

## EXHIBIT A SCOPE OF WORK

In accordance with the provisions of Government Code section 14670.10.5, the Department of General Services (hereinafter "Department") and the County of Sonoma (hereinafter "County") do agree as follows:

1. In June 2019, the State Legislature passed, and the Governor approved, Government Code section 14670.10.5, outlining the general terms under which the State of California, through the Department, will partner with the County to determine the future of the state-owned real property known as the Sonoma Developmental Center, located in Eldridge, California (the "property"). Government Code section 14670.10.5 became effective on June 27, 2019, and sets forth the state's goals and requirements for the disposition of the property by the Department and a land use planning process to be conducted by the County for the future use of the property.
2. The Department will pay the County for costs associated with land use planning services and management of the land use planning process related to the property to determine the appropriate future land uses and development potential of the property. Eligible costs are specified in section A.4 of Exhibit B. The Department will also pay for County review, coordination, and processing costs to adequately analyze the environmental effects and cumulative impacts of probable future development under the land use plans in order to comply with the California Environmental Quality Act (CEQA) requirements and any CEQA-related court order pertaining to the property, and may include costs related to any developer entitlement applications that meet these criteria. Eligible costs are specified in section A.4 of Exhibit B. In no event shall the Department be responsible for costs that exceed the remaining budget under this agreement.
3. The planning services shall include completing an Environmental Impact Report, which may be at a project- and/or programmatic- level (EIR), completing a report on the economic feasibility of future development, and developing a Specific Plan and related documents to facilitate the disposition of the property, as contemplated by Government Code section 14670.10.5. The Specific Plan and related documents shall be consistent with Government Code Section 65450 and the County General Plan, as may be amended. The final draft Specific Plan shall identify the allowable land uses for the property, including allowable locations, densities and or intensities for development, the infrastructure necessary to support the buildout of the Specific Plan, and a financing strategy for any infrastructure improvements and Specific Plan implementation measures. The final draft Specific Plan may include design guidelines to clarify the desired form of development on the property. An EIR will analyze Plan buildout to ensure that development ~~that~~ is consistent with the Specific Plan and may tier from it or be analyzed concurrently at a project level. The final draft Specific Plan may be accompanied by associated draft amendments to

the County's General Plan and Zoning Code to ensure consistency among these regulatory documents. Subject to section 5 of this agreement, the land use planning process, final draft Specific Plan and related documents shall meet all provisions of Government Code section 14670.10.5 including, but not limited to:

- A. The disposition of the property or property interests shall provide for the permanent protection of the open space and natural resources as a public resource to the greatest extent feasible;
  - B. Housing shall be a priority in the planning process;
  - C. Any housing that is determined to be appropriate for the property shall include affordable housing;
  - D. Any housing opportunities on the property shall give priority to projects that include deed restricted housing for individuals with developmental disabilities; and
  - E. Options shall be considered for the appropriate protection of the Eldridge Cemetery located on the property.
4. The County shall provide land use planning services necessary for the development of a Specific Plan for the property as specified in Government Code section 14670.10.5 including , but not limited to, the following deliverables (collectively, the "Specific Plan project"):
- A. Robust Community Engagement Strategy (and implementation thereof)
  - B. Comprehensive Conditions Report on the property and its setting
  - C. Economic Market Demand Report
  - D. Water Supply Assessment and coordination among Water Agencies
  - E. Project Conceptual Alternatives & a Preferred Plan Framework
  - F. Draft Specific Plan with Infrastructure and Financing Strategies
  - G. Public Draft Initial Study and Notice of Preparation
  - H. Public Draft Environmental Impact Report
  - I. Draft Final Environmental Impact Report and Mitigation Monitoring and Reporting Program
  - J. Final Draft Specific Plan and Environmental Impact Report
  - K. Public hearings for EIR certification and Specific Plan adoption, including any General Plan and zoning amendments identified as necessary for consistency.
5. This agreement does not prescribe the contents of the specific plan and related planning documents, and does not constitute a commitment to any definite course of action beyond the land use planning process and services set forth in this agreement and in accordance with Government Code section 14670.10.5. The County will conduct the environmental review process to inform the contents of the specific plan and related planning documents, in compliance with the California Environmental Quality Act ("CEQA"), and will consider community input and the plan objectives identified in Government Code section 14670.10.5. This agreement shall not commit the County Board of Supervisors to a particular legislative act. The

County retains full discretion as the planning agency and lead agency to (i) develop, revise, and determine the contents of the specific plan in compliance with CEQA and based on community input and the environmental review process; (ii) select and consider a reasonable range of alternatives in compliance with CEQA; (iii) consider the benefits of adopting a specific plan against any unavoidable significant environmental impacts, if any, prior to taking final action; and/or (iv) adopt an alternative or revised specific plan or determine not to proceed with adoption of a specific plan.

6. The Specific Plan and the associated EIR shall be developed, with any related General Plan Amendments and Zoning Amendments as necessary, in final form for consideration by the County Board of Supervisors, ~~within three years of the County's acceptance of this agreement~~ no later than June 30, 2026. Exhibit B-43 provides a ~~schedule for Specific Plan~~ the Revised County Land Use Planning and EIR Schedule for completion including major deliverables. Modifications to the proposed schedule that may impact the final deadline must be approved by both Parties in writing. This agreement shall not commit the County Board of Supervisors to a particular legislative act.
7. The County shall provide the Department with quarterly reports as follows:
  - a. The county shall provide the Department with quarterly reports by the last day of each calendar quarter, starting with the end of quarter following the execution of this agreement and each quarter thereafter. Reports shall include the following:
    - i. County's costs for land use planning services including copies of itemized consultant invoices received and paid during the previous quarter, receipts for other authorized expenses paid during the preceding quarter, and an accounting of all county staff time billed against the project.
    - ii. A progress report that compares the current status with the project schedule and includes a list of deliverables completed and the estimated dates for completion of the remaining deliverables.
  - b. Reports shall be submitted to:
    - i. Gerald McLaughlin, Asset Management Branch;  
[Gerald.McLaughlin@dgs.ca.gov](mailto:Gerald.McLaughlin@dgs.ca.gov)
8. The County shall submit information required by Government Code section 14670.10.5 and this agreement in a timely manner in order to permit the Department to provide a written report to the Legislature starting in March 2020 and in March of each subsequent fiscal year during which funding is received for maintenance, operation and disposition of the property. This report to the Legislature will include an accounting of the county's expenditures and progress toward a final specific plan among the disclosed information.

9. Preparation for or attendance by County staff or consultants at meetings outside of the scope of work identified for the preparation of the Specific Plan project, such as informational meetings at the request of interested parties or organizations, and costs in excess of \$3.5 million, 258,520.00 shall be the responsibility of the County. Such excess costs may be paid under an at-cost agreement between the selected developer(s) or buyer(s) and the Sonoma County Permit and Resource Management Department.

10. The Authorized Representatives during the term of this agreement will be:

County of Sonoma  
~~\_\_\_\_\_ Milan Nevajda~~  
Deputy ~~\_\_\_\_\_ Tennis Wick, AICP~~  
Director—Planning Division  
~~www.Permiit\_Sonoma.org~~  
County of Sonoma  
2550 Ventura Avenue, Santa Rosa, CA 95403  
Direct: 707-565-2336  
Office: 707-565-1947  
Fax: 707-565-1103

Department of General Services  
Gerald G. McLaughlin  
Asset Management Branch  
Department of General Services  
State of California  
707 3rd Street, 5th Floor  
West Sacramento, CA 95605  
(916) 475-4009  
[Gerald.McLaughlin@dgs.ca.gov](mailto:Gerald.McLaughlin@dgs.ca.gov)

11. The County will manage the land use planning process, and DGS will carry out the disposition process in accordance with Government Code section 14670.10.5. To facilitate the expeditious land use planning and disposition process, DGS may issue an RFP and solicit proposals to develop the property during the land use planning process, subject to consistency with any final, approved Specific Plan.

12. At the Department's request, the County shall review and provide comment on the Department's (RFP) to dispose of and/or develop the property at such time that the RFP is prepared and prior to its issuance. The County shall review the RFP to provide comments on its consistency with the land use planning process for the Specific Plan.

13. At the Department's request and in a manner prescribed by the Department, the County shall review any proposals submitted in response to the Department's RFP

to develop the property and provide comment on the potential inconsistencies with the final Specific Plan.

14. Under an at-cost agreement between the selected developer(s) or buyer(s) and the Sonoma County Permit and Resource Management Department, the County shall promptly process all applications for project specific entitlements, including any application for development agreements, upon application by the selected buyer(s) or developer(s), to ensure the integration of the land use planning process with the disposition process for the property in accordance with Government Code section 14670.10.5. While the Department and the County recognize that complete processing of project-specific entitlements may not occur within the period of this agreement, both parties commit to using reasonable efforts to carry out the land use planning and disposition process in a cooperative manner and to the expeditious planning of future land uses for the property. The Department and the County contemplate that certain processing activity may occur concurrently with the Specific Plan process or thereafter, including for example the following:
  - a. A developer or buyer may submit entitlements concurrent with the Specific Plan process to reduce timeframe or phase entitlements with Master Plan/Preliminary Plan.
  - b. A developer or buyer may submit entitlement applications for subdivision and concurrent tentative maps/precise development plans or phase these.
  - c. Final Design Review may be done concurrently or sequentially with grading and building plans.
15. The Department and the County each recognize that time is of the essence necessitating prompt review and processing of the items subject to this agreement.
16. In the event the County does not adopt a specific plan, the State of California reserves its right to pursue, through the Department, other disposition alternatives as permitted by law.

## EXHIBIT B

### BUDGET DETAIL PROVISIONS

#### A. Reporting

1. The County shall provide the Department with quarterly reports that include the County's costs for land use planning services, and including consultant costs, under this agreement and a progress report that compares the current status with the project schedule and includes a list of deliverables completed and the estimated dates for completion of the remaining deliverables. The cost report shall include copies of: 1) itemized consultant invoices received and paid during the previous quarter, 2) receipts for other authorized expenses paid during for the preceding quarter, and 3) an accounting of all county staff time billed against the project.
2. Quarterly reports will be submitted quarterly in arrears to:

Gerald G. McLaughlin  
Asset Management Branch  
Department of General Services  
State of California  
707 3rd Street, 5th Floor  
West Sacramento, CA 95605
3. The total amount paid by the Department under this agreement shall not exceed ~~\$3.5 million~~ \$3,258,520.00. The Department ~~will advance~~ advanced \$3.5 million to the County ~~within 10 days of execution of this agreement~~ to be credited to a dedicated trust account at Permit Sonoma. On July 23, 2024, at the request of the State and pursuant to resolution 24-0314 adopted by the Board of Supervisors, the County returned \$512,100.00 to the State. On July 7, 2022, the Department of General Services entered Agreement Number 6839, Task Order 12 with Wood Rodgers to perform a Water Supply Assessment in the amount of \$241,280.00 which was a deliverable in Exhibit A, Section 4.D. In consideration of the state funding the Water Supply Assessment required by this Agreement, the amount of the contract is hereby reduced to \$3,258,520.00. The State shall return \$270,820.00 to the County within 45 days of execution of this agreement. In the event the County's cost for land use planning services and consultant costs is less than ~~\$3.5 million~~ \$3,258,520.00, or the agreement is cancelled for any reason, or no reason at all, the County shall reimburse the Department any unearned funds.
4. Costs incurred by the County to carry out the land use planning activities provided in this agreement and in Government Code section 14670.10.5 for disposition of the property, may be paid for under this agreement, include but are not limited to:

- a. County staff and consultant costs specifically related to the development and possible approval of a Specific Plan, General Plan amendment, related draft ordinances, and rezone of Sonoma Developmental Center. County costs include planning services, project management and oversight of staff and consultants, contract management, legal services, analyst services, clerical services, GIS mapping, as well as software, time, and materials prorated accordingly as needed to fulfill the scope of services for the Specific Plan. Such costs may include those for: preparation of agendas, meeting notices, minutes; public notice, mailers, web postings, site signs; GIS services (maps); existing studies review; preparation and attendance at internal, stakeholder and community meetings; public affairs and communications; creating presentations; reviewing all Consultant-generated materials associated with the preparation of a draft Specific Plan, its associated EIR, including program level-analysis as well as project-level analysis associated with a developer's entitlement application meeting the criteria of Section 2 of Exhibit A, and any draft General Plan or Zoning Amendments; reviewing State Request for Proposal and developer proposal(s); reviewing Developer Agreements; and processing developer entitlements subject to reimbursement of developer's entitlement processing fees on an at-cost basis under an signed agreement with the Permit and Resource Management Department. The consultant costs include the Deliverables in Exhibit A; and
  
- b. Other reasonable and necessary costs determined by the Department to be incurred for the purpose of the County's preparation of a draft Specific Plan and its related management of the land use planning process for the property, including but not limited to costs associated with securing a consultant to support the County's preparation of a Specific Plan through a competitive Request for Proposals (RFP) and any preparatory work related to the RFP process in accordance with Government Code section 14670.10.5.

**EXHIBIT B-2**  
**COST SHEET**  
**FORMER SONOMA DEVELOPMENTAL CENTER**  
**SONOMA COUNTY**  
**LAND USE PLANNING SERVICES**

<b>Contract Amount</b>	
Total Amount to be paid under this agreement:	\$3,500,000.00*

~~\*The Department will advance \$3.5 million to the County within 10 days of execution of this agreement to be credited to a dedicated trust account at Permit Sonoma.~~

\*The total amount paid by the Department under this agreement shall not exceed \$3,258,520.00. The Department advanced \$3.5 million to the County to be credited to a dedicated trust account at Permit Sonoma. On July 23, 2024, at the request of the State and pursuant to resolution 24-0314 adopted by the Board of Supervisors, the County returned \$512,100.00 to the State. On July 7, 2022, the Department of General Services entered Agreement Number 6839, Task Order 12 with Wood Rodgers to perform a Water Supply Assessment in the amount of \$241,280.00 which was a deliverable in Exhibit A, Section 4.D. In consideration of the state funding the Water Supply Assessment required by this Agreement, the amount of the contract is hereby reduced to \$3,258,520.00. The State shall return \$270,820.00 to the County within 45 days of execution of this agreement. In the event the County's cost for land use planning services and consultant costs is less than \$3.5 million \$3,258,520.00, or the agreement is cancelled for any reason, or no reason at all, the County shall reimburse the Department any unearned funds.

The county shall provide quarterly reports to the department that shall include expenditures, contracts, and an update describing the progress of the expedited planning process.

**EXHIBIT B-3**  
**Revised County Land Use Planning and EIR Schedule**

**B: Timeline**

This proposal outlines about 25 weeks for preparation of the Administrative Draft of the EIR, including time to prepare the project description and confirm details with the County and the Applicant and time to complete technical modeling of traffic, air, GHG, and noise impacts as well as the emergency evacuation analysis. Accordingly, the Public Review Draft EIR would be released 32 weeks following project inception. Given the public review and the staff review periods, the total project timeline is anticipated to be about nine months.

<i>Milestone</i>	<i>Responsibility</i>	<i>Duration (days)</i>	<i>Target Completion</i>
Kick Off Meeting	ALL	0	9-Jul
Draft Project Description submitted	D&B	21	28-Jul
County/Applicant review	County/Applicant	7	4-Aug
Project Description finalized	D&B	7	11-Aug
Notice of Preparation released	D&B	4	15-Aug
Tribal consultation letters sent	D&B	0	15-Aug
Scoping meeting	D&B	0	11-Sep
End of scoping period	-	31	15-Sep
Technical traffic modeling	F&P	45	25-Sep
Emergency Evacuation Report	F&P	56	6-Oct
AQ/GHG/Noise modeling	D&B	21	10-Nov
Admin Draft EIR	D&B	98	17-Nov
County review of ADEIR	County	21	8-Dec
Screencheck DEIR	D&B	14	22-Dec
Public Review DEIR and Notices	D&B	14	5-Jan
Public review starts	ALL	0	5-Jan
Planning Commission + Advisory Committee Meeting	ALL	30	4-Feb
Public review ends	ALL	45	19-Feb
Consultant Prepares Administrative Draft Final EIR & MMRP	D&B	35	26-Mar
County Reviews Administrative Draft Final EIR & MMRP	County	14	9-Apr
Consultant Completes Screencheck Final EIR & MMRP	D&B	7	16-Apr
County Reviews Screencheck Final EIR	County	7	23-Apr
Consultant Completes Final EIR & MMRP for Distribution	D&B	6	29-Apr
Final EIR Circulated	ALL	0	29-Apr
Planning Commission Hearing	ALL	0	21-May
BOS Hearing	ALL	0	9-Jun
Notice of Determination (within 5 days of certification)	D&B	0	11-Jun

**EXHIBIT C**

**MODIFIED General Terms and Conditions**  
**(Modified GTC -04/201702/2025)**

**EXHIBIT C**

1. **APPROVAL:** This Agreement is of no force or effect until signed by both parties and approved by the Department of General Services, if required. Contractor may not commence performance until such approval has been obtained.
2. **AMENDMENT:** No amendment or variation of the terms of this Agreement shall be valid unless made in writing, signed by the parties and approved as required. No oral understanding or Agreement not incorporated in the Agreement is binding on any of the parties.
3. **ASSIGNMENT:** This Agreement is not assignable by the Contractor, either in whole or in part, without the consent of the State in the form of a formal written amendment.
4. **AUDIT:** Contractor agrees that the awarding department, the Department of General Services, the Bureau of State Audits, or their designated representative shall have the right to review and to copy any records and supporting documentation pertaining to the performance of this Agreement. Contractor agrees to maintain such records for possible audit for a minimum of three (3) years after final payment, unless a longer period of records retention is stipulated. Contractor agrees to allow the auditor(s) access to such records during normal business hours and to allow interviews of any employees who might reasonably have information related to such records. Further, Contractor agrees to include a similar right of the State to audit records and interview staff in any subcontract related to performance of this Agreement. (Gov. Code §8546.7, Pub. Contract Code §10115 et seq., CCR Title 2, Section 1896).
5. **INDEMNIFICATION:** Contractor agrees to indemnify, defend and save harmless the State, its officers, agents and employees from any and all claims and losses accruing or resulting to any and all contractors, subcontractors, suppliers, laborers, and any other person, firm or corporation furnishing or supplying work services, materials, or supplies in connection with the performance of this Agreement, and from any and all claims and losses accruing or resulting to any person, firm or corporation who may be injured or damaged by Contractor in the performance of this Agreement.
6. **DISPUTES:** Contractor shall continue with the responsibilities under this Agreement during any dispute.

7. TERMINATION FOR CAUSE: The State may terminate this Agreement and be relieved of any payments should the Contractor fail to perform the requirements of this Agreement at the time and in the manner herein provided. In the event of such termination the State may proceed with the work in any manner deemed proper by the State. All costs to the State shall be deducted from any sum due the Contractor under this Agreement and the balance, if any, shall be paid to the Contractor upon demand.
8. INDEPENDENT CONTRACTOR: Contractor, and the agents and employees of Contractor, in the performance of this Agreement, shall act in an independent capacity and not as officers or employees or agents of the State.
- ~~9. RECYCLING CERTIFICATION: The Contractor shall certify in writing under penalty of perjury, the minimum, if not exact, percentage of post-consumer material as defined in the Public Contract Code Section 12200, in products, materials, goods, or supplies offered or sold to the State regardless of whether the product meets the requirements of Public Contract Code Section 12209. With respect to printer or duplication cartridges that comply with the requirements of Section 12156(e), the certification required by this subdivision shall specify that the cartridges so comply (Pub. Contract Code §12205).~~
10. NON-DISCRIMINATION CLAUSE: During the performance of this Agreement, Contractor and its subcontractors shall not deny the contract's benefits to any person on the basis of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, or military and veteran status, nor shall they discriminate unlawfully against any employee or applicant for employment because of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, or military and veteran status. Contractor shall insure that the evaluation and treatment of employees and applicants for employment are free of such discrimination. Contractor and subcontractors shall comply with the provisions of the Fair Employment and Housing Act (Gov. Code §12900 et seq.), the regulations promulgated thereunder (Cal. Code Regs., tit. 2, §11000 et seq.), the provisions of Article 9.5, Chapter 1, Part 1, Division 3, Title 2 of the Government Code (Gov. Code §§11135-11139.5), and the regulations or standards adopted by the awarding state agency to implement such article. Contractor shall permit access by representatives of the Department of Fair Employment and Housing and the awarding state agency upon reasonable notice at any time during the normal business hours, but in no case less than 24 hours' notice, to such of its books, records, accounts, and all other sources of information and its facilities as said Department or Agency shall require to ascertain compliance with this

clause. 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. (See Cal. Code Regs., tit. 2, §11105.) Contractor shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under the Agreement.

11. CERTIFICATION CLAUSES: The CONTRACTOR CERTIFICATION CLAUSES contained in the document CCC 04/2017 are hereby incorporated by reference and made a part of this Agreement by this reference as if attached hereto.
12. TIMELINESS: Time is of the essence in this Agreement.
13. COMPENSATION: The consideration to be paid Contractor, as provided herein, shall be in compensation for all of Contractor's expenses incurred in the performance hereof, including travel, per diem, and taxes, unless otherwise expressly so provided.
14. GOVERNING LAW: This contract is governed by and shall be interpreted in accordance with the laws of the State of California.
15. ~~ANTITRUST CLAIMS: The Contractor by signing this agreement hereby certifies that if these services or goods are obtained by means of a competitive bid, the Contractor shall comply with the requirements of the Government Codes Sections set out below:~~
  - a. ~~The Government Code Chapter on Antitrust claims contains the following definitions:~~
    - 1) ~~"Public purchase" means a purchase by means of competitive bids of goods, services, or materials by the State or any of its political subdivisions or public agencies on whose behalf the Attorney General may bring an action pursuant to subdivision (c) of Section 16750 of the Business and Professions Code.~~
    - 2) ~~"Public purchasing body" means the State or the subdivision or agency making a public purchase. Government Code Section 4550.~~
  - b. ~~In submitting a bid to a public purchasing body, the bidder offers and agrees that if the bid is accepted, it will assign to the purchasing body 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. Sec. 15) or under the Cartwright Act (Chapter 2 (commencing with Section 16700) of Part 2 of Division 7 of the Business and Professions Code), arising from purchases of goods, materials, or services by the bidder for sale to the purchasing body~~

~~pursuant to the bid. Such assignment shall be made and become effective at the time the purchasing body tenders final payment to the bidder. Government Code Section 4552.~~

~~c. — If an awarding body or public purchasing body 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 the public body any portion of the recovery, including treble damages, attributable to overcharges that were paid by the assignor but were not paid by the public body as part of the bid price, less the expenses incurred in obtaining that portion of the recovery. Government Code Section 4553.~~

~~d. — Upon demand in writing by the assignor, the assignee shall, within one 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 (a) the assignee has not been injured thereby, or (b) the assignee declines to file a court action for the cause of action. See Government Code Section 4554.~~

16. CHILD SUPPORT COMPLIANCE ACT: For any Agreement in excess of \$100,000, the contractor acknowledges in accordance with Public Contract Code 7110, that:
- a. The contractor recognizes the importance of child and family support obligations and shall fully comply with all applicable state and federal laws relating to child and family support enforcement, including, but not limited to, disclosure of information and compliance with earnings assignment orders, as provided in Chapter 8 (commencing with section 5200) of Part 5 of Division 9 of the Family Code; and
  - b. The contractor, to the best of its knowledge is fully complying with the earnings assignment orders of all employees and is providing the names of all new employees to the New Hire Registry maintained by the California Employment Development Department.
17. UNENFORCEABLE PROVISION: In the event that any provision of this Agreement is unenforceable or held to be unenforceable, then the parties agree that all other provisions of this Agreement have force and effect and shall not be affected thereby.
18. PRIORITY HIRING CONSIDERATIONS: If this Contract includes services in excess of \$200,000, the Contractor shall give priority consideration in filling vacancies in

positions funded by the Contract to qualified recipients of aid under Welfare and Institutions Code Section 11200 in accordance with Pub. Contract Code §10353.

~~19. SMALL BUSINESS PARTICIPATION AND DVBE PARTICIPATION REPORTING REQUIREMENTS:~~

~~a. — If for this Contract Contractor made a commitment to achieve small business participation, then Contractor must within 60 days of receiving final payment under this Contract (or within such other time period as may be specified elsewhere in this Contract) report to the awarding department the actual percentage of small business participation that was achieved. (Govt. Code §14841.)~~

~~b. — If for this Contract Contractor made a commitment to achieve disabled veteran business enterprise (DVBE) participation, then Contractor must within 60 days of receiving final payment under this Contract (or within such other time period as may be specified elsewhere in this Contract) certify in a report to the awarding department: (1) the total amount the prime Contractor received under the Contract; (2) the name and address of the DVBE(s) that participated in the performance of the Contract; (3) the amount each DVBE received from the prime Contractor; (4) that all payments under the Contract 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(d); Govt. Code § 14841.)~~

20. LOSS LEADER: If this contract involves the furnishing of equipment, materials, or supplies then the following statement is incorporated: It is unlawful for any person engaged in business within this state to sell or use any article or product as a “loss leader” as defined in Section 17030 of the Business and Professions Code. (PCC 10344(e).)

21. GENERATIVE AI DISCLOSURE OBLIGATIONS:

a. The following terms are in addition to the defined terms and shall apply to the Contract:

1) “Generative AI (GenAI)” means an artificial intelligence system that can generate derived synthetic content, including text, images, video, and audio that emulates the structure and characteristics of the system's training data. (Gov. Code § 11549.64.)

- b. Contractor shall immediately notify the State in writing if it: (1) intends to provide GenAI as a deliverable to the State; or (2), intends to utilize GenAI, including GenAI from third parties, to complete all or a portion of any deliverable that materially impacts: (i) functionality of a State system, (ii) risk to the State, or (iii) Contract performance. For avoidance of doubt, the term "materially impacts" shall have the meaning set forth in State Administrative Manual (SAM) § 4986.2 Definitions for GenAI.
- c. Notification shall be provided to the State designee identified in this Contract.
- d. At the direction of the State, Contractor shall discontinue the provision to the State of any previously unreported GenAI that results in a material impact to the functionality of the System, risk to the State, or Contract performance, as determined by the State.
- e. If the use of previously undisclosed GenAI is approved by the State, then Contractor will update the Deliverable description, and the Parties will amend the Contract accordingly, which may include incorporating the GenAI Special Provisions into the Contract, at no additional cost to the State.
- f. The State, at its sole discretion, may consider Contractor's failure to disclose or discontinue the provision or use of GenAI as described above, to constitute a material breach of Contract when such failure results in a material impact to the functionality of the System, risk to the State, or Contract performance. The State is entitled to seek any and all remedies available to it under law as a result of such breach, including but not limited to termination of the contract.