

Solicitation RFP 8032

Public Relations Campaign for CA Low Cost Auto Insurance

State of California

Bid RFP 8032

Public Relations Campaign for CA Low Cost Auto Insurance

Bid Number RFP 8032
Bid Title Public Relations Campaign for CA Low Cost Auto Insurance

Bid Start Date Jun 19, 2009 12:52:56 PM PDT
Bid End Date Jul 28, 2009 4:00:00 PM PDT
Question & Answer End Date Jun 24, 2009 4:00:00 PM PDT

Bid Contact Lori Nelson
916-492-3281
nelsonl@insurance.ca.gov

Standard Disclaimer The State of California advises that prospective bidders periodically check the websites, including but not limited to Bidsync, and/or other state department links for modifications to bid documents. The State of California is not responsible for a prospective bidder's misunderstanding of the bid solicitation or nonresponsive bid due to failure to check these websites for updates or amendments to bid documents, and/or other information regarding the bid solicitations. Failure to periodically check these websites will be at the bidder's sole risk.

The information published and/or responded to on these websites is public information. Confidential questions/issues/concerns should be directed to the contact on the ad.

Description

CDI is seeking a prime contract to provide public awareness of the low cost auto insurance program. Proposer must have at least one California Office. Proposer organization must have at least five years experience in public relations.

STATE OF CALIFORNIA
~~DEPARTMENT OF INSURANCE~~
300 CAPITOL MALL
SACRAMENTO, CA 95814

Steve Poizner, *Insurance Commissioner*



CALIFORNIA DEPARTMENT OF INSURANCE
Community Relations Branch
Public Awareness Campaign For
California Low Cost Automobile Insurance Program

REQUEST FOR PROPOSAL-Secondary
Notice to Prospective Proposers

RFP 8032

June 11, 2009

You are invited to review and respond to this Request for Proposal, for a Public Awareness Campaign For the California Low Cost Automobile Insurance Program. In submitting your proposal, you must comply with these instructions.

Note that all agreements entered into with the State of California will include by reference General Terms and Conditions and Contractor Certification Clauses that may be viewed and downloaded at Internet site www.ols.dgs.ca.gov/standard+language. A hard copy of Contractor Certification Clauses is provided as Attachment 3.

In the opinion of the California Department of Insurance ("CDI"), this RFP is complete and without need of explanation. However, if you have questions, or should you need any clarifying information, please contact:

Lori Nelson
California Department of Insurance
(916) 492-3281
FAX (916) 327-7676
EMAIL: nelsonl@insurance.ca.gov

Please note that no *verbal* information given will be binding upon the State unless such information is issued in writing as an official addendum.

Patrick Applewhite
Assistant Chief
Business Management Bureau

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4	Form s204
5	Noncollusion Statement
6	Budget Form (one copy in each proposal package / not sealed)
7	Disabled Veteran-Owned Business Enterprise Participation Program For Request For Proposals (www.pd.dgs.ca.gov)
8	Small Business/Disabled Veterans Owned Business Enterprise Participation Summary (www.pd.dgs.ca.gov)
9	Documentation of Good Faith Effort
10	Darfur Contracting Act of 2008
To Web	Contract For Services, Request For Preference - Target Area Contract Preference Act ("TACPA") (Std. 830S) Select: "Standard Forms" at: www.documents.dgs.ca.gov/default.htm "Fill & Print Standard eForms" Enter Form #830
To Web	Enterprise Zone Preference Request, Enterprise Zone Act ("EZA") (Std. 831S). Select: "Standard Forms" at: www.documents.dgs.ca.gov/default.htm "Fill & Print Standard eForms" Enter Form #831
To Web	Local Agency/Military Base Recovery Area Act ("LAMBRA") (Std. 832). Select: "Standard Forms" at: www.documents.dgs.ca.gov/default.htm "Fill & Print Standard eForms" Enter Form #832
11	Insurance Codes: CIC 11629.7-11629.85 and 1872-1872.96
12	Sample Contract Provisions Standard Agreement (Std. 213)
	General Terms and Conditions (GTCs) included by reference : www.ols.dgs.ca.gov/standard+language

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SECTION I. PURPOSE AND BACKGROUND

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I. PURPOSE AND BACKGROUND

A. PURPOSE

The Community Relations Branch ("CRB") of the California Department of Insurance ("CDI") requests proposals be submitted for the following purpose and in accordance with each of the terms and conditions in this Request for Proposal ("RFP"). The purpose of this RFP is to solicit proposals that will lead to the selection of a prime contractor to provide a public awareness campaign and related advertising services for the Low Cost Automobile Insurance Program. The proposals will be evaluated by a committee within the CDI and scored according to responsiveness, as presented in this RFP.

The competitive bidding process being used for this procurement of services is known as the RFP Secondary method. Proposals will first be reviewed for compliance with SECTION III, MINIMUM REQUIREMENTS. Each respondent must establish in writing its ability to meet each stated minimum requirement. Those proposals that meet these minimum requirements will then be evaluated according to the criteria in SECTION V, SELECTION PROCESS AND EVALUATION CRITERIA, and the highest scoring proposal will be awarded the contract.

Proposers should carefully review the requirements of this proposal package, which includes a complete explanation of the CDI's needs which must be met, and instructions which prescribe the format of proposals as outlined in SECTION III, MINIMUM REQUIREMENTS and SECTION IV. SCOPE OF WORK.

B. BUDGETED FUNDS

There is a maximum budget of \$1,225,250 available for services rendered for a one (1) year contract term. This figure includes reimbursements, service fees, as well as the cost of advertising purchases, with a ceiling on the total contract amount.

This multi-year contract will be reviewed and considered for renewal annually, for two additional 1-year terms, for a possible total contract length of three (3) years on the same terms and conditions. Contract continuance will be at the full discretion of the CDI, dependent upon availability of funding, adequacy of previous performance, and consistency of price (See SECTION II, SUBMISSION REQUIREMENTS AND CONDITIONS, B.).

C. CALIFORNIA DEPARTMENT OF INSURANCE ("CDI")

"Our Mission is to ensure that consumers are protected against excessive or discriminatory insurance rates and against insurer financial instability; that the laws are enforced with equal diligence; that all consumers are served in the most efficient, responsive manner; and that the regulatory process is open, fair and equitable."

The CDI is a state regulatory agency whose rich and diverse history spans over one hundred and thirty years. State law (California Insurance Code Section 12900 et. seq.) established the CDI and details its responsibilities. With the advent of voter approved Proposition 103 in 1988, the CDI's authority, responsibility and mission was significantly broadened. Proposition 103 converted the Insurance Commissioner's status from a gubernatorial appointed position to an elective office, thus establishing an Insurance Commissioner who became directly accountable to the people. Proposition 103 also expanded the CDI's important role in consumer protection by requiring that property and casualty insurance company rates be pre-approved by the CDI before going into effect.

In the early 1990s, the State Legislature passed tough, new anti-fraud insurance legislation that transformed portions of the CDI into a law enforcement agency, in addition to its other functions. The CDI also licenses and regulates the rates and practices of insurance companies, agents and brokers operating in California. Currently the CDI licenses over 1,500 companies and more than 200,000 agents and brokers. None of the CDI's operational funds are derived from tax dollars. License fees, other fees, premium taxes and Proposition 103 recoupment fees are the sources of funding for the CDI.

D. COMMUNITY RELATIONS BRANCH ("CRB")

The CRB's primary focus is to ensure that every Californian and every California community has access to legitimate, affordable insurance. CRB accomplishes this objective by educating consumers on important insurance issues and laws, promoting vital programs and establishing networks between the CDI, the insurance industry, community organizations, and community advocates. CRB strives to improve the services and information provided to California consumers with creative programs delivered through an assertive community outreach approach. The CRB is responsible for fulfilling the Strategic Vision Plan initiatives relating to the California Low Cost Automobile Insurance Program to provide access to insurance in underserved communities.

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SECTION II. SUBMISSION REQUIREMENTS AND CONDITIONS

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II. SUBMISSION REQUIREMENTS AND CONDITIONS

A. KEY ACTION DATES

The CDI reserves the right to change this timeline as deemed necessary.

Proposal Package Released	June 11, 2009
<u>Proposer's Written Questions Due to CDI and Notice of Intent to Bid Due to CDI (both must be faxed or emailed)</u>	<u>June 24, 2009, 4:00 pm</u>
Question and Answer Summary Provided on or near:	July 2, 2009
<u>Proposal Due Date</u>	<u>July 28, 2009</u> <u>No Later Than 4:00 p.m.</u>
Minimum Requirements Review	
Evaluation Committee Review	
CDI reserves the right to conduct interviews of finalist/s, if applicable.	August 11-12, 2009
CDI awards contract and posts Public Notice of Intent to Award	August 17-21, 2009
Contract in place when fully executed On or near	September 2009

B. DURATION AND RENEWAL OPTION

The duration of the contract between the CDI and the successful proposer is expected to begin upon the date of contract approval by the Department of General Services and continue for twelve (12) months.

The CDI reserves the right to renew its agreement on the same terms and conditions with the successful proposer at the end of each contract term for a total of three (3) years, providing funding to do so is appropriated for this purpose in subsequent CDI budgets. Proposed renewals are assessed annually for approval by the CDI and the Department of General Services, according to program direction, funding, consistency of price and scope of work continuity.

C. WRITTEN QUESTIONS

Questions must be submitted in writing by email or fax, and must be received by due date and time (see Section A. Key Action Dates). The time and date on the email or fax must not exceed the due date and time. Questions regarding SECTION IV, SCOPE OF WORK, which are submitted after this time and date, will not be considered. A Question and Answer Summary will be provided (via email or fax) to proposers that submitted a Notice of Intent to Bid. Email or fax written questions to:

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Business Management Bureau
RFP 8032 – Public Awareness Campaign
California Department of Insurance
300 Capitol Mall, Suite 1300
Sacramento, CA 95814
Office: (916) 492-3281
FAX: (916) 327-7676
Email: nelsonl@insurance.ca.gov

Questions, suggestions or objections regarding the content of this RFP, including but not limited to SECTION III, MINIMUM REQUIREMENTS; SECTION IV, SCOPE OF WORK; and SECTION V, SELECTION PROCESS AND EVALUATION CRITERIA; not submitted in writing by the deadline for questions, shall be deemed waived and may not be raised at a later time.

Any further inquiries concerning **technical** and **procedural** matters of this RFP must be submitted in writing by fax or email and must be received by one week prior to the due date, no later than 4:00 p.m., regardless of postmark (e.g. proposal process, format, completion of forms, and DVBE requirements).

Oral communications with State officers and employees shall be non-binding on the State and shall in no way exclude the proposer of obligations as set forth in this package.

D. NOTICE OF INTENT TO BID

1. Attachment 1, Notice of Intent to Bid must be received by due date and time (see Section A. Key Action Dates). The Notice of Intent to Bid shall be typed and completed in full.
2. The Notice of Intent to Bid shall be faxed or emailed to the phone number indicated on Attachment 1.
3. PROPOSALS WILL BE ACCEPTED ONLY FROM APPLICANTS WHO SUBMITTED A TIMELY NOTICE OF INTENT TO BID.
4. The Notice of Intent to Bid is non-binding, however it ensures the receipt of the Question and Answer Summary and any addenda related to this RFP. Any correspondence or addenda originating after the Notice of Intent to Bid due date and time will be emailed or faxed only to those proposers having submitted a timely Notice of Intent to Bid.

E. SUBMISSION OF PROPOSAL / CAUSE FOR REJECTIONContent Conditions

1. Proposals should provide straightforward and concise descriptions of the proposer's ability to satisfy the requirements of this RFP. The proposal must be complete and accurate. Omissions, inaccuracies or misstatements may be cause for rejection of a proposal.
2. Proposals must provide for the performance of all the services described herein. Any deviation from the work specifications will not be considered and will be cause for rejection.
3. A proposal may be rejected if it is conditional or incomplete, or if it contains any alternations of form or other irregularities of any kind. The CDI may waive an immaterial deviation in a proposal. The CDI's waiver of an immaterial deviation shall in no way modify the RFP document or excuse the proposer from full compliance with all requirements if awarded the agreement.
4. Proposers should carefully examine work sites and specifications as they apply to this RFP. No additional funding or increases to the agreement amount will be made due to a lack of careful examination of work sites and specifications.

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5. Costs incurred for developing proposals and in anticipation of award of the agreement are entirely the responsibility of the proposer and shall not be charged to the State of California.
6. All proposals shall include the documents identified in SECTION III, MINIMUM REQUIREMENTS. Proposals not including the required attachments shall be deemed non-responsive. A non-responsive proposal is one that does not meet the basic proposal requirements.
7. If the proposal is made under a fictitious name or business title, the actual legal name of the proposer must be provided with Attachment 2, Contractor Status.
8. An individual who is authorized to bind the proposing firm contractually shall sign Attachment 3, Contractor Certification Clauses. The signature must indicate the title or position that the individual holds in the firm.
9. The CDI may modify the RFP prior to the date fixed for submission of proposals by the issuance of an Addendum to all parties who submitted a timely Letter of Intent to Bid. Addendums will be sent by email, FAX or U.S. mail.
10. Before submitting a response to this RFP, bidders should review, correct all errors and confirm compliance with the RFP requirements.
11. More than one proposal from an individual, firm, partnership, corporation or association under the same or different names, will not be considered.
12. The CDI reserves the right to reject all proposals.
13. The State does not accept alternate contract language from a prospective contractor. A proposal with such language will be considered a counter proposal and will be rejected. The State's General Terms and Conditions ("GTCs") are not negotiable.
14. No oral understanding or agreement shall be binding on either party.

Submission Conditions

15. A minimum of five (5) copies of the proposal must be submitted.
16. The original proposal must be marked "ORIGINAL COPY". All documents contained in the original proposal package must have *original signatures* and must be signed by a person who is authorized to bind the proposing firm. An unsigned proposal may be rejected. All additional proposal sets may be copies of the original package.
17. All proposals must be submitted under sealed cover and sent to CDI by dates and times shown herein. Proposals received after this date and time will not be considered.
18. Mail or deliver the *sealed proposal package* as shown to the following address. Attachment 6, Budget Form shall be included and not separately sealed.

Lori Nelson, Business Management Bureau
RFP 8032 – Public Awareness Campaign
California Department of Insurance
300 Capitol Mall, Suite 1300
Sacramento, CA 95814

FOR BID OPENING - DO NOT OPEN

Proposals not submitted under sealed cover and addressed as indicated may be rejected.

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19. A proposer may modify a proposal after its submission by withdrawing its original proposal and resubmitting a new proposal prior to the proposal submission deadline as set forth in the SECTION II, SUBMISSION REQUIREMENTS AND INFORMATION, Subsection A, Key Action Dates. Proposal modifications offered in any other manner, oral or written, will not be considered.
20. A proposer may withdraw its proposal by submitting a written withdrawal request to the CDI, signed by the proposer or an authorized agent. A proposer may thereafter submit a new proposal prior to the proposal submission deadline. Proposals may not be withdrawn without cause subsequent to proposal submission deadline.
21. Proposals received within the prescribed deadline become the property of the CDI and will not be returned. All rights to the contents therein become those of the CDI. Creative materials, if applicable, may be returned at the CDI's discretion. The proposer must submit a written request and be prepared to pay postage. No materials will be returned prior to an executed, approved contract.

F. AWARD

1. Award of the contract, if it is awarded, shall be to the highest scored proposal meeting SECTION II, SUBMISSION REQUIREMENTS AND CONDITIONS; SECTION III, MINIMUM REQUIREMENTS; and SECTION IV, PROPOSAL CONTENT AND SCOPE OF WORK, and based on the evaluation criteria as outlined in SECTION V, SELECTION PROCESS AND EVALUATION CRITERIA. **The CDI reserves the right to not award a contract.**

The CDI reserves the right to negotiate with any qualified proposer, or to modify or cancel in part or in its entirety the sample contract provisions if it is in the best interest of the CDI to do so.

2. Upon selection of a proposed contractor, a Notice of Intent to Award will be posted for five (5) working days at the CDI, 300 Capitol Mall, Suite 1300, Sacramento, CA 95814

Proposals, cost data and evaluation forms will be regarded as public records after the contract is awarded under the California Public Records Act (Government Code Section 6250 et seq.).

3. Debriefings. Written debriefings of the evaluation results will not be provided to unsuccessful bidders. Oral debriefings may be provided at the CDI's discretion after the contract is finalized.
4. Protest Process. A protest can be filed only after the issuance of the Notice of Intent to Award as specified and prior to actual contract award:
 - a. The right to protest the proposed award of a contract is afforded those proposers that meet the following criteria:
 - 1) Any proposer who claims he/she should have been awarded the contract if the CDI had scored his or her proposal correctly, or
 - 2) Any proposer who claims he/she should have been awarded the contract if the CDI had correctly followed the procedures specified in the Public Contract Code, or this RFP solicitation.

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- b. A protest must be filed with the CDI and Department of General Services ("DGS"):
- 1) Within five (5) working days of the date the Notice of Intent to Award was posted; the protesting bidder shall file a full and complete written statement, including RFP number, specifying the grounds for the protest (Public Contract Code 10343 and 10376).
 - 2) Submit the protest to both offices listed:

Department of Insurance:

Department of Insurance
Business Management Bureau
Patrick Applewhite, Assistant Chief
300 Capitol Mall, Suite 1300
Sacramento, CA 95814
FAX: 916-327-9433

Department of General Services:

Office of Legal Services
Attn: Protest Coordinator
Department of General Services
1325 J Street, Suite 1911
Sacramento, CA 95814
FAX: 916-327-3916

- c. If no protest is filed with the CDI within five (5) working days of the date of the Notice of Intent to Award, the contract shall be awarded to the proposed bidder.

G. DEFINITIONS AND TERMS

1. The CDI has established certain requirements with respect to bids to be submitted by prospective Contractors. The use of "shall", "must" or "will" (except to indicate future tense) in the RFP indicates a requirement or condition from which a deviation, if not material, may be waived by the CDI.
2. The words "should" or "may" in the RFP indicate desirable attributes or conditions, but are non-mandatory in nature. Deviation from, or omission of, such a desirable feature, even if material, will not in itself cause rejection of the proposal.
3. The use of the terms "Department" and "CDI" refers to the California Department of Insurance, unless indicated otherwise.
4. The "Bureau", "Division" and "CRB" refers to the Community Relations Branch, unless indicated otherwise.
5. The use of the terms "proposer" and "bidder" refers to contractors responding to this RFP.
6. "Subcontractors." Any party which the proposer wishes the CDI to include in its evaluation of the proposer's qualifications and capability must be labeled as a "partner" or "major subcontractor" (terms of similar nature are acceptable).
 - a. Major subcontractors are defined as businesses owned at least 51% by interests other than the proposer, and which will carry out major, critical portions of the SECTION IV, SCOPE OF WORK, in terms of responsibility, involvement and, in some instances, portions of the budget. These may be firms providing services or supplies. Major subcontractors operate under the direction of the proposer.
 - b. Minor subcontractors are defined as businesses executing less critical, less sensitive portions of SECTION IV, SCOPE OF WORK.
7. "Material Deviations." The CDI has established that a deviation from a requirement is material if the deficient response is not in substantial accord with the RFP requirements, provides an advantage to one bidder over other bidders, or has a potentially significant effect on the delivery, quantity or quality

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of items proposed, amount paid to the vendor, or on the cost to the CDI. Material deviations cannot be waived.

H. ANTITRUST CLAIMS

1. In submitting a bid to a public purchasing body, the proposer 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. Section 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/proposer 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 proposer. (See Government Code Section 4552.)
2. 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. (See Government Code Section 4553.)
3. 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.)

I. CONFLICT OF INTEREST WITH CURRENT OFFICER OR EMPLOYEE OF THE STATE

1. Current State Employees (Public Contract Code Section 10410)
 - a. No officer or employee shall engage in any employment, activity or enterprise from which the officer or employee receives compensation or has a financial interest and which is sponsored or funded by any State agency, unless the employment, activity or enterprise is required as a condition of regular State employment.
 - b. No officer or employee shall contract on his or her own behalf as an independent contractor with any State agency to provide goods or services.
2. Former State Employees (Public Contract Code Section 10411)
 - a. For the two-year period from the date he or she left State employment, no former State officer or employee may enter into a contract in which he or she engaged in any of the negotiations, transactions, planning, arrangements or any part of the decision-making process relevant to the contract while employed in any capacity by any State agency.
 - b. For the twelve-month period from the date he or she left State employment, no former State officer or employee may enter into a contract with any State agency if he or she was employed by that State agency in a policy-making position in the same general subject area as the proposed contract within the twelve-month period prior to his or her leaving State service.

J. CORPORATE QUALIFICATIONS TO DO BUSINESS IN CALIFORNIA

1. When contracts are to be performed in the State by corporations, the CDI will obtain verification that the contractor is currently qualified to do business in California in order to ensure that all obligations due to the State are fulfilled.
2. "Doing business" is defined in Revenue and Taxation Code Section 23101 as actively engaging in any transaction for the purpose of financial or pecuniary gain or profit. Although there are some statutory exceptions to taxation, rarely will a corporate contractor performing within the state not be subject to the franchise tax.
3. Both domestic and foreign corporations (those incorporated outside of California) must be in good standing in order to be qualified to do business in California. Agencies may determine whether a corporation is in good standing by accessing the Office of the Secretary of State's web site at <http://www.ss.ca.gov/business/business.htm>.
4. The CDI and contracting agencies may obtain assistance from the Franchise Tax Board in evaluating a contractor's claim of exemption. Inquiries should be directed to the Exempt Organizations Unit desk, telephone (916) 845-4171. (See also <http://www.ftb.ca.gov/>)

K. DRUG FREE WORKPLACE ACT OF 1990

1. In submitting a bid to the CDI, the proposer offers and agrees that if the bid is accepted, it will certify under penalty of perjury under the laws of the State of California that it will comply with the requirements of the Drug-Free Workplace Act of 1990 (Government Code, Section 8350 et seq.) and will provide a drug-free workplace by:
 - a. Publishing a statement notifying employees that unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited and specifying actions to be taken against employees for violations, as required by Government Code, Section 8355(a).
 - b. Establishing a Drug-Free Awareness Program as required by Government Code, Section 8355 (b), to inform employees about:
 - 1) the dangers of drug abuse in the workplace;
 - 2) the person's or organization's policy of maintaining a drug-free workplace;
 - 3) any available counseling, rehabilitation and employee assistance programs;
 - 4) penalties that may be imposed upon employees for drug abuse violations; and,
 - c. Providing, as required by Government Code, Section 8355(c), that every employee who performs work under the agreement will:
 - 1) receive a copy of the Contractor's drug-free policy statement; and,
 - 2) agree to abide by the terms of the Contractor's statement as a condition of employment under this agreement.
2. Failure to Comply

Failure to comply with these requirements may result in suspension of payments under the agreement or cancellation of the agreement or both and the Contractor may be ineligible for award of any future state contracts if the State determines that the Contractor:

 - a. has made a false certification; or,
 - b. violates the certification by failing to carry out the requirements as noted above.

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Once the final Agreement award is made, work will not begin until the Agreement is fully executed, approved by the Department of General Services, Office of Legal Services, if required and written authorization has been received from CDI.

M. TERMINATION

CDI has the authority and express right to terminate any Agreement awarded under this RFP at any time during the term of the Agreement for any reason or if CDI finds that the Contractor's work is negligent, not satisfactory, or not in accordance with the Agreement requirements.

N. LICENSES AND PERMITS

Where applicable, pursuant to California Business and Profession Code Section 7028.15⁽²⁾, Proposer shall be an individual or firm licensed to do business in California. The Proposer shall obtain at his/her expense all appropriate license(s) and permit(s) required by law for accomplishing any work required in connection with this Agreement. The Proposer shall submit with his/her bid:

1. Proposer's state license number,
2. License expiration date, and
3. Certification, under penalty of perjury, of accuracy of items (1) and (2) above.

Failure to provide the appropriate license(s) and permit(s), when applicable to perform this work, by the Proposal Due Date will be grounds for finding the bid non-responsive.

In the event any license(s) and/or permit(s) expire at any time during the term of this Agreement, the Proposer agrees to provide CDI with a copy of the renewed license(s) and/or permit(s) within thirty (30) days following the expiration date. In the event the Proposer fails to keep in effect at all times all required license(s) and permit(s), the CDI may, in addition to any other remedies it may have, terminate this Agreement upon occurrence of such event.

O. NONDISCRIMINATION COMPLIANCE STATEMENT

The Proposer must be an Equal Opportunity Employer and must be willing to comply with State Fair Employment Practices. The required signature on Attachment 3, Contractor Certification Clauses, shall constitute a certification under penalty of perjury under the laws of the State of California that you have, unless exempted, complied with the nondiscrimination program requirements of Government Code Section 12990 and of California Code of Regulations, Title 2, Section 8103⁽¹⁾.

P. RECYCLED CONTENT

All materials, goods, supplies offered, or products used in the performance of resulting Agreement shall meet or exceed the minimum percentage of recycled material, both post-consumer waste and secondary waste as defined in the Public Contract Code, Sections 12161 and 12200⁽²⁾. The Contractor shall use recycled paper products to the maximum extent economically feasible in material offered and in the performance of the contract work. The Contractor shall certify in writing to CDI that the material offered contains the minimum percentage of recycled paper required and shall specify the minimum, if not exact, percentage of secondary and post-consumer material in the paper products. The required signature on Attachment 3, Contractor Certification Clauses, constitutes compliance with this requirement.

Q. SMALL BUSINESS PREFERENCE.

California Government Code Section 14835 et seq. ⁽²⁾ requires that a five (5%) percent preference be given to Proposers who qualify as a small business. **Proposers may also apply for a (5%) non-small business preference if their proposal provides for small / micro-business subcontractor participation of 25% [Government Code Section 14838(b)(1)(2) and 2 CCR 1896].** To claim the small business preference, which may not exceed \$50,000 for any bid, a Proposer must have its principal place of business located in California and must be formally certified by the OSDC.

The rules and regulations of this law, including the definition of a small business, are contained in Title 2, California Code of Regulations, Section 1896 et seq. ⁽¹⁾. A copy of the regulations is available on the website listed, or upon request from the State of California, Office of Small Business and Disabled Veteran Business Enterprise Certification ("OSDC"). Questions regarding the preference approval should be directed to that office at (916) 324-0269 or (916) 324-6221.

All Proposers claiming the small business preference must submit proof of small business status no later than the RFP due date for this RFP. If a Proposer has received approval from the OSDC verifying its small business status, the Proposer shall submit a copy of their certification, or subcontractor's certification, with their Proposal response.

Information can be found at the California Department of General Services, Procurement Division website: www.pd.dgs.ca.gov "Small Business." This site also provides a search function to obtain registered California small businesses and DVBES for potential subcontracting opportunities.

**R. TARGET AREA CONTRACT PREFERENCE ACT (TACPA),
ENTERPRISE ZONE ACT (EZA), and
LOCAL AGENCY MILITARY BASE RECOVERY ACT (LAMBRA).**

Under the provisions of the TACPA, Government Code Section 4530 et seq. ⁽²⁾; EZA, Government Code Section 7070 et seq. ⁽²⁾; and LAMBRA, Government Code Section 7118 et seq. ⁽²⁾; preferences are available to California based companies that demonstrate and certify under penalty of perjury that at least 50% of the total labor hours for manufactured goods, or 90% of the total labor hours for services (100% in the case of LAMBRA) will be performed in distressed areas. The Acts also make available additional preferences to California based bidders who certify under penalty of perjury to hire persons in targeted employment areas. Bidders are not required to apply for TACPA/ EZA/ LAMBRA preferences, and denial of preference requests is not a basis for rejection of the bid.

Pre-Award Demonstration Requirements

If bidders wish to be considered for the preferences, they must demonstrate and certify that they will comply with the requirements of these Acts. Bidders must complete and submit all included or referenced solicitation preference program forms to be considered for a preference. The information provided must demonstrate that the bidder has the ability to comply with the terms and provisions of the preference program. The State, as part of its evaluation process, reserves the right to verify, validate, and clarify all information contained in the bid. This may include, but is not limited to, information from bidders, manufacturers, subcontractors and any other sources available at the time of bid evaluation. Refusal to agree to and/or comply with these terms, or failure to provide additional supporting information at the State's request, may result in denial of the preferences requested.

Contract Award Compliance Requirements.

Contracts awarded with applied preferences will be monitored throughout the life of the contract for compliance with the statutory, regulatory, and contractual requirements. If awarded the contract, the contractor agrees to: (1) comply with the requirements of the Act(s) and with attendant rules and

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regulations, (2) allow the state contracting agency (CDI) to have access to its facilities or premises to inspect, review, obtain and copy all records pertinent to the performance of the contract or to determine compliance with the Act(s), and (3) to retain such records for three (3) years following final payment on the contract.

Contractor agrees, with respect to certification, to hire persons with high risk of unemployment, or from high unemployment areas, and to act in good faith to retain the employees for the duration of the contract, and, if necessary, replace such person with other persons meeting the same qualifications. Contractors are to promptly notify the State of the names of persons that have been terminated or who have been absent for more than three (3) consecutive days to communicate the reasons for the termination or absence. Contractors agree, under such circumstances, to consult with the CDI and the Employment Development Department with respect to replacement of such persons. Bidders should review the detailed requirements for TACPA at 2 CCR Section 1896.40, Contract Provisions; and for EZA at 2 CCR Section 1896.110, Contract Provisions. Forms which must be submitted are: Form 830S for TACPA, Form 831S for EZA, and Form 832S for LAMBRA.

Contractors who do not comply with the preference reporting requirements or fail to provide the information necessary to monitor compliance are subject to sanctions as set forth in the statutes.

Information can be obtained on the internet at: <http://www.pd.dgs.ca.gov/disputes>.

Proposers may also contact the Department of General Services TACPA/ EZA/ LAMBRA Preference Program Group at (916) 375-4609.

S. PRIORITY HIRING CONSIDERATIONS

If the resulting contract will have a total contract value of \$200,000 or more, the contractor is hereby advised that it will be obligated to give priority consideration in filling vacancies in positions funded by the resulting contract to qualified recipients of aid under Welfare and Institutions Code Section 11200⁽²⁾. This requirement shall not interfere with or require a violation of a collective bargaining agreement, a federal affirmative action obligation for hiring disabled veterans of the Vietnam era, or nondiscrimination compliance laws compliance laws of California and does not require the employment of unqualified recipients of aid.

⁽¹⁾ California Code of Regulations website is <http://ccr.oal.ca.gov/>.

⁽²⁾ California Code can be found at: www.leginfo.ca.gov.

III. MINIMUM REQUIREMENTS

A. CALIFORNIA DISABLED VETERAN BUSINESS ENTERPRISE PROGRAM REQUIREMENTS.

As required by California Public Contract Code Section 10115, et seq., this Agreement has goal attainment at 3% of work, or 3% of the total bid submittal (Attachment 6, Budget Form) subcontracting with Disabled Veteran Business Enterprise(s) ("DVBE"). Any business used to meet DVBE requirements must be certified by the California Department of General Services, Office of Small Business and Disabled Veteran Business Enterprise Certification ("OSDC").

All DVBE requirements must be met as outlined in Attachment 7, Disabled Veteran-Owned Business Participation Program for RFPs. The proposer must meet the goals by subcontracting with California certified DVBEs, or show a complete Good Faith Effort, as outlined in Attachment 9, Demonstration of Good Faith Effort.

A proposal will not be responsive to Minimum Requirements if these subcontracting efforts are not completed.

There are three basic ways for proposers to meet the requirements for this program in accordance with Attachment 7:

- Achieve at least the minimum DVBE participation goals (3% of total bid submittal) (complete Attachment 8);
- Make and document a "good faith effort" to achieve participation (complete Attachment 9); or
- Achieve partial DVBE participation goals, and document "good faith effort" to achieve complete participation (complete Attachment 8 and Attachment 9).

Information on certification and DVBE firms registered under the State can be found at the Department of General Services, Procurement Division website: www.pd.dgs.ca.gov

B. LIST OF SUBMISSION REQUIREMENTS

These instructions list the mandatory content included for the presentation of the technical proposal data.

PROPOSALS MUST BE PREPARED AND SUBMITTED IN THE FOLLOWING FORMAT TO ENSURE ACCURATE EVALUATION.

FAILURE TO DEMONSTRATE OR EVIDENCE FULFILLMENT OF ALL MINIMUM REQUIREMENTS MAY RESULT IN DISQUALIFICATION (see SECTION II).

The following list will serve as the checklist for CDI to verify the inclusion of Minimum Requirements. If any single item receives a negative response, the proposal may be eliminated from further review and considered non-responsive.

FOR CDI USE ONLY

Proposer: _____ **Date:** _____

Meets Requirements
YES NO

PROPOSAL DELIVERY, FORMAT AND CONTENT / ORGANIZATION

Mail or deliver in one (1) package five (5) copies of the proposal to the Business Management Bureau at the address listed in SECTION II, no later than Due Date, regardless of postmark.

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Proposals and all attachments should be submitted on 8 ½" by 11" paper. **Sample materials if applicable, are exempt, but should be of a reasonable size, fitting in a standard file box is preferable.**

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Respond and include each item listed, giving specific details of techniques to be used in meeting these requirements. **Use of the following format/organization is required to ensure proper completion of the proposal.**

1. ATTACHMENT 2, CONTRACTOR STATUS. Completed and signed.

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2. TABLE OF CONTENTS. **Information organized as presented here, with pages numbered and referenced.**

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3. DESCRIPTION OF ORGANIZATION

a. Services and Activities. Provide description of the nature of the organization's services and activities. Note when the business was established, brief history, and location.

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b. Provide evidence of being in public relations business for a minimum of five (5) years prior to this RFP and provide detail of the extent of activity during these years. .

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c. Provide description of organization's experience in public relations, advertising, media relations, consumer outreach and research.

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d. List all offices/s and location/s from which the primary work on this contract would be performed. Proposer must give evidence that it has at least one (1) California office and will provide service through this location.

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e. Proposer must describe any significant changes in the firm's organization and staffing during the previous five (5) years.

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f. Conflict of Interest. Proposer must list business/ client/ professional relationships which could potentially be a conflict of interest. Proposer must provide descriptions of it's contractual, financial, and other business or professional relationships, or activities with, or interests in companies involved in, or companies with subsidiaries involved in, or companies with parent companies involved in the production, distribution, sales or marketing of insurance products.

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Proposer must demonstrate that there is no conflict of interest between any existing business/client/professional relationships and the ability to fully and vigorously represent the CDI.

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	Meets Requirements	
	YES	NO
g. Proposer shall attach licenses, certificates, and accreditations required to, or related to, performing these services.	☐	☐
h. Memberships. Proposer must provide the name and address of all professional associations in which they currently hold membership.	☐	☐
4. PERSONNEL/MANAGEMENT		
a. Contract Manager. Identify one (1) individual on the proposer's account team who will manage the contract work. Document overall experience in public relations and advertising, with a minimum of five (5) years of service in these areas. Must be available to the CDI on a sufficiently large percentage of his/her time for managing the CDI's account.	☐	☐
b. Account Team/Resumes. The proposer must specify the account team and key personnel who will manage/conduct the work. Identify the role each team member will serve, title, where the individual is headquartered and the percentage of the firm's total effort that will be provided by the individual. Key personnel are defined as those people who will exercise a major management and/or administrative role on behalf of the proposer. Current resumes/biographies must be attached for each person. Provide education, experience and expertise with pertinent information demonstrating qualifications for this RFP. Do not exceed two (2) pages per person.	☐	☐
c. Organization Chart. Proposer must submit an organization chart, showing the hierarchy of key personnel to be working on project(s). Chart must show the relationship between project manager and key personnel of the proposer's organization and all other parties (subcontractors) to the proposal.	☐	☐
5. CLIENT REFERENCES.		
The proposer shall supply the CDI with a minimum of three (3) client references for whom the proposer has provided public relations services similar in complexity from the last five (5) years. A summary statement for each client reference must be provided. No more than one (1) page per client reference. The three (3) client references may be contacted by the CDI. References must provide information consistent with information presented in proposal. For each reference, the proposer must provide the following information:	☐	☐
• Agency/company name, address and phone number • Name of contact person most familiar with the services provided and their phone number • Date services were provided • Nature of services provided		
References may be contacted by the CDI. References must provide information relating to services that the bidder has provided demonstrating the Bidder's responsibility, experience, and capacity to perform the services required in this RFP.		

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		<u>Meets Requirements</u>	
		<u>YES</u>	<u>NO</u>
6.	SUBCONTRACTORS. Identify all proposed subcontractor(s) for work that exceeds \$5,000. Document which portions of service will be performed by subcontractors and their ability to perform the work. Include resumes of subcontractor(s) key personnel. Do not exceed two (2) pages per person. The use of subcontractor(s) are subject to approval by the CDI Project Representative. Therefore, not all work recommended by the proposer will necessarily be approved and not all subcontractors listed in the proposal will necessarily be selected. The proposer must make it clear to any subcontractors included in the proposal that even if the proposer is selected, the subcontractors may not necessarily be selected.	☐	☐
7.	SECTION IV, SCOPE OF WORK. The proposal must address all the items required in SECTION IV, SCOPE OF WORK in detail.	☐	☐
8.	ATTACHMENT 6, BUDGET FORM A completed Budget Form must be included. All costs associated with this proposal's SECTION IV, SCOPE OF WORK must be included under the format provided; the Budget Form shall not be altered.	☐	☐
9.	ONE (1) SET OF FINANCIAL STATEMENTS. Proposer must provide evidence of financial stability: The proposer must document sufficient financial resources necessary to perform all services associated with this contract. - Financial statements are required in the form of an audited balance sheet and income statement for the last two years. - Financial statements must include an opinion by a CPA that the statements fairly represent the financial condition of the proposer organization, that the financial statements have been prepared in accordance with GAAP, and that they have been audited by a CPA. - <i>Any audit exception must be fully explained. A disclaimer of the opinion will not satisfy the requirements of this section.</i> Note: Financial statements must be labeled "confidential" and submitted in a separate envelope. Any failure in the information required will result in rejection of the proposal.	☐	☐
10.	A LETTER OF COMMITMENT FROM A CREDITOR, IF APPLICABLE. The proposer shall include a Letter of Commitment from a creditor only if borrowing will provide any of the monies necessary to meet initial expenses. The proposer must show evidence of adequate financial resources to cover delays in payments, particularly during the initial start-up period. Initial payments may be delayed approximately two (2) months.	☐	
11.	BUSINESS LICENSE OR RECEIPT FOR BUSINESS TAX. Copy of current California business license or receipt for business tax in accordance with the city or county licensing specifications from the city or county in which the business is located.	☐	☐
12.	DOCUMENT OF INCORPORATION. If incorporated, include substantiating document (see SECTION II, RULES AND CONDITIONS, Subsection J for background).	☐	☐

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	Meets Requirements	
	YES	NO
REMAINING ATTACHMENTS REQUIRED (must be signed by an authorized representative):		
13. Attachment 1, Notice of Intent to Bid. Received on or dated before Due date and time.	☐	☐
14. Attachment 2, Contractor Status. Fictitious business must provide legal name. Proposer must an independent contract as defined by the Internal Revenue Service. If Proposer is a Corporation, the Proposer provided proof the Corporation is registered and in Good Standing in the State of California (Corporations must be registered with the California Secretary of State: www.sos.ca.gov/business/business.htm)	☐	☐
15. Attachment 3, Contractor Certification Clauses (Page 1 signed).	☐	☐
16. Attachment 4, Form s204	☐	☐
17. Attachment 5, Noncollusion Statement.	☐	☐
18. Attachment 6, Budget Form.	☐	☐
19. Attachment 8, Small Business/Disabled Veteran-Owned Business Enterprise Participation Summary (with certifications)	☐	☐
20. Attachment 9, Good Faith Effort, IF APPLICABLE	☐	☐
21. Attachment 10, Darfur Contracting Act of 2008 (Page 2)	☐	☐
22. Preferences (if applicable):	☐	
Target Area Contract Preference Act ("TACPA") (Std. 830S). Completed only if claimed.		
Enterprise Zone Preference Request; ("EZA") (Std. 831S). Completed only if claimed.		
Local Agency Military Base Recovery Area Act ("LAMBRA"); (Std. 832). Completed only if claimed.		
CDI USE ONLY: ☐ ☐		
22. Proposer has not received a substantive negative contract evaluation from the Department of General Service, Office of Legal Services.	☐	☐

SECTION IV. SCOPE OF WORK

This section describes the tasks that must be completed on behalf of the CRB. The maximum amount available for this work is no more than **\$1,225,250 for the first term of twelve (12) months, with an option for contract renewal for two additional one (1) year terms, for a maximum length of (3) years.** For all services listed in SECTION IV, SCOPE OF WORK, the Proposer must show the cost on Attachment 6, Budget Form. Minor modifications to these specific tasks may be made during the course of the contract.

NOTE: Authorizing legislation mandates that the public awareness campaigns not feature in any manner the image or voice of any elected public official or candidate for elected office, or directly represent the views of any elected public official or candidate for elected office.

BACKGROUND

The California Low Cost Automobile pilot program ("CLCA") was enacted in 1999 to create an affordable insurance option for low-income, good drivers in Los Angeles County and the City and County of San Francisco to comply with California's financial responsibility laws (SB 171, Escutia and SB 527, Speier).

Legislative modification and enhancement of the program occurred in 2002, with the enactment of Stats. 2002, Chapter 742 (SB 1427, Escutia). Among other things, the bill established the requirement for an annual report to the Senate and Assembly Committee's on Insurance detailing the Insurance Commissioner's plan to inform the public about the availability of the CLCA pilot program. In 2004, Stats. 2004, Chapter 920 (SB 1500, Speier) added additional requirements for the Commissioner to report on the success of the program.

In 2005, Stats. 2005, Chapter 435 (SB 20, Escutia) authorized expansion of the program to all counties in California at the discretion of the Commissioner, subject to specified procedures, and mandated commencement of operations in Alameda, Fresno, Orange, Riverside, San Bernardino and San Diego counties on April 1, 2006. As authorized by legislation, in 2007 the Commissioner announced plans to expand the program to all counties within California. The plan was completed as of December 10, 2007.

The above legislation also extended the sunset of the pilot program to January 1, 2011, and modified eligibility criteria. AB 1183 (Vargas) allocated funds to publicize the existence of the CLCA insurance program, and is contingent upon appropriation of State funds.

Eligibility criteria, policy attributes, rate-setting standards and other requirements regarding the CLCA insurance program are set forth in the California Insurance Code, commencing with Section 11629.7.

Insurance Commissioner Steve Poizner shares the Legislature's commitment to reduce the number of uninsured drivers on California's roads and to make affordable insurance available to all consumers. As such, the Commissioner has made the CLCA insurance program a key component of his Strategic Vision of the CDI. The Strategic Vision consists of a series of CDI programs and activities that focus on improving access to and availability of insurance services in low-income communities.

OBJECTIVE

The CRB is responsible for increasing consumer awareness of the availability of the CLCA. Pursuant to Stats. 2005, Chapter 717 (AB 1183), funds have been allocated for CRB, within CDI, to publicize the existence of the CLCA insurance program. CRB is therefore soliciting proposals from qualified public relations agencies and/or marketing and advertising firms to develop and implement a multi-faceted consumer education and outreach campaign. This campaign will target low-income and economically eligible consumers statewide, with particular emphasis on encouraging uninsured drivers, as well as senior citizens, to participate in this State sponsored insurance program.

A. QUALIFICATIONS

Proposer must present **three (3)** examples of actual past statewide public awareness campaigns they have developed, with examples of strategies, media coverage and how success was measured.

B. MANAGEMENT AND OUTREACH PLAN

Management Plan. The Proposer must prepare a Management Plan ("MP"). The MP shall describe the roles and responsibilities of the key personnel, as found in the Organization Chart, illustrating lines of authority and communications. This includes proposed subcontractors, if applicable. The MP must propose a mix of staff appropriate to fulfill the requirements of the Scope of Work. The Proposer shall demonstrate its ability to work closely with CRB staff.

The MP shall establish a procedure for monitoring the activities of all staff and subcontractors to ensure compliance with all aspects of the Scope of Work requirements. The MP shall include mechanisms for keeping the CDI project management staff informed of progress and budget status, and methods for resolving technical and budget problems and quality controls. A sample progress report should be included in the MP.

Outreach Plan. The Proposer must prepare an Outreach Plan ("OP"). The OP must develop and schedule the Contract Elements and distribute the workload among staff. For the purposes of this bid response, the OP shall submit proposed activities with a start date of July 2009, ending in twelve (12) months. *The Proposer shall consider their proposed OP preliminary and subject to modification by CRB as requested.*

The OP shall offer methods, ideas and approaches to complement and complete the Contract Elements. The OP should create new partnerships; increase linkages and collaboration with state agencies, federal agencies, schools, colleges, universities, local government, community and faith-based organizations in innovative, cost-effective and sustainable ways, to promote the CLCA program as an affordable insurance option. Proposers should submit appropriate activities and anticipated programs based on perceived degree to which these activities will result in reaching the Objective. The OP is encouraged to include technological and business solutions. These activities should be detailed herein, with examples of measurement of the impact of these proposed outreach activities.

Key components of the OP shall include partnerships and participation in community events targeting low-income consumers and communities which shall include:

- A detailed explanation of demonstrated ability to conduct research to identify appropriate community organizations, media outlets and events that best reach the CLCA targeted markets: negotiate and pay event fees, negotiate and place event media (i.e. supporting print and/or broadcast media offered to event media (i.e. supporting print and/or broadcast media offered to event sponsors, such as CDI.)
- A detailed explanation of the approach to be used to identify organizations for potential partnership development and the targeted organizations sponsored events, i.e. the selection criteria to be used to ensure the greatest number of CLCA targeted consumers will be reached.
- A description of the kind of organizations and events targeted, the number of organizations and events reflected in the budget, and a list of the communities across the State included in the OP.

Further, key components of the OP shall include the following:

- The Proposer must demonstrate its ability, or the ability of the intended subcontractor, to implement the following Contract Elements. The Proposer shall describe quality controls to accomplish the activities.
- A detailed explanation of the overall approach to the work, specific techniques that will be used, and specific administrative and operational management expertise that will be employed.
- Proposer must demonstrate ability to reach and educate the target market.
- Proposer must show ability to meet deadlines.

C. CONTRACT ELEMENTS: PROJECT TASKS

The CRB reserves the right to shift tasks and priority according to program mandates. If this involves funding reallocation, it will be accomplished as needed through a contract amendment.

1. PUBLIC RELATIONS & MARKETING

The Proposer must provide PACs to educate consumers and increase consumer awareness of the specifics of the CLCA insurance program, using a variety of mediums, outreach strategies and advertising efforts.

The PACs will target eligible low-income consumers statewide with specific emphasis on uninsured drivers in underserved communities, as well as seniors, and other low-income groups. The PAC educates consumers on the program's benefits, procedures, and related insurance issues.

- a. The PACs shall use a theme/logo providing a consistent look to all program/media materials. Current materials shall be considered with further consideration for possible updating.
- b. The Proposer shall develop and implement a campaign to utilize advertising materials to generate broad-based public awareness of the availability of the CLCA insurance program and to prompt a higher call volume to the program's toll-free phone line. The objective of this PAC would be to publicize the existence and means to access the CLCA Hotline, and the services and resources available through the program.
- c. Proposer shall demonstrate its ability to promote the CLCA insurance program via media relations' activities. Advertising messages should focus on targeted populations, such as African-American families, monolingual Latinos, seniors and Asian families, through the use of mass media.
- d. The Proposer shall demonstrate its ability to develop and implement educational public awareness collateral materials: including but not limited to, speaker kit, CDs/DVDs and collateral materials which consist of brochures, posters, flyers, etc., in English, Spanish and other languages as needed.

2. CONSUMER EDUCATION AND OUTREACH

In partnership with community based organizations and government agencies, disseminate CLCA consumer education and outreach materials to increase consumer awareness about the program.

- a. Bulk distribution of materials, postage, shipping and handling

3. COLLATERAL MATERIALS

Develop and produce integrated consumer education and outreach materials, including but not limited to brochures, posters, inserts, flyers, collateral, and press kits.

- a. Graphic design and layout
- b. Design and produce consumer education materials for use in collaboration with community organizations and government agencies
- c. Update and develop specialized distribution lists
- d. Printing and production
- e. Language translations

4. COMMUNITY OUTREACH EVENTS

- a. Attend and/or arrange conferences, workshops, community and educational events.
- b. Organize and conduct CLCA presentations, workshops or events
- c. Related travel expenses

5. CLCA INTERNET WEB PAGE

- a. Development of user-friendly website concepts for use by consumers.

6. MEDIA AND ADVERTISING

- a. Advertising development and production
- b. Advertising purchase

The Proposer shall demonstrate its ability to or the ability of its intended subcontractor to develop and execute a print and/or broadcast advertising program. The advertising campaign shall target low-income, good drivers. The campaign shall identify and utilize shared media markets within all designated counties and communities.

For the purposes of this RFP, base this sample advertising campaign on a (12) month period and provide the following narrative:

Describe general media campaign approach and rationale for strategies proposed. Provide key facts and analysis of the situation.

- Type of media to be utilized (TV, radio, print, etc.)
- If multi-media, percentage allocated to each type and reasoning for decisions.
- Placement/location of announcements.
- Type of collateral materials in various languages other than English, based on demographics of targeted population.
- Production of camera-ready copy for brochures, flyers, etc.
- Subcontractor's involvement
- Research tools and techniques to be used
- Identify available corporate or commercial sponsorships or partnerships.
- Material distribution
- Description of the steps proposed to maximize the CRB's media participation and/or special event tie-ins.
- Description of process for developing print ads and/or broadcast commercials to be used

7. RESEARCH

The Proposer shall demonstrate its ability, or the ability of its intended subcontractor, to identify and develop collaborative partnerships utilizing focus groups or other research techniques, as needed, and apply findings in the design and execution of communication strategies. Examples of how research was used in actual past campaigns are required. Proposer shall demonstrate how proposed research techniques support efforts to increase campaign effectiveness. Proposer shall develop and demonstrate procedures for annually evaluating the effectiveness of the PAC's.

8. REPORTS

Monthly Report. The Proposer shall demonstrate its ability to provide monthly written reports and documentation outlining planning, development, and measurable results, including enhancements as requested by CRB regarding program implementation and results. The monthly report shall include personnel and subcontractors, if any, responsible for these activities. In addition, CRB reserves the option to request the contractor to meet and discuss the monthly report.

Final Comprehensive Report. The Proposer shall demonstrate its ability to provide CRB with a final, comprehensive written report covering the entire contract period. The final comprehensive report shall provide an overall summary of the Project Tasks, an understanding of each Project Task's strengths and weaknesses and, at a minimum, a description that summarizes and quantifies the activities and accomplishments of the Project Tasks.

Annual Report to the Legislature. The Proposer shall demonstrate its ability to provide layout, design, and documentation for the Annual Report on the Consumer Education and Outreach Plan to the Legislature.

The Annual Report to the Legislature shall detail outreach delivery and results for the prior year, including the Insurance Commissioner's plan to inform the public on the availability of the CLCA insurance program in the coming year.

The Legislature mandates the Annual Report contain a summary outline with supporting documentation and graphs and/or charts and photographs if needed. This summary of the plan is to include, but not be limited to, performance measures and statistics, determination of success, and conclusion as written by CRB.

9. TRAVEL AND ADMINISTRATION

The Proposer shall estimate travel, if any; communication and postage/shipping and printing expenses proposer expects to incur during completion of this contract. Travel and per diem expenses must not exceed rates authorized to regular State employees, and travel must be approved by the CRB.

For State rates, see www.dpa.ca.gov/jobinfo/Statetravel.shtml

V. SELECTION PROCESS AND EVALUATION CRITERIA

Each proposal shall be evaluated to determine responsiveness to the CDI's needs as described in this proposal package. The CDI reserves the right at any time to reject any or all proposals. The selection process complies with the requirements for competitive bidding in the State Public Contract Code, Section 10377.

A. PROCESS

1. After the period has closed for receipt of proposals, each technical proposal will be evaluated to determine compliance with SECTION III, MINIMUM REQUIREMENTS. If a proposal does not meet all requirements, it will be considered non-responsive and rejected from further competition.
2. Proposals that contain false or misleading statements, or which provide references which do not support an attribute or condition claimed by the proposer, may be rejected. Claims made for preferences are verified and points are awarded accordingly. DVBE subcontracting efforts will be reviewed for compliance.
3. The staff review panel will forward all proposals meeting SECTION III, MINIMUM REQUIREMENTS to the Evaluation Committee.
4. The Evaluation Committee will then judge all responsive proposals and arrive at a proposed awardee based on the highest score. The Evaluation Committee reserves the right to interview finalists. No additional materials other than those offered in the original proposal may be brought forward for consideration during the interview. Scoring will utilize the evaluation form that follows. The Evaluation Committee reserves the right not to award any contracts.

The Evaluation Committee reserves the right to designate one or more members of the committee to perform the oral interviews, if applicable, so that the oral interview scoring may be done by fewer than the entire committee.

5. The contract will be awarded to the highest scored proposal based on the quality of the programs and the cost of services offered.
6. A notice of proposed contract award is to be posted for five (5) working days at the CDI (see SECTION II, Submission Requirements and Conditions). The highest scoring proposer shall be notified verbally or in writing as to their selection as the proposed contract awardee when the CDI posts the Notice of Intent to Award.
7. Final Agreement documents, reflecting information submitted in the awarded proposal, shall be sent for signature.

B. PROPOSAL EVALUATION CRITERIA

Proposals will be reviewed, evaluated and scored by an authorized Evaluation Committee. Evaluation of proposals will be based on the criteria shown as follows for each component; each component will be scored according to the degree of responsiveness present in the proposal being evaluated. A component score will not exceed the possible points shown for that component. The proposal score, before adjustment for any preferences which may apply, will be the sum of the points allowed as assigned to each component.

Each subsection will be rated on a scale from 0 to 5 as follows:

0 Unacceptable / Not Met

Response to criteria does not provide any evidence of capability; it is nonresponsive or refuses to perform any requirement

If any one criteria receives 0 points, the proposal is considered non-responsive and is disqualified from further consideration.

1 Unsatisfactory

Response to criteria lacks an understanding of most of the RFP Scope/ Contract Elements to the extent that timely and acceptable quality performance is doubtful.

2 Marginal

Response to criteria lacks an understanding of some aspects of the RFP Scope/ Contract Elements to the extent that timely and acceptable quality performance is doubtful.

3 Satisfactory/Average

Response to criteria demonstrates an understanding of most aspects of the RFP Scope/ Contract Elements to the extent that timely and acceptable quality performance is anticipated.

4 Very Good/Above Average

Response to criteria demonstrates a thorough understanding of most aspects of the RFP Scope/ Contract Elements to the extent that timely and high quality performance is anticipated.

14. Exceptional/Outstanding

Response clearly demonstrates a thorough understanding of all aspects of the RFP Scope/ Contract Elements to the extent that timely and high quality performance is anticipated.

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All proposals passing SECTION III, MINIMUM REQUIREMENTS will be evaluated and scored for their degree of responsiveness for each of the following components.

FOR CDI USE ONLY

Proposer: _____

Date: _____

Max. Points/Score

CAPABILITIES OF BUSINESS/FIRM IN PROVIDING PUBLIC AWARENESS CAMPAIGNS.

- | | | |
|--|---|-------|
| 1. Quality of experience in previous public relations accounts. (max 5 points) | 5 | _____ |
| 2. Effectiveness and quality of strategies of three (3) examples (max 5 points) | 5 | _____ |
| 3. MANAGEMENT PLAN. Effectiveness of methods to monitor activities, keep CRB informed, resolve technical and budget problems; and quality controls. (max 5 points) | 5 | _____ |
| 4. WORKLOAD AND RESOURCE COORDINATION
Scheduling of project tasks and workload distribution. (max 5 points) | 5 | _____ |

EFFECTIVENESS OF PROPOSED PUBLIC RELATIONS/MARKETING TASKS

- | | | |
|--|---|-------|
| 5. Quality, creativity, and perceived effectiveness of proposed strategies. (max 5 points) | 5 | _____ |
| 6. Likelihood of achieving Objective. (max 5 points) | 5 | _____ |
| 7. Effectiveness and suitability of approach. Detail of plan. (max 5 points) | 5 | _____ |

DEMONSTRATED ABILITY IN PROVIDING ADVERTISING / MEDIA BUYING.

- | | | |
|---|----|-------|
| 8. Quality of proposed strategies and narrated capabilities. (max 5 points) | 5 | _____ |
| 9. Demonstrated capability to execute an advertising program. (max 5 points) | 5 | _____ |
| 10. RESEARCH
Quality of research techniques to develop partnerships;
Effectiveness of examples of past research and application;
Effectiveness of techniques to increase campaign reach.
Effectiveness and suitability of approach. Detail of plan.
Effectiveness of procedures to evaluate effectiveness (max 5 points) | 5 | _____ |
| 11. QUALIFICATIONS OF PERSONNEL AND PROPOSED SUBCONTRACTORS
Quality of prior experience of Account Team and how it relates to this project.
(max 5 points) | 5 | _____ |
| 12. COST EFFECTIVENESS
The maximum services are provided in relation to the per hour fee. (max 5 points) | 5 | _____ |
| The budget is reasonable and appropriate regarding profit charged and value of overall project. (Scope and Attachment 6) (max 5 points) | 5 | _____ |
| 13. LOWEST PRICE
Proposal represents the lowest total price. Points will be given proportionate to the lowest proposer. | 35 | _____ |

SUBTOTAL – WRITTEN PROPOSAL	100	
------------------------------------	------------	--

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B. PROPOSAL EVALUATION CRITERIA (CONTINUED)

SUBTOTAL POINTS - WRITTEN PROPOSAL EVALUATION **100** _____

14. PREFERENCES AWARDED, IF APPLICABLE

- a. Small Business Preference, 5% bidding preference _____
- b. Target Area Preference, maximum of 9% bidding preference _____
- c. Enterprise Zone Preference, maximum of 9% bidding preference _____
- d. Local Agency Military Base Recovery Area Preference, maximum of 9% bidding preference _____

SUBTOTAL - PREFERENCE POINTS (If oral interviews are not required, the maximum number of points prior to Preferences is 100)		
---	--	--

C. INTERVIEW EVALUATION CRITERIA

The Evaluation Committee may, if they deem necessary, select the top scoring finalists for interviews (and to their proposed subcontractors if requested). If interviews are not required, the maximum number of points without preference points is 100. If interviews are deemed necessary, the maximum number of points without preference points is 115. This oral interview will allow finalists to demonstrate their understanding of the required Scope and Contract Elements, and to articulate their capability to meet or exceed the requirements of this RFP. If a finalist cannot meet on the designated interview date, the Evaluation Committee reserves the option to disqualify the finalist as non-responsive.

The Evaluation Committee reserves the option of conducting the interview via teleconference, at the finalist's and/or the proposed subcontractor's site, at the CDI Sacramento office, or other designated site. The Evaluation Committee reserves the right to designate one or more members of the Evaluation Committee to perform the interviews, if needed, so that grading of interviews may be done by fewer than the entire Evaluation Committee.

Interviews apply only to the top scoring finalist(s), as selected by the Evaluation Committee.

The following components will be used for scoring the interview.

- | | <i>Max. Points/Score</i> | |
|---|--------------------------|-------|
| 1. Quality and completeness of answers to questions regarding the proposed Management and Outreach plan. Professionalism of personnel assigned to the account. (max 5 points) | 5 | _____ |
| 2. Proposer's ability to integrate its ideas into the CDI's overall Objectives. (max 5 points) | 5 | _____ |
| 3. Quality of proposed strategies and work samples. (max 5 points) | 5 | _____ |

SUBTOTAL - INTERVIEW EVALUATION	15	_____
--	-----------	-------

TOTAL PROPOSAL EVALUATION POINTS (Subsection B & C) (If oral interviews are required, the maximum number of points without Preferences is 115)		_____
---	--	-------

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ATTACHMENT 1

NOTICE OF INTENT TO BID

RETURN EMAIL OR FAX BY DUE DATE TO:

Business Management Bureau
California Department of Insurance
300 Capitol Mall, Suite 1300
Sacramento, CA 95814
FAX: (916) 327-7676

Name of Bidder:		
Contact Person:		
Mailing Address:		
City State Zip Code		
Telephone:		
FAX Number:		
Email Address (Required)		
Written Questions Attached?	YES	NO

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ATTACHMENT 2

CONTRACTOR STATUS

COMPANY NAME	COUNTY
ADDRESS	PHONE NUMBER
	FAX NUMBER
FEIN	EMAIL ADDRESS
PROPOSER'S NAME	TITLE
SIGNATURE	DATE

LEGAL STATUS OF CONTRACTOR PROPOSING TO DO BUSINESS

☐ INDIVIDUAL	If a sole proprietorship, state the true name of sole proprietor:
☐ PARTNERSHIP	☐ GENERAL PARTNERSHIP:
<i>If a partnership, list each partner, including limited partners, stating their true name and their interest in the partnership:</i>	
☐ CORPORATION	California Corporation Number
<i>Corporation must be registered to do business in the State of California</i>	
President	Vice President
Secretary	Treasurer
Other Officers	
☐ OTHER (Joint Venture, Governmental, etc.)	Explain:

SMALL BUSINESS PREFERENCE Are you claiming preference as a small business? ☐ YES & Certification Letter is attached ☐ NO OR Date applied for - by Due Date, 5:00 pm: _____ Small Business ID Number: _____ Effective Dates FROM: _____ TO: _____	DVBE REQUIREMENTS DVBE Subcontracting Met: ☐ YES ☐ NO DVBE Good Faith Effort Met: ☐ YES ☐ NO Certifications are attached for each DVBE (including Proposer) used
--	--

NOTE: THIS FORM MUST BE COMPLETED OR BID WILL BE REJECTED

CONTRACTOR CERTIFICATION

STATE OF CALIFORNIA

Contract Certification Clauses

www.ols.dgs.ca.gov/Standard+Language

CCC-307

CERTIFICATION

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

<i>Contractor/Bidder Firm Name (Printed)</i>	<i>Federal ID Number</i>
<i>By (Authorized Signature)</i>	
<i>Printed Name and Title of Person Signing</i>	
<i>Date Executed</i>	<i>Executed in the County of</i>

CONTRACTOR CERTIFICATION CLAUSES

1. STATEMENT OF COMPLIANCE: Contractor has, unless exempted, complied with the nondiscrimination program requirements. (Gov. Code §12990 (a-f) and CCR, Title 2, Section 8103) (Not applicable to public entities.)

2. DRUG-FREE WORKPLACE REQUIREMENTS: Contractor will comply with the requirements of the Drug-Free Workplace Act of 1990 and will provide a drug-free workplace by taking the following actions:

a. Publish a statement notifying employees that unlawful manufacture, distribution, dispensation, possession or use of a controlled substance is prohibited and specifying actions to be taken against employees for violations.

b. Establish a Drug-Free Awareness Program to inform employees about:

- 1) the dangers of drug abuse in the workplace;
- 2) the person's or organization's policy of maintaining a drug-free workplace;
- 3) any available counseling, rehabilitation and employee assistance programs; and,
- 4) penalties that may be imposed upon employees for drug abuse violations.

c. Every employee who works on the proposed Agreement will:

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

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

CONTRACTOR CERTIFICATION

false certification, or violated the certification by failing to carry out the requirements as noted above. (Gov. Code §8350 et seq.)

3. NATIONAL LABOR RELATIONS BOARD CERTIFICATION: Contractor certifies that no more than one (1) final unappealable finding of contempt of court by a Federal court has been issued against Contractor within the immediately preceding two-year period because of Contractor's failure to comply with an order of a Federal court, which orders Contractor to comply with an order of the National Labor Relations Board. (Pub. Contract Code §10296) (Not applicable to public entities.)

4. CONTRACTS FOR LEGAL SERVICES \$50,000 OR MORE- PRO BONO REQUIREMENT: Contractor hereby certifies that contractor will comply with the requirements of Section 6072 of the Business and Professions Code, effective January 1, 2003.

Contractor agrees to make a good faith effort to provide a minimum number of hours of pro bono legal services during each year of the contract equal to the lessor of 30 multiplied by the number of full time attorneys in the firm's offices in the State, with the number of hours prorated on an actual day basis for any contract period of less than a full year or 10% of its contract with the State.

Failure to make a good faith effort may be cause for non-renewal of a state contract for legal services, and may be taken into account when determining the award of future contracts with the State for legal services.

5. EXPATRIATE CORPORATIONS: Contractor hereby declares that it is not an expatriate corporation or subsidiary of an expatriate corporation within the meaning of Public Contract Code Section 10286 and 10286.1, and is eligible to contract with the State of California.

6. SWEATFREE CODE OF CONDUCT:

a. All Contractors contracting for the procurement or laundering of apparel, garments or corresponding accessories, or the procurement of equipment, materials, or supplies, other than procurement related to a public works contract, declare under penalty of perjury that no apparel, garments or corresponding accessories, equipment, materials, or supplies furnished to the state pursuant to the contract have been laundered or produced in whole or in part by sweatshop labor, forced labor, convict labor, indentured labor under penal sanction, abusive forms of child labor or exploitation of children in sweatshop labor, or with the benefit of sweatshop labor, forced labor, convict labor, indentured labor under penal sanction, abusive forms of child labor or exploitation of children in sweatshop labor. The contractor further declares under penalty of perjury that they adhere to the Sweatfree Code of Conduct as set forth on the California Department of Industrial Relations website located at www.dir.ca.gov, and Public Contract Code Section 6108.

b. The contractor agrees to cooperate fully in providing reasonable access to the contractor's records, documents, agents or employees, or premises if reasonably required by authorized officials of the contracting agency, the Department of Industrial Relations, or the Department of Justice to determine the contractor's compliance with the requirements under paragraph (a).

7. DOMESTIC PARTNERS: For contracts over \$100,000 executed or amended after January 1, 2007, the contractor certifies that contractor is in compliance with Public Contract Code section 10295.3.

CONTRACTOR CERTIFICATION

DOING BUSINESS WITH THE STATE OF CALIFORNIA

The following laws apply to persons or entities doing business with the State of California.

1. **CONFLICT OF INTEREST**: Contractor needs to be aware of the following provisions regarding current or former state employees. If Contractor has any questions on the status of any person rendering services or involved with the Agreement, the awarding agency must be contacted immediately for clarification.

Current State Employees (Pub. Contract Code §10410):

- 1). No officer or employee shall engage in any employment, activity or enterprise from which the officer or employee receives compensation or has a financial interest and which is sponsored or funded by any state agency, unless the employment, activity or enterprise is required as a condition of regular state employment.
- 2). No officer or employee shall contract on his or her own behalf as an independent contractor with any state agency to provide goods or services.

Former State Employees (Pub. Contract Code §10411):

- 1). For the two-year period from the date he or she left state employment, no former state officer or employee may enter into a contract in which he or she engaged in any of the negotiations, transactions, planning, arrangements or any part of the decision-making process relevant to the contract while employed in any capacity by any state agency.
- 2). For the twelve-month period from the date he or she left state employment, no former state officer or employee may enter into a contract with any state agency if he or she was employed by that state agency in a policy-making position in the same general subject area as the proposed contract within the 12-month period prior to his or her leaving state service.

If Contractor violates any provisions of above paragraphs, such action by Contractor shall render this Agreement void. (Pub. Contract Code §10420)

Members of boards and commissions are exempt from this section if they do not receive payment other than payment of each meeting of the board or commission, payment for preparatory time and payment for per diem. (Pub. Contract Code §10430 (e))

2. **LABOR CODE/WORKERS' COMPENSATION**: Contractor needs to be aware of the provisions which require every employer to be insured against liability for Worker's Compensation or to undertake self-insurance in accordance with the provisions, and Contractor affirms to comply with such provisions before commencing the performance of the work of this Agreement. (Labor Code Section 3700)

3. **AMERICANS WITH DISABILITIES ACT**: Contractor assures the State that it complies with the Americans with Disabilities Act (ADA) of 1990, which prohibits discrimination on the basis of disability, as well as all applicable regulations and guidelines issued pursuant to the ADA. (42 U.S.C. 12101 et seq.)

CONTRACTOR CERTIFICATION

4. CONTRACTOR NAME CHANGE: An amendment is required to change the Contractor's name as listed on this Agreement. Upon receipt of legal documentation of the name change the State will process the amendment. Payment of invoices presented with a new name cannot be paid prior to approval of said amendment.

5. CORPORATE QUALIFICATIONS TO DO BUSINESS IN CALIFORNIA:

a. When agreements are to be performed in the state by corporations, the contracting agencies will be verifying that the contractor is currently qualified to do business in California in order to ensure that all obligations due to the state are fulfilled.

b. "Doing business" is defined in R&TC Section 23101 as actively engaging in any transaction for the purpose of financial or pecuniary gain or profit. Although there are some statutory exceptions to taxation, rarely will a corporate contractor performing within the state not be subject to the franchise tax.

c. Both domestic and foreign corporations (those incorporated outside of California) must be in good standing in order to be qualified to do business in California. Agencies will determine whether a corporation is in good standing by calling the Office of the Secretary of State.

6. RESOLUTION: A county, city, district, or other local public body must provide the State with a copy of a resolution, order, motion, or ordinance of the local governing body which by law has authority to enter into an agreement, authorizing execution of the agreement.

7. AIR OR WATER POLLUTION VIOLATION: Under the State laws, the Contractor shall not be: (1) in violation of any order or resolution not subject to review promulgated by the State Air Resources Board or an air pollution control district; (2) subject to cease and desist order not subject to review issued pursuant to Section 13301 of the Water Code for violation of waste discharge requirements or discharge prohibitions; or (3) finally determined to be in violation of provisions of federal law relating to air or water pollution.

8. PAYEE DATA RECORD FORM STD. 204: This form must be completed by all contractors that are not another state agency or other governmental entity.

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ATTACHMENT 4

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See document: 07Attach4s204

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ATTACHMENT 5**NONCOLLUSION STATEMENT**

(please print or type)

I, _____,
representing, _____,
do hereby certify that neither myself nor any other person representing the above named
firm has made any attempt verbally or otherwise to induce any person or firm to not submit,
a proposal for the purpose of restricting competition which may result in a contract award
by the California Department of Insurance.

Authorized Signature

Date

Printed Name and Title

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ATTACHMENT 6

BUDGET FORM

The budget must be presented herein, on this unaltered form, in total. Contractor shall provide budget clarification / further breakdowns as an attachment. During the course of this contract, the CRB reserves the right to shift tasks and priority according to program mandates. If this involves funding reallocation, it will be accomplished as needed through a contract amendment.

A. DIRECT LABOR (Includes overhead and fringe benefits)	RATE	HOURS	TOTAL
1. Contract Manager			
2. Account Member Title : List as needed			
3. Other: List as needed			
Total Labor Cost (A)			\$

B. ITEMIZED COST OF PROGRAM ELEMENTS	DIRECT LABOR	SUB-CONTRACT/S	OUT OF POCKET	TOTAL
1. Public Relations & Marketing				
2. Consumer Education and Outreach				
3. Collateral Materials				
4. Community Outreach Events				
5. CLCA Internet Web Page				
6. Media & Advertising				
7. Research				
8. Reports				
9. Travel and Administration				
Total Itemized Cost (B)				
Profit/Commission in Dollars (specify rate/basis if applicable)				
Total Itemized Cost of Program Elements (B)				
GRAND TOTAL (A) + (B) cannot exceed \$1,225,250				\$

The prospective contractor's signature affixed hereon and dated shall constitute a certification, under the penalty of perjury under the laws of the State of California, that the bidder/proposer has, unless exempted, complied with the nondiscrimination program requirements of Government Code Section 12990 (a-f) and of Title 2, California Code of Regulations, section 8113. (See SCM 4)
I verify that my organization can begin work immediately upon the effective date of the contract, on or near September 15, 2009.

Authorized Signature

Date

Printed Name and Title

In case of a discrepancy or error in mathematical computations, the CDI will correct the bid based on the unit/per hour cost submitted.

DISABLED VETERAN-OWNED BUSINESS ENTERPRISE PARTICIPATION PROGRAM FOR RFPS

A. Disabled Veterans Business Enterprise Participation Requirements

As required by California Public Contract Code Section 10115, et seq. this Agreement has participation goals of the total Bid Submittal of three percent (3%) for Disabled Veteran Business Enterprise ("DVBE").

Any business used to meet DVBE requirements must be certified by the Department of General Services, Office of Small Business Certification and Resources ("OSBCR"). Questions should be directed to that office at (916) 375-4940. (See also: www.pd.dgs.ca.gov/smbus).

DVBE means a business concern certified by the Department of General Services, OSBCR, as meeting all of the following:

1. A Disabled Veteran ("DV") means a veteran of the military, naval or air services of the United States with at least a 10% service-connected disability who is a resident of the State of California;
2. A sole proprietorship, fifty-one percent (51%) owned by a DV or a firm or partnership, fifty-one (51%) of the stock or partnership interests of which are owned by one or more DVs;
3. Managed by, and the daily business operations are controlled by, one or more DVs; and,
4. A sole proprietorship, corporation, or partnership with its home office located in the United States, which is not a branch or subsidiary of a foreign corporation, firm, or other business.

In order to be responsive to this DVBE requirement, the Bidder must satisfy their bid by one of the three options listed below:

- Meet or exceed the participation goals by committing to use DVBE for not less than three (3) percent of the Agreement amount, or
- Make a good faith effort to meet the goals, or
- Partially meet the goals **and** document the Bidder's good faith effort to meet them completely.

A Bidder shall be deemed to have made "good faith efforts" upon submittal of documentary evidence that **all** of the following actions were taken:

1. Contact was made with CDI to identify potential DVBE firms.
2. Contact was made with other State agencies, including the Department of General Services, OSBCR to identify potential DVBE firms.
3. Advertisement was published in trade papers focusing on DVBE firms unless time limits imposed by the CDI preclude such advertisement. Plan holder lists will not be considered as advertisement. Attach copies of each advertisement with the Bid Submittal. **WAIVED FOR THIS RFP 8032.**
4. Invitations to Bid were submitted to potential DVBE firms.
5. Available DVBE firms were considered.

DVBE certification and information shall be included in the RFP Package. Failure to submit the required DVBE information by the RFP deadline will be grounds for finding the bid non-responsive. The Proposer's DVBE information shall establish that the DVBE goals will be met or that a "good faith effort" to meet the goals has been made.

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ATTACHMENT 7
Page 2 of 2

**DISABLED VETERAN-OWNED BUSINESS ENTERPRISE
PARTICIPATION PROGRAM FOR RFPS (continued)**

Proposers are cautioned that, even though their RFP Package indicates that they will meet the stated DVBE goals, their RFP Package should also include their "good faith effort" information along with their DVBE goal information to protect their eligibility for award of the Agreement in the event CDI, in its review, finds that the goals have not been met.

Compliance with DVBE requirements is accomplished by completing Attachment 7, Small Business/DVBE Participation Summary, and/or Attachment 8, Demonstration of Good Faith Effort, in accordance with the instructions herein and on the attachments. **Failure to include properly completed DVBE documentation and certification will result in disqualification from further participation in the selection process.**

A copy of the Certification Letter issued by OSBCR is required for each DVBE. No DVBE can be counted towards participation unless it is so certified.

For the successful Proposer, DVBE requirements will continue for the life of the Agreement. Upon contractual completion, the Contractor will be required to submit a final report identifying all DVBE firms used on the Agreement and their percentage of participation. The State or its designees will have the right to audit records pertaining to DVBE usage and efforts made to comply with these DVBE requirements.

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ATTACHMENT 8

SMALL BUSINESS/DISABLED VETERAN-OWNED BUSINES S ENTERPRISE PARTICIPATION SUMMARY

MARK ONE FOR EACH FIRM USED			NAME OF FIRM	NATURE OF WORK	AMOUNT OF TOTAL AGREEMENT (Mark one for each firm used)		CERTIFICATION FORM ATTACHED?
PRIME BIDDER	SUB-CONTRACTOR	SUPPLIER			SMALL	DVBE	
					%	%	
					%	%	
					%	%	
					%	%	
					%	%	
					%	%	
					%	%	
					%	%	
					%	%	
					%	%	
					%	%	
					%	%	
					%	%	
					%	%	

Incomplete documentation and certification will result in disqualification from further consideration in the Selection Process.

The appropriate certification letter issued by the Office of Small Business Certification and Resources (OSBCR) must be attached for each small business and for each DVBE.

DEMONSTRATION OF GOOD FAITH EFFORT

[illegible]

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ATTACHMENT 9
Page 2 of 2

5	DVBE firms which were available and considered.	
Name of Firm: _____		Person Contacted: _____
Nature of Work: _____		Telephone No.: _____
Results of Contact: _____		
Reasons if Rejected: _____		
Name of Firm: _____		Person Contacted: _____
Nature of Work: _____		Telephone No.: _____
Results of Contact: _____		
Reasons if Rejected: _____		
Name of Firm: _____		Person Contacted: _____
Nature of Work: _____		Telephone No.: _____
Results of Contact: _____		
Reasons if Rejected: _____		

ATTACHMENT 10**DARFUR CONTRACTING ACT OF 2009**

Effective January 1, 2009, all Invitations for Bids (IFB) or Requests for Proposals (RFP) for goods or services must address the requirements of the Darfur Contracting Act of 2008 (Act). (Public Contract Code Sections 10475, et seq.; Stats. 2008, Ch. 272). The Act was passed by the California Legislature and signed into law by the Governor to preclude State agencies generally from contracting with "scrutinized" companies that do business in the African nation of Sudan (of which the Darfur region is a part), for the reasons described in Public Contract Code Section 10475.

A scrutinized company is a company doing business in Sudan as defined in Public Contract Code Section 10476. Scrutinized companies are ineligible to, and cannot, bid on or submit a proposal for a contract with a State agency for goods or services. (Public Contract Code Section 10477(a)).

Therefore, Public Contract Code Section 10478 (a) requires a company that currently has (or within the previous three years has had) business activities or other operations outside of the United States to certify that it is not a "scrutinized" company when it submits a bid or proposal to a State agency. (See # 1).

A scrutinized company may still, however, submit a bid or proposal for a contract with a State agency for goods or services if the company first obtains permission from the Department of General Services (DGS) according to the criteria set forth in Public Contract Code Section 10477(b). (See # 2).

Effective January 1, 2009, all Invitations for Bids (IFB) or Requests for Proposals (RFP) for goods or Pursuant to Public Contract Code section 10478, if a bidder or proposer currently or within the previous three years has had business activities or other operations outside of the United States, it must certify that it is not a "scrutinized" company as defined in Public Contract Code Section 10476.

Therefore, to be eligible to submit a bid or proposal, please complete only one of the following three paragraphs (via initials for Paragraph # 1 or Paragraph # 2, or via initials and certification for Paragraph # 3):

1. We do not currently have, or we have not had within the previous
Initials three years, business activities or other operations outside of the United States.

OR

2. We are a scrutinized company as defined in Public Contract Code Section 10476,
Initials but we have received written permission from the Department of General Services
(DGS) to submit a bid or proposal pursuant to Public Contract Code section 10477(b).
A copy of the written permission from DGS is included with our bid or proposal.

OR

3. We currently have, or we have had within the previous three years,
Initials business activities or other operations outside of the United States,
+ certification but we certify below that we are not a scrutinized company
below as defined in Public Contract Code Section 10476.

CERTIFICATION For # 3.

I, the official named below, CERTIFY UNDER PENALTY OF PERJURY that I am duly authorized to legally bind the prospective proposer/bidder to the clause listed above in # 3. This certification is made under the laws of the State of California.

<i>Proposer/Bidder Firm Name (Printed)</i>	<i>Federal ID Number</i>
<i>By (Authorized Signature)</i>	
<i>Printed Name and Title of Person Signing</i>	
<i>Date Executed</i>	<i>Executed in the County and State of</i>

PAYEE DATA RECORD

(Required in lieu of IRS W-9 when doing business with the State of California)

STD. 204 (REV. 2-99)

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

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

1 PLEASE RETURN TO:	DEPARTMENT/OFFICE STREET ADDRESS CITY, STATE, ZIP CODE TELEPHONE NUMBER	PURPOSE: Information contained in this form will be used by state agencies to prepare information Returns (Form 1099) and for withholding on payments to nonresident payees. Prompt return of this fully completed form will prevent delays when processing payments. (See Privacy Statement on reverse)						
2 PAYEE'S BUSINESS NAME	SOLE PROPRIETOR--ENTER OWNER'S FULL NAME HERE (Last, First, M.I.) MAILING ADDRESS (Number and Street or P. O. Box Number) (City, State and Zip Code)							
3 PAYEE ENTITY TYPE	CHECK ONE BOX ONLY ☐ MEDICAL CORPORATION (Including dentistry, podiatry, psychotherapy, optometry, chiropractic, etc.) ☐ EXEMPT CORPORATION (Nonprofit) ☐ ALL OTHER CORPORATIONS ☐ PARTNERSHIP ☐ ESTATE OR TRUST ☐ INDIVIDUAL/SOLE PROPRIETOR	NOTE: State and local governmental entities, including school districts are not required to submit this form.						
4 PAYEE'S TAXPAYER I.D. NUMBER	SOCIAL SECURITY NUMBER REQUIRED FOR INDIVIDUAL/SOLE PROPRIETOR BY AUTHORITY OF THE REVENUE AND TAXATION CODE SECTION 18646 (See reverse) FEDERAL EMPLOYERS IDENTIFICATION NUMBER (FEIN) SOCIAL SECURITY NUMBER IF PAYEE ENTITY TYPE IS A CORPORATION, PARTNERSHIP, ESTATE OR TRUST, ENTER FEIN. IF PAYEE ENTITY TYPE IS INDIVIDUAL/SOLE PROPRIETOR, ENTER SSAN.		NOTE: Payment will not be processed without an accompanying taxpayer I.D. number.					
5 PAYEE RESIDENCY STATUS	CHECK APPROPRIATE BOX(ES) ☐ California Resident - Qualified to do business in CA or a permanent place of business in CA ☐ Nonresident (See Reverse) Payments to nonresidents for services may be subject to state withholding ☐ WAIVER OF STATE WITHHOLDING FROM FRANCHISE TAX BOARD ATTACHED ☐ SERVICES PERFORMED OUTSIDE OF CALIFORNIA		NOTE: a. An estate is a resident if decedent was a California resident at time of death. b. A trust is a resident if at least one trustee is a California resident. (See reverse)					
6 CERTIFYING SIGNATURE	I hereby certify under penalty of perjury that the information provided on this document is true and correct. If my residency status should change, I will promptly inform you. <table border="1"> <tr> <td data-bbox="220 1729 954 1790">AUTHORIZED PAYEE REPRESENTATIVE'S NAME (Type or Print)</td> <td colspan="2" data-bbox="959 1729 1580 1790">TITLE</td> </tr> <tr> <td data-bbox="220 1796 954 1884">SIGNATURE</td> <td data-bbox="959 1796 1287 1884">DATE</td> <td data-bbox="1292 1796 1580 1884">TELEPHONE NUMBER</td> </tr> </table>		AUTHORIZED PAYEE REPRESENTATIVE'S NAME (Type or Print)	TITLE		SIGNATURE	DATE	TELEPHONE NUMBER
AUTHORIZED PAYEE REPRESENTATIVE'S NAME (Type or Print)	TITLE							
SIGNATURE	DATE	TELEPHONE NUMBER						

PAYEE DATA RECORD

STD. 204 (REV. 2-99 (REVERSE))

ARE YOU A RESIDENT OR A NONRESIDENT?

Each corporation, individual/sole proprietor, partnership, estate or trust doing business with the State of California must indicate their residency status along with their taxpayer identification number.

A **corporation** will be considered a "resident" if it has a permanent place of business in California. The corporation has a permanent place of business in California if it is organized and existing under the laws of this state or, if a foreign corporation has qualified to transact intrastate business. A corporation that has not qualified to transact intrastate business (e.g., a corporation engaged exclusively in interstate commerce) will be considered as having a permanent place of business in this state only if it maintains a permanent office in this state that is permanently staffed by its employees.

For **individuals/sole proprietors**, the term "resident" includes every individual who is in California for other than a temporary or transitory purpose and any individual domiciled in California who is absent for a temporary or transitory purpose. Generally, an individual who comes to California for a purpose which will extend over a long or indefinite period will be considered a resident. However, an individual who comes to perform a particular contract of short duration will be considered a nonresident.

For withholding purposes, a **partnership** is considered a resident partnership if it has a permanent place of business in California. An estate is considered a California estate if the decedent was a California resident at the time of death and a trust is considered a California trust if at least one trustee is a California resident.

More information on residency status can be obtained by calling the Franchise Tax Board at the numbers listed below:

From within the United States, call.....1-800-852-5711
 From outside the United States, call.....1-916-845-6500
 For hearing impaired with TDD, call....1-800-822-6268

PRIVACY STATEMENT

Section 7(b) of the Privacy Act of 1974 (Public Law 93-5791) requires that any federal, state, or local governmental agency which requests an individual to disclose his social security account number shall inform that individual whether that disclosure is mandatory or voluntary, by which statutory or other authority such number is solicited, and what uses will be made of it.

The State of California requires that all parties entering into business transactions that may lead to payment(s) from the State must provide their Taxpayer Identification Number (TIN) as required by the State Revenue and Taxation Code, Section 18646 to facilitate tax compliance enforcement activities and to facilitate the preparation of Form 1099 and other information returns as required by the Internal Revenue Code, Section 6109(a). The TIN for individual and sole proprietorships is the Social Security Number (SSN).

It is mandatory to furnish the information requested. Federal law requires that payments for which the requested information is not provided be subject to a 31% withholding and state law imposes noncompliance penalties of up to \$20,000.

You have the right to access records containing your personal information, such as your SSN. To exercise that right, please contact the business services unit or the accounts payable unit of the state agency(ies) with which you transact that business.

Please call the Department of Finance, Fiscal Systems and Consulting Unit at (916) 324-0385 if you have any questions regarding this Privacy Statement. Questions related to residency or withholding should be referred to the telephone numbers listed above. All other questions should be referred to the requesting agency listed in Section 1.

ARE YOU SUBJECT TO NONRESIDENT WITHHOLDING?

Payments made to nonresident payees, including corporations, individuals, partnerships, estates and trusts, are subject to withholding. Nonresident payees performing services in California or receiving rent, lease or royalty payments from property (real or personal) located in California will have 7% of their total payments withheld for state income taxes. However, no withholding is required if total payments to the payee are \$1500 or less for the calendar year.

A nonresident payee may request that income taxes be withheld at a lower rate or waived by sending a completed form FTB 588 to the address below. A waiver will generally be granted when a payee has a history of filing California returns and making timely estimated payments. If the payee activity is carried on outside of California or partially outside of California, a waiver or reduced withholding rate may be granted. For more information, contact:

Franchise Tax Board
 Nonresident Withholding Section
 Attention: State Agency Withholding Coordinator
 P.O. Box 651 Sacramento, CA 95812-0651
 Telephone: (916) 845-4900
 FAX: (916) 845-4831

If a reduced rate of withholding or waiver has been authorized by the Franchise Tax Board, attach a copy to this form.

STATE OF CALIFORNIA
STANDARD AGREEMENT
 STD. 213 (NEW 02/98)

AGREEMENT NUMBER	AMENDMENT NUMBER
REGISTRATION NUMBER	
0845	

- This Agreement is entered into between the State Agency and the Contractor named below
 STATE AGENCY'S NAME
 California Department of Insurance (CDI)
 CONTRACTOR'S NAME
CONTRACTOR LEGAL NAME ("Contractor")
- The term of this Agreement is: **DATE** through **DATE**
 Or upon approval, whichever occurs last
- The maximum amount of this Agreement is: **\$numeric**
Spell Out
- The parties agree to comply with the terms and conditions of the following exhibits which are by this reference made a part of the Agreement:
 The term of this Agreement shall be from DATE (or upon approval, whichever occurs last) through DATE, unless terminated earlier or extended pursuant to Section D, paragraph 9. Upon mutual agreement, this contract may be extended for up to two successive one-year periods.
 Exhibit A – Scope of Work.
 Exhibit B – Budget Detail and Payment Provision
 * Exhibit C – General Terms and Conditions Number: GTC-307 Dated: 3/28/07
 Exhibit D – Special Terms and Conditions
 Exhibit E – Additional Provisions
 Exhibit F – Resumes

Items shown with an asterisk (*) are hereby incorporated by reference and made part of this agreement as if attached hereto. These documents can be viewed at www.ols.dgs.ca.gov/Standard+Language.

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

CONTRACTOR		CALIFORNIA Department of General Services Use Only
CONTRACTOR'S NAME (If other than an individual, state whether a corporation, partnership, etc.)		
LEGAL BUSINESS NAME matches name RFP submitted under (e.g. Individual, Partnership, Corporation, dba)		
BY (Authorized Signature)	DATE SIGNED (Do not type)	
PRINTED NAME AND TITLE OF PERSON SIGNING		
NAME, TITLE		
ADDRESS		
ADDRESS,		
STATE OF CALIFORNIA		
AGENCY NAME		
California Department of Insurance (CDI)		
BY (Authorized Signature)	DATE SIGNED (Do not type)	
PRINTED NAME AND TITLE OF PERSON SIGNING		
Patrick Applewhite, Assistant Chief, Business Management Bureau		
ADDRESS		
300 Capitol Mall, Suite 1300, Sacramento, CA 95814		

EXHIBIT A
SCOPE OF WORK

1. SERVICE.

Contractor agrees to provide services as described herein:

SEE CONTRACT ELEMENTS AS FOUND IN RFP 8032, SECTION IV. SCOPE OF WORK, PAGE 3. Portions of the Management Plan and Outreach Plan may be included.

2. NON-EXCLUSIVE AGREEMENT

This is a non-exclusive Agreement for services. The CDI offers no guarantee of any specified amount of business to Contractor under this Agreement.

3. PROJECT REPRESENTATIVES.

Direct all inquiries to the Project Representative. The project representatives during the term of this Agreement shall be:

State Agency	California Department of Insurance Community Relations Branch	Contractor
Name:		Name:
Address:		Address:
Phone:		Phone:
FAX		FAX:
EMAIL		EMAIL:

EXHIBIT B**PAYMENT PROVISIONS AND BUDGET DETAIL****1. INVOICING AND PAYMENT.**

- A. For services satisfactorily rendered and upon receipt and approval of the invoices, the State agrees to compensate the Contractor for actual expenditures incurred in accordance with the rates specified herein, which is attached hereto and made a part of the Agreement.
- B. Invoices shall include the Agreement Number and shall be submitted in triplicate not more frequently than monthly in arrears to the CDI Project Representative.
- C. Request for final payment shall be made only when all required work has been completed to the satisfaction of the CDI.
- D. Variations to budget line items over ten thousand dollars (\$10,000) or twenty percent (20%), whichever is greater, shall not be made without an amendment to this Agreement.

2. BUDGET CONTINGENCY.

- A. It is mutually agreed that if the Budget Act of the current year and/or any subsequent years covered under this Agreement does not appropriate sufficient funds for the program, this Agreement shall be of no further force and effect. In this event, the State shall have no liability to pay any funds whatsoever to the Contractor or to furnish any other considerations under this Agreement and Contractor shall not be obligated to perform any provisions of this Agreement.
- B. If funding for any fiscal year is reduced or deleted by the Budget Act for purposes of this program, the State shall have the option to either cancel this Agreement with no liability occurring to the State, or offer an Agreement amendment to the Contractor to reflect the reduced amount.

3. PROMPT PAYMENT.

Payment will be made in accordance with, and within the time specified in, Government Code, Chapter 4.5 (commencing with Section 927).

Payment shall be due forty-five (45) calendar days from the date services are received and accepted by the State or forty-five (45) calendar days from the date an undisputed invoice is received at the above billing address, whichever is later. Request for final payment shall be made only when all required work has been completed to the satisfaction of the CDI.

4. PROGRESS PAYMENTS.

Progress payments may be allowed when work performed under this Agreement consists of the performance of separate and distinct tasks. Funds withheld for a particular task in the amount of ten (10) percent of each invoice may be paid upon completion of that task. (Separate and distinct tasks do not usually occur when the Agreement is for a finished project report or plan.) Progress payments are not allowed for Agreements with a term of less than three (3) months. Progress payments shall not be made more frequently than monthly in arrears, or at clearly identifiable stages of progress, based upon written progress reports submitted with the Contractor's invoices. Progress payments shall be based on at least equivalent services rendered. (Hours worked shall not be the sole basis for progress payments.)

5. TRAVEL.

- A. The CDI will not pay for travel time. The CDI will not pay for travel expenses to and from the hearing location if the hearing location is within the greater metropolitan area of the Contractor's office(s).
- B. Travel and per diem, if authorized under this Agreement, shall be paid in accordance with Department of Personnel Administration Rules and Regulations, for non-represented employees.
Contractor shall use the most recent version of reimbursement rates which can be found at http://www.dpa.ca.gov/personnel_policies/travel/employees.htm.

No travel outside the State of California shall be reimbursed unless expressly authorized in writing.

- C. Travel expenses, if authorized under this agreement, are to be invoiced in accordance with the non-represented employee travel rules and regulations, and travel expense claims (with appropriate receipts and airline itineraries) should be attached to the invoice as supporting documentation.
- D. Travel expenses, if authorized under this agreement, may be invoiced only if the travel has been pre-approved in writing by the CDI Project Representative. The CDI will pay hotel expenses only if such expenses have been pre-approved in writing by the CDI Project Representative and in accordance with this section.

6. BUDGET DETAIL.

Fees and expenses incurred shall be reimbursed at the following rates:

A. DIRECT LABOR (Includes overhead and fringe benefits)	RATE	HOURS	TOTAL
1. Contract Manager Title			
2. Account Member Title: As Listed			
3. Other: As Listed			
Total Labor Cost			\$

B. ITEMIZED COST OF PROGRAM ELEMENTS	DIRECT LABOR	SUB-CONTRACT/S	OUT OF POCKET	TOTAL
1. Public Relations & Marketing				
2. Consumer Education and Outreach				
3. Collateral Materials				
4. Community Outreach Events				
5. CLCA Internet Web Page				
6. Media & Advertising				
7. Research				
8. Reports				
9. Travel and Administration				
<i>Total Itemized Cost</i>				
Profit/Commission in Dollars (rate basis if applicable)				
Total Itemized Cost of Program Elements				
GRANT TOTAL (A+B)				\$

EXHIBIT D

SPECIAL TERMS AND CONDITIONS

1. DEFINITIONS.

In interpreting this Agreement, the following terms will have the meanings given to them below, unless the context clearly indicates otherwise.

- "State" shall mean the State of California including, but not limited to, the California Department of Insurance ("CDI") and/or its designated officer.
- "Contractor" shall mean the recipient of funds pursuant to this Agreement.
- "Subcontractor" shall mean a person or entity which contracts with the Contractor to perform all or a portion of the work as specified in Exhibit A, Scope of Work.

2. BANKRUPTCY.

In the event proceedings in bankruptcy are commenced against the Contractor, Contractor is adjudged bankrupt, or a receiver is appointed and qualifies, then the CDI may terminate this Agreement and all further rights and obligations by giving five (5) days' notice in writing.

3. CONFIDENTIALITY AND PUBLIC RECORDS.

Contractor and the CDI understand that each party may come into possession of information and/or data which may be deemed confidential or proprietary by the person or organization furnishing the information or data. Such information or data may be subject to disclosure under the California Public Records Act, commencing with Government Code, Section 6250, or the Public Contract Code. The CDI agrees not to disclose such information or data furnished by Contractor and to maintain such information or data as confidential when so designated by Contractor in writing at the time it is furnished to the CDI, only to the extent that such information or data is exempt from disclosure under the California Public Records Act and the Public Contract Code. Contractor agrees not to disclose information or data of any kind unless expressly permitted in writing by CDI or provided by statute.

4. COPYRIGHTS AND TRADEMARKS.

Contractor agrees to establish for the CDI good title in all copyrightable and trademarkable materials developed as a result of this Agreement. Such title will include exclusive copyrights and trademarks in the name of the State of California.

As used herein, "copyrightable material" includes all materials which may be copyrighted as noted in Title 17, United States Code, Section 102, as follows: 1) literary works, 2) musical works, including any accompanying words, 3) dramatic works, including any accompanying music, 4) pantomimes and choreographic works, 5) pictorial, graphic and sculptural works, 6) motion pictures and other audio visual works, and 7) sound recordings. As used herein, "trademarkable material" means any material which may be registered as a trademark, service mark or trade name under the California Trademark Law, cited at Business and Professions Code (B&PC) Sections 14200-14342. "Trademark" is defined by B&PC Section 14207. "Service mark" is defined by B&PC Section 14206. "Trade name" is defined by B&PC Section 14208. Contractor agrees to apply for and register all copyrights and trademarks, as here above defined, in the name of the State of California, for all materials developed pursuant to this Agreement which may under the applicable law be copyrighted or for which a trademark may be registered. Failure to comply with this article when such failure results in the loss of the exclusive right of the State to use, publish or disseminate such materials, when such failure and result occur during the term of this Agreement, constitutes breach of contract.

5. DISPUTE SETTLEMENT.

In the event of a dispute, the Contractor shall file a written "Notice of Dispute" with CDI within ten (10) days of discovering the problem. Such Notice of Dispute shall contain the Agreement Number. Within ten (10) days of receipt of such Notice of Dispute, the CDI Deputy Commissioner of the Administration Branch or designee, shall meet with the Contractor and Project Representative for the purpose of resolving the dispute. The decision of the Deputy Commissioner or designee shall be final as to CDI.

In the event of a dispute, the language contained within the Agreement shall prevail over any other language, including that of the bid proposal.

6. DISABLED VETERAN BUSINESS ENTERPRISE PARTICIPATION PROGRAM

- A. Pursuant to Public Contract Code § 10115 *et seq.*, the Disabled Veteran Business Enterprise Participation Program requires that all State contracts have a participation goal of three percent (3%) of the total contract amount to DVBES for services, equipment and/or supplies. DVBES must be certified with the Office of Small Business Certification and Resources to claim DVBE eligibility.

B. The Contractor shall either:

- 1) Meet the DVBE participation goal and submit certification of DVBEs to the State; or,
- 2) Demonstrate a good faith effort to achieve the participation goal to the satisfaction of the State.

C. DVBE Certifications and a good faith effort achieve the participation goal shall be governed by the standards set forth in Public Contract Code § 10115 *et seq.*, and California Code of Regulations, Title 2, § 1896.60 *et seq.* No substitution for previously certified DVBE subcontractors may be made without advance written permission from the State.

D. In the event this Agreement is amended to increase the total Agreement amount, the Contractor shall comply with the requirement(s) identified in Exhibit B for the amended amount.

7. AGREEMENTS IN EXCESS OF \$200,000

A. The Contractor shall give priority consideration in filling vacancies in positions funded by this Agreement to qualified recipients of aid under Chapter 2 (commencing with Section 11200) of Part 3 of Division 9 of the Welfare and Institutions Code in accordance with Article 3.9 (commencing with Section 11349) of Chapter 2 of Part 3 of Division 9 of the Welfare and Institutions Code.

B. Nothing in this provision shall be construed to:

- 1) Interfere with or create a violation of the terms of valid collective bargaining agreements;
- 2) Require the Contractor to hire an unqualified recipient of aid;
- 3) Interfere with or create a violation of any federal affirmative action obligation of the Contractor for hiring disabled veterans or veterans of the Vietnam era; or,
- 4) Interfere with or create a violation of the requirements of Government Code § 12990.

8. ENTIRE AGREEMENT.

This Agreement supersedes all prior agreements, oral or written, made with respect to the subject hereof and, together with the Attachments and/or Exhibits hereto, contains the entire Agreement of the parties.

9. EXCISE TAX.

The State of California is exempt from Federal Excise Taxes, and no payment will be made for any taxes levied on employees' wages. The State will pay for any applicable State of California or local sales or use taxes on the services rendered or equipment or parts supplied pursuant to this Agreement. California may pay any applicable sales or use tax imposed by another state.

10. FORCE MAJEURE.

Neither the State nor the Contractor, including the Contractor's subcontractor(s), if any, will be responsible hereunder for any delay, default or nonperformance of this Agreement, to the extent that such delay, default or nonperformance is caused by an act of God, weather, accident, labor strike, fire, explosion, riot, war, rebellion, sabotage, or flood, or any other cause beyond the reasonable control of such party.

11. GRATUITIES.

The CDI may, by written notice to the Contractor, terminate the right of the Contractor to proceed under this Agreement if it is found, after notice and hearing by the CDI or his duly authorized representative, that gratuities were offered or given by the Contractor, or any agent or representative of the Contractor, to any employee of the CDI, with a view toward securing an Agreement or securing favorable treatment with respect to awarding or amending or making a determination with respect to performance of this Agreement.

12. MANAGEMENT OF CONTRACT FUNCTIONS.

Contractor's key personnel may not be substituted without the CDI Project Representative's prior written approval. The CDI may change the CDI Project Representative by notice given Contractor at any time. CDI staff will be permitted to work side by side with Contractor's staff to the extent and under conditions that may be directed by the CDI Project Representative. In this connection, CDI employees will be given access to all data, working papers, etc., which Contractor may seek to utilize.

Contractor will not be permitted to utilize CDI employees for the performance of services which are the responsibility of Contractor unless such utilization is previously agreed to in writing by the CDI Project Representative, and any

appropriate adjustment in price is made. No charge will be made to Contractor for the services of the CDI employees while performing, coordinating or monitoring functions.

13. OWNERSHIP OF DRAWINGS, PLANS AND SPECIFICATIONS.

The CDI will have separate and independent ownership of all drawings, design plans, specifications, notebooks, tracings, photographs, negatives, reports, findings, recommendations, data and memoranda of every description or any part thereof, prepared under this Agreement and the originals and all copies thereof will be delivered to the State upon request. The State will have the full right to use said originals and copies in any manner when and where it may determine without any claim on the part of the Contractor, its vendors or subcontractors to additional compensation.

14. PUBLICITY AND ACKNOWLEDGEMENT.

The Contractor agrees that it will acknowledge CDI's support whenever projects funded, in whole or in part, by this Agreement are publicized in any news media, brochures, or other types of promotional material.

15. REPORTS.

If this Agreement is for the production of a report, Contractor, pursuant to Government Code Section 7550, will include in the dollar amount and Agreement number of all contracts and subcontracts relating to preparation of the report.

The Contractor will also include on the front page of the report a disclaimer that states, "*The statements and conclusions of this report are those of the Contractor and not necessarily those of the California Department of Insurance, its employees, or the State of California. The State makes no warranty, express or implied, and assumes no liability for the information contained in the succeeding text.*"

16. RIGHT TO TERMINATE.

The CDI reserves the right to terminate this Agreement subject to thirty (30) days written notice to the Contractor. Contractor may submit a written request to terminate this agreement only if the CDI should substantially fail to perform its responsibilities as provided herein.

However, the Agreement can be immediately terminated for cause. The term "for cause" shall mean that the Contractor fails to meet the terms, conditions, and/or responsibilities of the contract. In this instance, the contract termination shall be effective as of the date indicated on the CDI's notification to the Contractor.

This Agreement may be suspended or cancelled without notice, at the option of the Contractor, if the Contractor or CDI's premises or equipment are destroyed by fire or other catastrophe, or so substantially damaged that it is impractical to continue service, or in the event the Contractor is unable to render service as a result of any action by any governmental authority.

If the CDI terminates this Agreement prior to the completion date, the Contractor shall take all reasonable measures to prevent further costs to the CDI under this Agreement. The CDI shall be responsible for any reasonable and non-cancelable obligations incurred by the Contractor, but only up to the undisbursed balance of funding authorized in this Agreement.

17. STOP WORK NOTICE.

Immediately, upon receiving a written notice to stop work, Contractor shall cease all work under this Agreement.

18. SUBCONTRACTORS.

- A. Nothing contained in this Agreement or otherwise shall create any contractual relation between the State and any subcontractors, and no subcontract shall relieve the Contractor of its responsibilities and obligations hereunder. All subcontractors previously identified in the bid/proposal, or other document, submitted are considered to be acceptable to the State. Any change or addition of subcontractors will be subject to the prior written approval of the CDI Project Representative. Upon termination of any subcontract, Contractor shall notify the CDI Project Representative immediately. All provisions of this Agreement shall apply to subcontractors. If the CDI or Contractor determines that the level of expertise or the services required are beyond that provided by Contractor or its routine subcontractors, Contractor will be required to employ additional subcontractors. The CDI may substitute or add subcontractors of its own choosing by amendment.
- B. The Contractor agrees to be as fully responsible to the State for the acts and omissions of its subcontractors, and of persons either directly or indirectly employed by any of them, as it is for the acts and omissions of persons directly employed by the Contractor. The Contractor's obligation to pay its subcontractors is an independent obligation from the State's obligation to make payments to the Contractor. As a result, the State shall have no obligation to pay or to enforce the payment of any moneys to any subcontractor.
- C. Subcontractors will be subject to any audits related to work performed as a part of, or in relation to, this Agreement.

EXHIBIT E**ADDITIONAL PROVISIONS****1. EVALUATION OF CONTRACTOR.**

If this Agreement is for consulting services, the Contractor's performance will be evaluated by the CDI. The evaluation shall be prepared on Contract/Contractor Evaluation Sheet (Std. 4), and maintained in the Agreement file. For consultant agreements, a copy of the evaluation will be sent to the Department of General Services, Office of Legal Services, if it is negative and over \$5,000.

2. CONSULTING SERVICES.

If this Agreement is for consulting services, Contractor is hereby advised of its duties, obligations and rights under Public Contract Code 10355 through 10382. The Contractor represents that it has or shall secure at its own expense, all staff required to perform the services described in this Agreement. Such personnel shall not be employees of or have any contractual relationship with any governmental entity.

3. STATEMENT OF ECONOMIC INTERESTS.

- A. In accordance with Government Code Section 87200, and 10 CCR Section 2690.1 (2005), the Consultant Contractor shall complete a Statement of Economic Interests (Form 700) on an annual basis. A "consultant" is defined as one who provides information, advice, recommendations or counsel while receiving ongoing direction from CDI personnel and possesses authority with respect to CDI decisions.

Consultant Contractors shall obtain specific reporting requirements information from the Fair Political Practices Commission, fppc.ca.gov; 1-866-ASK-FPPC.

Consultant Contractors shall report investments and business positions in business entities, real property and income from sources that are located or doing business in CDI's jurisdiction (insurance).

10 CCR Section 2690.1 lists Consultants under Category 2 and they shall report the following:

- 1) Any investment in a business entity which, within the preceding 24 months, has been subject to regulation by or under the jurisdiction of the CDI.
 - 2) Income from any source, provided that the income was furnished by or on behalf of any person who, within the preceding 24 months, has been subject to regulation by or under the jurisdiction of the CDI.
- B. Upon award and prior to the approval of this Agreement, Contractor's representative and any professional-level employees and/or subcontractors engaged in any part of the decision-making process relevant to this Agreement shall complete and submit to the CDI's Business Management Bureau a completed Form 700, with original signature. The CDI must make Form 700s available for public inspection.
- C. On an annual basis during the term of this Agreement, the Contractor and the same individuals and any new professional-level personnel or subcontractors must complete and return a new Form 700. All subsequent forms must be received before the expiration of the initial Form 700. Noncompliance shall be cause for termination of this Agreement.

4. INCOMPATIBLE ACTIVITIES.

No consultant contractor or public official at any level of state or local government shall make, participate in making or in any way attempt to use his official position to influence a governmental decision in which he knows or has reason to know he has a financial interest. (GC Section 87100)

- A. A consultant contractor will not be awarded a contract if any of the contractor's financial interests are held by a current officer or employee of the state. Additionally, a contract will not be awarded to an officer or employee of the state as an independent contractor to provide goods and service. Likewise, the consultant contractor's officials and employees shall also avoid actions resulting in or creating an appearance of:
- 1) Using an official position for private gain;
 - 2) Providing CDI information without authorization;
 - 3) Giving preferential treatment to any particular person;
 - 4) Losing independence or impartiality;
 - 5) Making a decision outside official channels; and,

- 6) Affecting adversely the confidence of the public or local officials in the integrity of the program.
- B. Former State employees will not be awarded a contract for two (2) years from the date of separation if that employee had any part of the decision-making process relevant to the contract, or for one (1) year from the date of separation if that employee was in a policy-making position in the same general subject area as the proposed contract within the twelve (12) month period to his or her separation from state service.
- C. Contractors are hereby notified that under Government Code Section 8314, it is unlawful for any elected state or local officer, including any state or local appointee, employee, or consultant, to use or permit others to use public resources for a campaign activity, or personal or other purposes which are not authorized by law.
- D. The Contractor agrees not to feature in any manner the image or voice of any elected public official or candidate for elected office, or directly represent the views of any elected public official or candidate for elected office.

5. COVENANT AGAINST CONTINGENT FEES.

The Contractor warrants that no person or selling agency has been employed or retained to solicit or secure this Agreement upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by the Contractor for the purpose of securing business. For breach or violation of this warranty, the CDI shall have the right to terminate this Agreement in accordance with the termination clause and, in its sole discretion, to deduct from this Agreement's price or consideration, or otherwise recover, the full amount of such commission, percentage, brokerage or contingent fee.

6. OWNERSHIP OF INTELLECTUAL PROPERTY.

"Work/s" is defined as all literary works, writings and printed matter including the medium by which it is recorded or reproduced, including but not limited to procedural manuals, forms, diagrams, workflow charts, equipment descriptions, data, data files or data bases, research and reports, photographs, art work, pictorial and graphic representations and works of a similar nature, motion pictures, videotapes and other audiovisual works, sound recordings, tapes, educational materials, original computer programs (including executable computer programs and supporting data in any form) and any other materials or products created, conceptualized, produced, developed and/or delivered, and paid for under this contract (whether or not copyrighted or copyrightable). It includes final products and any materials and information developed for the purpose of producing those final products. The Contractor also agrees that the copyright to any and all "Work/s" under this Agreement, whether published or unpublished, belongs to the CDI from the moment of creation.

- A. The Contractor shall deliver to the CDI, and the CDI will retain ownership of, the original and all copies of the "Work/s" and medium such as original art work and negatives, print ready art to copy, computer diskettes, etc. The Contractor shall make delivery within twenty (20) working days of request by the CDI.
- B. CDI shall be the owner of all rights, title and interest in, but not limited to, the copyright to any and all "Work/s", whether or not published, exclusive of works licensed from third parties.
- C. The Contractor agrees to and does hereby grant to the CDI as permitted in California Civil Code, Section 982, ownership in any original "Work/s" that is not fixed in any tangible medium of expression.
- D. If, for any reason, the CDI is not deemed to be the owner of all rights, title and interest in the Work, then the Contractor hereby assigns all such rights to the CDI.
- E. The CDI retains all rights to use, reproduce, distribute, or display any "Work/s" produced under this Agreement and any derivative works based on those works, as well as all other rights, privileges, and remedies granted or reserved to a copyright owner under statutory and common law copyright law. For any product, data or material that is created, produced, conceptualized, developed, or delivered under this Agreement that is not deemed "Work/s", the Contractor shall grant the CDI a royalty free, non-exclusive, and irrevocable license throughout the world to reproduce, to prepare derivative works, to distribute copies, to perform, to display or otherwise use, duplicate or dispose of such "Work/s" in any manner for governmental purposes and to have or permit others to do so.
- F. For "Work(s)" requiring the use of other copyright holders' materials, the Contractor shall furnish the names and addresses of all copyright holder(s) or their agents(s), if any, and terms of any license(s), or usage granted, at the time of delivery of the "Work/s". Non-licensed materials shall be used without prior written permission of the CDI.
- G. The Contractor also agrees that if the Contractor enters into any contracts with other parties in order to perform the "Work/s" required under this Agreement, the Contractor will require the contract include clauses granting the CDI a copyright interest in any "Work/s" and ownership of any "Work/s" not fixed in any tangible medium of

expression. In addition, the Contractor will require the other parties to assign those rights to the CDI on a form to be provided by the CDI. For any "Work/s" for which the copyright is not assigned to the CDI, or for which the Contractor failed to obtain copyright for the CDI, the Contractor shall obtain for the CDI, at the Contractor's expense, a royalty-free, non-exclusive and irrevocable license throughout the world to reproduce, to prepare derivative works, to distribute copies, to perform, to display or otherwise use, duplicate or dispose of these "Work/s" in any manner for governmental purposes and to have or permit others to do so.

- H. If the use of any "Work/s" is enjoined as a result of any action or proceeding, the Contractor shall, at its own expense and at the option of the CDI:
- 1) Procure for the CDI the right to continue to use said element; or
 - 2) Replace said element with a comparable element which is non-infringing or does not violate the rights or interest of any person or entity; or
 - 3) Modify the element so it becomes non-infringing or does not violate the rights or interest of any person or entity.
 - 4) Remove said element and pay to the CDI any damages incurred by the CDI as a result of the infringement plus the amount of actual aggregate cost paid by the CDI to the Contractor for the infringing items(s) less a reasonable sum for the CDI's use of the infringing items(s).

7. PUBLICATIONS

Publications must be developed and approved according to a Work Authorization. Publications prepared by the Contractor as part of the work funded under this contract, must be submitted to the CDI Project Representative and shall require written approval by the CDI prior to their publication.

EXHIBIT F

RESUMES

Include resume of each person billing for time on an invoice.

INSURANCE CODE

SECTION 11629.7-11629.85

11629.7. (a) There is established, within the California Automobile Assigned Risk Plan established under Section 11620, a low-cost automobile insurance program for all counties in California.

(b) For the purpose of making the low-cost automobile insurance program operational in all counties of California, pursuant to subdivision (a), a low-cost automobile insurance program shall commence operations in the Counties of Alameda, Fresno, Orange, Riverside, San Bernardino, and San Diego, effective April 1, 2006, and shall be made operational in all other counties of California based upon a determination of need made by the commissioner. Program outreach shall focus primarily on those counties which have the highest number of uninsured drivers or the highest percentage of uninsured drivers or the highest percentage of low-income individuals. In making the determination of need for each county, the commissioner shall consider each of the following:

(1) The number or percentage of motorists within the county who are uninsured.

(2) The number or percentage of residents within the county who are low income.

(3) The availability of affordable automobile insurance options for the county's low-income residents within the private automobile insurance marketplace.

(c) (1) After making the initial determination of need, the commissioner shall, as soon as is practicable, hold a public meeting in that county.

(2) The public meeting required by paragraph (1) shall be held not for the consideration of rates, but for the public discussion of the need and desirability of the program for the consumers of the county. Within 30 days after the public meeting, the commissioner shall make public his or her final determination of whether a need for the program exists within the county. A separate hearing shall be held for the consideration of rates pursuant to Section 11629.72.

(d) The commissioner, after a public hearing, shall approve or issue a reasonable plan for the equitable apportionment, among insurers required to participate in the California Automobile Assigned Risk Plan established under Section 11620, of persons residing in the counties or cities and counties set forth in subdivisions (a) and (b) who are eligible to purchase through the program established in each county or city and county a low-cost automobile insurance policy, as described in Section 11629.71. The program shall be conducted in conjunction with the California Automobile Assigned Risk Plan established under Section 11620.

11629.71. A low-cost automobile insurance policy for purposes of the program established under this article shall have all of the following attributes:

(a) The policy shall offer coverage in the amount of ten thousand dollars (\$10,000) for bodily injury to, or death of, each person as a result of any one accident and, subject to that limit as to one person, the amount of twenty thousand dollars (\$20,000) for bodily injury to, or death of all persons as a result of any one accident,

and the amount of three thousand dollars (\$3,000) for damage to property of others as a result of any one accident.

(b) The coverage required by Section 11580.2 shall be made available to the consumer. However, an insurer may charge a premium for that coverage in addition to the premium set forth in Section 11629.72. Notwithstanding the coverage amounts required by Section 11580.2 and Section 16056 of the Vehicle Code, uninsured motorist coverage issued in conjunction with a low-cost automobile policy under the program, with coverage limits at least equal to the limits of liability in the underlying low-cost automobile policy, shall satisfy the requirements of Section 11580.2 and the financial responsibility requirements of Sections 4000.37, 16021, and 16431 of the Vehicle Code.

(c) Medical payments coverage shall be made available to the consumer. However, an insurer may charge a premium for that coverage in addition to the premium set forth in Section 11629.72.

(d) The policy shall have an initial term of one year, renewable on an annual basis thereafter.

(e) The policy shall cover the person named in the policy, and to the same extent that insurance is provided to the named insured, any other person using the automobile, provided the use is with his or her permission, express or implied, and within the scope of that permission, except that the policy shall not cover members of the named insured's household who do not satisfy the requirements of subdivisions (b) to (e), inclusive, of Section 11629.73.

(f) The policy shall provide coverage for an automobile with a value, at the time of purchase by the insured, of twenty thousand dollars (\$20,000) or less, as evidenced by the value given to the automobile by the Department of Motor Vehicles in assessing vehicle license fees.

11629.72. (a) Effective March 1, 2003, the annual rate offered under the program for the low-cost automobile policy, unless and until the time that the rate is adjusted, shall be three hundred forty-seven dollars (\$347) per covered vehicle for the County of Los Angeles and three hundred fourteen dollars (\$314) per covered vehicle for the City and County of San Francisco, unless the commissioner establishes that rate or a different rate prior to that time. The annual rate offered initially under the program for each of the Counties of Alameda, Fresno, Orange, Riverside, San Bernardino, and San Diego shall be established by the commissioner no later than April 1, 2006. The annual rate offered initially under the program for each of the other counties in California shall be established at a date according to the discretion of the commissioner. A surcharge, as a percentage of the base rate, shall be added to the base rate and that percentage shall be set at the discretion of the commissioner, if the named insured is an unmarried male between the ages of 19 and 24, inclusive, or if an unmarried male between the ages of 19 and 24, inclusive, resides in the household of the named insured and will be a driver of the automobile covered under the low-cost policy.

(b) In addition to existing premium installment options offered by the California Automobile Assigned Risk Plan under Article 4 (commencing with Section 11620), the plan shall also make available to an insured under the program a premium installment option pursuant to which an insured is required to pay not more than 15 percent of the total policy cost upon issuance of the low-cost policy, followed thereafter by six other payments. No other premium financing arrangement shall be permitted.

(c) Rates for policies issued under the program in each county or city and county shall be reviewed and revised as follows:

(1) Rates shall be sufficient to cover (A) losses incurred under policies issued under the program, and (B) expenses, including, but not limited to, all reasonable and necessary expenses such as the costs of administration, underwriting, taxes, commissions, and claims adjusting, that are incurred due to participation in the program. For purposes of this paragraph, "losses incurred" means claims paid, claims incurred and reported, and claims incurred but not yet reported. In assessing loss reserves, the commissioner shall only allow loss reserves that are estimated from actual losses in the program or comparable data by a licensed statistical agent, as adjusted to reflect coverage provided under the program.

(2) Rates shall be set so as to result in no projected subsidy of the program by those policyholders of insurers issuing policies under the program who are not participants in the program.

(3) Rates shall be set with respect to the program so as to result in no projected subsidy by policyholders in one county of policyholders in any of the other counties.

(4) Commencing on January 1, 2001, and annually thereafter, the California Automobile Assigned Risk Plan shall submit the loss and expense data, together with a proposed rate and the surcharge authorized by subdivision (a) for the low-cost automobile policy for the program, to the commissioner for approval in accordance with this chapter. The commissioner shall act on the recommendation within 90 days.

11629.73. A low-cost automobile insurance policy under the program shall only be available for purchase by persons who satisfy the following eligibility requirements:

(a) The person shall be in a household with a gross annual household income that does not exceed 250 percent of the federal poverty level, as defined in Part 6.2 (commencing with Section 12693) or as defined in an equivalent manner that is approved by the commissioner.

(b) The person shall be no less than 19 years of age and have been continuously licensed to drive an automobile for the previous three years.

(c) The person shall have not more than one of either, but not both, of the following within the previous three years:

(1) A property damage only accident in which the driver was principally at fault.

(2) A point for a moving violation.

(d) The person shall not have on record within the previous three years, an at-fault accident involving bodily injury or death.

(e) The person shall not have a felony or misdemeanor conviction for a violation of the Vehicle Code on his or her motor vehicle record.

(f) The person shall not be a college student claimed as a dependent of another person for federal or state income tax purposes.

11629.731. A person who meets the requirements of subdivision (a) of Section 11629.73, and who claims that he or she meets the requirements of subdivisions (b) to (e), inclusive, of Section 11629.73 based entirely or partially on a driver's license and driving experience obtained other than in the United States or Canada, shall be entitled to a rebuttable presumption that he or she

is qualified to purchase a low-cost automobile insurance policy under the program if he or she has been licensed to drive pursuant to a license obtained in the United States or Canada for at least the previous 18 months and meets the criteria of subdivisions (b) to (e), inclusive, for that period.

11629.74. (a) Application may be made through any producer certified by the plan. The applicant, in order to demonstrate financial eligibility to purchase a low-cost automobile insurance policy under the program, shall present at the time of applying for the policy, a copy of the applicant's federal or state income tax return for the previous year or other reliable evidence from a governmental agency or governmental means-tested program of the applicant's gross annual household income, pursuant to regulations issued under subdivision (b) of Section 11629.79.

(b) The applicant shall certify that the representations made in the documents submitted as proof of financial eligibility and in the application for the policy are true, correct, and contain no material misrepresentations or omissions of fact to the best knowledge and belief of the applicant.

(c) The certified producer shall forward the application, supporting documents, and the applicant's certification to the California Automobile Assigned Risk Plan.

11629.745. (a) An agent or broker (hereafter referred to as a producer) who conducts business in a county in which a low-cost automobile insurance policy is available pursuant to this article shall inform every new prospective automobile insurance policyholder who requests a minimum limits or basic limits insurance policy, or coverage to meet California's minimum limits automobile insurance requirements, that the low-cost automobile insurance policy may be available for qualifying motorists. The information may be provided verbally if the producer has been contacted by telephone, or in writing, but shall be communicated to the policyholder prior to the application for automobile insurance coverage in the language in which the producer has otherwise communicated with the consumer.

(b) If the consumer requests more information about the low-cost program the producer shall do either of the following:

(1) If the producer is California Automobile Assigned Risk Plan certified, provide the consumer with an explanation in an information pamphlet produced by the California Automobile Assigned Risk Plan and approved and provided by the Department of Insurance of the qualifications, cost and coverage provided by the policy. If the consumer qualifies for the low-cost policy and wishes to purchase the policy, the California Automobile Assigned Risk Plan certified producer shall provide the application and, upon completion, submit the application, supporting documents, and the applicant's certification to the California Automobile Assigned Risk Plan. The submittal of the California Automobile Assigned Risk Plan application may be in addition to any other coverage offered or applied for through the producer.

(2) If the producer is not California Automobile Assigned Risk Plan certified, the producer shall provide the consumer with the toll-free telephone number for the California Automobile Assigned Risk Plan as an option to coverage offered by the producer.

11629.75. (a) A certified producer shall provide to an applicant for a low-cost automobile insurance policy under this article a notice relating to coverage under the policy. The notice shall be provided in a separate document at the time of application, and include the following statement in 14-point boldface type:

"NOTICE

INSURANCE COVERAGE PROVIDED IN THE POLICY YOU ARE BUYING CONTAINS REDUCED LIABILITY COVERAGE FOR PERSONAL INJURIES OR PROPERTY DAMAGE RESULTING FROM THE OPERATION OF THE INSURED VEHICLE. IF LOSSES FROM AN AUTOMOBILE ACCIDENT EXCEED THE COVERAGE PROVIDED BY THIS POLICY, YOU CAN BE HELD PERSONALLY LIABLE AND RESPONSIBLE FOR THOSE LOSSES. THIS POLICY PROVIDES LIABILITY COVERAGE FOR INJURIES OR DEATH CAUSED TO OTHER PERSONS IN THE TOTAL AMOUNT OF TEN THOUSAND DOLLARS (\$10,000) PER PERSON IN ANY ONE ACCIDENT, AND UP TO A TOTAL AMOUNT OF TWENTY THOUSAND DOLLARS (\$20,000) FOR ALL PERSONS IN ANY ONE ACCIDENT. THE POLICY ALSO PROVIDES UP TO A TOTAL AMOUNT OF THREE THOUSAND DOLLARS (\$3,000) IN LIABILITY COVERAGE FOR PROPERTY DAMAGE IN ANY ONE ACCIDENT. IF YOU WANT MORE INSURANCE COVERAGE, YOU MUST REQUEST A DIFFERENT POLICY. THIS POLICY ALSO DOES NOT COVER DAMAGE TO YOUR OWN VEHICLE, LOSSES RESULTING FROM YOUR BODILY INJURY OR DEATH, OR COVERAGE FOR LOSSES CAUSED BY AN UNINSURED OR UNDERINSURED DRIVER. HOWEVER, THESE OTHER COVERAGES MAY BE AVAILABLE AT EXTRA COST THROUGH OTHER INSURERS. THIS POLICY MAY ALSO CONTAIN UNINSURED MOTORIST BODILY INJURY COVERAGE IN THE TOTAL AMOUNT OF TEN THOUSAND DOLLARS (\$10,000) PER PERSON IN ANY ONE ACCIDENT AND UP TO A TOTAL AMOUNT OF TWENTY THOUSAND DOLLARS (\$20,000) FOR ALL PERSONS IN ANY ONE ACCIDENT, IF YOU SO CHOOSE. IN ADDITION, THIS POLICY MAY ALSO CONTAIN MEDICAL PAYMENTS COVERAGE IN THE AMOUNT OF ONE THOUSAND DOLLARS (\$1,000) PER PERSON IN ANY ONE ACCIDENT, IF YOU SO CHOOSE. THIS POLICY DOES NOT COVER ANY OTHER DRIVER IN YOUR HOUSEHOLD WHO: (a) IS UNDER 19 YEARS OF AGE; OR (b) HAS LESS THAN 3 YEARS OF CONTINUOUSLY LICENSED DRIVING EXPERIENCE; OR (c) HAS MORE THAN ONE OF EITHER, OR BOTH, OF THE FOLLOWING: --A PROPERTY DAMAGE ONLY ACCIDENT IN WHICH THE DRIVER WAS PRINCIPALLY AT FAULT. --A POINT FOR A MOVING VIOLATION; OR (d) HAS IN THE PREVIOUS 3 YEARS AN AT-FAULT ACCIDENT INVOLVING BODILY INJURY OR DEATH; OR (e) HAS A FELONY OR MISDEMEANOR CONVICTION FROM A VIOLATION OF THE VEHICLE CODE ON HIS OR HER MOTOR VEHICLE RECORD."

(b) When the certified producer establishes delivery of the disclosure form specified in subdivision (a) by obtaining the signature of the applicant or insured, there shall be a conclusive presumption that the certified producer has complied with the disclosure requirements of this section.

11629.76. (a) For a low-cost automobile insurance policy issued pursuant to the program, certified producers shall be entitled to the same commission rate as is paid by the California Automobile Assigned Risk Plan for private passenger, nonfleet risks under Article 4 (commencing with Section 11620).

(b) Notwithstanding subdivision (a), the commissioner may at any time establish a commission for a low-cost automobile insurance policy issued pursuant to the program and may make the commission effective on any policy originated within an entire year, or any portion of a year, as is needed to provide an incentive to certified producers to sell low-cost automobile insurance to eligible applicants. The commissioner shall not establish a commission pursuant to this subdivision if the commissioner determines that

setting the commission rate will result in a lower commission percentage than would exist pursuant to subdivision (a).

(c) No other fees of any kind may be charged or collected pursuant to this section and the sale of a low-cost policy under this article shall not be conditioned on the purchase of any other product or service.

11629.77. (a) A low-cost automobile insurance policy issued pursuant to the program shall be canceled only for the following reasons:

(1) Nonpayment of premium.

(2) Fraud or material misrepresentation affecting the policy or the insured.

(3) The purchase of additional automobile liability insurance coverage in violation of subdivision (a) of Section 11629.78.

(4) The purchase or maintenance of automobile liability insurance coverage other than a low-cost policy for any additional vehicles in the insured's household, in violation of subdivision (b) of Section 11629.78.

(b) A policy shall be nonrenewed only for the following reasons:

(1) A substantial increase in the hazard insured against.

(2) The insured no longer meets the applicable eligibility requirements. In this regard, the eligibility of an insured shall be recertified by the California Automobile Assigned Risk Plan after the first year of eligibility, and annually thereafter by the insurer that issued the policy.

11629.78. (a) An insured under the program shall not purchase automobile liability insurance coverage that is in addition to the liability coverage provided by the low-cost policy. However, the insured may purchase any other additional type of automobile insurance coverage, such as uninsured motorist coverage or collision coverage outside the plan.

(b) An insured under the program shall not purchase or maintain any automobile liability insurance coverage other than a low-cost policy for any additional vehicles in the insured's household.

(c) No more than two low-cost policies per person are permitted.

11629.79. (a) The program for the County of Los Angeles and the City and County of San Francisco is authorized to commence operations on January 1, 2000, but shall be fully operational no later than July 1, 2000.

(b) To this end, the commissioner, in consultation with the California Automobile Assigned Risk Plan, shall adopt regulations to implement the provisions of this article within 60 days of its effective date. The regulations shall be adopted as emergency regulations in accordance with Chapter 3.5 (commencing with Section 11340) of the Government Code, and for purposes of that chapter, the adoption of the regulations shall be considered by the Office of Administrative Law to be necessary for the immediate preservation of the public peace, health and safety, and general welfare.

(c) The program for the Counties of Alameda, Fresno, Orange, Riverside, San Bernardino, and San Diego shall commence operations on April 1, 2006, and shall be made operational in all other counties of California according to the discretion of the commissioner. The

commissioner, in consultation with the California Automobile Assigned Risk Plan, shall adopt regulations to implement the expansion of the program to these counties. The regulations shall be adopted as emergency regulations in accordance with Chapter 3.5 (commencing with Section 11340) of the Government Code, and for purposes of that chapter, the adoption of the regulations shall be considered by the Office of Administrative Law to be necessary for the immediate preservation of the public peace, health and safety, and general welfare.

11629.8. Notwithstanding the coverage amounts required by Section 16056 of the Vehicle Code, a low-cost automobile policy issued under the program shall satisfy the financial responsibility requirements of Sections 4000.37, 16021, and 16431 of the Vehicle Code.

11629.81. The California Automobile Assigned Risk Plan shall report to the Legislature on an annual basis, commencing January 1, 2001, and at those additional times as it deems prudent, on the status of the program.

11629.82. Nothing in this article is intended to amend or otherwise affect or interpret any provision of Proposition 103, approved by the electors on November 8, 1988, and no provision of that initiative measure applies to this article.

11629.83. An action challenging the constitutionality of the establishment of the pilot program by this article shall be commenced in a court of competent jurisdiction no later than February 1, 2000.

11629.84. This article shall remain in effect only until January 1, 2011, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2011, deletes or extends that date.

11629.85. (a) On or before March 1 of each year, the commissioner shall prepare and propose a plan to the Senate Committee on Banking, Finance, and Insurance and the Assembly Committee on Insurance setting forth the methods the commissioner intends to implement to inform households eligible for the program about the availability of low-cost automobile insurance. To be eligible for funding through the budget process, the plan shall be reviewed by the Senate Committee on Banking, Finance, and Insurance and the Assembly Committee on Insurance. The information required under subdivision (c) shall also be provided to the Senate Committee on Transportation and Housing and the Assembly Committee on Transportation.

(b) The plan shall include, at a minimum, a brief description of methods proposed to be used, anticipated costs, sources of revenue, goals, targets, objectives, and a justification of the proposed methods. The plan shall also explain how the department proposes to work in cooperation with the California Automobile Assigned Risk Plan, the social service departments in eligible counties, the

Department of Motor Vehicles, and community-based organizations in order to inform eligible households of the existence of the program.

(c) The plan shall also include all of the following:

(1) The commissioner's determination regarding whether the program has been successful, based on the criteria specified in subdivision (d), and an explanation regarding that success or lack thereof.

(2) In cooperation with the California Automobile Assigned Risk Plan, structural characteristics of the program that may require statutory revision in order for the program to succeed or to improve upon existing success.

(3) Impediments to success of the program that can reasonably be overcome by revision to the strategies adopted by the department.

(4) A detailed explanation of the department's use for the program of funds assessed pursuant to Section 1872.81.

(5) For the previous calendar year, a list of the total low-cost auto premium for each county in which the program was available.

(6) The most recent annual report to the Legislature on the status of the low-cost automobile insurance program from the California Automobile Assigned Risk Plan.

(d) The program is successful if the following occur:

(1) The program generated sufficient premiums to cover losses incurred under policies issued under the program, and expenses incurred by the program, as calculated pursuant to subdivision (c) of Section 11629.72.

(2) The program served the public purpose of offering access to automobile insurance to otherwise underserved communities in the program areas.

(3) The program offered access to automobile insurance to previously uninsured motorists seeking affordable coverage in the program areas.

(e) Any written or oral advertisements, including, but not limited to, paid or unpaid commercial or noncommercial advertising, by the department with reference to the low-cost automobile insurance program shall reference the department and shall not reference the commissioner by name or office, or include the commissioner's voice, image, or likeness. The department shall not participate with any nongovernmental entity that produces or intends to produce advertisements or educational material that include the name of the commissioner or his or her voice, image or likeness, and that are intended to make eligible households aware of the existence of low-cost automobile insurance.

INSURANCE CODE

SECTION 1872-1872.96

1872. There is created within the department the Fraud Division to enforce the provisions of Sections 549, and 550 of the Penal Code, and to administer the provisions of Article 3 (commencing with Section 1873).

1872.1. (a) There is created within the Fraud Division an advisory committee on automobile insurance fraud and economic automobile theft prevention, investigation, and prosecution, as provided in this chapter. The committee shall be composed of the Chief of the Fraud Division, a representative from the Department of Justice, the Department of Motor Vehicles, the Division of Investigation of the Department of Consumer Affairs, the Department of the California Highway Patrol, the Bureau of Automotive Repair, the Parole and Community Services Division of the Department of Corrections, the State Bar of California, the Medical Board of California, the State Board of Chiropractic Examiners, two representatives from local law enforcement agencies, one of whom shall be a prosecutor, and representatives of three insurers assessed pursuant to Section 1872.8, and a representative of a labor organization with members in the automotive repair business.

(b) The commissioner shall select representatives from local law enforcement agencies from names submitted from local law enforcement agencies. The commissioner shall select one insurer representative from each of the following three categories from nominees submitted by insurers in each category: one representative of insurers with average annual automobile liability premiums in California of less than one hundred million dollars (\$100,000,000) in the preceding three years; one representative of insurers with average annual automobile liability premiums in California between one hundred million dollars (\$100,000,000) and seven hundred million dollars (\$700,000,000) in the preceding three years; and one representative of insurers with average annual automobile liability premiums in California exceeding seven hundred million dollars (\$700,000,000) in the preceding three years. At least one insurer representative shall be employed by an insurer having its principal headquarters in California. Members appointed by the commissioner shall serve at the pleasure of the commissioner. Representatives from other agencies shall be selected by the agencies represented.

(c) The advisory committee shall elect one of its members annually to chair its meetings. The chair shall conduct quarterly meetings of the committee in California and at such other times as he or she deems appropriate. Members of the committee shall serve without compensation except for expenses incidental to attendance at meetings called by the chair. A report of the committee's activities shall be included in the report required under Section 1872.9.

(d) The purpose and goals of the advisory committee are as follows:

(1) Recommend to the Fraud Division and other appropriate public agencies and private sector entities ways to coordinate the investigation, prosecution, and prevention of automobile insurance claims fraud, including economic automobile theft.

(2) Provide assistance to the Fraud Division towards implementing

the goal of reducing the frequency and severity of fraudulent automobile insurance claims (adjusted for population growth and inflation) of 20 percent in urban areas and 10 percent in rural areas of the state within a 24-month period from the effective date of this chapter by utilizing resources set forth in Section 1872.8.

(3) Assure that preventive, investigative, prosecutive, and data collection efforts undertaken by the Fraud Division pursuant to this chapter are efficient, cost-effective, and complement similar efforts undertaken by law enforcement agencies and insurers.

(4) Make recommendations for inclusion in the Fraud Division's annual report required by Section 1872.9.

1872.2. For purposes of this article, "insurer" means any person who undertakes to indemnify another against loss, damage, or liability arising from a contingent or unknown event, including reciprocals and interinsurance exchanges.

1872.3. (a) If, by its own inquiries or as a result of complaints, the Fraud Division has reason to believe that a person has engaged in, or is engaging in, an act or practice that violates Section 1871.4 of this code, or Section 549 or 550 of the Penal Code, the commissioner in his or her discretion may do either or both of the following:

(1) Make those public or private investigations within or outside of this state that he or she deems necessary to determine whether any person has violated or is about to violate any provision of Section 1871.4 of this code, or Section 549 or 550 of the Penal Code, or to aid in the enforcement of this chapter.

(2) Publish information concerning any violation of this chapter or Section 550 of the Penal Code.

(b) For purposes of any investigation under this section, the commissioner or any officer designated by the commissioner may administer oaths and affirmations, subpoena witnesses, compel their attendance, take evidence, and require the production of any books, papers, correspondence, memoranda, agreements, or other documents or records that the commissioner deems relevant or material to the inquiry, as provided by Section 12924.

(c) If any matter that the commissioner seeks to obtain by request is located outside the state, the person so requested may make it available to the commissioner or his or her representative to be examined at the place where it is located. The commissioner may designate representatives, including officials of the state in which the matter is located, to inspect the matter on his or her behalf, and he or she may respond to similar requests from officials of other states.

(d) Except as provided in subdivision (e), the department's papers, documents, reports, or evidence relative to the subject of an investigation under this section shall not be subject to public inspection for so long a period as the commissioner deems reasonably necessary to complete the investigation, to protect the person investigated from unwarranted injury, or to serve the public interest. Furthermore, those papers, documents, reports, or evidence shall not be subject to subpoena or subpoena duces tecum until opened for public inspection by the commissioner, unless the commissioner otherwise consents or, after notice to the commissioner and a hearing, the superior court determines that the public interest and any ongoing investigation by the commissioner would not be

unnecessarily jeopardized by compliance with the subpoena duces tecum.

(e) The Fraud Division shall furnish all papers, documents, reports, complaints, or other facts or evidence to any police, sheriff, or other law enforcement agency, when so requested, and shall assist and cooperate with those law enforcement agencies.

1872.4. (a) Any company licensed to write insurance in this state that reasonably believes or knows that a fraudulent claim is being made shall, within 60 days after determination by the insurer that the claim appears to be a fraudulent claim, send to the Fraud Division, on a form prescribed by the department, the information requested by the form and any additional information relative to the factual circumstances of the claim and the parties claiming loss or damages that the commissioner may require. The Fraud Division shall review each report and undertake further investigation it deems necessary and proper to determine the validity of the allegations. Whenever the commissioner is satisfied that fraud, deceit, or intentional misrepresentation of any kind has been committed in the submission of the claim, he or she shall report the violations of law to the insurer, to the appropriate licensing agency, and to the district attorney of the county in which the offenses were committed, as provided by Sections 12928 and 12930. If the commissioner is satisfied that fraud, deceit, or intentional misrepresentation has not been committed, he or she shall report that determination to the insurer. If prosecution by the district attorney concerned is not begun within 60 days of the receipt of the commissioner's report, the district attorney shall inform the commissioner and the insurer as to the reasons for the lack of prosecution regarding the reported violations.

(b) This section shall not require an insurer to submit to the Fraud Division the information specified in subdivision (a) in either of the following instances:

(1) The insurer's initial investigation indicated a potentially fraudulent claim but further investigation revealed that it was not fraudulent.

(2) The insurer and the claimant have reached agreement as to the amount of the claim and the insurer does not have reasonable grounds to believe that claim to be fraudulent.

(c) Nothing contained in this article shall relieve an insurer of its existing obligations to also report suspected violations of law to appropriate local law enforcement agencies.

(d) Any police, sheriff, disciplinary body governed by the provisions of the Business and Professions Code, or other law enforcement agency shall furnish all papers, documents, reports, complaints, or other facts or evidence to the Fraud Division, when so requested, and shall otherwise assist and cooperate with the division.

(e) If an insurer, at the time the insurer, pursuant to subdivision (a) forwards to the Fraud Division information on a claim that appears to be fraudulent, has no evidence to believe the insured on that claim is involved with the fraud or the fraudulent collision, the insurer shall take all necessary steps to assure that no surcharge is added to the insured's premium because of the claim.

1872.45. A district attorney who files a criminal complaint pursuant to Section 549 or 550 of the Penal Code shall promptly do all of the following:

(a) Notify each insurer affected by the acts that are the subject of the criminal complaint of the existence of the complaint and the names of all persons insured by the insurer who are the victims.

(b) Notwithstanding any other provision of law, when an insurer receives notification pursuant to subdivision (a), and the insurer has increased the premiums of a person who is a victim because of a claim that is the subject of the criminal complaint, the insurer shall promptly rebate to that person the increased premiums that were charged to and paid by that person.

(c) Notify the Department of Motor Vehicles of the criminal complaint and the names of all persons who are the victims.

(d) Notify all the persons who are the victims in simple understandable language that a criminal complaint has been filed and that subdivision (b) of Section 1806 of the Vehicle Code requires the Department of Motor Vehicles not to record the accident on the record of the victim.

1872.5. No insurer, or the employees or agents of any insurer, shall be subject to civil liability for libel, slander, or any other relevant tort cause of action by virtue of providing any of the following without malice:

(a) Any information or reports relating to suspected fraudulent insurance transaction furnished to law enforcement officials, or licensing officials governed by the Business and Professions Code.

(b) Any reports or information relating to suspected fraudulent insurance transaction furnished to other persons subject to this chapter.

(c) Any information or reports required by this article or required by the commissioner under the authority granted in this chapter.

1872.6. Nothing contained in this article shall:

(a) Preempt the authority of other law enforcement or licensing agencies to investigate and prosecute suspected violations of law.

(b) Prevent or prohibit a person from voluntarily disclosing any information concerning violations of this chapter to any law enforcement or licensing agency governed by the Business and Professions Code.

(c) Limit any of the powers granted to the department or the commissioner to investigate possible violations of the chapter and take appropriate action against wrongdoers.

1872.8. (a) An insurer doing business in this state shall pay an annual special purpose assessment to be determined by the commissioner, but not to exceed one dollar (\$1) annually, for each vehicle insured under an insurance policy it issues in this state, in order to fund increased investigation and prosecution of fraudulent automobile insurance claims and economic automobile theft. Thirty-four percent of those funds received from ninety-five cents (\$0.95) of the special purpose assessment per insured vehicle shall be distributed to the Fraud Division for enhanced investigative efforts, 15 percent of that ninety-five cents (\$0.95) shall be

deposited in the Motor Vehicle Account for appropriation to the Department of the California Highway Patrol for enhanced prevention and investigative efforts to deter economic automobile theft, and 51 percent of that ninety-five cents (\$0.95) shall be distributed to district attorneys for purposes of investigation and prosecution of automobile insurance fraud cases, including fraud involving economic automobile theft.

(b) (1) The commissioner shall award funds to district attorneys according to population. The commissioner may alter this distribution formula as necessary to achieve the most effective distribution of funds. A local district attorney desiring a portion of those funds shall submit to the commissioner an application detailing the proposed use of any moneys that may be provided. The application shall include a detailed accounting of assessment funds received and expended in prior years, including, at a minimum, all of the following:

(A) The amount of funds received and expended.

(B) The uses to which those funds were put, including payment of salaries and expenses, purchase of equipment and supplies, and other expenditures by type.

(C) The results achieved as a consequence of expenditures made, including the number of investigations, arrests, complaints filed, convictions, and the amounts originally claimed in cases prosecuted compared to payments actually made in those cases.

(D) Other relevant information as the commissioner may reasonably require.

A district attorney who fails to submit an application by the deadline set by the commissioner shall be subject to loss of distribution of the moneys. The commissioner may consider recommendations and advice of the Fraud Division and the Commissioner of the California Highway Patrol in allocating moneys to local district attorneys. A district attorney that receives funds shall submit an annual report to the commissioner, which may be made public, as to the success of the program administered. The report shall provide information and statistics on the number of active investigations, arrests, indictments, and convictions. Both the application for moneys and the distribution of moneys shall be public documents. The commissioner shall conduct a fiscal audit of the programs administered under this subdivision at least once every three years. The costs of a fiscal audit shall be shared equally between the department and the district attorney. Information submitted to the commissioner pursuant to this section concerning criminal investigations, whether active or inactive, shall be confidential. If the commissioner determines that a district attorney is unable or unwilling to investigate and prosecute automobile insurance fraud claims as provided by this subdivision or Section 1874.8, the commissioner may discontinue the distribution of funds allocated for that county and may redistribute those funds to other eligible district attorneys.

(2) The Department of the California Highway Patrol shall submit to the commissioner, for informational purposes only, a report detailing the department's proposed use of funds under this section and an annual report in the same format as required of district attorneys under paragraph (1).

(c) The remaining five cents (\$0.05) shall be spent for enhanced automobile insurance fraud investigation by the Fraud Division.

(d) Except for funds to be deposited in the Motor Vehicle Account for allocation to the Department of the California Highway Patrol for purposes of the Motor Vehicle Theft Prevention Act (Chapter 5 (commencing with Section 10900) of Division 4 of the Vehicle Code),

the funds received under this section shall be deposited in the Insurance Fund and be expended and distributed when appropriated by the Legislature.

(e) In the course of its investigations, the Fraud Division shall pursue aggressively all reported incidents of probable fraud and, in addition, shall forward to the appropriate disciplinary body the names of individuals licensed under the Business and Professions Code who are suspected of actively engaging in fraudulent activity along with all relevant supporting evidence.

(f) As used in this section, "economic automobile theft" means automobile theft perpetrated for financial gain, including, but not limited to, the following:

- (1) Theft of a motor vehicle for financial gain.
- (2) Reporting that a motor vehicle has been stolen for the purpose of filing a false insurance claim.
- (3) Engaging in any act prohibited by Chapter 3.5 (commencing with Section 10801) of Division 4 of the Vehicle Code.
- (4) Switching of vehicle identification numbers to obtain title to a stolen motor vehicle.

1872.81. In addition to the special purpose assessment imposed pursuant to Section 1872.8, an insurer doing business in this state shall pay to the commissioner an annual special purpose assessment of thirty cents (\$0.30) for each vehicle insured under an insurance policy it issues in this state, for expenditure as follows:

(a) An amount equivalent to twenty cents (\$0.20) of the special purpose assessment imposed per insured vehicle by this section shall be used for the purpose of paying for consumer service functions of the department that are related to automobile insurance. The revenues under this subdivision shall be used to improve service to consumers through the rating and underwriting services bureau, the claims services bureau, the investigations bureau, or any successor bureaus of the department that may assume the consumer service functions of these bureaus, and legal services in support of these bureaus. The department shall develop a plan for the use of the revenues available under this subdivision for the purposes authorized, and shall submit the plan to the Assembly and Senate Committees on Insurance.

(b) An amount equivalent to ten cents (\$0.10) of the special purpose assessment imposed per insured vehicle by this section shall be used for the purpose of improving consumer functions of the department related to automobile insurance. Revenues available under this subdivision shall be used to improve consumer functions through one or more of the following:

- (1) The rating and underwriting services bureau.
- (2) The claims services bureau.
- (3) The investigations bureau.
- (4) Any successor bureau of the department that may assume automobile insurance consumer functions of these bureaus, and legal services in support of these bureaus. These revenues also may be used for improving the ability of the department to respond to consumer complaints and information requests through the department's toll-free telephone number, and for improving the ability of the department to offer information about automobile insurance rates to the public. The department shall develop a plan for the use of the revenues available under this subdivision for the purpose authorized, and shall submit the plan to the Assembly and Senate Committees on Insurance.

(c) Notwithstanding subdivision (b), the Department of Insurance,

after January 1, 2006, and the Department of Motor Vehicles, after that date, may propose to the budget committees of the Legislature a proposed use of up to five cents (\$0.05) of the ten-cent (\$0.10) special purpose assessment levied pursuant to subdivision (b) related to informing consumers about the existence of any low-cost automobile insurance program authorized in law pursuant to Section 11629.7 or other statutes that also establish a program of the type identified in Section 11629.7. Funds for this purpose shall not be expended without prior budget approval. The total amount of funds authorized to both departments in total, or to one department in total, for this purpose shall not exceed five cents (\$0.05). The departments shall explain, with as much specificity as is reasonably possible, the objectives for the use of the funds and quantitative criteria by which the Legislature may evaluate the effectiveness of the department's use of funds.

(d) At least five cents (\$0.05) of the ten-cent (\$0.10) special purpose assessment shall be directed to the purpose set forth in subdivision (a) until January 1, 2009, and to the degree that funding for low-cost auto insurance is not fully appropriated up to five cents (\$0.05), the difference thereof shall be additionally allocated to purposes set forth in subdivision (a).

(e) This section shall remain in effect only until January 1, 2010, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2010, deletes or extends that date.

1872.83. (a) The commissioner shall ensure that the Fraud Division aggressively pursues all reported incidents of probable workers' compensation fraud, as defined in Sections 11760 and 11880, and in subdivision (a) of Section 1871.4, and in Section 549 of the Penal Code, and forwards to the appropriate disciplinary body the names, along with all supporting evidence, of any individuals licensed under the Business and Professions Code who are suspected of actively engaging in fraudulent activity. The Fraud Division shall forward to the Insurance Commissioner or the Director of Industrial Relations, as appropriate, the name, along with all supporting evidence, of any insurer, as defined in subdivision (c) of Section 1877.1, suspected of actively engaging in the fraudulent denial of claims.

(b) To fund increased investigation and prosecution of workers' compensation fraud, and of willful failure to secure payment of workers' compensation, in violation of Section 3700.5 of the Labor Code, there shall be an annual assessment as follows:

(1) The aggregate amount of the assessment shall be determined by the Fraud Assessment Commission, which is hereby established. The commission shall be composed of seven members consisting of two representatives of organized labor, two representatives of self-insured employers, one representative of insured employers, one representative of workers' compensation insurers, and the President of the State Compensation Insurance Fund, or his or her designee.

The Governor shall appoint members representing organized labor, self-insured employers, insured employers, and insurers. The term of office of members of the commission shall be four years, and a member shall hold office until the appointment of a successor. The President of the State Compensation Insurance Fund shall be an ex officio, voting member of the commission. Members of the commission shall receive one hundred dollars (\$100) for each day of actual attendance at commission meetings and other official commission business, and shall also receive their actual and necessary traveling

expenses incurred in the performance of commission duties. Payment of per diem and travel expenses shall be made from the Workers' Compensation Fraud Account in the Insurance Fund, established in paragraph (4), upon appropriation by the Legislature.

(2) In determining the aggregate amount of the assessment, the Fraud Assessment Commission shall consider the advice and recommendations of the Fraud Division and the commissioner.

(3) The aggregate amount of the assessment shall be collected by the Director of Industrial Relations pursuant to Section 62.6 of the Labor Code. The Fraud Assessment Commission shall annually advise the Director of Industrial Relations, not later than March 15, of the aggregate amount to be assessed for the next fiscal year.

(4) The amount collected, together with the fines collected for violations of the unlawful acts specified in Sections 1871.4, 11760, and 11880, Section 3700.5 of the Labor Code, and Section 549 of the Penal Code, shall be deposited in the Workers' Compensation Fraud Account in the Insurance Fund, which is hereby created, and may be used, upon appropriation by the Legislature, only for enhanced investigation and prosecution of workers' compensation fraud and of willful failure to secure payment of workers' compensation as provided in this section.

(c) For each fiscal year, the total amount of revenues derived from the assessment pursuant to subdivision (b) shall, together with amounts collected pursuant to fines imposed for unlawful acts described in Sections 1871.4, 11760, and 11880, Section 3700.5 of the Labor Code, and Section 549 of the Penal Code, not be less than three million dollars (\$3,000,000). Any funds appropriated by the Legislature pursuant to subdivision (b) that are not expended in the fiscal year for which they have been appropriated, and that have not been allocated under subdivision (f), shall be applied to satisfy for the immediately following fiscal year the minimum total amount required by this subdivision. In no case may that money be transferred to the General Fund.

(d) After incidental expenses, at least 40 percent of the funds to be used for the purposes of this section shall be provided to the Fraud Division of the Department of Insurance for enhanced investigative efforts, and at least 40 percent of the funds shall be distributed to district attorneys, pursuant to a determination by the commissioner with the advice and consent of the division and the Fraud Assessment Commission, as to the most effective distribution of moneys for purposes of the investigation and prosecution of workers' compensation fraud cases and cases relating to the willful failure to secure the payment of workers' compensation. Each district attorney seeking a portion of the funds shall submit to the commissioner an application setting forth in detail the proposed use of any funds provided. A district attorney receiving funds pursuant to this subdivision shall submit an annual report to the commissioner with respect to the success of his or her efforts. Upon receipt, the commissioner shall provide copies to the Fraud Division and the Fraud Assessment Commission of any application, annual report, or other documents with respect to the allocation of money pursuant to this subdivision. Both the application for moneys and the distribution of moneys shall be public documents. Information submitted to the commissioner pursuant to this section concerning criminal investigations, whether active or inactive, shall be confidential.

(e) If a district attorney is determined by the commissioner to be unable or unwilling to investigate and prosecute workers' compensation fraud claims or claims relating to the willful failure to secure the payment of workers' compensation, the commissioner

shall discontinue distribution of funds allocated for that county and may redistribute those funds according to this subdivision.

(1) The commissioner shall promptly determine whether any other county could assert jurisdiction to prosecute the fraud claims or claims relating to the willful failure to secure the payment of workers' compensation that would have been brought in the nonparticipating county, and if so, the commissioner may award funds to conduct the prosecutions redirected pursuant to this subdivision. These funds may be in addition to any other fraud prosecution funds or claims relating to the willful failure to secure the payment of workers' compensation prosecution otherwise awarded under this section. Any district attorney receiving funds pursuant to this subdivision shall first agree that the funds shall be used solely for investigating and prosecuting those cases of workers' compensation fraud or claims relating to the willful failure to secure the payment of workers' compensation that are redirected pursuant to this subdivision and submit an annual report to the commissioner with respect to the success of the district attorney's efforts. The commissioner shall keep the Fraud Assessment Commission fully informed of all reallocations of funds under this paragraph.

(2) If the commissioner determines that no district attorney is willing or able to investigate and prosecute the workers' compensation fraud claims or claims relating to the willful failure to secure the payment of workers' compensation arising in the nonparticipating county, the commissioner, with the advice and consent of the Fraud Assessment Commission, may award to the Attorney General some or all of the funds previously awarded to the nonparticipating county. Before the commissioner may award any funds, the Attorney General shall submit to the commissioner an application setting forth in detail his or her proposed use of any funds provided and agreeing that any funds awarded shall be used solely for investigating and prosecuting those cases of workers' compensation fraud or claims relating to the willful failure to secure the payment of workers' compensation that are redirected pursuant to this subdivision. The Attorney General shall submit an annual report to the commissioner with respect to the success of the fraud prosecution efforts of his or her office.

(3) Neither the Attorney General nor any district attorney shall be required to relinquish control of any investigation or prosecution undertaken pursuant to this subdivision unless the commissioner determines that satisfactory progress is no longer being made on the case or the case has been abandoned.

(4) A county that has become a nonparticipating county due to the inability or unwillingness of its district attorney to investigate and prosecute workers' compensation fraud or the willful failure to secure the payment of workers' compensation shall not become eligible to receive funding under this section until it has submitted a new application that meets the requirements of subdivision (d) and the applicable regulations.

(f) If in any fiscal year the Fraud Division does not use all of the funds made available to it under subdivision (d), any remaining funds may be distributed to district attorneys pursuant to a determination by the commissioner in accordance with the same procedures set forth in subdivision (d).

(g) The commissioner shall adopt rules and regulations to implement this section in accordance with the rulemaking provisions of the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code). Included in the rules and regulations shall be the criteria for redistributing funds to district attorneys and the Attorney

General. The adoption of the rules and regulations shall be deemed to be an emergency and necessary for the immediate preservation of the public peace, health, and safety, or general welfare.

(h) The department shall report to the Governor, the Legislature, to the committees of the Senate and Assembly having jurisdiction over insurance, and the Fraud Assessment Commission on the activities of the Fraud Division and district attorneys supported by the funds provided by this section in the annual report submitted pursuant to Section 12922.

The annual report shall include, but is not limited to, all of the following information for the department and each district attorney's office:

- (1) All allocations, distributions, and expenditures of funds.
- (2) The number of search warrants issued.
- (3) The number of arrests and prosecutions, and the aggregate number of parties involved in each.
- (4) The number of convictions and the names of all convicted fraud perpetrators.
- (5) The estimated value of all assets frozen, penalties assessed, and restitution made for each conviction.
- (6) Any additional items necessary to fully inform the Fraud Assessment Commission and the Legislature of the fraud-fighting efforts financed through this section.
- (i) In order to meet the requirements of subdivision (g), the department shall submit a biannual information request to those district attorneys who have applied for and received funding through the annual assessment process under this section.
- (j) Assessments levied or collected to fight workers' compensation fraud and insurance fraud are not taxes. Those funds are entrusted to the state to fight fraud and the willful failure to secure the payment of workers' compensation by funding state and local investigation and prosecution efforts. Accordingly, any funds resulting from assessments, fees, penalties, fines, restitution, or recovery of costs of investigation and prosecution deposited in the Insurance Fund shall not be deemed "unexpended" funds for any purpose and, if remaining in that account at the end of any fiscal year, shall be applied as provided in subdivision (f) and to offset or augment subsequent years' program funding.

(k) The Bureau of State Audits shall evaluate the effectiveness of the efforts of the Fraud Assessment Commission, the Fraud Division, the Department of Insurance, and the Department of Industrial Relations, as well as local law enforcement agencies, including district attorneys, in identifying, investigating, and prosecuting workers' compensation fraud and the willful failure to secure payment of workers' compensation. The report shall specifically identify areas of deficiencies. Included in this report shall be recommendations on whether the current program provides the appropriate levels of accountability for those responsible for the allocation and expenditure of funds raised from the assessment provided in this section. The Bureau of State Audits shall submit a report to the Chairperson of the Senate Committee on Labor and Industrial Relations and the Chairperson of the Assembly Committee on Insurance on or before May 1, 2004.

1872.84. The commissioner shall ensure that the Fraud Division forwards to the appropriate disciplinary body, in addition to the names and supporting evidence of individuals described in subdivision (a) of Section 1872.83, the names, along with all supporting

evidence, of any individuals licensed under the Chiropractic Initiative Act who are suspected of actively engaging in fraudulent activity.

1872.85. (a) Every admitted disability insurer or other entity liable for any loss due to health insurance fraud doing business in this state shall pay an annual fee to be determined by the commissioner, but not to exceed ten cents (\$0.10) annually for each insured under an individual or group insurance policy it issues in this state, in order to fund increased investigation and prosecution of fraudulent disability insurance claims. After incidental expenses, 50 percent of those funds received from the assessment fee per insured shall be distributed to the Fraud Division of the Department of Insurance for enhanced investigative efforts, and 50 percent of the funds shall be distributed to local district attorneys, pursuant to subdivisions (b) and (c), for investigation and prosecution of disability insurance fraud cases. The funds received under this section shall be deposited into the Disability Insurance Fraud Account, which is hereby created in the Insurance Fund, and shall be expended and distributed, when appropriated by the Legislature, only for enhanced investigation and prosecution of disability insurance fraud.

In the course of its investigation, the Fraud Division shall aggressively pursue all reported incidents of probable fraud and, in addition, shall forward to the appropriate disciplinary body the names of any individuals licensed under the Business and Professions Code who are convicted of engaging in fraudulent activity along with all relevant supporting evidence.

(b) The commissioner shall distribute funds pursuant to subdivision (a) to district attorneys who are able to show a likely positive outcome that will enhance the prosecution of disability insurance fraud in their jurisdiction based on specific criteria promulgated by the commissioner. A district attorney desiring funds pursuant to subdivision (a) shall submit to the commissioner an application that includes, but is not limited to, all of the following:

(1) The proposed use of the moneys and the anticipated outcome.

(2) A list of all prior cases or projects in the district attorney's jurisdiction that have been funded under the provisions of this section, and a copy of the final accounting for each case or project. If a case or project is ongoing, the most recent accounting shall be provided.

(3) A detailed budget for the moneys, including salaries and general expenses, that specifically identifies the purchase or rental cost of equipment or supplies.

(c) (1) A district attorney who receives moneys pursuant to this section shall submit a final detailed accounting at the conclusion of each case or project funded. For a case or project that continues for longer than six months, an interim accounting shall be submitted every six months, or as otherwise directed by the commissioner.

(2) A district attorney who receives moneys pursuant to this section shall submit a final report to the commissioner, which may be made public, as to the success of each case or project funded by this section. The report shall provide information and statistics on the number of active investigations, arrests, indictments, and convictions associated with a case or project. The applications for moneys, the distribution of moneys, and the annual report required by Section 1872.9 shall be public documents.

(3) Notwithstanding any other provision of this section, information submitted to the commissioner pursuant to this section concerning criminal investigations, whether active or inactive, shall be confidential.

(4) The commissioner may conduct a fiscal audit of the programs administered under this subdivision. The fiscal audit shall be conducted by an internal audit unit of the department. The cost of fiscal audits shall be paid from the Disability Insurance Fraud Fund, upon appropriation by the Legislature.

(5) If the commissioner determines that a district attorney is unable or unwilling to investigate or prosecute a relevant disability insurance fraud case, the commissioner may discontinue distribution of moneys allocated for that matter pursuant to this section, and may redistribute moneys to other eligible district attorneys.

(d) Activities of the Fraud Division with regard to investigating and prosecuting fraudulent disability insurance claims pursuant to this section shall be included in the report required by Section 1872.9.

(e) This section shall not apply to policies issued by a reciprocal or interinsurance exchange, as defined by Sections 1303 and 1350, or coverage provided by or through a motor club, as defined by Section 12142, affiliated with a reciprocal or interinsurance exchange, if the annual premium charged for the coverage or the annual cost to the insurer for providing that coverage does not exceed one dollar (\$1) per insured.

1872.86. (a) An insurer doing business in this state shall pay an annual special purpose assessment to be determined by the commissioner, not to exceed five thousand one hundred dollars (\$5,100), to be used exclusively for the support of the Fraud Division. All moneys received by the commissioner from insurers pursuant to this section shall be transmitted to the Treasurer to be deposited in the State Treasury to the credit of the Insurance Fund.

(b) The Fraud Division shall report annually, on the department's Internet Web site, all of the following information:

(1) The number of suspected fraudulent claim referrals made to the Fraud Division pursuant to Section 1872.4, by line of insurance.

(2) The number of investigations opened by the Fraud Division, by line of insurance, at the local, state, and federal levels.

(3) The number of investigations referred by the Fraud Division for criminal prosecution, by line of insurance, at the local, state, and federal levels.

(4) The number of insurer fraud cases investigated by the department's Enforcement Branch.

(5) The number of criminal complaints filed by prosecutors at the local, state, and federal levels.

(6) The number of convictions at the local, state, and federal levels.

(7) The total amount of court-ordered restitution, and the amount collected by the courts for the victims.

(8) The number of training presentations focusing on the current schemes and trends, investigative tools and techniques, and proper reporting requirements needed to increase the quality of suspected fraudulent referrals by insurance industry special investigation units.

(9) The number of vacant peace officer positions, including information on the number and rate of vacancies for which an

employment commitment has been made and on the number and rate of vacancies required to meet budgeted salary savings requirements.

1872.87. (a) Each insurer required to pay special purpose assessments pursuant to Sections 1872.8, 1872.81, 1874.8, or subdivision (a) of Section 1872.86 may, over a reasonable length of time, but in no event later than the calendar year in which the assessment is paid, recoup the special purpose assessments by way of a surcharge on premiums charged for the insurance policies to which those sections apply or by including the assessments within the insurer's rates. Amounts recouped shall not be considered premiums for any purpose, including the computation of gross premium tax or agents' commission.

(b) The amount of the surcharge shall be separately stated on either a billing or policy declaration sent to an insured.

(c) The commissioner, in consultation with the Director of Motor Vehicles, shall report to the Governor and to the chair and vice chair of the Joint Legislative Budget Committee prior to October 1, 2008, on the feasibility and fiscal impact of transferring collection of the assessments specified in Sections 1872.8, 1872.81, and 1874.8 to the Department of Motor Vehicles to be performed in conjunction with the registration of motor vehicles.

1872.9. The Fraud Division shall annually compile and report, as a part of the commissioner's annual report as required by Section 12922, the following information:

(a) The number of cases reported to the division pursuant to this chapter.

(b) The number of cases rejected for which an investigation was not initiated by the division due to insufficient evidence to proceed and the number of cases rejected for which an investigation was not initiated by the division due to any other reason.

(c) The number of cases that were prosecuted in cooperation with licensing agencies governed by the Business and Professions Code.

(d) The number and kind of cases prosecuted as a result of moneys received under Section 1872.7.

(e) An estimate of the economic value of insurance fraud by type of insurance fraud.

(f) Recommendations on ways insurance fraud may be reduced.

(g) A summary of the division's activities with respect to pursuing a reduction of fraud with all of the following:

(1) Insurance companies.

(2) The Department of Motor Vehicles.

(3) The Department of the California Highway Patrol.

(4) Licensing agencies governed by the Business and Professions Code.

(5) The Department of Insurance.

(6) Local and state law enforcement agencies.

(7) Employers, as defined in Section 3300 of the Labor Code, who are self-insured for workers' compensation and doing business in the state.

(h) Basic claims information including trends of payments by type of claim and other claim information that is generally provided in a closed claim study.

(i) A summary of the division's activities with respect to the

reduction, pursuant to Section 1871.4, of fraudulent denials and payments of compensation.

(j) The number and types of cases investigated and prosecuted with funds specified in Section 1872.83.

1872.95. (a) Within existing resources, the Medical Board of California, the Board of Chiropractic Examiners, and the State Bar shall each designate employees to investigate and report on possible fraudulent activities relating to workers' compensation, motor vehicle insurance, or disability insurance by licensees of the board or the bar. Those employees shall actively cooperate with the Fraud Division in the investigation of those activities.

(b) The Medical Board of California, the Board of Chiropractic Examiners, and the State Bar shall each report annually, on or before March 1, to the committees of the Senate and Assembly having jurisdiction over insurance on their activities established pursuant to subdivision (a) for the previous year. That report shall specify, at a minimum, the number of cases investigated, the number of cases forwarded to the Fraud Division or other law enforcement agencies, the outcome of all cases listed in the report, and any other relevant information concerning those cases or general activities conducted under subdivision (a) for the previous year. The report shall include information regarding activities conducted in connection with cases of suspected automobile insurance fraud.

1872.96. The commissioner shall prepare an annual report, which shall be a public record, with respect to the receipts, expenditures, and activities of the Fraud Division for the year just ended. The report shall be submitted to the Governor and to the Legislature, no later than January 31 of the following year. This report shall not contain any individually identifiable information.

Question and Answers for Bid #RFP 8032 - Public Relations Campaign for CA Low Cost Auto Insurance

OVERALL BID QUESTIONS

There are no questions associated with this bid. If you would like to submit a question, please click on the "Create New Question" button below.

Question Deadline: Jun 24, 2009 4:00:00 PM PDT