

AUDIT SERVICES AGREEMENT

THIS AUDIT SERVICES AGREEMENT ("Agreement") is made and entered into this August 22, 2025, by **SAN JOAQUIN VALLEY INSURANCE AUTHORITY**, a joint powers agency, hereinafter referred to as **SJVIA**, and between **CliftonLarsonAllen, LLP**, a limited liability partnership, herein referred to as **Contractor**, whose office is located at 915 Highland Pointe Drive, Suite 300, Sacramento CA, 95678.

W I T N E S S E T H:

WHEREAS, the SJVIA is a joint powers authority that negotiates, purchases, or otherwise funds health, pharmacy, vision, dental, and life insurance (each an "Insurance Program," and collectively "Insurance Programs"). The SJVIA makes Insurance Programs available to participating entities, subject to the terms and conditions of an agreement by each participating entity to pay for its respective costs for the Insurance Programs in which it participates; and

WHEREAS, the SJVIA is required to provide for an annual audit of its financial statements. The SJVIA, through the Fresno County Auditor-Controller/Treasurer-Tax Collector, which provides financial services, released a request for the independent and professional external audit services of a qualified certified public accounting firm to audit Fiscal Years 2024-25 through 2026-27 financial statements, with two optional extensions for FY 2027-28 and FY 2028-29; and

WHEREAS, the Auditor-Controller/Treasurer-Tax Collector, on behalf of SJVIA, issued a Request for Proposal (RFP) No. 25-030 for External Audit Services, dated December 20, 2024, and Addendum Number 1, dated January 13, 2025; and

WHEREAS, the Contractor submitted its proposal to provide professional audit services, dated January 27, 2025, in response to Request for Proposal No. 25-030; and

WHEREAS, the Contractor represents and warrants to the SJVIA that it is ready, willing, able, and qualified to conduct annual audits of the SJVIA's financial statements, subject to the terms and conditions of this Agreement, in cooperation with, and under the direction of the SJVIA Board of Directors and SJVIA management; and

WHEREAS, the Contractor and SJVIA now desire to enter into this Agreement for the provision of independent, professional audit services by a qualified public accounting firm as requested by the SJVIA and proposed by the Contractor.

NOW THEREFORE, in consideration of their mutual promises, covenants and conditions, the parties agree as follows:

1. **CONTRACTOR'S OBLIGATIONS:** Contractor shall provide services as set forth in **EXHIBIT A**, entitled "Scope of Work," attached.

Contractor's services cannot be relied upon to disclose all errors, fraud, or noncompliance with laws and regulations. Except as described in herein or any applicable Statement of Work, Contractor has no responsibility to identify and communicate deficiencies in SJVIA'S internal controls as part of any services.

2. **SJVIA'S OBLIGATIONS:**

a. **Information and Data.** Subject to the terms of this Agreement, the SJVIA will provide the Contractor with data and information that is necessary to the Contractor's provision of services under this Agreement.

b. **Designated Representative:** For purposes of this Agreement, the designated representative of the SJVIA is the Auditor-Treasurer of the SJVIA.

c. SJVIA acknowledges and understands that Contractor's role is to provide the services identified in an Statement of Work and that management, and any other parties engaging Contractor, have responsibilities that are fundamental to Contractor's undertaking to perform the identified services.

3. COMPENSATION, INVOICES, AND PAYMENTS:

a. **Compensation.** The SJVIA agrees to pay, and the Contractor agrees to receive, compensation for completion of required audit services. The single audit completion requirement will be determined and approved by SJVIA annually during the Agreement term. Audit cost with and without a single audit are allocated as described in **EXHIBIT B** to this Agreement, which is attached.

b. **Invoices.** The Contractor shall submit monthly invoices describing the number of hours worked by each person on the Contractor's team.

c. **Payment.** The SJVIA shall pay all timely-submitted invoices within 45 days of receipt. If the SJVIA reasonably disputes any invoice, the SJVIA shall have no obligation to pay that invoice until the dispute is resolved to the SJVIA's satisfaction.

d. **Progress Reports.** Written progress reports shall accompany each billing and shall specify the percentage of contract work completed and estimated percentage of task completed, by task.

e. **Incidental Expenses.** The Contractor is solely responsible for all expenses that are incidental to its performance under this Agreement, including but not limited to all out-of-pocket expenses.

4. TERM: This Agreement shall become effective beginning at August 22, 2025, ("Effective Date") and terminate when the Contractor has performed all its obligations under this Agreement for all the first three Fiscal Years Covered by this Agreement (namely, the 2024-25, 2025-26, and 2026-27 fiscal years), unless this Agreement is terminated sooner.

Optional Extension. Upon expiration of the TERM dates covered, this Agreement may be extended for up to two additional consecutive fiscal years, FY 2027-28 and FY 2028-29, upon signed written approval of both parties prior to the start of the applicable fiscal year to be audited. The SJVIA president or his or her board designee is authorized to sign such written approval on behalf of SJVIA.

5. TERMINATION:

a. **Termination for Non-Allocation of Funds.** Both parties' obligations under this Agreement are contingent on the approval of funds by the appropriating government agency or agencies. If sufficient funds are not allocated, then the SJVIA, upon 30 days advance written notice to the Contractor, may:

- i. Modify either or both of the parties' obligations under this Agreement; or
- ii. Terminate this Agreement

b. **Termination for Breach; Reinstatement.**

- i. Upon determining that a breach (as defined below) has occurred, the SJVIA Manager may give written notice of the breach to the Contractor. The written notice may suspend performance under this Agreement, and shall provide a reasonable time for the Contractor to cure the breach.

ii. If the Contractor fails to cure the breach within the reasonable time stated in the written notice, the SJVIA may terminate this Agreement.

iii. For purposes of this section, a breach occurs when the Contractor has:

1. Used funds illegally or improperly;
2. Failed to comply with any part of this Agreement;
3. Submitted a substantially incorrect or incomplete report to the SJVIA; or
4. Performed improperly as determined by the SJVIA.

c. **Termination without Cause.** In circumstances other than those set forth above, the SJVIA may terminate this Agreement by giving 30 days advance written notice to the Contractor.

6. INDEPENDENT CONTRACTOR:

a. **Status.** In performing under this Agreement, the Contractor, including its officers, agents, and employees, is at all times acting and performing as an independent contractor, in an independent capacity, and not as an officer, agent, servant, employee, joint venturer, partner, or associate of the SJVIA.

b. **Supervision.** The SJVIA has no right to control, supervise, or direct the manner or method of the Contractor's performance under this Agreement, but the SJVIA may verify that the Contractor is performing according to the terms and conditions of this Agreement (for example by requesting records of communications under section 8 of this Agreement).

c. **Benefits.** Because of its status as an independent contractor, the Contractor has no right to employment rights or benefits. The Contractor is solely responsible for providing to its own employees all employee benefits required by law. The Contractor shall save the SJVIA harmless from all matters relating to the payment of the Contractor's employees, including compliance with Social Security withholding and all related regulations.

7. **NOTICES:** The persons and their addresses having authority to give and receive notices provided for or permitted under this Agreement include the following:

For the SJVIA:

SJVIA Auditor-Treasurer
San Joaquin Valley Insurance Authority
2281 Tulare Street, Room 105
Fresno, California 93721

For the Contractor:

Richard Gonzalez, CPA
CLA (CliftonLarsonAllen LLP)
915 Highland Pointe Drive, Suite 300
Roseville, CA 95678

With a copy to:

Zina Saeed, General Counsel
CliftonLarsonAllen LLP

220 S. Sixth Street, Suite 300
Minneapolis, MN 55402

a. **Method of Delivery.** All notices between the SJVIA and the Contractor provided for or permitted under this Agreement must be in writing and delivered either by personal service, by first-class United States mail, by an overnight commercial courier service, or by telephonic facsimile transmission.

- i. A notice delivered by personal service is effective upon service to the recipient.
- ii. A notice delivered by first-class United States mail is effective three SJVIA business days after deposit in the United States mail, postage prepaid, addressed to the recipient.

A notice delivered by an overnight commercial courier service is effective on SJVIA business day after deposit with the overnight commercial courier service, delivery fees prepaid, with delivery instructions given for next day delivery, addressed to the recipient.

- iii. A notice delivered by telephonic facsimile is effective when transmission to the recipient is completed (but, if such transmission is completed outside of SJVIA business hours, then such delivery shall be deemed to be effective at the next beginning of a SJVIA business day), provided that the sender maintains a machine record of the completed transmission.

b. **Claims Presentation:** For all claims arising from or related to this Agreement, nothing in this Agreement establishes, waives, or modifies any claims presentation requirements or procedures provided by law, including but not limited to the Government Claims Act (Division 3.6 of Title 1 of the Government Code, beginning with section 810).

8. AUDITS, INSPECTIONS, AND PUBLIC RECORDS:

a. **On-Site Audits and Inspections.** The Contractor shall at any time during business hours, and as often as the SJVIA may deem necessary for any reason, make available to the SJVIA for examination all of its records and data with respect to the matters covered by this Agreement. For the avoidance of doubt records and data does not include Contractor's workpapers which are proprietary information and access is restricted.

b. **Document Requests.** The Contractor shall at any time, and as often as the SJVIA may deem necessary for any reason, provide copies of any records or data with respect to the matters covered by this agreement as the SJVIA may request. For the avoidance of doubt records and data does not include Contractor's workpapers which are proprietary information and access is restricted.

c. **Public Records Act Requests.** If the SJVIA receives a request under the California Public Records Act (California Government Code, Title 1, Division 10, beginning with section 7920.000) ("CPRA") or a similar law to disclose any document that is in the Contractor's possession but which the SJVIA may review, request, or obtain from the Contractor under sections 8(a) or 8(b) of this Agreement, then the SJVIA will promptly notify the Contractor and request the responsive documents that may be in the possession of the Contractor. The notification shall be in writing, which may include but is not limited to email addressed to the appropriate key person or persons. Upon receiving that notification, the Contractor has five business days in which to provide responsive documents, use the procedure provided in section 8(d) of this Agreement, or both. The Contractor shall promptly inform the SJVIA if the Contractor believes that five business days are not sufficient time in which to respond. The Contractor shall indemnify the SJVIA for any award of costs or attorney's fees under the CPRA that results from the Contractor's use of the procedure provided in section 8(d) of this Agreement.

d. **Withholding and Redacting.** If the SJVIA for any reason requests any records, data, or documents from the Contractor and the Contractor believes that the responsive documents contain trade secrets, proprietary information, or other information that is subject to legal privilege or separate legally-enforceable obligation of the Contractor to withhold, then the Contractor may do the following:

- i. The Contractor may redact the records or data before providing them, if that is practicable, or withhold the records or data if redaction is not practicable.
- ii. If the Contractor redacts or withholds any documents, it shall provide a privilege log describing what has been redacted or withheld and identifying the legal privilege or legally-enforceable obligation that is the reason for the redaction or withholding.
- iii. If the SJVIA requests documents because of a CPRA request and the Contractor redacts or withholds any documents, the Contractor shall also identify the specific provision of the CPRA (by citation to the California Government Code) which the Contractor believes would authorize the SJVIA to redact or withhold the documents requested.

e. **State Audit Requirements.** If this Agreement exceeds \$10,000, the Contractor is subject to the examination and audit of the California State Auditor, as provided in Government Code section 8546. 7, for a period of three years after final payment under this Agreement. The obligations under this section survive the termination of this Agreement.

f. **Ownership of Records.**

- i. All documents, information, and data delivered by the SJVIA or its health benefits consultant to the Contractor, or which is created by either party for the SJVIA in connection with the performance of this Agreement, shall be the exclusive property of the SJVIA. For the avoidance of doubt documents, information, and data does not include Contractor's workpapers which are proprietary information and access is restricted.
- ii. Upon expiration, termination, or cancellation of this Agreement, the Contractor shall return all such records and files to the SJVIA unless the SJVIA requests the Contractor to process any work or file in progress, which the Contractor will continue to process on a time and expense basis or as mutually agreed by the parties in writing. When such work is completed, all records and files relating to the work shall be returned to the SJVIA, and the Contractor shall not later access any data relating to this Agreement except for the purpose of its performance under this Agreement. For the avoidance of doubt records and files does not include Contractor's workpapers which are proprietary information and access is restricted.

g. **Contractor's Workpapers.**

- i. The workpapers and files supporting the services Contractor performs are the sole and exclusive property of Contractor and constitute confidential and proprietary information. Contractor does not provide access to its workpapers and files to SJVIA or anyone else in the normal course of business. Unless required by law or regulation to the contrary, Contractor retains its workpapers and files in accordance with its record retention policy that typically provides for a retention period of seven years. After this period expires, Contractor's workpapers and files will be destroyed. Furthermore, physical deterioration or catastrophic events may shorten the time Contractors' records are available. The workpapers and files of Contractor are not a substitute for SJVIA'S records.

- ii. Pursuant to authority given by law, regulation or professional standards Contractor may be requested to make certain workpapers and files available to a regulator for its regulatory oversight purposes. Contractor will notify SJVIA of any such request, if permitted by law. Access to the requested workpapers and files will be provided to the regulator under the supervision of Contractor personnel and at a location designated by Contractor. Furthermore, upon request, Contractor may provide copies of selected workpapers and files to such regulator. The regulator may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

9. CONFIDENTIALITY:

- a. Contractor will not disclose any of SJVIA'S confidential, proprietary, or privileged information to any person or party, unless SJVIA authorizes Contractor to do so, it is published or released by SJVIA, it becomes publicly known or available other than through disclosure by Contractor, or disclosure is required by law, regulation or professional standard. This confidentiality provision does not prohibit Contractor from disclosing SJVIA'S information to one or more of Contractor's affiliated companies in order to provide services that SJVIA has requested from Contractor or from any such affiliated company. Any such affiliated company shall be subject to the same restrictions on the use and disclosure of SJVIA'S information as apply to Contractor. SJVIA also consents to Contractor's disclosure of information regarding the nature of services Contractor provides to SJVIA to another independent network member of CLA Global, for the limited purpose of complying with professional obligations regarding independence and conflicts of interest.
- b. Contractor regularly aggregates anonymized client data and performs a variety of analyses using that aggregated data. Some of these analyses are published to clients or released publicly. However, Contractor is always careful to preserve the confidentiality of the separate information that Contractor obtains from each client, as required by the AICPA Code of Professional Conduct and various laws. SJVIA'S acceptance of this Agreement will serve as SJVIA'S consent to Contractor's use of anonymized data in performing and reporting on these cost comparison, performance indicator and/or benchmarking analyses.
- c. Contractor may, at times, use third-party software applications to perform services under this Agreement. Contractor will ensure that the third-party software vendor will preserve the confidentiality of SJVIA's data and comply with all provisions of this Agreement. SJVIA acknowledges the software vendor may have access to its data.

10. 16 CCR § 51.1 Acknowledgement: Contractor and certain owners of Contractor are licensed by the California State Board of Accountancy. However, Contractor has owners not licensed by the California State Board of Accountancy who may provide services under this Agreement. If SJVIA has any questions regarding licensure of the personnel performing services under this Agreement, please do not hesitate to contact Contractor.

11. INSURANCE: Before approval of this Agreement by the SJVIA, Contractor must file with SJVIA staff evidence of the required insurance as set forth in the attached **EXHIBIT C**.

12. MODIFICATION: This Agreement may not be modified, and no waiver is effective, except by another written Agreement that is signed by both parties.

13. NON-ASSIGNMENT: Neither party shall assign, transfer, or subcontract this Agreement nor their rights or duties under this Agreement without the prior written consent of the other

party.

14. **GOVERNING LAW:** The parties agree that for the purposes of performance under this Agreement, the rights and obligations of the parties and all interpretation and performance of this Agreement shall be governed in all respects by the laws of the State of California.

15. **JURISDICTION AND VENUE.** This Agreement is signed and performed in Fresno County, California. The Contractor consents to California jurisdiction for actions arising from or related to this Agreement, and, subject to the Government Claims Act, all such actions must be brought and maintained in the Fresno County Superior Court.

16. **CONSTRUCTION.** The final form of this Agreement is the result of the parties' combined efforts. If anything in this Agreement is found by a court of competent jurisdiction to be ambiguous, that ambiguity is to be resolved by construing the terms of this Agreement according to their generally accepted meaning, and not by construing the terms of this Agreement for or against either party.

17. **HEADINGS.** The headings and section titles in this Agreement are for convenience only and are not part of this Agreement.

18. **NO WAIVER.** Payment, change, waiver, or discharge of any liability or obligation of the Contractor under this Agreement on any one or more occasions is not a waiver of performance of any continuing or other obligation and does not prohibit enforcement by the SJVIA of any obligation on any other occasion.

19. **SEVERABILITY:** In the event any provisions of this Agreement are held by a court of competent jurisdiction to be invalid, void, or unenforceable, the parties will use their best efforts to meet and confer to determine how to mutually amend such provisions with valid and enforceable provisions, and the remaining provisions of this Agreement will nevertheless continue in full force and effect without being impaired or invalidated in any way.

20. **DISPUTE RESOLUTION:** Any controversy or dispute between the parties arising out of this Agreement shall be submitted to mediation. The mediator will be selected by mutual Agreement. If the matter cannot be resolved through mediation or if the parties cannot agree upon a mediator the matter shall be submitted to arbitration and such arbitration shall comply with and be governed by the provisions of the California Arbitration Act, of the California Code of Civil Procedure.

21. **NO THIRD-PARTY BENEFICIARIES:** This Agreement does not, and is not intended to create any rights or obligations for any person or entity except for SJVIA and Contractor.

22. **ENTIRE AGREEMENT:** This Agreement constitutes the entire agreement between the SJVIA and Contractor with respect to the subject matter hereof and supersedes all previous agreement negotiations, proposals, commitments, writings, advertisements, publications, and understandings of any nature whatsoever unless expressly included in this Agreement.

23. **COUNTERPARTS:** This Agreement may be executed in one or more original Counterparts, all of which together will constitute one and the same agreement.

24. **AUTHORIZED SIGNATURES.** The Contractor represents and warrants to the SJVIA that:

- a. The Contractor is duly authorized and empowered to sign and perform its obligations

under this Agreement.

b. The individual signing this Agreement on behalf of the Contractor is duly authorized to do so and his or her signature on this Agreement will legally bind the Contractor to the terms of this Agreement.

25. ELECTRONIC SIGNATURES. The parties agree that this Agreement may be executed by electronic signature as provided in this section.

a. An "electronic signature" means any symbol or process intended by an individual signing this Agreement to represent their signature, including but not limited to (1) a digital signature; (2) a faxed version of an original handwritten signature; or (3) an electronically scanned and transmitted (for example by PDF document) version of an original handwritten signature.

b. Each electronic signature affixed or attached to this Agreement (1) is deemed equivalent to a valid original handwritten signature of the person signing this Agreement for all purposes, including but not limited to evidentiary proof in any administrative or judicial proceeding, and (2) has the same force and effect as the valid original handwritten signature of that person.

c. The provisions of this section satisfy the requirements of Civil Code section 1633.5, subdivision (b), in the Uniform Electronic Transaction Act (Civil Code, Division 3, Part 2, Title 2.5, beginning with section 1633.1).

d. Each party using a digital signature represents that it has undertaken and satisfied the requirements of Government Code section 16.5, subdivision (a), paragraphs (1) through (5), and agrees that each other party may rely upon that representation.


e. This Agreement is not conditioned upon the parties conducting the transactions under it by electronic means and either party may sign this Agreement with an original handwritten signature.

(Go to next page for signatures)

SAN JOAQUIN VALLEY INSURANCE AUTHORITY

Date: 8/22/25

BY


President,
SAN JOAQUIN VALLEY INSURANCE AUTHORITY

ATTEST:

By

Manager



CONTRACTOR

Date: 8/11/25

By



TITLE: Principal, CliftonLarsonAllen, LLP

EXHIBIT A

SCOPE OF WORK:

Nature of Services to be Performed.

A. Services to be Performed

1. Perform the annual audit and express an opinion on the fair presentation of the SJVIA basic financial statements for fiscal years ended June 30, 2025, June 30, 2026, and June 30, 2027, with two optional extensions, the first for the fiscal year ending June 30, 2028, and the second for the fiscal year ending June 30, 2029, in conformity with accounting principles generally accepted in the United States of America.
2. Issue an Independent Auditor's Report on compliance and internal controls over financial reporting based on an audit of financial statements performed in accordance with *Government Auditing Standards*.
3. Issue a summary of audit findings and questioned costs. Provide status of prior year findings and questioned costs.
4. Issue a management letter, with appropriate recommendations, commenting on material weaknesses in internal accounting control, reportable conditions, and identifying possible noncompliance with finance related legal provisions.
5. In the required report(s) on internal controls, Contractor shall communicate any reportable conditions found during the audit. A reportable condition shall be defined as a significant deficiency in the design or operation of the internal control structure, which could adversely affect the organization's ability to record, process, summarize, and report financial statements. In addition, the following conditions shall be considered reportable:
 - a. Reportable conditions that are also material weaknesses shall be identified as such in the report.
 - b. Non-reportable conditions discovered by the auditors shall be reported in a separate letter to management, which shall be referred to in the report(s) on internal control
 - c. The report on compliance shall include all material instances of noncompliance. All nonmaterial instances of noncompliance shall be reported in a separate management letter, which shall be referred to in the report on compliance
6. The required supplementary information (RSI) is an integral part of the financial statements. Contractor is not required to express an opinion on the required supplementary information, but should apply certain limited procedures to the RSI in accordance with generally accepted auditing standards.
7. If determined necessary by SJVIA, perform a Single Audit in accordance with the Single Audit Act Amendments of 1996 and the Uniform Guidance (2 CFR Part 200, Subpart F). The need for the Single Audit may be contingent on the amount of federal funds expended by SJVIA during the fiscal year. If the federal expenditure threshold is met, as determined by SJVIA, a Single Audit will be required.

- a. The audit must be conducted in accordance with generally accepted government auditing standards (GAGAS) and the Uniform Guidance.
 - b. The audit will focus on testing internal controls and compliance with federal program requirements for major federal programs expended by SJVIA.
 - c. The audit will verify the accuracy and completeness of the Schedule of Expenditures of Federal Awards (SEFA).
 - d. Preparation of the Data Collection Form for submission to the Federal Audit Clearinghouse.
8. Contractor must present in person the findings and results of the audits conducted under this Agreement to the SJVIA Board of Directors and any other relevant committees upon request. These presentations shall be comprehensive and effectively communicate the outcomes of the audits, including any identified risks, deficiencies, or areas for improvement.
9. A minimum of three (3) copies of each audit report is required.

B. Working Paper Retention and Access to Working Papers

All working papers and reports must be retained, at Contractor's expense, for a minimum of seven (7) years, unless the firm is notified in writing by the Auditor-Controller/Treasurer-Tax Collector's need to extend the retention period. Contractor shall make working papers available, upon request, to the following parties or their designees:

- a. The Auditor/Treasurer of SJVIA
- b. Parties designated by the SJVIA as part of an audit quality review process
- c. Subsequent auditors of the SJVIA

EXHIBIT B

Compensation

SJVIA will make progress payments based on the hours of work actually performed during the term of this Agreement. Hourly rates for the Contractor's personnel for services provided each Fiscal Year covered by this Agreement are as follows:

Classification	Fiscal Year Ending June 30, 2025	Fiscal Year Ending June 30, 2026	Fiscal Year Ending June 30, 2027	Fiscal Year Ending June 30, 2028	Fiscal Year Ending June 30, 2029
Principal	\$ 510	\$ 530	\$ 550	\$ 570	\$ 590
Manager	290	300	310	320	330
Senior Associates	210	220	230	240	250
Associates	150	155	160	165	170
Administrative	130	130	130	130	130

Annual audit completion cost without a single audit is \$25,515 for Fiscal Year Ending June 30, 2025, \$26,125 for Fiscal Year Ending June 30, 2026, \$26,200 for Fiscal Year Ending June 30, 2027, \$26,800 for Fiscal Year Ending June 30, 2028, and \$27,400 for Fiscal Year Ending June 30, 2029. Total All-Inclusive Maximum Price to perform and complete requested audit services with a single audit should not exceed \$29,190 for Fiscal Year Ending June 30, 2025, \$29,800 for Fiscal Year Ending June 30, 2026, \$30,400 for Fiscal Year Ending June 30, 2027, \$31,000 for Fiscal Year Ending June 30, 2028, and \$31,600 for Fiscal Year Ending June 30, 2029. Total cost includes a 5% tech fee to cover Contractor's technology needs such as adopting and maintaining modern technology and related client support. Cost allocation for the completion of requested annual audit services with or without a single audit is as follows:

TASK	Fiscal Year Ending June 30, 2025	Fiscal Year Ending June 30, 2026	Fiscal Year Ending June 30, 2027	Fiscal Year Ending June 30, 2028	Fiscal Year Ending June 30, 2029
Cost Proposal B (SJVIA)	\$ 24,300	\$ 24,881	\$ 24,952	\$ 25,524	\$ 26,095
5% tech Fee	1,215	1,244	1,248	1,276	1,305
SubTotal	\$ 25,515	\$ 26,125	\$ 26,200	\$ 26,800	\$ 27,400
Single Audit (when applicable)*	\$ 3,500	\$ 3,500	\$ 4,000	\$ 4,000	\$ 4,000
5% tech Fee	175	175	200	200	200
SubTotal	\$ 3,675	\$ 3,675	\$ 4,200	\$ 4,200	\$ 4,200
Total with Single Audit	\$ 29,190	\$ 29,800	\$ 30,400	\$ 31,000	\$ 31,600

* Proposed fees for single audit include up to 1 major program. Additional major programs billed at \$4,000 each.

The total maximum amount payable to the Contractor for performing all services without a single audit under this Agreement shall not exceed \$77,840 and \$89,390 with inclusion of a single audit for the initial three (3) Fiscal Years Covered by this Agreement for Audit Services and Out-of-Pocket Expenses. Should the term of this Agreement be extended for the additional two one-year renewals, the cost for all services under this Agreement should not exceed \$54,200 without a single audit and \$62,600 with inclusion of a single audit. The maximum amount for the initial three (3) Fiscal Years Covered and the additional two one-year renewals if exercised shall not exceed \$132,040 without a single audit and \$151,990 with inclusion of a single audit.

EXHIBIT C

INSURANCE REQUIREMENTS

Without limiting SJVIA right to obtain indemnification from contractor or any third parties, contractor, at its sole expense, shall maintain in full force and effect, the following insurance policies throughout the term of the Agreement:

- A. Commercial General Liability: Commercial general liability insurance with limits of not less than Two Million Dollars (\$2,000,000) per occurrence and an annual aggregate of Four Million Dollars (\$4,000,000). This policy must be issued on a per occurrence basis. Coverage must include products, completed operations, property damage, bodily injury, personal injury, and advertising injury. The Contractor shall obtain an endorsement to this policy naming SJVIA, its officers, agents, employees, and volunteers, individually and collectively, as additional insureds, but only insofar as the operations under the Agreement are concerned. Such coverage for additional insureds will apply as primary insurance and any other insurance, or self-insurance, maintained by SJVIA is excess only and not contributing with insurance provided under the Contractor's policy.
- B. Automobile Liability: Automobile liability insurance with limits of not less than One Million Dollars (\$1,000,000) per occurrence for bodily injury and for property damages. Coverage must include any auto used in connection with this Agreement.
- C. Professional Liability: Professional liability insurance with limits of not less than One Million Dollars (\$1,000,000) per occurrence and an annual aggregate of Three Million Dollars (\$3,000,000). If this is a claims-made policy, then (1) the retroactive date must be prior to the date on which services began under this Agreement; (2) the Contractor shall maintain the policy and provide to the SJVIA annual evidence of insurance for not less than five years after completion of services under this Agreement; and (3) if the policy is canceled or not renewed, and not replaced with another claims-made policy with a retroactive date prior to the date on which services begin under this Agreement, then the Contractor shall purchase extended reporting coverage on its claims-made policy for a minimum of five years after completion of services under this Agreement.
- D. Worker's Compensation: Workers compensation insurance as required by the laws of the State of California with statutory limits.
- E. Cyber Liability: Cyber liability insurance with limits of not less than Two Million Dollars (\$2,000,000) per claim. Coverage must include claims involving Cyber Risks. The cyber liability policy must be endorsed to cover the full replacement value of damage to, alteration of, loss of, or destruction of intangible property (including but not limited to information or data) that is in the care, custody, or control of the Contractor.

Definition of Cyber Risks. "Cyber Risks" include but are not limited to (i) Security Breach, which may include Disclosure of Personal Information to an Unauthorized Third Party; (ii) data breach; (iii) breach of any of the Contractor's obligations this Agreement; (iv) system failure; (v) data recovery; (vi) failure to timely disclose data breach or Security Breach; (vii) failure to comply with privacy policy; (viii) payment card liabilities and costs; (ix) infringement of intellectual property, including but not limited to infringement of copyright, trademark, and trade dress; (x) invasion of privacy, including release of private information; (xi) information theft; (xii) damage to or destruction or alteration of electronic information; (xiii) cyber extortion; (xiv) extortion related to the Contractor's obligations under this Agreement regarding electronic information, including Personal Information; (xv) fraudulent instruction; (xvi) funds transfer fraud; (xvii) telephone fraud; (xviii) network security; (xix) data breach response costs, including Security Breach response costs; (xx) regulatory fines and penalties where insurable related to the Contractor's obligations under this Agreement regarding electronic information, including Personal Information; and (xxi) credit monitoring expenses.

Additional Requirements Relating to Insurance:

Contractor shall obtain endorsements to the Commercial General Liability insurance naming the SJVIA, its officers, agents, and employees, individually and collectively, as additional insured, but only insofar

as the operations under this Agreement are concerned. Such coverage for additional insured shall apply as primary insurance and any other insurance, or self-insurance, maintained by the SJVIA, its officers, agents and employees shall be excess only and not contributing with insurance provided under Contractor's policies under the Agreement. This insurance shall not be cancelled or changed without a minimum of thirty (30) days advance written notice given to the SJVIA.

Contractor hereby waives its right to recover from the SJVIA, its officers, agents, and employees any amounts paid by the policy of worker's compensation insurance required by the Agreement. Contractor is solely responsible to obtain any endorsement to such policy that may be necessary to accomplish such waiver of subrogation, but Contractor's waiver of subrogation under this paragraph is effective whether or not Contractor obtains such an endorsement.

Within thirty (30) days from the date Contractor executes the Agreement, Contractor shall provide certificates of insurance and endorsement as stated above for all of the foregoing policies, as required herein, to the SJVIA, stating that such insurance coverage have been obtained and are in full force; that the SJVIA, its officers, agents and employees will not be responsible for any premiums on the policies; that such Commercial General Liability insurance names the SJVIA, its officers, agents and employees, individually and collectively, as additional insured, but only insofar as the operations under the Agreement are concerned; that such coverage for additional insured shall apply as primary insurance and any other insurance, or self-insurance, maintained by the SJVIA, its officers, agents and employees, shall be excess only and not contributing with insurance provided under Contractor's policies herein; and that this insurance shall not be cancelled or changed without a minimum of thirty (30) days advance, written notice given to the SJVIA.

**San Joaquin Valley Insurance Authority
2220 Tulare Street, Suite 1400
Fresno, CA 93721**

Certificates of insurance are to include the contract number at the top of the first page.

In the event Contractor fails to keep in effect at all times insurance coverage as herein provided, the SJVIA may, in addition to other remedies it may have, suspend or terminate this Agreement upon the occurrence of such event.

All policies shall be with admitted insurers licensed to do business in the State of California. Insurance purchased shall be purchased from companies possessing a current A.M. Best, Inc. rating of A FSC VII or better.