminate this Agreement.

50. Legal Challenges to the Basis of Termination by CalPERS

If any termination of this Agreement by CalPERS for Contractor's default is judicially determined to have been at CalPERS' option and not for Contractor's default, then CalPERS shall have no right to recover from Contractor any damages arising out of the termination, and CalPERS shall pay Contractor for satisfactory services rendered on the basis called for under this Agreement in case of a termination of the Agreement at CalPERS' option.

51. Effect of Termination

All duties and obligations of CalPERS and Contractor shall cease upon termination of this Agreement, except that:

- A. Each party shall remain liable for any rights, obligations, or liabilities arising from activities carried on by it under this Agreement prior to the effective date of termination.
- B. Any Information Assets furnished, and all copies thereof, will be returned promptly to the Disclosing Party or destroyed using reasonable measures to protect against unauthorized access to or use of the information in connection with its destruction, following the earlier of:
 - (i) The termination of this Agreement;
 - (ii) Receipt of a written request to return or destroy the Information Assets; or,
 - (iii) The termination of the business relationship between the parties.

If both parties agree that return or destruction of the Information Assets is not feasible, the Receiving Party will continue to extend the protections outlined herein to all Information Assets in its possession and will limit further use of that information to those purposes that make the return or destruction of the Information Assets not feasible. CalPERS reserves the right to inspect the storage, processes, and destruction of any Information Assets provided under this Agreement.

- C. Contractor shall cooperate fully to effect an orderly transfer of services to CalPERS or another contractor if requested by CalPERS.
- D. Any rights or obligations set forth in Sections 5 (Rights in Work Product), 6 (Attorneys' Fees and Costs), 7 (Informal Dispute Resolution Process), 8 (Indemnification), 10 (Intellectual Property Deliverables; Intellectual Property Indemnity), 12 (Amount of Agreement), 13 (Invoices and Payments), 17 (Protection of Information Assets), 20 (Books and Records), 21 (Examination and Audit), 42 (Assignment of Antitrust Actions), 45 (Termination at CalPERS' Option), 46 (Ancillary Issues Relating to Termination at CalPERS' Option), 47 (Termination for Default), 48 (Remedies in Case of Contractor Default), 51 (Effect of Termination), 55 (No Benefit from Recommendations), 60 (Joint and Several Liability), 62 (Publicity), 66 (Waivers), 67 (Severability), 68 (Incorporation of Amendments to Applicable Laws), 70 (Choice of Law), 71 (Evaluation of Contractor), 74 (Binding Effect), 76 (Ambiguities Not Held Against Drafter), and 77 (Entire Agreement/Incorporated Documents/Order of Precedence) shall survive the expiration or termination of this Agreement. Furthermore, any other provision of this Agreement that contemplates performance or observance subsequent to expiration or termination of this Agreement shall survive expiration or termination of this Agreement and continue in full force and effect.

52. Cumulative Remedies

The rights and remedies provided herein are cumulative and are not exclusive of any rights or remedies which any party may otherwise have at law or in equity.

CONTRACTOR AND PROCESS INTEGRITY PROVISIONS

53. Gift and Political Contributions Disclosure

- A. Contractor will comply with Government Code section 20152.5, as it exists and as amended by the Legislature and implemented by the Board from time to time, concerning gift and campaign disclosure policies. The existing code section states:

No matter involving any vendor or contractor in their individual or any other capacity shall be considered during a closed session on any transaction involving the system unless, prior to the closed session, a written disclosure has been submitted by the vendor or contractor of any campaign contributions aggregating two hundred fifty dollars (\$250) or more and any gifts aggregating fifty dollars (\$50) or more in value that the vendor or contractor has made during the preceding calendar year to any member of the board or any officer or employee of the system. Failure to disclose the campaign contributions and gifts shall provide the basis for disqualification of the contractor or the vendor.

- B. For any gift or contribution provided, the disclosure shall include the recipient; the date provided; the type of item provided (gift or type of contribution); a brief description of the item provided; and its approximate value.
- C. Contractor will also comply with CalPERS' Gift Policy, Attachment D to this Agreement, which may be amended, restated, or otherwise modified from time to time.

54. Conflict of Interest

- A. All actual and potential Conflicts of Interests of Contractor and each Key Person must be fully disclosed in writing. Contractor shall explain in writing how it proposes to manage or mitigate all potential or actual Conflicts of Interests of Contractor or any Key Persons. The disclosure requirements relating to Conflicts of Interests shall be interpreted broadly and in cases where Contractor is unsure whether an actual or potential Conflict of Interest actually exists, Contractor should nevertheless disclose the actual or potential Conflict of Interest of Contractor or any Key Person. Such disclosures must be updated as changes in status occur as required by the terms of the Agreement, or otherwise in accordance with CalPERS' policy and or procedures relating to disclosure of Conflicts of Interest in effect during the term of such Agreement, but, in any event, no less than annually. In addition, at the time of an assignment or as soon thereafter as practicable, the Contractor shall disclose in writing all actual or potential Conflicts of Interest of the Contractor or any of its Key Persons related to such assignment.
- B. All disclosures shall conform to CalPERS' policy and or procedures relating to disclosure of Conflicts of Interest in effect during the term of such Agreement and shall be specific enough in detail to allow CalPERS to knowingly and intelligently analyze the actual or potential Conflict of Interest. Disclosures should be made to the CalPERS Deputy Executive Officer, Operations and Technology; General Counsel; and the Contract Manager.

- C. A "Conflict of Interest" includes those circumstances that create or have the potential to create an actual or reasonably perceived conflict with Contractor's and/or any Key Person's duty of exclusive loyalty to CalPERS. A Conflict of Interest includes personal Conflicts of Interests of any Key Person or any Key Person's spouse, domestic partner, or dependent children.
- D. In the event that Contractor or its Key Persons fail to disclose a Conflict of Interest and/or fail to receive a written waiver from CalPERS as required by this section, CalPERS, in its sole and absolute discretion, may charge Contractor up to five percent (5%) of the total Amount of Agreement as liquidated damages, which remedy is in addition to and not in lieu of any rights and remedies available to CalPERS herein, at law and in equity, such rights and remedies being cumulative and not exclusive.
- E. Contractor acknowledges that CalPERS is subject to the provisions of the Political Reform Act of California (Govt. Code § 81000 et seq., and all regulations adopted thereunder, including, but not limited to, Cal. Code Regs., Title 2, § 18700) and Contractor shall comply promptly with any requirement thereunder. If required by law, Contractor shall require its Key Persons named and later all substitutions thereto to file Statements of Economic Interests in compliance with CalPERS' Conflict of Interest Code (Cal. Code Regs., Title 2, § 560 et seq.).
- F. Contractor acknowledges that if its Key Persons are required to file a Statement of Economic Interests, they are subject to the ethics training requirement found at Government Code sections 11146 – 11146.4 that require new filers to satisfy the ethics training requirement within six (6) months of the commencement of the Agreement and at least once during each consecutive period of two (2) calendar years commencing on the first odd-numbered year thereafter.

55. No Benefit from Recommendations

- A. Contractor shall not directly or indirectly receive any benefit from recommendations made to CalPERS and shall disclose to CalPERS any personal investment or economic interest of Contractor which may be enhanced by the recommendations made to CalPERS.
- B. Consistent with Public Contract Code section 10365.5, neither Contractor, nor any of its subsidiaries, may submit a bid or be awarded a contract for the provision of services, procurement of goods or supplies, or any other related action which is required, suggested, or otherwise deemed to be appropriate in the end product that Contractor provides under this Agreement.

56. Business Continuity Plan

During the term of the Agreement, Contractor shall maintain a Business Continuity Plan (BCP) documenting disaster recovery and business resumption strategies and shall test it at least annually and provide test plan and results to CalPERS. The BCP will provide emergency preparedness strategies, manual downtime procedures, and recovery logistics and strategies for all critical business units pertaining to CalPERS' assets. At the request of CalPERS, Contractor will make its BCP, or relevant subset thereof, available for review by CalPERS' staff. Contractor must provide separately, and maintain separately, the confidential emergency contact information for the key external manager and his/her alternate.

GENERAL PROVISIONS

57. No Assignment or Delegation by Contractor

Contractor may not assign any rights under this Agreement to any person or delegate any duties under this Agreement to any subcontractor or other person without the prior written consent of CalPERS.

58. Notice of Proceedings

Contractor shall promptly notify CalPERS in writing of any investigation, examination, or other proceeding involving Contractor, or any Key Person, commenced by any regulatory agency.

59. Subcontractors

- A. Contractor shall perform the work contemplated with resources available within its own organization except for subcontracted work identified in this Agreement. No other portion of the work pertinent to this Agreement shall be subcontracted without written authorization by CalPERS. The subcontractor must be mutually agreed upon in advance by both parties.
- B. Contractor shall require any subcontractor to agree to be bound by all provisions of this Agreement as applicable.

60. Joint and Several Liability

If Contractor is a joint venture between two business entities, both business entities will be jointly and severally liable to CalPERS for the proper performance of the entire Agreement.

61. Notices

- A. Both parties to this Agreement will designate a specific staff representative for the purpose of communications between the parties. Any notice or other written communication pursuant to this Agreement will be deemed effective immediately upon personal delivery, or if mailed, three (3) days after the date of mailing, or if delivered by express mail, or e-mail, immediately upon the date of confirmed receipt, to the following representatives:

For CalPERS:

California Public Employees' Retirement System
Attention: IT Contract Manager
400 Q Street
Sacramento, CA 95811
E-mail: itsb_spring_fed_pool@calpers.ca.gov

For Contractor:

Christopher Eaves
Sabot Technologies, Inc. dba Sabot Consulting
101 Parkshore Dr., Ste. 100
Folsom, CA 95630
Telephone No. (888) 447-2268 ext. 701
E-mail: chris@sabotconsulting.com

- B. Either party to this Agreement may, from time to time by notice in writing served upon the other, designate a different mailing address to which, or a different person to whom, all such notices thereafter are to be addressed.

62. Publicity

No publicity release or announcement concerning this Agreement or the transactions contemplated herein shall be issued by Contractor without advance written approval by CalPERS.

63. Timeliness

The parties agree that time is of the essence with respect to all obligations under this Agreement.

64. Force Majeure

Neither party to this Agreement shall be liable for damages resulting from delayed or defective performance when such delays arise out of causes beyond the control and without the fault or negligence of the offending party. Such causes may include, but are

not restricted to, Acts of God or of the public enemy, acts of the State in its sovereign capacity, fires, floods, power failure, disabling strikes, epidemics, quarantine restrictions, and freight embargoes.

65. Amendments

This Agreement may be amended by mutual consent of the parties to increase funding, extend time, update language related to performance of services as outlined in Attachment A, and update terms and conditions to comply with policy changes. Except as provided herein, no alteration or variation of the terms of this Agreement shall be valid unless made in writing and signed by the parties hereto, and no oral understanding or agreement not incorporated herein shall be binding on either party.

66. Waivers

No delay on the part of any party in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any waiver on the part of any party of any right, power or privilege hereunder, nor any single or partial exercise of any right, power or privilege hereunder, preclude any other or further exercise thereof or the exercise of any other right, power or privilege hereunder.

67. Severability

Should one or more provisions of this Agreement be held by any court to be invalid, void or unenforceable, such provision(s) will be deemed to be restated to effect the original intentions of the parties as nearly as possible in accordance with applicable law. The remaining provisions shall nevertheless remain and continue in full force and effect.

68. Incorporation of Amendments to Applicable Laws

Any references to sections of federal or state statutes or regulations shall be deemed to include a reference to any amendments thereof and any successor provisions thereto.

69. Titles/Section Headings

Titles or headings are not part of this Agreement, are for convenience of reference only, and shall have no effect on the construction or legal effect of this Agreement.

70. Choice of Law

This Agreement shall be administered, construed, and enforced according to the laws of the State of California (without regard to any state's or federal conflict of laws provisions or principles). Any suit brought hereunder shall be brought in a state or federal court sitting in Sacramento, California, the parties hereby waiving any claim or defense that such forum is not convenient or proper. Each party agrees that any such

court shall have in personam jurisdiction over it and consents to service of process in any manner authorized by California law.

71. Evaluation of Contractor

Pursuant to Public Contract Code section 10369, CalPERS shall evaluate Contractor's performance under the terms and conditions of this Agreement within sixty (60) days after the completion of Contractor's performance under this Agreement. If the evaluation indicates unsatisfactory performance, a copy will be sent to the Department of General Services, the Office of Legal Services and to Contractor who may file a response to the evaluation. The evaluation and response shall remain on file for thirty-six (36) months and shall not be public records.

72. Independent Contractor

Contractor, Contractor's personnel and subcontractors shall operate as independent contractors and shall not be considered as employees or agents of CalPERS or the State of California. Nothing in this contract shall be construed to create any employment relationship between CalPERS, the State of California, or any of its employees and the Contractor or any of its employees or subcontractors.

Contractor agrees to indemnify, defend, and hold CalPERS harmless from any and all claims made against it including, but not limited to, claims for salaries, liability for tax withholding, workers' compensation, disability or other employment benefits, or injuries or death of Contractors' employees or subcontractors. Contractor is responsible for all associated fees and costs, including attorneys' fees, incurred by Contractor and/or by CalPERS.

Contractor is solely responsible for ensuring its employees, subcontractors, and any other worker it chooses to perform duties under this contract meet all Federal and State employment laws and requirements.

73. Counterparts

This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

74. Binding Effect

This Agreement, any instrument or Agreement executed pursuant to this Agreement, and the rights, covenants, conditions and obligations of Contractor and CalPERS contained herein and therein, shall be binding upon the parties and their successors, assigns and legal representatives.

75. Days

Wherever in this Agreement a set number of days is stated or allowed for a particular event to occur, the days are understood to include all calendar days, including weekends and holidays, unless otherwise specified.

76. Ambiguities Not Held Against Drafter

This Agreement having been freely and voluntarily negotiated by all parties, the rule that ambiguous contractual provisions are construed against the drafter of the provision shall be inapplicable to this Agreement.

77. Entire Agreement/Incorporated Documents/Order of Precedence

- A. This Agreement contains all representations and the entire understanding between the parties hereto with respect to the subject matter hereof. Any prior correspondence, memoranda, or agreements are replaced in total by this Agreement.
- B. This Agreement shall consist of the following, all of which are hereby expressly incorporated herein:
 - (i) The terms of the main body of this Agreement together with any attached Addenda, and including any amendments to the foregoing;
 - (ii) The Business Associate Agreement (if applicable);
 - (iii) Any applicable Statement of Work, Letter of Engagement and/or Service Level Agreement;
 - (iv) All Attachments to this Agreement, Exhibits and any other attached documents, including any amendments to the foregoing;
 - (v) Request for Proposal No. 2024-9380, dated September 4, 2024, including any amendments or clarification issued by CalPERS (collectively "the RFP"), all of which are expressly incorporated herein;
 - (vi) Contractor's response to the RFP, dated October 16, 2024, which is expressly incorporated herein; and
 - (vii) Any other provisions, terms, or materials expressly incorporated herein.
- C. In the event there are any inconsistencies or ambiguities among the terms of this Agreement and incorporated documents, the following order of precedence shall be used:
 - (i) Applicable laws;

- (ii) The terms and conditions of the main body of this Agreement together with any attached Addenda, and including any amendments to the foregoing;
- (iii) The Business Associate Agreement (if applicable);
- (iv) Any applicable Statement of Work, Letter of Engagement and/or Service Level Agreement;
- (v) All Attachments to this Agreement, Exhibits and any other attached documents, including any amendments to the foregoing;
- (vi) The RFP, including any addenda thereto;
- (vii) Contractor's response to the RFP; and,
- (viii) Any other provisions, terms, or materials expressly incorporated herein.

78. Additional Documents

Contractor and CalPERS agree to execute such additional documents and perform such further acts as may be reasonable and necessary to carry out the provisions of this Agreement.

79. Business Associate Agreement

Contractor is a Business Associate as that term is defined within and used throughout the Health Insurance Portability and Accountability Act (HIPAA) Privacy and Security Regulations (45 C. F. R. §§ 160 and 164). As a Business Associate, Contractor must comply with each of the privacy and health information protection provisions set forth in the Business Associate Agreement (Attachment E) which is hereby incorporated into this Agreement by this reference, and any other applicable provisions of the HIPAA Privacy and Security Regulations and the Health Information Technology for Economic and Clinical Health (HITECH) Act, Title XIII of Division A of the American Recovery and Reinvestment Act of 2009 (ARRA).

INFORMATION TECHNOLOGY (GENERAL) ADDENDUM

This Information Technology (General) Addendum is incorporated into the Agreement and shall be considered a part thereof.

1. Definitions

Capitalized terms used in this Information Technology (General) Addendum but not defined below, shall have the meaning given to them in the main body of the Agreement or any other applicable attached Addenda. The following terms shall be given the meaning shown, unless context requires otherwise or a unique meaning is otherwise specified:

- A) **"Acceptance Tests"** means those tests performed during the Performance Period which are intended to determine compliance of Equipment and Software with the specifications and all other Attachments incorporated herein by reference and to determine the reliability of the Equipment.
- B) **"Attachment"** means a mechanical, electrical, or electronic interconnection to Contractor-supplied Machine or System of Equipment, manufactured by other than the original Equipment manufacturer, that is not connected by Contractor.
- C) **"Business Entity"** means any individual, business, partnership, joint venture, corporation, S-corporation, limited liability corporation, limited liability partnership, sole proprietorship, joint stock company, consortium, or other private legal entity recognized by statute.
- D) **"Buyer"** means the California Public Employees' Retirement System's (CalPERS) authorized contracting official.
- E) **"CalPERS"** means the California Public Employees' Retirement System, its Board of Administration, its employees, and authorized representatives.
- F) **"Cloud Services"** means a computing resource deployment and procurement model that enables an organization to obtain its computing resources and application from any location via an Internet connection.
- G) **"Computer"** means a programmable electronic device that can store, retrieve, and process data.
- H) **"Computer System"** refers to the hardware and software components that run a computer or computers.

- I) **"Contract"** means the Agreement or agreement (including any purchase order), by whatever name known or in whatever format used.
- J) **"Contractor"** means the Business Entity with whom CalPERS enters into the Agreement. Contractor shall be synonymous with "supplier," "vendor" or other similar term.
- K) **"Deliverables"** means Goods, Software, Hardware, Information Technology, telecommunications technology, and other items (e.g., reports) to be delivered pursuant to the Agreement, including any such items furnished incident to the provision of services.
- L) **"Documentation"** means non-proprietary manuals and other printed materials necessary or useful to CalPERS in its use or maintenance of the Equipment or Software provided hereunder. Manuals and other printed materials customized for CalPERS hereunder constitute Documentation only to the extent that such materials are described in or required by the applicable Statement of Work, Service Level Agreement or Letter of Engagement.
- M) **"Equipment"** is an all-inclusive term which refers either to individual Machines or to a complete Computer System or subsystem, including Hardware and Operating Software (if any).
- N) **"Facility Readiness Date"** means the date specified in the Letter of Engagement by which CalPERS must have the site prepared and available for Equipment delivery and installation.
- O) **"Goods"** means all types of tangible personal property, including but not limited to materials, supplies, and Equipment (including computer and telecommunications Equipment).
- P) **"Hardware"** usually refers to computer Equipment and is contrasted with Software. See also "Equipment."
- Q) **"Installation Date"** means the date specified in the Letter of Engagement by which Contractor must have the ordered Equipment ready (certified) for use by CalPERS.
- R) **"Information Technology"** refers to the broad subject concerned with all aspects of using computers to manage and process information.
- S) **"Manufacturing Materials"** means parts, tools, dies, jigs, fixtures, plans, drawings, and information produced or acquired, or rights acquired, specifically to fulfill obligations set forth herein.

- T) **"Operating Software"** means those routines, whether or not identified as Program Products, that reside in the Equipment and are required for the Equipment to perform its intended function(s), and which interface the operator, other Contractor-supplied programs, and user programs to the Equipment.
- U) **"Performance Testing Period"** means a period of time during which CalPERS, by appropriate tests and production runs, evaluates the performance of newly-installed Equipment and Software prior to its acceptance by CalPERS.
- V) **"Period of Maintenance Coverage"** means the period of time, as selected by CalPERS, during which maintenance services are provided by Contractor for fixed monthly charge, as opposed to an hourly charge for services rendered. The Period of Maintenance Coverage consists of the Principal Period of Maintenance and any additional hours of coverage per day, and/or increased coverage for weekends and holidays.
- W) **"Principal Period of Maintenance"** means any nine consecutive hours per day (usually between the hours of 7:00 a.m. and 6:00 p.m.) as selected by CalPERS, including an official meal period not to exceed one (1) hour, Monday through Friday, excluding holidays observed at the installation.
- X) **"Program Product"** means programs, routines, subroutines, and related items which are proprietary to Contractor and which are licensed to CalPERS for its use, usually on the basis of separately stated charges and appropriate contractual provisions.
- Y) **"Software"** means an all-inclusive term which refers to any computer programs, routines, or subroutines supplied by Contractor, including Operating Software, Programming Aids, Application Programs, and Program Products.
- Z) **"State"** means the government of the State of California, its employees and authorized representatives, including without limitation any department, agency, or other unit of the government of the State of California.
- AA) **"System"** means the complete collection of Hardware, Software and services as described in the Agreement, integrated and functioning together, and performing in accordance with the Agreement.
- BB) **"U.S. Intellectual Property Right"** means intellectual property rights enforceable in the United States of America, including without limitation rights in trade secrets, copyrights, and U.S. patents.

2. No Unexpected Increase/Additional License or Other Fees

CalPERS is not responsible for paying fees of any type (including license fees) to Contractor other than the specific fees set forth in this Agreement. If the fees set forth in this Agreement to be paid by CalPERS are based upon any metric, parameter or other form of assumption, whether related to some responsibility of CalPERS or to any other fact or circumstance (including, without limitation, the number of software license users, data usage levels, the amount of allocated data storage space, the number of processors or servers used, or the type of network environment used), the failure of, or change to, that metric, parameter or other assumption will not result in additional payment obligations of CalPERS unless it is expressly stated in this Agreement that CalPERS must pay a particular amount of fees upon such failure or change; provided, however, that Contractor shall provide written notice to CalPERS prior to invoicing any such additional amount and reasonably detailed documentation that explains the basis for and provides support for the charge of such additional amount. To the extent Contractor utilizes any cloud computing hosting vendor in providing services under this Agreement, Contractor shall require such hosting vendor to provide it with advance notice of any change or alteration in the hosting vendor's system architecture or use of system resources (including, without limitation, amount of allocated data storage or number of processors or servers used) that could potentially increase the amounts or fees payable by CalPERS under this Agreement or any other third party license agreement, and shall provide CalPERS with prompt notice of any such changes or alterations and reasonably detailed documentation that explains the basis for, and provides support for, such changes or alterations. Any increase in the amounts or fees payable by CalPERS must be agreed upon in an amendment duly executed by the parties in accordance with this Agreement unless it is already expressly stated in this Agreement that CalPERS must pay a particular amount or certain fees in the event of such changes or alterations. Upon thirty (30) days advance notice or such reasonable shorter notice period, Contractor shall, at CalPERS' request, inspect the books and records of the hosting vendor and provide CalPERS with notice of any changes or alterations in the hosting vendor's system architecture or other system resources that could potentially increase the amounts or fees payable by CalPERS under this Agreement or any other third party license agreement.

3. Accessibility

A. Vendor is responsible for ensuring all solutions meet the accessibility requirements of the refreshed Section 508 of the Rehabilitation Act of 1973, as amended, (29 U.S.C. § 794d) and all the applicable provisions of the Information and Communication Technology (ICT) Standards and Guidelines. In addition, vendor is responsible for ensuring all solutions meet the requirements of Web

Content Accessibility Guidelines 2.1 or the most up-to-date version, AA success criteria.

- B. Vendor must provide a written Accessibility Conformance Report describing how its solution(s) will fully meet the accessibility requirements outlined above. For any COTS components that will be configured to meet contract requirements, the most up-to-date version of the Voluntary Product Accessibility Template provided by the Information Technology Industry Council (ITIC) is required to show compliance.
- C. Vendor must provide a description of the evaluation methods to be used to validate for conformance with accessibility requirements, including Web Content Accessibility Guidelines 2.1 or the most up-to-date version, AA success criteria, and the 508 Standards.
- D. Vendor is responsible for immediately remediating any non-conforming solution and is responsible for all costs of having its solution(s) and other components comply with the accessibility requirements outlined above. Notwithstanding the foregoing, Vendor is not responsible for any remediation, nor the costs associated therewith, for any non-conformity created by CalPERS.

INFORMATION SECURITY ADDENDUM

This Information Security Addendum (the “**Addendum**”) is incorporated into the 2025-9476 (the “**Agreement**”) by and between California Public Employees’ Retirement System (“**CalPERS**”) and Sabot Technologies, Inc. dba Sabot Consulting (“**Contractor**”) dated as of July 1, 2025 or upon execution of agreement by all parties, whichever is later. Capitalized terms used but not defined in this Addendum shall have the meaning otherwise given to them in the Agreement.

1. Definitions

- 1.1. “**Data**” shall mean any Personally Identifiable Information (as defined below), data, records, files, content, or information, oral or written, in any form or format that is (i) created, acquired, accessed, collected, received, disclosed, transmitted, used, stored, maintained or otherwise processed by Contractor or its affiliates from or on behalf of CalPERS or its affiliates or customers, or otherwise used in connection with the Agreement, the Services (as defined below), or the parties’ performance of, or exercise of rights under, or in connection with the Agreement, including but not limited to, CalPERS’ and/or its members’ data and financial information, and (ii) derived from (i), even if anonymized.
- 1.2. “**Data Breach**” shall mean any actual or reasonably suspected unauthorized access to, collection of, acquisition of, use of, transmission of, disclosure of, theft of, exfiltration of, destruction of, corruption of, alteration of, impact on integrity to, or loss of: (i) Data or (ii) Contractor’s Information Systems (as defined below).
- 1.3. “**Hosted Cloud Services**” shall mean the provision of hosted cloud processing capabilities by Contractor in instances in which CalPERS’ Data is stored in the hosted cloud environment and CalPERS licenses the applicable software directly; provided that CalPERS does not have the ability to provision processing, storage, networks, and other fundamental computer resources, nor does it manage or control the underlying cloud infrastructure, including storage, and networking components (e.g. firewalls).
- 1.4. “**Information Systems**” means all networks, servers, switches, endpoints, software, platforms, storage, firmware and hardware, and all electronic connections between and among them, that are owned, operated, or used by Contractor in the performance of the Services (as defined below) and either (i) are used by or on behalf of Contractor to create, acquire, access, collect, receive, disclose, transmit, use, store, maintain or otherwise process Data or (ii) are connected to or otherwise access CalPERS’ networks, servers, switches,

endpoints, software, platforms, storage, firmware and hardware during the performance of the Services (as defined below).

- 1.5. “Personally Identifiable Information”** which necessarily includes Personal Information (**PI**), shall mean any information that identifies, relates to, describes, or is reasonably capable of being associated with, or can reasonably be linked, directly or indirectly, with a particular individual or household, including but not limited to name, Social Security number, physical characteristics, biometrics, genetic information, physical address, email address, telephone number, government issued ID number, unique identifier, financial information (e.g. credit card number, debit card number, bank or brokerage account number, or any other number identifying a financial account) or health information.

2. General

- 2.1. Scope.** This Addendum shall apply to all services, deliverables, statements of work and other projects performed by Contractor for CalPERS pursuant to the Agreement (the “**Services**”), including but not limited to any cloud computing services (i.e., SaaS, PaaS or IaaS) or Hosted Cloud Services described therein. Any and all rights or obligations set forth in this Addendum shall survive the expiration or termination of the Agreement as long as Contractor retains access to or possession of any CalPERS Data.
- 2.2. Security Program.** Contractor shall comply in all respects with the requirements set forth in this Addendum (the “**Security Program**”). Without limiting the foregoing, Contractor shall (i) protect the security, privacy, confidentiality and integrity of Data, (ii) protect against known or reasonably anticipated threats or hazards to security, confidentiality, and integrity, Data Breaches, and all other unlawful forms of processing of Data of CalPERS, and (iii) implement and maintain effective technical, administrative, and physical controls, security measures, confidentiality procedures, and privacy procedures over its Information Systems. Contractor represents and warrants that its technical, administrative, and physical controls, security standards, tools, technologies, and procedures are sufficient for the provision of the Services.
- 2.3. Conflicts.** This Security Program does not limit any other obligations of Contractor under the Agreement or laws that apply to Contractor or Contractor’s performance under the Agreement. In the event of a conflict between the provisions of this Addendum and the Agreement, the provisions of this Addendum shall control as to information security matters.

2.4. Compliance with Data Protection Laws.

2.4.1. Data Protection Laws. Notwithstanding anything to the contrary in the Agreement, Contractor shall comply with all applicable laws, regulatory requirements and industry standard information security and privacy practices relating to the collection, use, disclosure, retention, destruction, unavailability, or other processing of Data in connection with the Services (together, the “**Data Protection Laws**”), including but not limited to, and to the extent applicable, the security provisions of the California State Administrative Manual (Ch. 5100, available at <https://www.dgs.ca.gov/Resources/SAM/TOC/5100> and Ch.5300, available at <https://www.dgs.ca.gov/Resources/SAM/TOC/5300>) and §§ 5305A, 5310A and B, 5325A and B, 5340A and C, and 5360B of the California Statewide Information Management Manual, available at <https://cdt.ca.gov/policy/simm/>, which have the effect of state regulation for purposes of the Agreement. Contractor shall not take, or fail to take, any action that would put CalPERS in violation of such Data Protection Laws.

2.4.2. Cardholder Information. As applicable, and without limiting the foregoing, to the extent Contractor handles cardholder information (e.g. credit, debit card, or any other payment card information), operates within CalPERS’ cardholder data environment, or could impact the security of CalPERS’ cardholder data environment, Contractor shall comply with applicable rules, regulations, bylaws, standards, policies, and procedures of the card associations or debit card networks, including, to the extent applicable, (i) the Payment Card Industry Data Security Standards (“**PCI-DSS**”), and (ii) the Payment Application Data Security Standards (“**PA-DSS**”). Upon request, Contractor shall provide CalPERS with reasonable evidence of such compliance in accordance with industry standards.

3. Use Restrictions

3.1. General Restrictions on Use. Except as expressly authorized under the Agreement or otherwise authorized by CalPERS in writing in advance:

3.1.1. Contractor shall retain, use and disclose the Data solely as necessary for performance of the Services.

3.1.2. Contractor shall not transfer, rent, barter, trade, sell, loan, lease or otherwise distribute or make available to any third party any Data except

as expressly permitted by CalPERS' Chief Information Security Officer in advance (information_securityoffice@calpers.ca.gov).

- 3.1.3.** Contractor shall not copy, modify, destroy or delete Data other than for normal operation or maintenance of the Services during the term of the Agreement without prior written notice to, and written approval by, CalPERS.
- 3.1.4.** Contractor shall not aggregate Data or deidentify Personally Identifiable Information included in the Data for any purpose, including Contractor's own internal business purposes unless explicitly authorized in writing in advance by CalPERS.
- 3.1.5.** Contractor shall not transfer the Data out of the country from which it was provided by CalPERS unless the transfer is expressly permitted by CalPERS in advance and in writing and complies with all applicable Data Protection Laws.
- 3.1.6.** Contractor shall promptly refer to CalPERS any inquiries received by Contractor regarding Contractor's information security or privacy practices relating to the Data.
- 3.1.7.** Contractor shall, if the underlying Agreement exchanges member Personally Identifiable Information, promptly refer to CalPERS any requests to access, delete, or opt out of the sale of such Personally Identifiable Information, and, at the direction of CalPERS, reasonably assist CalPERS in responding to any such requests.

4. Access Controls. Contractor shall implement and maintain comprehensive technical and organizational access control measures on the Information Systems. Contractor shall regularly review these technical and organizational measures to ensure their continued suitability and effectiveness.

4.1. System Access Controls. Contractor shall implement and maintain reasonable system access control measures, including at a minimum the following:

- 4.1.1.** Contractor shall implement and maintain an authorization process for physical, privileged, and logical access to Information Systems, facilities and other locations containing Data;
- 4.1.2.** Contractor shall grant user access rights/privileges to information resources containing Data solely on a need-to-know basis solely as

required to perform the Services and implement a principle of least privilege for all such rights/privileges;

4.1.3. Contractor shall utilize strong user authentication practices consistent with individual accountability. Multi-factor authentication must be used for all systems capable of accessing non-public Data of CalPERS;

4.1.4. Contractor shall implement and maintain security log monitoring and maintenance of a secure record of access for at least the trailing 90 days, or such longer period specified by CalPERS based on the classification and sensitivity of the Data;

4.1.5. Contractor shall not allow remote access to Data from outside the continental United States (this includes remote access to Data by Contractor's authorized support staff in identified support centers) unless explicitly authorized in writing in advance by CalPERS' Chief Information Security Officer (information_securityoffice@calpers.ca.gov); and

4.1.6. Contractor shall immediately update applicable access privileges for personnel who have joined, left, or changed roles.

4.2. Physical Access Controls. Contractor shall implement and maintain reasonable physical access control measures, including at a minimum the following:

4.2.1. Contractor shall implement and maintain physical, administrative, technical and environmental controls that are commensurate to the risk for Data and for the Information Systems and facilities used to hold and process such information (e.g. key cards and security guard or receptionist-staffed entrances to offices);

4.2.2. Contractor shall not permit its personnel to record Data on any storage medium that permits access to the Data on premises or devices that are not controlled by Contractor.

5. Operations Management and Network Security. Contractor shall implement and maintain comprehensive operations management and network security measures, including hardening, change control, segregation of duties, separation of development and production environments, technical architecture management, virus protection, media controls, information in transit, data integrity, encryption, audit logs, time

synchronization, and network segregation. At a minimum, Contractor's operations management and network security measures shall include the following:

- 5.1. Appropriate firewall protection installed at the network perimeter between Contractor's internal (private) and public (Internet) networks, which shall keep all Data protected by or behind the firewall at all times;
 - 5.2. Databases containing Data physically and/or logically separated from other clients' confidential or proprietary information, except to the extent otherwise necessary in connection with the Services;
 - 5.3. Updates to Information Systems (e.g. anti-virus and anti-malware software) with the latest software upgrades, updates, bug fixes, new versions and other modifications necessary to ensure security of the Data;
 - 5.4. Encryption when sending Personally Identifiable Information over external and wireless networks, other networks for which Contractor does not have control over physical access points and transmission infrastructure, or when processing or storing the information on mobile devices and portable media (e.g. laptops, phones); *provided* that such encryption must be in accordance with (i) industry standard encryption technologies (128 bit or higher) (e.g. Federal Information Processing Standard (FIPS) 197) and (ii) California State Administrative Manual 5350.1 <https://www.dgs.ca.gov/Resources/SAM/TOC/5300/5350-1> which has the effect of state regulation; and
 - 5.5. Adequate security for portable equipment (e.g. laptops, tablets and phones) and removable media (e.g. USB drives) storing or otherwise permitting access to Data.
6. **System Monitoring.** Contractor shall regularly monitor and test its Information Systems to ensure they meet the requirements of this Security Program and to ensure the protection of Data, including regular risk assessments. At a minimum, Contractor's monitoring and testing measures for its Information Systems shall include the following:
- 6.1. Implementation and maintenance of intrusion detection services;
 - 6.2. Defined processes for security alerting, escalation and remediation that are consistent with the Services procured pursuant to the Agreement;
 - 6.3. Regular review of all technical safeguards in place to ensure their continued suitability in light of the type of information being processed and any technological advances affecting the operation of the Information Systems;

recovery plan, and (ii) where such event causes Contractor to allocate limited resources between or among Contractor's customers and its affiliates, Contractor shall accord CalPERS with at least the same priority in respect of such allocation as Contractor's affiliates and Contractor's other preferred commercial customers.

8.2. Transition Services. For 90 days prior to the expiration of the Agreement, or for 90 days following the notice of termination of the Agreement, Contractor shall assist CalPERS in extracting and/or transitioning the Data in a format determined by CalPERS in its sole discretion ("**Transition Period**").

8.2.1. The Transition Period may be modified in the applicable Statement of Work or Letter of Engagement or as agreed upon in writing by the parties in an amendment to the Agreement.

8.2.2. During the Transition Period (which period shall not extend beyond ninety (90) business days following expiration or termination of the Agreement) Cloud Computing Services or Hosted Cloud Services and Data access shall continue to be made available to CalPERS without alteration. Specifically, Contractor will work with CalPERS during the Transition Period to ensure that the Data shall continue to be made available to CalPERS without alterations while Contractor transfers CalPERS' Data back to its possession. Unless otherwise stated in the applicable Statement of Work or Letter of Engagement, the Contractor shall permanently destroy or render inaccessible any portion of the Data in Contractor's and/or any subcontractor's possession or control following the expiration of all obligations in this section. Within thirty (30) days of request, Contractor shall issue a written statement to CalPERS confirming the destruction or inaccessibility of CalPERS' Data.

8.2.3. Notwithstanding any other provisions within the parties' underlying Agreement, Contractor shall compensate CalPERS for damages or losses CalPERS incurs as a result of Contractor's failure to comply with this section in accordance with the applicable provisions set forth in the Agreement.

9. Data Breach Notification and Remediation

9.1. Security Breach Notification

9.1.1. In the event that Contractor becomes aware of any Data Breach potentially affecting Data of CalPERS, Contractor shall immediately notify its primary point of contact at CalPERS in writing. In addition, Contractor

shall immediately notify CalPERS (i) via telephone by calling the CalPERS Information Technology Services Branch 24-hour Help Desk at 916-795-3017 and (ii) in writing by email sent to the appropriate email address set forth directly below:

infosec_incidents@calpers.ca.gov (to report information security incidents)

hipaa@calpers.ca.gov (to report disclosures of HIPAA covered information)

ITSB_Service_Desk@calpers.ca.gov (to report incidents resulting in significant or extended loss or unavailability of Data)

9.1.2. Contractor shall include in each notification: (i) the nature of the Data Breach; (ii) the Data impacted by the Data Breach (including the scale and quantity of the impacted Data); (iii) the person(s) or organization(s) that carried out or are otherwise responsible for the Data Breach (if known); (iv) what actions Contractor has done or shall do to quarantine and mitigate the Data Breach; and (v) what corrective action(s) the Contractor has taken or shall take to prevent future Data Breaches.

9.2. Data Breach Remediation. Contractor shall immediately take all steps necessary, at Contractor's expense, to investigate the Data Breach, comply with applicable Data Protection Laws and take any remedial steps deemed necessary by CalPERS or as otherwise instructed by CalPERS in its sole discretion; and fully cooperate with CalPERS to comply with any other remedial steps taken by CalPERS, including but not limited to quarantining the Data Breach, ensuring secure access to Data and the Information Systems and repair the Services as needed in accordance with the applicable Statement of Work or Agreement. Without limiting the foregoing:

9.2.1. Contractor shall provide CalPERS with daily updates, or more frequently if required by CalPERS, regarding findings and actions performed by, or at the direction of, Contractor until the Data Breach has been effectively resolved to CalPERS' satisfaction.

9.2.2. Subject to all of the terms herein, CalPERS shall be responsible for ultimately making all notifications required by applicable Data Protection Laws, unless CalPERS and Contractor have otherwise agreed to in writing. Further, in connection with any Data Breach impacting Data, Contractor agrees not to notify on behalf of CalPERS any regulatory authority or any customer, unless CalPERS specifically requests in writing that Contractor

do so. If CalPERS makes such a request, then CalPERS shall have the right to review and approve the form and content of any notification before it is provided to any party.

9.2.3. Failure to do any of the foregoing measures may result in CalPERS exercising its options for assessing damages or other remedies under the Agreement.

9.2.4. Notwithstanding any other provisions within the parties' underlying Agreement, Contractor shall indemnify CalPERS for all costs that arise from a Data Breach, including CalPERS' legal fees, investigative costs, notification costs arising out of state or federal law, civil costs and penalties, and any other costs or damages associated with such breach.

10. Security Reviews and Audits

- 10.1.** Annual Audit. Contractor and any subcontractor or service provider engaged or utilized by Contractor that has access to or hosts Data of CalPERS, shall undergo an annual Statement on Service Organization Control (SOC) 2 Type II audit. Annually, upon the anniversary of the Agreement effective date or within thirty (30) days of completion, whichever is earlier, Contractor shall provide CalPERS with a reasonable summary of the audit results and Contractor's processes and protocols to remediate, correct or otherwise implement compensating controls with respect to any deficiencies identified by such audit.
- 10.2.** Security Review. If CalPERS requests, Contractor shall undergo an initial security review (to be conducted by, and in accordance with standards specified by, CalPERS or its authorized representatives), including the completion of a risk assessment questionnaire provided by CalPERS. Contractor shall cooperate and provide CalPERS with all required information within a reasonable time frame but no more than 30 calendar days from the date of CalPERS' request.
- 10.3.** Audit Procedures. In addition to any other audit rights set forth in the Agreement, CalPERS shall have the right to audit, assess, examine and/or review Contractor's Information Systems and controls at Contractor's physical and/or technical environment and its policies and procedures used in order to ensure that Contractor is in compliance with this Addendum, as well as any and all Data Protection Laws. Contractor shall fully cooperate with such assessment by providing, without limitation, access to knowledgeable personnel, physical premises, documentation, infrastructure, information resources, electronic or removable media and application software that processes, stores or transports Data. CalPERS may demand or direct such audit at most once per calendar year, except following a Data Breach or any significant Data loss or catastrophic

failure, in which case CalPERS may direct such audit within 30 days of receiving notice from Contractor of a Data Breach, which audit shall be undertaken at Contractor's sole expense. In addition, upon CalPERS' written request, Contractor shall provide CalPERS with the results of any audit performed by or on behalf of Contractor that assesses the effectiveness of Contractor's Security Program and/or its compliance with this Addendum. If any audit identifies any deficiencies, Contractor will, at its sole cost and expense, promptly take all actions necessary to remediate, correct or otherwise implement compensating controls with respect to those deficiencies.

10.3.1. The audit may include, but not be limited to, the following: (i) operating system/network vulnerability scans; (ii) web application vulnerability scans; (iii) database application vulnerability scans; and (iv) any other activity to be performed by CalPERS or representatives on behalf of CalPERS.

10.3.2. Upon Contractor receiving the results of the audit, Contractor shall provide CalPERS with written evidence of any applicable planned remediation within 30 days and promptly modify its security measures in order to meet its obligations under the Agreement and this Addendum.

10.4. Certifications. Annually, upon the anniversary of the Agreement effective date or within thirty (30) days of completion, whichever is earlier, and to the extent available, Contractor shall provide CalPERS with information relating to internal and external information security audits and certifications, such as the most recent audit of Contractor's information network security system, SOC 2 Type II reports, PCI validation, and ISO certifications.

11. Discovery. Contractor shall promptly notify CalPERS upon receipt of any requests which in any way might reasonably require access to the Data or CalPERS' use of the Services. Contractor shall notify CalPERS by the fastest means available and also in writing, with additional notification provided to CalPERS' Chief Information Officer, unless prohibited by law from providing such notification. Contractor shall provide such notification within 48 hours after Contractor receives the request. Contractor shall not respond to subpoenas, service of process, Public Records Act requests, and other legal requests directed at Contractor regarding the Agreement (including this Addendum) without first notifying CalPERS unless prohibited by law from providing such notification. Contractor shall provide its intended responses to CalPERS with adequate time for CalPERS to review, revise and, if necessary, seek a protective order in a court of competent

jurisdiction. Contractor shall not respond to legal requests directed at CalPERS unless authorized in writing to do so by CalPERS.

12. Modifications

12.1. Modifications to Security Procedures. CalPERS acknowledges that from time to time Contractor shall modify its Information Systems and security procedures. Contractor shall ensure that all modifications provide the same or improved levels of security. Contractor must obtain CalPERS' written consent prior to making any modifications to its Information Systems and security procedures that may materially reduce the previously agreed upon level of security.

12.2. Additional Security Measures. CalPERS may from time to time request Contractor to implement specific procedures that differ from the terms of this Addendum. Contractor shall make commercially reasonable efforts to implement any procedures that do not conflict with Contractor's then current procedures or involve a significant investment of time or money. In the event any requests do involve a significant investment of time or money, the parties shall negotiate in good faith regarding the costs for such requests.

STATEMENT OF WORK

Service Verticals and Project Roles – Vertical 1.0

1.0 Business Analysis Services

Business Analysis Services is divided into three general areas; Business Analysis, Technical Writing, and Business Process Re-engineering (BPR). Business Analysis provides services for discovering the underlying business needs for a product or project by elicitation of the business requirements, often through conversations with the stakeholders, assists with requirements of new software systems, modifies existing software systems or migrates from one software system to another, and acts as mediator for the technical users and business users. The Technical Writing provides services for developing, updating, and/or maintaining technical documents and user manuals. BPR provides services in the study and redesign of business processes and their associated systems and organizational structures to achieve a dramatic improvement in business performance, assists in the examination and change of the components for the business of strategy, processes, technology, organization, and culture. BPR may include performing activities related to establishing or improving process performance metrics, process analysis, business process re-engineering and design, and operational analysis and performance modeling.

Project Roles

Senior Technical Specialist

Three (3) years of experience functioning at the expert level performing analytical work to develop technical documents in systems analysis, design, development, installation, implementation, procurement, or technical support duties pertaining to specified data processing systems, multifunction office automation systems, microcomputer systems, and/or teleprocessing networks, or technical support duties pertaining to the re-engineering or redesign of a business process with the intent of improving business performance. Can work independently as a high-level technical specialist or may participate with other analysts on projects of a complex nature or broad scope.

Technical Specialist

Three (3) years of experience functioning at the journey level under the general direction of a technical lead or project manager, performing analytical work to develop technical documents in systems analysis, design, development, installation, implementation, procurement, or technical support duties pertaining to specified data processing systems, multifunction office automation systems, microcomputer systems, and/or teleprocessing networks, and may participate with other analysts on projects of a complex nature or broad scope.

Business Analyst

Three (3) years of experience functioning at the journey level under the general direction of a technical lead performing analysis of system requirements documentation, development of test plans, creation of test cases, and the execution and validation of complex tests, and may participate with other analysts on systems studies of a complex nature or a broad scope.

Service Verticals and Project Roles – Vertical 2.0

2.0 Project Management Services

Project Management Services is providing the responsibility for and management of CalPERS information technology projects. The Project Manager must adhere to the CalPERS Project Management Methodology Policy, in addition, projects will be managed by following the CalPERS Project Management Methodology and by employing best practices based on Project Management Institute's PMBOK® or the California Project Management Methodology (CA PMM).

Specifically, the vendor may perform the following activities on behalf of CalPERS:

- a. Manage a project on behalf of CalPERS
- b. Actively support the CalPERS Project Manager
- c. Conduct facilitation and recording services
- d. Prepare monthly and ad-hoc reports
- e. Conduct special assessments, analysis, and report preparation as required
- f. Manage the project management processes, such as:
 - Project Integration Management
 - Project Scope Management
 - Project Time Management
 - Project Cost Management
 - Project Quality Management
 - Project Human Resource Management
 - Project Communications Management
 - Project Risk Management
 - Project Procurement Management
 - Project Relationship Management
- g. Prepare presentations for senior management and key stakeholders at all levels
- h. Prepare Project Plans/Internal Feasibility Study Reports (IFSRs)
- i. Conduct user requirements meetings

- j. Prepare user acceptance test plans
- k. Evaluate contractor deliverables
- l. Prepare Statements of Work
- m. Prepare Request for Proposals

Project oversight is the independent and external monitoring of CalPERS project deliverables. Oversight of projects may generally include tasks associated with Independent Verification and Validation (IV&V) and/or Independent Project Oversight Consultant (IPOC) activities.

IV&V duties will generally include the review of both products and processes, with an emphasis on the technical aspects of the products. IV&V oversight will insure that the deliverables of a project have met all requirements and conditions set forth in the project plans.

The IPOC externally monitors the project management efforts of CalPERS. The focus is on process and products from a management, process, and quality perspective; not the in-depth technical reviews associated with IV&V. The IPOC supports CalPERS by providing oversight and project management reviews and assessments on selected life-cycle development methodologies.

Project oversight will employ best practices based on Project Management Institute's PMBOK® Guide, California Project Management Methodology (CA PMM), and/or the Information Technology Infrastructure Library (ITIL).

Project Roles

Senior Technical Specialist

Three (3) years of experience functioning at the expert level performing analytical work to develop technical documents in systems analysis, design, development, installation, implementation, procurement, or technical support duties pertaining to specified data processing systems, multifunction office automation systems, microcomputer systems, and/or teleprocessing networks, or technical support duties pertaining to the re-engineering or redesign of a business process with the intent of improving business performance. Can work independently as a high-level technical specialist or may participate with other analysts on projects of a complex nature or broad scope.

Technical Specialist

Three (3) years of experience functioning at the journey level under the general direction of a technical lead or project manager, performing analytical work to develop technical documents in systems analysis, design, development, installation, implementation, procurement, or technical support duties pertaining to specified data processing systems, multifunction office automation systems, microcomputer systems,

and/or teleprocessing networks, and may participate with other analysts on projects of a complex nature or broad scope.

Senior Business Analyst

Five (5) years of experience functioning at the expert level performing highly complex analysis pertaining to the Lines of Business with the purpose of developing solutions that may be either technical, business/operational, service oriented, or performing project oversight related services pertaining to the project analysis of the operations of a functional unit with the purpose of developing an automated systems solution. Can work independently as a high-level technical specialist or may participate with other analysts on projects of a complex nature or broad scope.

Business Analyst

Three (3) years of experience functioning at the journey level under the general direction of a technical lead performing analysis of system requirements documentation, development of test plans, creation of test cases, and the execution and validation of complex tests, and may participate with other analysts on systems studies of a complex nature or a broad scope.

Senior Project Manager

Five (5) years of experience functioning as a project manager and has full management responsibility for the successful completion or oversight of projects with a budget of \$1 Million or greater. The Senior Project Manager manages the project team, providing direction to CalPERS technical and program staff as well as outside consultants. The Senior Project Manager may represent CalPERS before the public, Board of Administration, and numerous statewide organizations in matters related to the work of the project. The Senior Project Manager reports to the CalPERS Project Sponsor.

Project Manager

Three (3) years of experience functioning as a project manager and has full management responsibility for the successful completion of projects with a budget of at least \$500,000. The Project Manager manages the project team, providing direction to CalPERS technical and business staff as well as outside consultants. The Project Manager may represent CalPERS before the public, Board of Administration, and numerous statewide organizations in matters related to the work of the project.

Service Verticals and Project Roles – Vertical 6.0

6.0 Information Technology Service Management (ITSM)

Provide subject matter expert ITSM services based on industry best practices. Such services may include but are not limited to: making process assessments, guiding the provisioning and/or improvement of quality IT Services and the processes, tools and

other capabilities to support them. Developing, maintaining and supporting mechanisms that proactively provide areas of IT with their respective service levels of performance, including the collection, analysis and reporting on IT Service Metrics, Total Cost of Ownership (TCO), and Return on Investment (ROI) to CalPERS.

Project Roles

Senior Technical Specialist

Three (3) years of experience functioning at the expert level performing analytical work to develop technical documents in systems analysis, design, development, installation, implementation, procurement, or technical support duties pertaining to specified data processing systems, multifunction office automation systems, microcomputer systems, and/or teleprocessing networks, or technical support duties pertaining to the re-engineering or redesign of a business process with the intent of improving business performance. Can work independently as a high-level technical specialist or may participate with other analysts on projects of a complex nature or broad scope.

Technical Specialist

Three (3) years of experience functioning at the journey level under the general direction of a technical lead or project manager, performing analytical work to develop technical documents in systems analysis, design, development, installation, implementation, procurement, or technical support duties pertaining to specified data processing systems, multifunction office automation systems, microcomputer systems, and/or teleprocessing networks, and may participate with other analysts on projects of a complex nature or broad scope.

Senior Business Analyst

Five (5) years of experience functioning at the expert level performing highly complex analysis pertaining to the Lines of Business with the purpose of developing solutions that may be either technical, business/operational, service oriented, or performing project oversight related services pertaining to the project analysis of the operations of a functional unit with the purpose of developing an automated systems solution. Can work independently as a high-level technical specialist or may participate with other analysts on projects of a complex nature or broad scope.

Business Analyst

Three (3) years of experience functioning at the journey level under the general direction of a technical lead performing analysis of system requirements documentation, development of test plans, creation of test cases, and the execution and

validation of complex tests, and may participate with other analysts on systems studies of a complex nature or a broad scope.

Service Verticals and Project Roles – Vertical 8.0

8.0 Management Support Services

Under the general direction of IT Leadership Team, provide services on special projects as needed. Such projects may include but are not limited to: conducting studies, making assessments and recommendations for long and short-term strategic planning; gathering business requirements and conducting analyses; conducting diagnostic reviews; writing tactical plans, Feasibility Study Reports (FSR), and Post Implementation Evaluation Reports (PIER).

Project Roles

Senior Technical Specialist

Three (3) years of experience functioning at the expert level performing analytical work to develop technical documents in systems analysis, design, development, installation, implementation, procurement, or technical support duties pertaining to specified data processing systems, multifunction office automation systems, microcomputer systems, and/or teleprocessing networks, or technical support duties pertaining to the re-engineering or redesign of a business process with the intent of improving business performance. Can work independently as a high-level technical specialist or may participate with other analysts on projects of a complex nature or broad scope.

Technical Specialist

Three (3) years of experience functioning at the journey level under the general direction of a technical lead or project manager, performing analytical work to develop technical documents in systems analysis, design, development, installation, implementation, procurement, or technical support duties pertaining to specified data processing systems, multifunction office automation systems, microcomputer systems, and/or teleprocessing networks, and may participate with other analysts on projects of a complex nature or broad scope.

Senior Business Analyst

Five (5) years of experience functioning at the expert level performing highly complex analysis pertaining to the Lines of Business with the purpose of developing solutions that may be either technical, business/operational, service oriented, or performing project oversight related services pertaining to the project analysis of the operations of a

functional unit with the purpose of developing an automated systems solution. Can work independently as a high-level technical specialist or may participate with other analysts on projects of a complex nature or broad scope.

Business Analyst

Three (3) years of experience functioning at the journey level under the general direction of a technical lead performing analysis of system requirements documentation, development of test plans, creation of test cases, and the execution and validation of complex tests, and may participate with other analysts on systems studies of a complex nature or a broad scope.

FEE SCHEDULE

Vertical 1.0 - Business Analysis Services

The maximum escalation rate is five (5) percent per year. The formula is as follows:

(The percent of increase as a decimal) + 1 * (The previous year's hourly rate)

(e.g., at five (5) percent increase on a \$100/hour rate would be: $.05 + 1 * \$100 = \105)

Project Role	Rate Per Hour	Rate Per Hour	Rate Per Hour	Rate Per Hour	Rate Per Hour
	Year 1 (FY 25/26)	Year 2 (FY 26/27)	Year 3 (FY 27/28)	Year 4 (FY 28/29)	Year 5 (FY 29/30)
Senior Technical Specialist	\$225.00	\$235.00	\$245.00	\$255.00	\$265.00
Technical Specialist	\$200.00	\$210.00	\$220.00	\$230.00	\$240.00
Business Analyst	\$200.00	\$210.00	\$220.00	\$230.00	\$240.00

Vertical 2.0 - Project Management Services

The maximum escalation rate is five (5) percent per year. The formula is as follows:

(The percent of increase as a decimal) + 1 * (The previous year's hourly rate)

(e.g., at five (5) percent increase on a \$100/hour rate would be: $.05 + 1 * \$100 = \105)

Project Role	Rate Per Hour Year 1 (FY 25/26)	Rate Per Hour Year 2 (FY 26/27)	Rate Per Hour Year 3 (FY 27/28)	Rate Per Hour Year 4 (FY 28/29)	Rate Per Hour Year 5 (FY 29/30)
Senior Project Manager	\$225.00	\$235.00	\$245.00	\$255.00	\$265.00
Project Manager	\$200.00	\$210.00	\$220.00	\$230.00	\$240.00
Senior Technical Specialist	\$225.00	\$235.00	\$245.00	\$255.00	\$265.00
Technical Specialist	\$200.00	\$210.00	\$220.00	\$230.00	\$240.00
Senior Business Analyst	\$225.00	\$235.00	\$245.00	\$255.00	\$265.00
Business Analyst	\$200.00	\$210.00	\$220.00	\$230.00	\$240.00

Vertical 6.0 - Information Technology Service Management

The maximum escalation rate is five (5) percent per year. The formula is as follows:

(The percent of increase as a decimal) + 1 * (The previous year's hourly rate)

(e.g., at five (5) percent increase on a \$100/hour rate would be: $.05 + 1 * \$100 = \105)

Project Role	Rate Per Hour Year 1 (FY 25/26)	Rate Per Hour Year 2 (FY 26/27)	Rate Per Hour Year 3 (FY 27/28)	Rate Per Hour Year 4 (FY 28/29)	Rate Per Hour Year 5 (FY 29/30)
Senior Technical Specialist	\$225.00	\$235.00	\$245.00	\$255.00	\$265.00
Technical Specialist	\$200.00	\$210.00	\$220.00	\$230.00	\$240.00
Senior Business Analyst	\$225.00	\$235.00	\$245.00	\$255.00	\$265.00
Business Analyst	\$200.00	\$210.00	\$220.00	\$230.00	\$240.00

Vertical 8.0 - Management Support Services

The maximum escalation rate is five (5) percent per year. The formula is as follows:

(The percent of increase as a decimal) + 1 * (The previous year's hourly rate)

(e.g., at five (5) percent increase on a \$100/hour rate would be: $.05 + 1 * \$100 = \105)

Project Role	Rate Per Hour Year 1 (FY 25/26)	Rate Per Hour Year 2 (FY 26/27)	Rate Per Hour Year 3 (FY 27/28)	Rate Per Hour Year 4 (FY 28/29)	Rate Per Hour Year 5 (FY 29/30)
Senior Technical Specialist	\$225.00	\$235.00	\$245.00	\$255.00	\$265.00
Technical Specialist	\$200.00	\$210.00	\$220.00	\$230.00	\$240.00
Senior Business Analyst	\$225.00	\$235.00	\$245.00	\$255.00	\$265.00
Business Analyst	\$200.00	\$210.00	\$220.00	\$230.00	\$240.00

LIST OF KEY PERSONS AND RESUMES

The resumes for Key Persons will be assessed at time of Letter of Engagement.



CalPERS GIFT POLICY (Revised 05/12)

1. Background

The receipt of gifts by CalPERS staff may be perceived as creating a potential conflict with the interests CalPERS is committed to place above all others - the interests of our members. Even in limited circumstances when applicable laws and policies permit the acceptance of gifts, our members and the public may perceive such gifts as creating a conflict of interest or an attempt to influence or reward official government actions and decisions.

2. CalPERS Policy

CalPERS Form 700 Filers shall not accept gifts with an aggregate value in excess of \$50 during a calendar year from one source that is any of the following:

- (1) Any person or entity:
 - a. doing business with CalPERS;
 - b. seeking to do business with CalPERS; or
 - c. that is the type of entity that does business with CalPERS (e.g., any law firm, any health services provider, or any information technology company, even if the entity is not currently doing or seeking to do business with CalPERS); or
- (2) A finder, solicitor, marketer, consultant, broker, placement agent or other intermediary of such an entity.

A source does not include any of the following:

- (1) A trade association or entity organized and operated for charitable, scientific, educational, philanthropic, social welfare, employee association or similar purposes (e.g., Council of Institutional Investors, National Association of Public Pension Attorneys, Stanford Institutional Investors Forum, Pacific Pension Institute, CERES, International Corporate Governance Network, etc.), if the only business that CalPERS conducts with the entity is the payment of membership dues or fees to them;
- (2) An advisory committee of a governmental agency of which CalPERS is a member;
or

- (3) An entity that issues publicly-traded securities, provided that the only business that CalPERS does with the company is the purchase, holding, or sale of such a security.

The term “doing business” means a contractual or other transactional relationship between any person or entity and CalPERS.

The term “gift” has the same meaning as the term is defined in Government Code Section 82028 and as interpreted by regulations and opinions issued by the Fair Political Practices Commission. (See, Limitations and Restrictions on Gifts, Honoraria, Travel and Loans, dated March 2012. Staff are counseled to refer to the most current version of this publication, which is available at www.fppc.ca.gov).

This policy does not replace or supersede the provisions and requirements of the Political Reform Act or regulations promulgated thereunder. Staff remain subject to the annual gift limit under Government Code section 89503, and the requirement to report gifts of \$50 or more and multiple gifts totaling \$50 or more from a single source.

3. Resources

[Government Code Section 82028](#)

Fair Political Practices Commission – Gift FAQs

[Gifts: Frequently Asked Questions](#)

4. Effective Date

This Gift Policy is effective June 1, 2012.

Agreement No. 2025-9476
Sabot Technologies, Inc. dba Sabot Consulting
Attachment E
Page 1 of 1

Business Associate Agreement

Business Associate Agreement will be assessed at time of Letter of Engagement.

Agreement No. 2025-9476
Sabot Technologies, Inc. dba Sabot Consulting
Attachment F
Page 1 of 1



**California Public Employees' Retirement system
Criminal Background Checks**

CalPERS is committed to honesty and integrity in all aspects of the administration of its pension and health care benefits and requires Contractor, its agents, employees, and subcontractors to be ethical and trustworthy to serve the best interests of our members in administering those benefits. To help ensure this trust, Contractor shall conduct criminal background checks (as permitted by applicable law) on their agents, employees, and subcontractors deemed key personnel to this contract. Contractor further certifies it will not utilize any agents, employees, or subcontractors convicted of any crime of dishonesty, fraud, deceit, or misrepresentation to perform any obligations of the Contract. Contractor shall further prohibit its agents, employees, and subcontractors from accessing CalPERS data and/or facilities if such agent, employee, or subcontractor failed to pass any relevant background check(s).

The undersigned hereby certifies that they are an individual authorized to bind the firm contractually and understands that a breach of the agreement described above may be grounds for termination of the contract.

DocuSigned by:
Christopher Eaves
1CB288A01841406...

4/17/2025

Authorized Signature

Date

Christopher Eaves President

Name and Title (Please Print)