



KEITH KNOX
TREASURER AND TAX COLLECTOR

COUNTY OF LOS ANGELES TREASURER AND TAX COLLECTOR

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April 9, 2021

SENT VIA EMAIL

Dear Interested Party:

REQUEST FOR PROPOSALS FOR THE PROVISION OF CLASS ACTION FILING SERVICES ADDENDUM ONE

This Addendum One to the Class Action Filing Services Request for Proposals (RFP) provides updated information related to the RFP. Please note the following:

1. Appendix B2, SOW and Contract Exhibits, is added to the RFP, as noted in Attachment I.
2. RFP Paragraph 7.0, Proposal Submission Requirements, Subparagraph 7.8.6 F is replaced in its entirety with the revised Subparagraph 7.8.6 F, as noted in Attachment II.

Please attach this addendum to your RFP.

Should you have any questions, you may contact Mischa Yuan of my staff at (213) 974-7360 or contracts@ttc.lacounty.gov.

Very truly yours,

KEITH KNOX
Treasurer and Tax Collector

Elena Villacrés Torres

Elena Villacrés Torres
Administrative Services Manager III

KK:NK:EVT:MY:lac

APPENDIX B2

RFP

**STATEMENT OF WORK AND CONTRACT
EXHIBITS**

CLASS ACTION FILING SERVICES

STATEMENT OF WORK AND CONTRACT EXHIBITS

Exhibit 1 – CONTRACT DISCREPANCY REPORT

Exhibit 2 – PERFORMANCE REQUIREMENTS SUMMARY CHART

Exhibit 3 – INFORMATION SECURITY AND PRIVACY REQUIREMENTS

CONTRACT DISCREPANCY REPORT

TO:

FROM:

DATES:

Prepared: _____

Returned by Contractor: _____

Action Completed: _____

DISCREPANCY PROBLEMS: _____

Signature of PAC Representative

Date

CONTRACTOR RESPONSE (Cause and Corrective Action): _____

Signature of Contractor Representative

Date

PAC EVALUATION OF
CONTRACTOR RESPONSE:

Signature of Contractor Representative

Date

PAC ACTIONS: _____

CONTRACTOR NOTIFIED OF ACTION:

PAC Representative's Signature and Date _____

Contractor Representative's Signature and Date _____

**STATEMENT OF WORK AND CONTRACT EXHIBITS
EXHIBIT 2**

**ADDENDUM ONE
ATTACHMENT I**

PERFORMANCE REQUIREMENTS SUMMARY CHART

CONTRACT				
SPECIFIC PERFORMANCE REFERENCE	SERVICE	MAXIMUM ALLOWED DEVIATION	MONITORING METHOD	DEDUCTIONS/FEES TO BE ASSESSED
Paragraph 7.5 Notice of Personnel Changes	Notify the Treasurer and Tax Collector (TTC) of changes in Contract Administration staff, with resume, within five business days.	None	Inspection and observation	\$50 per day that notification is late.
Paragraph 7.6 Approval of Contractor's Staff	Immediate removal of unacceptable Contract personnel.	One business day	Complaints, inspection, and observation	\$100 per occurrence of non-removal.
Paragraph 7.10 Background and Security Investigations	Ensure staff undergo background checks before servicing the Contract.	None	Receipt of background check clearances, complaints, inspection, and observation	\$500 per incident of staff member noncompliance.
	Notify the TTC of the names of staff and dates fingerprinted.	None	Inspection and observation	\$25 per incident of staff member noncompliance.

**STATEMENT OF WORK AND CONTRACT EXHIBITS
EXHIBIT 2**

**ADDENDUM ONE
ATTACHMENT I**

PERFORMANCE REQUIREMENTS SUMMARY CHART

CONTRACT				
SPECIFIC PERFORMANCE REFERENCE	SERVICE	MAXIMUM ALLOWED DEVIATION	MONITORING METHOD	DEDUCTIONS/FEEES TO BE ASSESSED
Paragraph 7.11 Confidentiality	Employee Acknowledgement and Confidentiality Agreement signed and provided to the TTC before servicing the Contract.	None	Review of documents; complaints	\$100 per day per staff member when form is not signed.
	Maintain the confidentiality of all records and information.	None	Observation; complaints	\$1,000 per unauthorized release of information.
Paragraphs 8.25 General Provisions for All Insurance Coverage and Paragraph 8.26 Insurance Coverage	Maintain required insurance policies and provide evidence of coverage to the TTC.	None	Receipt and review of insurance information	\$100 per day of lapsed coverage.
Paragraph 8.39 Publicity	Obtain County's advanced written permission to use County's name in advertisements.	None	Complaints, inspection, and observation	\$500 per occurrence of unpermitted use of the County name and/or logo in advertising.

**STATEMENT OF WORK AND CONTRACT EXHIBITS
EXHIBIT 2**

**ADDENDUM ONE
ATTACHMENT I**

PERFORMANCE REQUIREMENTS SUMMARY CHART

CONTRACT				
SPECIFIC PERFORMANCE REFERENCE	SERVICE	MAXIMUM ALLOWED DEVIATION	MONITORING METHOD	DEDUCTIONS/FEEES TO BE ASSESSED
Paragraph 8.40 Record Retention and Inspection/Audit Settlement	Contractor to maintain all documents as specified in Subparagraph 8.40.	One business day	Inspection of files	\$50 per occurrence of failure to produce required documents upon demand.
Paragraph 8.40.5 Financial Statements and Pending Litigation	Provide required financial statements according to schedule.	None	Receipt and review of financial statements	\$50 per day for failure to produce required documents upon demand.
Paragraph 8.42 Subcontracting	Contractor shall obtain County's written approval(s) prior to subcontracting any work.	None	Inspection and observation	\$500 per occurrence and possible termination for breach.

**STATEMENT OF WORK AND CONTRACT EXHIBITS
EXHIBIT 3**

**INFORMATION SECURITY AND PRIVACY
REQUIREMENTS EXHIBIT**



INFORMATION SECURITY AND PRIVACY REQUIREMENTS

INFORMATION SECURITY AND PRIVACY REQUIREMENTS EXHIBIT

The County of Los Angeles (“County”) is committed to safeguarding the Integrity of the County systems, Data, Information and protecting the privacy rights of the individuals that it serves. This Exhibit to the Statement of Work “Information Security and Privacy Requirements Exhibit,” (“Exhibit 3”) sets forth in detail the County and the Contractor’s commitment and agreement to fulfill each of their obligations under applicable State or federal laws, rules, or regulations, as well as applicable industry standards concerning privacy, Data protections, Information Security, Confidentiality, Availability, and Integrity of such Information. The Contractor shall establish all Information Security, and Privacy Requirements and procedures within ten business days prior to the Effective Date of the Contract and maintain all Information Security and Privacy Requirements throughout the entire Contract term.

These requirements and procedures contained in this “Exhibit 3” are incorporated by reference into the Terms and Conditions of the Contract and constitute a minimum standard for Information Security and Privacy Requirements in conjunction with the requirements of the Contract between the County and Contractor (the “Contract”). It is the Contractor's sole obligation to: (i) implement appropriate and reasonable measures to secure and protect its systems and all County Information against internal and external Threats and Risks; and (ii) continuously review and revise all measures pertaining to any ongoing Threats and Risks. Failure to comply with the minimum Information Security and Privacy Requirements, set forth in this “Exhibit 3” herein incorporated by reference into the Terms and Conditions of the Contract shall constitute a material, non-curable breach of Contract by the Contractor, entitling the County, in addition to the cumulative of all other remedies available to it at law, in equity, or under the Contract, to immediately terminate the Contract. The Terms and Conditions of the Contract shall govern and control unless stated otherwise in the Contract.

1. DEFINITIONS

Unless otherwise defined in the Contract, the definitions herein contained are specific to the uses within this exhibit.

- a. **Availability:** the condition of Information being accessible and usable upon demand by an authorized entity (Workforce Member or process).
- b. **Confidentiality:** the condition that Information is not disclosed to system entities (users, processes, devices) unless they have been authorized to access the Information.
- c. **County Information:** all Data and Information belonging to the County.
- d. **Data:** a subset of Information comprised of qualitative or quantitative values.
- e. **Incident:** a suspected, attempted, successful, or imminent Threat of unauthorized electronic and/or physical access, use, disclosure, breach, modification, or destruction of information; interference with Information Technology operations; or significant violation of County policy.
- f. **Information:** any communication or representation of knowledge or understanding such as facts, Data, or opinions in any medium or form, including electronic, textual, numerical, graphic, cartographic, narrative, or audiovisual.

INFORMATION SECURITY AND PRIVACY REQUIREMENTS

- g. **Information Security Policy:** high level statements of intention and direction of an organization used to create an organization's Information Security Program as formally expressed by its top management.
- h. **Information Security Program:** formalized and implemented Information Security Policies, standards and procedures that are documented describing the program management safeguards and common controls in place or those planned for meeting the County's information security requirements.
- i. **Information Technology:** any equipment or interconnected system or subsystem of equipment that is used in the automatic acquisition, storage, manipulation, management, movement, control, display, switching, interchange, transmission, or reception of Data or Information.
- j. **Integrity:** the condition whereby Data or Information has not been improperly modified or destroyed and authenticity of the Data or Information can be ensured.
- k. **Mobile Device Management (MDM):** software that allows Information Technology administrators to control, secure, and enforce policies on smartphones, tablets, and other endpoints.
- l. **Privacy Policy:** high level statements of intention and direction of an organization used to create an organization's Privacy Program as formally expressed by its top management.
- m. **Privacy Program:** A formal document that provides an overview of an organization's privacy program, including a description of the structure of the privacy program, the resources dedicated to the privacy program, the role of the organization's privacy official and other staff, the strategic goals and objectives of the Privacy Program, and the program management controls and common controls in place or planned for meeting applicable privacy requirements and managing privacy risks.
- n. **Risk:** a measure of the extent to which the County is threatened by a potential circumstance or event, Risk is typically a function of: (i) the adverse impacts that would arise if the circumstance or event occurs; and (ii) the likelihood of occurrence.
- o. **Threat:** any circumstance or event with the potential to adversely impact County operations (including mission, functions, image, or reputation), organizational assets, individuals, or other organizations through an Information System via unauthorized access, destruction, disclosure, modification of Information, and/or denial of service.
- p. **Vulnerability:** a weakness in a system, application, network or process that is subject to exploitation or misuse.
- q. **Workforce Member:** employees, volunteers, and other persons whose conduct, in the performance of work for Los Angeles County, is under the direct control of Los Angeles County, whether or not they are paid by Los Angeles County. This includes, but may not be limited to, full and part time elected or appointed officials, employees, affiliates, associates, students, volunteers, and staff from third-party entities who provide service to the County.

2. INFORMATION SECURITY AND PRIVACY PROGRAMS

- a. **Information Security Program.** The Contractor shall maintain a company-wide Information Security Program designed to evaluate Risks to the Confidentiality, Availability,

INFORMATION SECURITY AND PRIVACY REQUIREMENTS

and Integrity of the County Information covered under this Contract.

Contractor's Information Security Program shall include the creation and maintenance of Information Security Policies, standards, and procedures. Information Security Policies, standards, and procedures shall be communicated to all Contractor employees in a relevant, accessible, and understandable form and will be regularly reviewed and evaluated to ensure operational effectiveness, compliance with all applicable laws and regulations, and addresses new and emerging Threats and Risks.

The Contractor shall exercise the same degree of care in safeguarding and protecting County Information that the Contractor exercises with respect to its own Information and Data, but in no event less than a reasonable degree of care. The Contractor will implement, maintain, and use appropriate administrative, technical, and physical security measures to preserve the Confidentiality, Integrity, and Availability of County Information.

The Contractor's Information Security Program shall:

- Protect the Confidentiality, Integrity, and Availability of County Information in the Contractor's possession or control;
 - Protect against any anticipated Threats or hazards to the Confidentiality, Integrity, and Availability of County Information;
 - Protect against unauthorized or unlawful access, use, disclosure, alteration, or destruction of County Information;
 - Protect against accidental loss or destruction of, or damage to, County Information; and
 - Safeguard County Information in compliance with any applicable laws and regulations which apply to the Contractor.
- b. **Privacy Program.** The Contractor shall establish and maintain a company-wide Privacy Program designed to incorporate Privacy Policies and practices in its business operations to provide safeguards for Information, including County Information. The Contractor's Privacy Program shall include the development of, and ongoing reviews and updates to Privacy Policies, guidelines, procedures and appropriate workforce privacy training within its organization. These Privacy Policies, guidelines, procedures, and appropriate training shall be provided to all Contractor employees, agents, and volunteers. The Contractor's Privacy Policies, guidelines, and procedures shall be continuously reviewed and updated for effectiveness and compliance with applicable laws and regulations, and to appropriately respond to new and emerging Threats and Risks. The Contractor's Privacy Program shall perform ongoing monitoring and audits of operations to identify and mitigate privacy Threats.

The Contractor shall exercise the same degree of care in safeguarding the privacy of County Information that the Contractor exercises with respect to its own Information, but in no event less than a reasonable degree of care. The Contractor will implement, maintain, and use appropriate privacy practices and protocols to preserve the Confidentiality of County Information.

The Contractor's Privacy Program shall include:

- A Privacy Program framework that identifies and ensures that the Contractor complies with all applicable laws and regulations;

INFORMATION SECURITY AND PRIVACY REQUIREMENTS

- External Privacy Policies, and internal privacy policies, procedures and controls to support the privacy program;
- Protections against unauthorized or unlawful access, use, disclosure, alteration, or destruction of County Information;
- A training program that covers Privacy Policies, protocols and awareness;
- A response plan to address privacy Incidents and privacy breaches; and
- Ongoing privacy assessments and audits.

3. PROPERTY RIGHTS TO COUNTY INFORMATION

All County Information is deemed property of the County, and the County shall retain exclusive rights and ownership thereto. County Information shall not be used by the Contractor for any purpose other than as required under this Contract, nor shall such or any part of such be disclosed, sold, assigned, leased, or otherwise disposed of, to third parties by the Contractor, or commercially exploited or otherwise used by, or on behalf of, the Contractor, its officers, directors, employees, or agents. The Contractor may assert no lien on or right to withhold from the County, any County Information it receives from, receives addressed to, or stores on behalf of, the County. Notwithstanding the foregoing, the Contractor may aggregate, compile, and use County Information in order to improve, develop or enhance the System Software and/or other services offered, or to be offered, by the Contractor, provided that (i) no County Information in such aggregated or compiled pool is identifiable as originating from, or can be traced back to the County, and (ii) such Data or Information cannot be associated or matched with the identity of an individual alone, or linkable to a specific individual. The Contractor specifically consents to the County's access to such County Information held, stored, or maintained on any and all devices Contactor owns, leases or possesses.

4. CONTRACTOR'S USE OF COUNTY INFORMATION

The Contractor may use County Information only as necessary to carry out its obligations under this Contract. The Contractor shall collect, maintain, or use County Information only for the purposes specified in the Contract and, in all cases, in compliance with all applicable local, state, and federal laws and regulations governing the collection, maintenance, transmission, dissemination, storage, use, and destruction of County Information, including, but not limited to, (i) any state and federal law governing the protection of personal Information, (ii) any state and federal security breach notification laws, and (iii) the rules, regulations and directives of the Federal Trade Commission, as amended from time to time.

5. SHARING COUNTY INFORMATION AND DATA

The Contractor shall not share, release, disclose, disseminate, make available, transfer, or otherwise communicate orally, in writing, or by electronic or other means, County Information to a third party for monetary or other valuable consideration.

6. CONFIDENTIALITY

- a. **Confidentiality of County Information.** The Contractor agrees that all County Information is Confidential and proprietary to the County regardless of whether such Information was disclosed intentionally or unintentionally or marked as "confidential."

INFORMATION SECURITY AND PRIVACY REQUIREMENTS

- b. **Disclosure of County Information.** The Contractor may disclose County Information only as necessary to carry out its obligations under this Contract, or as required by law, and is prohibited from using County Information for any other purpose without the prior express written approval of the County's contract administrator in consultation with the County's Chief Information Security Officer and/or Chief Privacy Officer. If required by a court of competent jurisdiction or an administrative body to disclose County Information, the Contractor shall notify the County's contract administrator immediately and prior to any such disclosure, to provide the County an opportunity to oppose or otherwise respond to such disclosure, unless prohibited by law from doing so.
- c. **Disclosure Restrictions of Non-Public Information.** While performing work under the Contract, the Contractor may encounter County Non-public Information ("NPI") in the course of performing this Contract, including, but not limited to, licensed technology, drawings, schematics, manuals, sealed court records, and other materials described and/or identified as "Internal Use", "Confidential" or "Restricted" as defined in Board of Supervisors Policy 6.104 – Information Classification Policy as NPI. The Contractor shall not disclose or publish any County NPI and material received or used in performance of this Contract. This obligation is perpetual.
- d. **Individual Requests.** The Contractor shall acknowledge any request or instructions from the County regarding the exercise of any individual's privacy rights provided under applicable federal or state laws. The Contractor shall have in place appropriate policies and procedures to promptly respond to such requests and comply with any request or instructions from the County within seven calendar days. If an individual makes a request directly to the Contractor involving County Information, the Contractor shall notify the County within five calendar days and the County will coordinate an appropriate response, which may include instructing the Contractor to assist in fulfilling the request. Similarly, if the Contractor receives a privacy or security complaint from an individual regarding County Information, the Contractor shall notify the County as described in Section 13 SECURITY AND PRIVACY INCIDENTS, and the County will coordinate an appropriate response.
- e. **Retention of County Information.** The Contractor shall not retain any County Information for any period longer than necessary for the Contractor to fulfill its obligations under the Contract and applicable law, whichever is longest.

7. SUBCONTRACTORS AND THIRD PARTIES

The County acknowledges that in the course of performing its services, the Contractor may desire or require the use of goods, services, and/or assistance of Subcontractors or other third parties or suppliers. The terms of this Exhibit shall also apply to all Subcontractors and third parties. The Contractor or third party shall be subject to the following terms and conditions: (i) each Subcontractor and third party must agree in writing to comply with and be bound by the applicable terms and conditions of this Exhibit within ten business days upon receiving PAC's written approval and prior to performing any work under the Contract, both for itself and to enable the Contractor to be and remain in compliance with its obligations hereunder, including those provisions relating to Confidentiality, Integrity, Availability, disclosures, security, and such other terms and conditions as may be reasonably necessary to effectuate the Contract including this Exhibit; and (ii) the Contractor shall be and remain fully liable for the acts and omissions of each Subcontractor and third party, and fully responsible for the due and proper performance of all Contractor obligations under this Contract.

INFORMATION SECURITY AND PRIVACY REQUIREMENTS

STORAGE AND TRANSMISSION OF COUNTY INFORMATION.

12. ACCESS CONTROL

Subject to and without limiting the requirements under Section 8 STORAGE AND TRANSMISSION OF COUNTY INFORMATION, County Information (i) may only be made available and accessible to those parties explicitly authorized under the Contract or otherwise expressly approved by PAC Contract Administrator or Contract Manager in writing; and (ii) if transferred using removable media (as described in Section 8 STORAGE AND TRANSMISSION OF COUNTY INFORMATION), must be sent via a bonded courier and protected using encryption technology designated by the Contractor and approved by the County's Chief Information Security Officer in writing. The foregoing requirements shall apply to back-up media stored by the Contractor at off-site facilities.

The Contractor shall implement formal procedures to control access to County systems, services, and/or Information, including, but not limited to, user account management procedures and the following controls:

- a. Network access to both internal and external networked services shall be controlled, including, but not limited to, the use of industry standard and properly configured firewalls;
- b. Operating systems will be used to enforce access controls to computer resources including, but not limited to, multi-factor authentication, use of virtual private networks (VPN), authorization, and event logging;
- c. The Contractor will conduct regular, no less often than semi-annually, user access reviews to ensure that unnecessary and/or unused access to County Information is removed in a timely manner;
- d. Applications will include access control to limit user access to County Information and application system functions;
- e. All systems will be monitored to detect deviation from access control policies and identify suspicious activity. The Contractor shall record, review and act upon all events in accordance with Incident response policies set forth in Section 13 SECURITY AND PRIVACY INCIDENTS; and
- f. In the event any hardware, storage media, or removable media (as described in Section 8 STORAGE AND TRANSMISSION OF COUNTY INFORMATION) must be disposed of or sent off-site for servicing, the Contractor shall ensure all County Information, has been eradicated from such hardware and/or media using industry best practices as discussed in Section 8 STORAGE AND TRANSMISSION OF COUNTY INFORMATION.

13. SECURITY AND PRIVACY INCIDENTS

In the event of a Security or Privacy Incident, the Contractor shall:

- a. Promptly notify the County's Chief Information Security Officer, the Departmental Information Security Officer, and the County's Chief Privacy Officer of any Incidents involving County Information, within 24 hours of detection of the Incident. All notifications shall be submitted via encrypted email and telephone to the individuals listed on Exhibit E, PAC's Administration.
- b. Include the following Information in all notices:

INFORMATION SECURITY AND PRIVACY REQUIREMENTS

- i. The date and time of discovery of the Incident,
 - ii. The approximate date and time of the Incident,
 - iii. A description of the type of County Information involved in the reported Incident, and
 - iv. A summary of the relevant facts, including a description of measures being taken to respond to and remediate the Incident, and any planned corrective actions as they are identified.
 - v. The name and contact information for the organizations official representative(s), with relevant business and technical information relating to the incident.
- c. Cooperate with the County to investigate the Incident and seek to identify the specific County Information involved in the Incident upon the County’s written request, without charge, unless the Incident was caused by the acts or omissions of the County. As Information about the Incident is collected or otherwise becomes available to the Contractor, and unless prohibited by law, the Contractor shall provide Information regarding the nature and consequences of the Incident that are reasonably requested by the County to allow the County to notify affected individuals, government agencies, and/or credit bureaus.
- d. Immediately initiate the appropriate portions of their Business Continuity and/or Disaster Recovery plans in the event of an Incident causing an interference with Information Technology operations.
- e. Assist and cooperate with forensic investigators, the County, law firms, and/or law enforcement agencies at the direction of the County to help determine the nature, extent, and source of any Incident, and reasonably assist and cooperate with the County on any additional disclosures that the County is required to make as a result of the Incident.
- f. Allow the County or its third-party designee at the County’s election to perform audits and tests of the Contractor's environment that may include, but are not limited to, interviews of relevant employees, review of documentation, or technical inspection of systems, as they relate to the receipt, maintenance, use, retention, and authorized destruction of County Information.

Notwithstanding any other provisions in this Contract and Exhibit, the Contractor shall be (i) liable for all damages and fines, (ii) responsible for all corrective action, and (iii) responsible for all notifications arising from an Incident involving County Information caused by the Contractor’s weaknesses, negligence, errors, or lack of Information Security or privacy controls or provisions.

14. NON-EXCLUSIVE EQUITABLE REMEDY

The Contractor acknowledges and agrees that due to the unique nature of County Information there can be no adequate remedy at law for any breach of its obligations hereunder, that any such breach may result in irreparable harm to the County, and therefore, that upon any such breach, the County will be entitled to appropriate equitable remedies, and may seek injunctive relief from a court of competent jurisdiction without the necessity of proving actual loss, in addition to whatever remedies are available within law or equity. Any breach of Section 6 CONFIDENTIALITY shall constitute a material breach of this Contract and be grounds for immediate termination of this Contract in the exclusive discretion of the County.

INFORMATION SECURITY AND PRIVACY REQUIREMENTS

15. AUDIT AND INSPECTION

- a. **Self-Audits.** The Contractor shall periodically conduct audits, assessments, testing of the system of controls, and testing of Information Security and privacy procedures, including penetration testing, intrusion detection, and firewall configuration reviews. These periodic audits will be conducted by staff certified to perform the specific audit in question at Contractor's sole cost and expense through either (i) an internal independent audit function, (ii) a nationally recognized, external, independent auditor, or (iii) another independent auditor approved by the County.

The Contractor shall have a process for correcting control deficiencies that have been identified in the periodic audit, including follow up documentation providing evidence of such corrections. The Contractor shall provide the audit results and any corrective action documentation to the County promptly upon its completion at the County's request. With respect to any other report, certification, or audit or test results prepared or received by the Contractor that contains any County Information, the Contractor shall promptly provide the County with copies of the same upon the County's reasonable request, including identification of any failure or exception in the Contractor's Information systems, products, and services, and the corresponding steps taken by the Contractor to mitigate such failure or exception. Any reports and related materials provided to the County pursuant to this Section shall be provided at no additional charge to the County.

- b. **County Requested Audits.** At its own expense, the County, or an independent third-party auditor commissioned by the County, shall have the right to audit the Contractor's infrastructure, security and privacy practices, Data center, services and/or systems storing or processing County Information via an onsite inspection at least once a year. Upon the County's request, the Contractor shall complete a questionnaire regarding Contractor's Information Security and/or program. The County shall pay for the County requested audit unless the auditor finds that the Contractor has materially breached this Exhibit, in which case the Contractor shall bear all costs of the audit; and if the audit reveals material non-compliance with this Exhibit, the County may exercise its termination rights underneath the Contract.

Such audit shall be conducted during the Contractor's normal business hours with reasonable advance notice, in a manner that does not materially disrupt or otherwise unreasonably and adversely affect the Contractor's normal business operations. The County's request for the audit will specify the scope and areas (e.g., Administrative, Physical, and Technical) that are subject to the audit and may include, but are not limited to physical controls inspection, process reviews, policy reviews, evidence of external and internal Vulnerability scans, penetration test results, evidence of code reviews, and evidence of system configuration and audit log reviews. It is understood that the results may be filtered to remove the specific Information of other Contractor customers such as IP address, server names, etc. The Contractor shall cooperate with the County in the development of the scope and methodology for the audit, and the timing and implementation of the audit. This right of access shall extend to any regulators with oversight of the County. The Contractor agrees to comply with all reasonable recommendations that result from such inspections, tests, and audits within reasonable timeframes.

When not prohibited by regulation, the Contractor will provide to the County a summary of: (i) the results of any security audits, security reviews, or other relevant audits, conducted by

INFORMATION SECURITY AND PRIVACY REQUIREMENTS

the Contractor or a third party; and (ii) corrective actions or modifications, if any, the Contractor will implement in response to such audits.

7.8.6 Proposer's Qualifications (Section B)

F. Financial Capability (Section B.6)

Proposers must provide copies of the company's most recent three fiscal years (for example 2020, 2019, and 2018) **audited** financial statements. If audited statements are available, these should be submitted to meet this requirement. If audited statements for the three most recent fiscal years are not available, this may result in a lower score in this category during the evaluation process as set forth in Paragraph 8.0, Selection Process and Evaluation Criteria, Subparagraph 8.4.1, D. Financial Capability, of this RFP. Statements should include the company's assets, liabilities and net worth. At a minimum, include the Balance Sheet (Statement of Financial Positions), Income Statement (Statement of Operations), and the Retained Earnings Statement (Statement of Cash Flows). Proposer's Income Tax Returns will not meet this requirement. Subject to any California Public Records Act requirements, all financial statements stamped "confidential" on each page will not be disclosed.