

**AMENDED RFP**

Financial Auditing Services  
CIRM RFP  
20/21 CIRM 102

March 2, 2021

The California Institute for Regenerative Medicine (CIRM) is soliciting proposals from qualified and experienced certified public accounting firms to conduct audits of its annual financial statements to express an opinion on CIRM's basic financial statements and any supplemental financial schedules, if applicable.

Prospective bidders interested in responding to this Request for Proposal (RFP) are encouraged to email the contact person listed below by March 5, 2021, indicating their interest with the firm's name, address, and email address where future notifications can be sent. Submitting an email will ensure that your firm receives supplemental or updated information that might be released subsequent to CIRM's formal issuance of a contract award.

**PROPOSALS ARE DUE BY 5:00PM ON APRIL 5, 2021**

In the option of CIRM, this RFP is complete and without need of explanation. However, if prospective bidders have questions, notice any discrepancies or inconsistencies, or need any clarifying information, questions may be submitted to CIRM no later than the date stated in Section 7, Key Action Dates. Please note that no verbal information given will be binding upon CIRM unless such information is issued in writing, as an official addendum, or as answers to bidders' written questions.

The contact person for this RFP is:

Chila Silva-Martin  
Acting Contracts Administrator  
California Institute for Regenerative Medicine  
(415) 730-7418  
[contracts@cirm.ca.gov](mailto:contracts@cirm.ca.gov)

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# 1) Background and Purpose

## a) Background

CIRM was established in early 2005 following the passage of Proposition. The statewide ballot measure, the California Stem Cell Research and Cures Initiative, provided \$3 billion in funding for stem cell research at California universities and research institutions, and was approved by California voters on November 2, 2004. The initiative called for the establishment of a new state agency to award grants and loans for stem cell research, research facilities, and other vital research opportunities. In November 2020, California voters approved Proposition 14. Proposition 14 extends the California Stem Cell Research and Cures Initiative by providing an additional \$5.5 billion in funding, establishing new programs, and expanding the scope of research.

CIRM's mission is to accelerate stem cell treatments to patients with unmet medical needs.

To date, CIRM's governing board has approved more than 1,000 research, training and facility grants totaling more than \$2.7 billion, making CIRM the largest source of funding for stem cell and related research in the world. Estimates suggest that these grants already awarded will generate tens of thousands of job-years of employment in the state. For more information, please visit [www.cirm.ca.gov](http://www.cirm.ca.gov).

## b) Purpose

Pursuant to Health and Safety Code section 125290.30(b), CIRM is required to annually secure the services of an independent certified public auditing firm to conduct audits of its financial activities and to express an opinion on CIRM's annual financial statement and any supplemental financial schedules, if applicable. The audit shall be conducted in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Governmental Auditing Standards, issued by the United States Government Accountability Office.

The findings of the annual financial audit will be provided to the State Controller's Office (SCO) who will review and issue a final public audit report.

The Department of General Services, Contracted Fiscal Services (DGS/CFS) is under contract to provide CIRM with accounting services. DGS/CFS, on behalf of CIRM, will work with the auditing firm to provide all accounting records and data necessary for the performance of the work described. **DGS/CFS utilizes FI\$Cal, the State's Financial Information System for California to conduct CIRM's accounting transactions.** All other equipment or material is to be provided by the contractor.

## **2) Statement of Work**

CIRM expects that the auditing firm will comply with current industry standards and will maintain appropriate expertise at the firm's own expense. The firm should ensure that the quality and availability of its staff assigned to this engagement will be maintained over the term of the agreement. Any changes to staff must be approved by CIRM.

The auditing firm will be expected to provide CIRM with the services described below:

### **a) Audit and Examination**

Perform an audit and examination of CIRM's financial activities (the "Programs.") The audit and examination will include an evaluation of the systems of internal control, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the U.S. Government Accountability Office. The audit and examination will be conducted so that the auditing firm may render an opinion on the financial statements taken as a whole in compliance with California Code of Regulations, 16 CA ADC Section 58, Compliance with Standards and in conformity with generally accepted accounting principles and general provisions of State law.

Confirm assets held by CIRM for all funds (Bond Funds, Commercial Paper, Surplus Money Investment Funds, Loan Repayments and Gift Funds – together known as the "Program Funds.")

### **b) Audit Report**

The report shall include a statement on the scope of the audit and examination for each Program fund, the period covered by the audit and examination, and a list of the financial statements included in the report.

The report shall include a statement of material audit findings and recommendations regarding the financial statements, internal controls and accounting systems, and legality of actions for each Program fund.

Audited financial statements in the report shall include:

- Condensed Statement of Net Position
- Condensed Statement of Activities
- Statement of Net Position and Governmental Fund Balance Sheet
- Statement of Revenues, Expenditures and Changes in Fund Balance
- Statement of Expenditures – Budget and Actual
- Changes in Capital Assets
- Long Term Liabilities

The audit report shall include any other material information necessary to accurately reflect CIRM's financial position.

The auditing firm shall review the proposed findings to be included in the report with CIRM prior to issuing the final report.

CIRM's financial statements are generally issued each year on or around August 20. The auditing firm should begin the audit of CIRM's financial statements on or immediately after CIRM issues its financial statements, but in no instance should the audit begin any later than the day after Labor Day of each calendar year. In accordance with instructions from the SCO for Generally Accepted Accounting Principles (GAAP) reporting, a draft report must be issued no later than October 1 of each calendar year, with a final report being issued on or before October 15 of each calendar year. These dates are subject to change based on SCO instructions.

In all respects, the best interests of CIRM and the State of California shall be considered in all transactions and proceedings.

### **c) ICOC and CFAOC Reporting**

The auditing firm shall make annual presentations of the audit reports and its findings to CIRM's Independent Citizen's Oversight Committee (ICOC) at one of its regularly scheduled meetings. The auditing firm shall also make an annual presentation of the audit reports and its findings to the SCO's Citizens' Financial Accountability and Oversight Committee (CFAOC) at its annual meetings.

### **d) Examination of Records**

#### **i) State Controller's Office**

Health and Safety Code section 125290.30(b) requires the SCO to review the independent financial audit and issue a public report of the review. In order to facilitate the duties of the SCO, as required by this section, the auditing firm agrees that the SCO shall have the right to review and copy any records and supporting documentation pertaining to the performance of the agreement, including but not limited to, all documents, records and work papers whether obtained or copied from the CIRM or developed by the auditing firm. The auditing firm agrees to maintain such records for possible audit for a minimum of five (5) years after final payment, unless a longer period of retention is stipulated. The auditing firm agrees to allow the SCO access to such records during normal business hours and to allow interview of any employees who might reasonably have information related to such records.

## **ii) CIRM**

CIRM, or its authorized representatives, shall have access to and the right to examine and copy books, documents, papers and records of the auditing firm involving transactions and work related to this agreement until the expiration of five (5) years after the final payment hereunder.

## **iii) Bureau of State Audits**

In accordance with Government Code Section 8546.7, the auditing firm agrees that the Bureau of State Audits shall have the right to review and copy any records and supporting documentation pertaining to the performance of this agreement, including but not limited to, all documents, records and work papers whether obtained or copies from CIRM or developed by the auditing firm. The auditing firm agrees to maintain such records for possible audit for a minimum of five (5) years after final payment, unless a longer period of retention is stipulated. The auditing firm agrees to allow the Bureau of State Audit auditors access to such records during normal business hours and to allow interviews of any employees who might reasonably have information related to such records.

## **3) Budget**

The proposal should include cost detail and requirements. Fees must be stated either: 1) on an hourly basis for the services with a stated maximum total fee, or 2) a flat total fee. If on an hourly basis, the proposal should include a detailed listing of hourly fees for the different professional expected to provide services under this anticipated contract, as well as the expectations as to reimbursable expenses. The contractor should complete the Cost Detail sheet, Attachment 3 if proposing to provide services on an hourly basis.

## **4) Required Qualifications**

The auditing firm must be a professional certified public accounting firm, not in public employment.

The auditing firm must have conducted, within the last five (5) years, at least three (3) audits of State governmental agencies that receive State bond funds. The firm must have experience in State accounting and related processes.

The auditing firm must have sufficient staff to provide auditing services to meet the deadlines outlined in Section 2.b.

The auditing firm must carry the insurance specified in the attached CIRM Independent Consulting Agreement template.

## **5) Submitting a Proposal**

### **a) Documents to be Submitted**

There are four (4) parts to this proposal. Part I – Auditing Firm Information, Part II – References, and Part III – Cost Details. These first three (3) parts are included in this RFP as forms labeled Attachments 1 through 3. The attachments should be completed and submitted with your proposal. There is no form for Part IV – Proposal and Qualifications. You should prepare and submit a PDF or Word document with your responses to the questions listed in the next section and attach samples of your work.

### **b) Proposal and Qualifications**

Provide straight forward and concise responses to the following questions in a separate document:

#### **i) Qualifications and Experience of Firm**

Discuss how your firm's overall experience demonstrates your ability to successfully complete the services described under the Statement of Work. Provide a detailed list of auditing services you have provided to clients over the past five years, highlighting your firm's experience with state or local governments with bond financing. Indicate if the auditing services provided were transaction specific or for a contracted period.

#### **ii) Qualifications and Resumes of Proposed Staff**

Identify the staff that will be providing the services required by this proposal, including years and type of experience for each person. Experience should include number of years at current firm as well as all prior service. The individual in charge of CIRM's account must have at least ten (10) years prior experience, including five (5) years of experience in public accounting and audits of State governmental agencies. Experience with agencies that receive bond funds should be detailed.

#### **iii) Comparable Projects**

Provide a brief list and description of comparable projects successfully concluded within the last five (5) years. Provide two (2) samples of your work on these or similar projects. Please provide the references required in Attachment 2.

### **c) Submission**

The proposals should be submitted electronically, no later than the deadline specified in Section D below and Section 7 – Key Action Dates. The proposal should be submitted to the attention of the Contracts Administrator at the following email address:



[contracts@circm.ca.gov](mailto:contracts@circm.ca.gov)

Please indicate in the subject line: "21/22 CIRM #102 – Financial Audit Services"

## **d) Deadline**

**All submittals must be received by CIRM no later than 5:00PM Pacific Time, April 5, 2021.**

## **6) Selection**

The purpose of the proposal evaluation is twofold: 1) to assess the responses for compliance with the RFP's minimum requirements, content and format requirements, and 2) to identify the auditing firms that have the highest probability of satisfactorily performing the services requested by CIRM. The evaluation process will be conducted in a comprehensive and impartial manner as set forth herein.

Proposals will undergo an evaluation process conducted by CIRM staff. Those proposals that CIRM staff believe best meet the requirements for services sought under this RFP will be considered finalist candidates. The finalist candidates may be interviewed by CIRM staff and may have their reference verified.

In evaluating the proposals, CIRM will consider the perceived quality of the response, including the auditing firm's proposed scope of services, schedule, references, experience and qualifications. The evaluation will include consideration of the following factors:

### **a) Relevant Experience and Ability**

Evaluation of the auditing firms will include a review of the firm's overall experience, as well as the firm's relevant experience with other State or local government agencies and State accounting procedures, and experience with granting organizations that receive bond financing. A factor under consideration will be whether the firm's experience demonstrates their ability to successfully complete the requirements herein.

### **b) Qualifications of Proposed Personnel**

Evaluation of the prospective auditing firms will include the particular experience, capabilities, and availability of specific personnel who are selected to provide auditing services to CIRM.

## c) Value

Ranges of services to be delivered at the proposed budget.

## 7) Key Action Dates

Action	Time (if applicable)	Date
CIRM issues RFP		February 19, 2021
Bidders notify CIRM of intent to submit proposal		March 5, 2021
Bidders submit proposals	5:00 pm	April 5, 2021
Award Date		May 14, 2021
Contractor commences work		May 17, 2021

*\* These dates are subject to change at CIRM's sole discretion.*

## 8) Contract Terms

CIRM's standard Consulting Agreement is attached and the selected firm will be expected to comply with its terms, including insurance requirements. Please review the contract terms carefully before submitted your proposal.

CIRM anticipates issuing a three-year contract. The successful bidder will be expected to conduct financial audits of CIRM's financial statements beginning with the 20/21 fiscal year through the 22/23 fiscal year. **Since CIRM is anticipating a three-year contract, please submit separate, detailed cost proposals for each fiscal year: 20/21 FY Cost Proposal, 21/22 FY Cost Proposal, and 22/23 FY Cost Proposal.**

The starting and ending dates may change if CIRM makes an award earlier than expected or if CIRM cannot execute the agreement in a timely manner due to unforeseen delays. CIRM reserves to right to extend the term of the resulting agreement as necessary to complete or continue services.

## 9) Additional Information

- A proposal may be rejected if it conditional or incomplete, or if it contains any alterations of form or other irregularities of any kind. CIRM may waive any immaterial deviation in a proposal. CIRM's

waiver of an immaterial deviation shall in no way modify the RFP document or excuse the proposer from full compliance with all the requirements if awarded the contract.

- CIRM may reject any or all proposals.
- 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 CIRM.
- A proposer may withdraw its proposal by submitting a written withdrawal request to CIRM, signed by the proposer or an authorized agent. Proposals may not be withdrawn without cause subsequent to the proposal submission deadline.
- A proposer may not modify a proposal after its submission. If the submission deadline has not passed, a proposer may withdraw its original proposal and submit a new proposal. Proposal modifications offered in any other manner, oral or written, will not be considered.
- CIRM may modify the RFP prior to the date fixed for submission of proposals by posting the modified RFP on its website. If you are preparing a proposal, you should check CIRM's website for modifications to the RFP prior to submitting your proposal.
- CIRM will not consider more than one (1) proposal from an individual, firm, partnership, corporation or association, under the same or different names.
- No oral understanding or agreement shall be binding on either party.
- All documents submitted in response to this RFP will become the property of CIRM and will be regarded as public records under the California Public Records Act (Government Code Section 6250 et seq.) and subject to review by the public.

## **List of Attachments**

*Attachment 1: Firm Information*

*Attachment 2: References Form*

*Attachment 3: Cost Detail*

Attachment 1: Firm Information

Name of firm or individual proposed auditing firm

Business or trade name, if different from above

Business Form (check only one)  Corporation  
 Partnership  
 LLC  
 Individual/Sole Proprietor  
 Other: \_\_\_\_\_

Mailing Address

City  State  Zip

Website

Firm Contact Name

Email

Telephone  Fax

Total dollar amount of consultant work that the firm has performed for CIRM in the last 12 months.

The name and position of any CIRM employee who holds a position of director, officer, partner, trustee, manager or employee in the consultant organization, as well as the names of any near relatives who are employed by CIRM.

Certification

I hereby certify under penalty of perjury that I am authorized by the proposed consultant to submit this proposal on its behalf. I have reviewed all information provided in the accompanying proposal, and it is true and complete to the best of my knowledge.

Signature \_\_\_\_\_ Date

Name

Title

## Attachment 2: References Form

Proposers must provide the following client information for at least three (3) prior financial audits of similar size and scope. Provide the name, title, telephone number, and email of contact persons that CIRM may contact to inquire about your firm's performance. The references should be individuals who: 1) were project leaders; 2) can validate your firm's role and responsibilities; and 3) can comment on the quality of your firm's performance.

### REFERENCE CLIENT #1

<b>Client Name</b>	
<b>Client Address</b>	
<b>Contact Name</b>	
<b>Contact Title</b>	
<b>Contact Phone #</b>	
<b>Contact Email</b>	
<b>Project Name</b>	
<b>Project Start/End Dates</b>	
<b>Project Description</b>	
<b>Project Budget</b>	

**REFERENCE CLIENT #2**

<b>Client Name</b>	
<b>Client Address</b>	
<b>Contact Name</b>	
<b>Contact Title</b>	
<b>Contact Phone #</b>	
<b>Contact Email</b>	
<b>Project Name</b>	
<b>Project Start/End Dates</b>	
<b>Project Description</b>	
<b>Project Budget</b>	

**REFERENCE CLIENT #3**

<b>Client Name</b>	
<b>Client Address</b>	
<b>Contact Name</b>	
<b>Contact Title</b>	
<b>Contact Phone #</b>	
<b>Contact Email</b>	
<b>Project Name</b>	
<b>Project Start/End Dates</b>	
<b>Project Description</b>	
<b>Project Budget</b>	



### Attachment 3: Cost Detail

Submit separate, detailed cost proposals for each fiscal year.

**FISCAL YEAR:**

Proposers must fully complete the following cost tables that summarize: 1) proposed cost per project staff member, and 2) proposed cost per services required. Note that the hourly rates must be fully loaded to include all professional fees, support services, travel, and any other expenses.

**Table A – Cost per Staff Member**

Staff Name	Project Role	(a) Rate per Hour	(b) Total Hours	(a) x (b) Staff Total Cost
<b>Total Cost:</b>				

**Table B – Cost per Services Required**

<i>Services: Audit &amp; Examination</i>				
Staff Name	Project Role	(a) Rate per Hour	(b) Total Hours	(a) x (b) Staff Total Cost
<b>Total Cost for Audit &amp; Examination:</b>				
<i>Services: Audit Report</i>				
Staff Name	Project Role	(a) Rate per Hour	(b) Total Hours	(a) x (b) Staff Total Cost
<b>Total Cost for Audit Report:</b>				
<i>Deliverable 3 – Draft Final Report</i>				
Staff Name	Project Role	(a) Rate per Hour	(b) Total Hours	(a) x (b) Staff Total Cost
<b>Total Cost for Draft Final Report:</b>				
<i>Deliverable 4 – Final Report</i>				
Staff Name	Project Role	(a) Rate per Hour	(b) Total Hours	(a) x (b) Staff Total Cost
<b>Total Cost for Final Report:</b>				

## **List of Appendices**

*Appendix 1: Independent Consultant Agreement*

*Appendix 2: Payee Data Record (State Standard Form 204)*

*Appendix 3: Links to the CIRM's Policies and Regulations*

Appendix 1: Independent Consultant Agreement

Agreement No. CIRM \_\_\_\_\_

CALIFORNIA INSTITUTE FOR REGENERATIVE MEDICINE  
INDEPENDENT CONSULTANT AGREEMENT

THIS AGREEMENT to furnish certain consultant services is made by and between the California Institute for Regenerative Medicine hereinafter called (CIRM), and \_\_\_\_\_ [Name] \_\_\_\_\_ (Consultant).

I. NATURE AND PLACE(S) OF SERVICE

A. The Consultant shall furnish to CIRM the following described services including a time schedule by which the Consultant is to produce or provide specified materials or perform certain consulting services as well as reports on the progress of the services:

    i. See attachment A.

B. If the Consultant is an entity other than an individual, CIRM requires that staff be assigned according to Attachment A to perform the work set forth herein. No reassignment of work to individuals other than those described in Attachment A may be made without the written approval of CIRM.

C. Place(s) of performance of such services shall be:

    Consultant’s location:

    CIRM’s location:

    [                                  ]  
    [                                  ]

    1999 Harrison Street, Suite 1650  
    Oakland, CA 94612

D. CIRM will provide working space, equipment, furniture, utilities, and services, as follows:

II. TERM OF AGREEMENT

A. The term of this Agreement shall be from \_\_\_\_\_ through \_\_\_\_\_.

B. CIRM reserves the right to terminate this Agreement subject to 30 days written notice to the Consultant. Consultant may submit a written notice to terminate this Agreement only if CIRM should substantially fail to perform its responsibilities as provided herein. In addition, CIRM may terminate this Agreement immediately for cause. The term “for cause” shall mean that the Consultant fails to meet the terms, conditions, and/or responsibilities of this

Agreement. In this instance, the termination shall be effective as of the date indicated on CIRM's notification to the Consultant.

- C. The term of this Agreement may be extended by the mutual, written consent of both parties.

III. COMPENSATION AND REIMBURSEMENT FOR EXPENSES

A. CIRM shall pay the Consultant for services performed on the following basis:

1. Professional Fees:

2. Other Expenses

MAXIMUM TO BE PAID UNDER THIS AGREEMENT

\$ \_\_\_\_\_

\* Reimbursement for travel and per diem shall be in accordance with established CIRM rates and policies.

B. Payments shall be made upon the Consultant's submission of invoices indicating the Agreement Number and setting forth charges in accordance with rates detailed in Article III-A. Consultant must submit a completed Payee Data Record (State Standard Form 204) before CIRM will issue payment. Each invoice shall include the Consultant's taxpayer identification number (Social Security or employer identification number). Invoices shall be submitted not more frequently than monthly in arrears to:

California Institute for Regenerative Medicine  
accountspayable@cirm.ca.gov  
Finance Officer  
1999 Harrison Street, Suite 1650  
Oakland, CA 94612

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

IV. REPORTING

In performing consulting services under this Agreement, the Consultant shall be accountable to CIRM and shall provide progress reports to CIRM upon CIRM's request.

V. NOTIFICATION

Notices concerning this Agreement shall be addressed as follows:

CIRM:

TO CONSULTANT:

California Institute for Regenerative Medicine  
General Counsel

1999 Harrison Street, Suite 1650  
Oakland, CA 94612

## VI. TAXES

The compensation stated in Article III includes all applicable taxes and will not be changed hereafter as the result of Consultant's failure to include any applicable tax or as the result of any change in the Consultant's tax liabilities. The Consultant acknowledges that compensation payable hereunder may be subject to withholding of state and federal income tax, including state income tax subject to withholding pursuant to California Revenue and Taxation Code Sections 18661-18677.

## VII. INDEPENDENT CONTRACTOR STATUS

- A. Both parties agree that in the performance of this Agreement the Consultant shall not be an agent or employee of CIRM, shall not be covered by the State's Worker's Compensation Insurance or Unemployment Insurance, shall not be eligible to participate in State employee retirement programs, and shall not be entitled to any other CIRM employee benefits.
- B. The Consultant shall be solely responsible for the conduct and control of the work to be performed by the Consultant under this Agreement, except that the Consultant is accountable to CIRM for the results of such work. The Consultant's services for CIRM shall be performed in accordance with currently approved methods and ethical standards applicable to the Consultant's professional capacity.
- C. California State Contract Code 10515 (a) states: No person, firm, or subsidiary thereof who has been awarded a consulting services contract may submit a bid for, nor be awarded a contract on or after July 1, 2003, for the provision of services, procurement of goods or supplies, or any other related action that is required, suggested, or otherwise deemed appropriate in the end product of the consulting services contract.

## VIII. ASSIGNMENT OR SUBCONTRACTING

The Consultant may not assign or transfer this Agreement, or any interest or claim, or subcontract any portion of the work, without the prior written approval of CIRM. The withholding or granting of such approval is totally discretionary with CIRM. If CIRM consents to such assignment or transfer, the terms and conditions of this Agreement shall be binding upon any assignee or transferee.

## IX. PROPERTY RIGHTS, INCLUDING PATENTS AND COPYRIGHTS

All written and other tangible material ("Material") produced pursuant to this Agreement by the Consultant shall be considered a work-made-for-hire under the Copyright Act. To the extent said Material does not qualify as a work-made-for-hire, Consultant hereby assigns all right, title, and interest, including, but not limited to, copyright and all copyright rights in the Material to CIRM and shall execute any and all documents necessary to effectuate such assignment. In the event Consultant uses any individual who is not a full-time employee of Consultant or uses any other entity to perform any of the work required by Consultant hereunder, Consultant shall require said individual or entity to sign an agreement before commencing work that contains identical wording to the foregoing two sentences except that the word "Consultant" shall be replaced with the individual's or entity's name.

X. CONSULTANT'S LIABILITY AND INSURANCE REQUIREMENTS

A. The Consultant agrees to defend and, at CIRM's election, indemnify and hold harmless CIRM, its officers, agents, and employees from and against any and all claims, losses, expenses (including costs and reasonable attorney's fees), claims for injury, or damages that are caused by or result from the negligent or intentional acts or omissions or breach of this Agreement by the Consultant or its officers, employees, or agents. In addition, Consultant agrees to defend and, at CIRM's election, indemnify, and hold harmless CIRM, its officers, agents, and employees from and against any and all claims, losses, expenses (including costs and reasonable attorney's fees), claims for injury, or damages accruing or resulting to any and all contractors, subcontractors, suppliers, or any other person, firm or corporation furnishing services or supplying goods in connection with Consultant's performance of this Agreement

B. The Consultant shall furnish a Certificate of Insurance or statement of self-insurance (contractual liability included) showing minimum coverage as follows:

1. General Liability: Comprehensive or Commercial Form (Minimum Limits)

(i)	General Aggregate (BI, PD)*	\$2,000,000
(ii)	Products, Completed Operations Aggregate	\$2,000,000
(iii)	Personal and Advertising Injury	\$1,000,000
(iv)	Each Occurrence	\$1,000,000

\* (not applicable to comprehensive form)

However, if such insurance is written on a claims-made form following termination of this Agreement, coverage shall survive for a period no less than three years. Coverage must include a Primary and Non-Contributory provision and a Severability of Interest provision. Coverage shall also provide for a retroactive date of placement coinciding with the effective date of this Agreement.

2. Business Auto Liability: (Minimum Limits) for Owned, Scheduled, Non-Owned, or Hired Automobiles with a combined single limit of no less than \$1,000,000 per occurrence. [Alternative: Business Auto Liability is waived because Consultant will not drive in the course of performing services for CIRM.]

3. Workers' Compensation: as required under California State Law.

4. Professional Liability Insurance: (Minimum Limits)

(1) Each occurrence	\$2,000,000
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(2) Project Aggregate                      \$2,000,000

If this insurance is written on a claims-made form, it shall continue for three years following termination of this Agreement. The insurance shall have a retroactive date of placement prior to or coinciding with the effective date of this Agreement. The insurance must include Contractual Liability Coverage and Defense and Indemnification of CIRM by the contracting party.

5. Other insurance in amounts as from time to time may reasonably be required by the mutual consent of CIRM and the Consultant against such other insurable hazards relating to performance.
6. Certificate(s) of Insurance shall name CIRM as an additional insured under 1, 2 and 4 above, obligate the insurer to notify CIRM at least thirty (30) days prior to cancellation of or changes in any of the required insurance and include a provision that the coverage will be primary and will not participate with nor be excess to any valid and collectible insurance program of self-insurance carried or maintained by CIRM. Premiums on all insurance policies shall be paid directly by the Consultant.

#### XI. RECORDS ABOUT INDIVIDUALS

- A. The Consultant acknowledges that the creation and maintenance of records pertaining to individuals is subject to certain requirements set forth by the California Information Practices Act (Civil Code 1798, et seq.) and by CIRM policy. Such requirements include provisions governing the collection, maintenance, accuracy, dissemination, and disclosure of information about individuals, including the right of access by the subject individuals.
- B. If the Consultant creates confidential or personal records about an individual, as defined by the Information Practices Act, including notes or tape recordings, the information shall be collected to the greatest extent practicable directly from the individual who is the subject of the information. When collecting the information, the Consultant shall inform the individual that the record is being made and of the purpose of the record.
- C. Records containing confidential or personal information about individuals are the property of CIRM and subject to CIRM's policies and applicable federal and state laws. The Consultant agrees to deliver all such records, including originals and all copies and summaries, to CIRM upon termination of this Agreement.
- D. The Consultant shall not use recording devices in discussions with CIRM's employees without notifying all parties to the discussion that the discussion is being recorded.

#### XII. EXAMINATION OF RECORDS



The Consultant agrees that CIRM and its authorized agents shall have the right to review and copy any records and supporting documentation pertaining to the performance of this Agreement including, but not limited to, all documents, records and work papers whether obtained or copied from CIRM or developed by the Consultant. Consultant agrees to maintain such records for a minimum of five (5) years after final payment, unless a longer period of records retention is stipulated. Consultant agrees to allow CIRM and its authorized agent's access to such records during normal business hours. Further, Consultant agrees to include a similar right of access in any subcontract related to the performance of this Agreement.

In accordance with state law, the Consultant agrees that CIRM, its authorized agents, the State Controller's Office, and the Bureau of State Audits (collectively, the "Auditors") shall have the right, in connection with an audit, to review and copy any records and supporting documentation pertaining to the performance of this Agreement including, but not limited to, all documents, records and work papers whether obtained or copied from CIRM or developed by the Consultant. Consultant agrees to maintain such records for possible audit for a minimum of five (5) years after final payment, unless a longer period of records retention is stipulated. Consultant agrees to allow the Auditors access to such records during normal business hours and to allow interviews of any employees who might reasonably have information related to such records. Further, Consultant agrees to include a similar right of the Auditors to audit records and interview team in any subcontract related to the performance of this Agreement.

### XIII. CONFLICT OF INTEREST

- A. The Consultant will not hire any officer or employee of CIRM to perform any service covered by this Agreement. If the work is to be performed in connection with a federal or state contract or grant, the Consultant will not hire any employee of the government agency concerned to perform any service covered by this Agreement.
- B. The Consultant affirms that to the best of his/her knowledge there exists no actual or potential conflict between the Consultant's family, business or financial interest and the services provided under this Agreement, and in the event of change in either private interests or service under this Agreement, any question regarding possible conflict of interest which may arise as a result of such change will be raised with CIRM.
- C. The Consultant shall not be in a reporting relationship to a CIRM employee who is a near relative, nor shall the near relative be in a decision-making position with respect to the Consultant.
- D. The Consultant may be required to execute a Form 700 Statement of Economic Interests as published by the Fair Political Practices Commission. Statements of Economic Interests are public documents. More information about Form 700 is available at [www.fppc.ca.gov](http://www.fppc.ca.gov).

### XIV. AFFIRMATIVE ACTION

The Consultant recognizes that as a state government contractor or subcontractor, the Consultant is obligated to comply with all state laws and regulations regarding equal opportunity and affirmative action in government contracts. When applicable, the Consultant agrees that all such laws and their implementing regulations are incorporated herein as though set forth in full. These laws include the nondiscrimination requirements of Government Code sections 12990 and

11135, and the nondiscrimination program and clause required by Title 2, Division 4, Chapter 5 of the California Code of Regulations.

#### XV. CONFIDENTIALITY

The Consultant shall keep confidential any and all information provided by CIRM, and/or by a CIRM awardee, including by any of their agents or representatives, and any information conveyed orally to the Consultant by CIRM and/or by a CIRM awardee, including any of their agents or representatives, with oral notification of its confidentiality (the "Confidential Information"). The Consultant agrees to maintain the secrecy of CIRM's Confidential Information and agrees not to use it except in performing the Services under this Agreement and not to disclose it to anyone outside CIRM or anyone within CIRM's organization who does not have a need to know it to perform under this Agreement. This non-disclosure provision shall not apply to any of the following:

1. Information which the Consultant can demonstrate by written records was known to him or her prior to the effective date of this Agreement;
2. Is currently in, or in the future enters, the public domain other than through a breach of this Agreement or through other acts or omissions of the Consultant; or
3. Is obtained lawfully from a third party.

#### XVI. APPLICABLE LAW

The laws of the State of California shall govern this Agreement.

#### XVII. TERMS TO BE EXCLUSIVE

This Agreement constitutes the entire understanding between the parties regarding the subject matter hereof and supersedes any prior understanding between the parties, oral or written, regarding the same subject matter.

#### XVIII. WAIVER OR MODIFICATION OF TERMS

No waiver, amendment or other modifications of the terms of this Agreement shall be binding upon either party unless expressed in writing and signed by both parties hereto.

#### XIX. STANDARD FOR PERFORMANCE

The parties acknowledge that CIRM, in selecting the Consultant to perform the services hereunder, is relying upon the Consultant's reputation for excellence in the performance of the services required hereunder. The Consultant shall perform the services in the manner of one who is a recognized specialist in the types of services to be performed. All deadlines set forth in the Agreement are binding and may be modified only by subsequent written agreement of the parties. The Consultant shall devote such time to performance of its, her, or his duties under this Agreement as is reasonably necessary for the satisfactory performance of such duties within the deadlines set forth herein. Nothing in the foregoing shall be construed to alter the requirement that time is of the essence in this Agreement.

## XX. EXCLUSION.

Independent Consultant warrants that it is not excluded from participation in any governmental sponsored program, including, without limitation, the Medicare, Medicaid, or Champus programs (<http://exclusions.oig.hhs.gov/search.aspx>) and the Federal Procurement and Nonprocurement Programs (<http://www.epls.gov/epls/search.do>). This Agreement shall be subject to immediate termination in the event that the Independent Consultant is excluded from participation in any federal healthcare or procurement program.

## XXI RESOLUTION OF DISPUTES

If the Consultant disputes any action by CIRM arising under or out of the performance of this contract, the Consultant shall notify CIRM of the dispute in writing and request a claims decision. CIRM shall issue a decision within 30 days of the Consultant's notice. If the Consultant disagrees with CIRM's claims decision, the Consultant shall submit a formal claim to the President of CIRM. The decision by the President of CIRM shall be final and conclusive on the claim unless the decision is arbitrary, capricious or grossly erroneous or if any determination of fact is unsupported by substantial evidence. The decision may encompass facts, interpretation of the contract and determinations or applications of law. The decision shall be in writing following an opportunity for the Consultant to present oral or documentary evidence and arguments in support of the claim. Consultant shall continue with the responsibilities under this Agreement during any dispute.

## XXII SURVIVAL.



## Appendix 2: Payee Data Record

STATE OF CALIFORNIA-DEPARTMENT OF FINANCE

### PAYEE DATA RECORD

(Required when receiving payment from the State of California in lieu of IRS W-9 or W-7)

STD 204 (Rev. 10/2019)

<b>1</b>	<p><b>INSTRUCTIONS:</b> Type or print the information. Complete all information on this form. Sign, date, and return to the state agency (department/office) address shown in Box 6. Prompt return of this <b>fully completed</b> form will prevent delays when processing payments.</p> <p>Information provided in this form will be used by California state agencies to prepare Information Returns (Form1099). See next page for more information and Privacy Statement.</p> <p><b>NOTE:</b> Governmental entities, i.e. federal, state, and local (including school districts), are not required to submit this form.</p>					
<b>2</b>	<p><b>BUSINESS NAME</b> <i>(As shown on your income tax return)</i></p>					
	<p><b>SOLE PROPRIETOR, SINGLE MEMBER LLC, INDIVIDUAL</b> <i>(Name as shown on SSN or ITIN) Last, First, MI</i></p>				<p><b>E-MAIL ADDRESS</b></p>	
	<p><b>MAILING ADDRESS</b></p>			<p><b>BUSINESS ADDRESS</b></p>		
	<p>CITY</p>	<p>STATE</p>	<p>ZIP CODE</p>	<p>CITY</p>	<p>STATE</p>	<p>ZIP CODE</p>
<b>3</b>	<p><b>ENTER FEDERAL EMPLOYER IDENTIFICATION NUMBER (FEIN):</b> <input style="width: 100px; height: 15px;" type="text"/></p>					<p><b>NOTE:</b> Payment will not be processed without an accompanying taxpayer identification number.</p>
<p><b>PAYEE ENTITY TYPE</b></p>	<p><input type="checkbox"/> PARTNERSHIP</p> <p><input type="checkbox"/> ESTATE OR TRUST</p>					
<p><b>CHECK ONE BOX ONLY</b></p>	<p><b>CORPORATION:</b></p> <p><input type="radio"/> <b>MEDICAL</b> <i>(e.g., dentistry, psychotherapy, chiropractic, etc.)</i></p> <p><input type="radio"/> <b>LEGAL</b> <i>(e.g., attorney services)</i></p> <p><input type="radio"/> <b>EXEMPT</b> <i>(nonprofit)</i></p> <p><input type="radio"/> <b>ALL OTHERS</b></p>					
	<p><b>ENTER SSN OR ITIN:</b> <input style="width: 100px; height: 15px;" type="text"/></p>					
	<p><input type="checkbox"/> <b>SOLE PROPRIETOR, INDIVIDUAL, OR SINGLE MEMBER LLC</b> <i>(Disregarded Entity)</i></p>					
	<p><i>Social Security Number (SSN) or Individual Taxpayer Identification Number (ITIN) are required by authority of California Revenue and Tax Code sections 18646 and 18661)</i></p>					
<b>4</b>	<p><b>PAYEE RESIDENCY STATUS</b></p> <p><input type="checkbox"/> <b>CALIFORNIA RESIDENT</b> - Qualified to do business in California or maintains a permanent place of business in California.</p> <p><input type="checkbox"/> <b>CALIFORNIA NON RESIDENT</b> <i>(see next page for more information)</i> - Payments to nonresidents for services may be subject to state income tax withholding.</p> <p style="margin-left: 20px;"><input type="radio"/> No services performed in California.</p> <p style="margin-left: 20px;"><input type="radio"/> Copy of Franchise Tax Board waiver of state withholding attached.</p>					
<b>5</b>	<p>I hereby certify under penalty of perjury that the information provided on this document is true and correct. Should my residency status change, I will promptly notify the state agency below.</p>					
	<p><b>AUTHORIZED PAYEE REPRESENTATIVE'S NAME</b> <i>(Type or Print)</i></p>		<p><b>TITLE</b></p>		<p><b>TELEPHONE</b> <i>(include area code)</i></p>	
	<p><b>SIGNATURE</b></p>		<p><b>DATE</b></p>		<p><b>E-MAIL ADDRESS</b></p>	
<b>6</b>	<p>Please return completed form to:</p>					
	<p><b>DEPARTMENT/OFFICE</b> California Institute for Regenerative Medicine</p>			<p><b>UNIT/SECTION</b> Finance</p>		
	<p><b>MAILING ADDRESS</b></p>			<p><b>TELEPHONE</b> <i>(include area code)</i> 415-740-8621</p>		<p><b>FAX</b> 510-990-3857</p>
	<p>CITY</p>	<p>STATE</p>	<p>ZIP CODE</p>	<p><b>E-MAIL ADDRESS</b> sthomison@cirm.ca.gov</p>		

**PAYEE DATA RECORD**

(Required when receiving payment from the State of California in lieu of IRS W-9 or W-7)  
 STD 204 (Rev. 10/2019)

<b>1</b>	<p><b>Requirement to Complete the Payee Data Record, STD 204</b></p> <p>A completed Payee Data Record, STD 204 form, is required for all payees (non-governmental entities or individuals) entering into a transaction that may lead to a payment from the state. Each state agency requires a completed, signed, and dated STD 204 on file; therefore, it is possible for you to receive this form from multiple state agencies with which you do business.</p> <p>Payees who do not wish to complete the STD 204 may elect not to do business with the state. If the payee does not complete the STD 204 and the required payee data is not otherwise provided, payment may be reduced for federal and state backup withholding. Amounts reported on Information Returns (Form 1099) are in accordance with the Internal Revenue Code (IRC) and the California Revenue and Taxation Code (R&amp;TC).</p>
<b>2</b>	<p>Enter the payee's legal business name. The name must match the name on the payee's tax return as filed with the federal Internal Revenue Service. Sole proprietorships and single member limited liability companies (LLCs) must also include the owner's full name. An individual must list his/her full name as shown on the SSN or as entered on the W-7 form for ITIN. The mailing address should be the address at which the payee chooses to receive correspondence. The business address is the address of the business' physical location.</p>
<b>3</b>	<p>Check only <b>one</b> box that corresponds to the payee business type. Corporations must check the box that identifies the type of corporation.</p> <p>The State of California requires that all parties entering into business transactions that may lead to payment(s) from the state provide their Taxpayer Identification Number (TIN). The TIN is required by the R&amp;TC sections 18646 and 18661 to facilitate tax compliance enforcement activities and the preparation of Form 1099 and other information returns as required by the IRC section 6109(a) and R&amp;TC section 18662 and its regulations.</p> <p>Payees must provide <b>one</b> of the following TINs on this form: social security number (SSN), individual taxpayer identification number (ITIN), or federal employer identification number (FEIN). The TIN for sole proprietorships, single member LLC (disregarded entities), and individuals is the SSN or ITIN. Only partnerships, estates, trusts, corporations, and LLCs (taxed as partnerships or corporations) will enter their FEIN.</p>
<b>4</b>	<p><b>Are you a California resident or nonresident?</b></p> <p>A corporation will be defined as a "resident" if it has a permanent place of business in California or is qualified through the Secretary of State to do business in California.</p> <p>A partnership is considered a resident partnership if it has a permanent place of business in California. An estate is a resident if the decedent was a California resident at time of death. A trust is a resident if at least one trustee is a California resident.</p> <p>For individuals and 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 that 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.</p> <p>Payments to all nonresidents may be 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 \$1,500 or less for the calendar year.</p> <p>For information on Nonresident Withholding, contact the Franchise Tax Board at the numbers listed below:          Withholding Services and Compliance Section: 1-888-792-4900      E-mail address: <a href="mailto:wscs.gen@ftb.ca.gov">wscs.gen@ftb.ca.gov</a>          For hearing impaired with TDD, call: 1-800-822-6268      Website: <a href="http://www.ftb.ca.gov">www.ftb.ca.gov</a></p>
<b>5</b>	<p>Provide the name, title, email address, signature, and telephone number of the individual completing this form. Provide the date the form was completed.</p>
<b>6</b>	<p>This section must be completed by the state agency requesting the STD 204.</p>

**Privacy Statement**

Section 7(b) of the Privacy Act of 1974 (Public Law 93-579) requires that any federal, state, or local governmental agency, which requests an individual to disclose their 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.

It is mandatory to furnish the information requested. Federal law requires that payment for which the requested information is not provided is subject to federal backup 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.

All questions should be referred to the requesting state agency listed on the bottom front of this form.

## Appendix 3: Links to the CIRM's Policies and Regulations

### **Contracts Policy**

[http://www.cirm.ca.gov/sites/default/files/files/about\\_cirm/Contracting\\_Policy\\_Adopted\\_20100819.pdf](http://www.cirm.ca.gov/sites/default/files/files/about_cirm/Contracting_Policy_Adopted_20100819.pdf)

### **Grants Administration Policy**

<http://www.cirm.ca.gov/our-funding/chapter-5-grants-administration-policies>

### **Loan Administration Policy**

<http://www.cirm.ca.gov/our-funding/chapter-8-loan-administration-policy>

### **Intellectual Property Regulations**

Intellectual Property Requirements for Non-Profit organizations, applicable to grants made before December 17, 2009

<http://www.cirm.ca.gov/our-funding/chapter-3-intellectual-property-requirements-non-profit-organizations-applicable-grants>

Intellectual Property and Revenue Sharing Requirements for For-Profit organizations, applicable to grants made before December 17, 2009

<http://www.cirm.ca.gov/our-funding/chapter-4>

Intellectual Property and Revenue Sharing Requirements, applicable to grants made before January 27, 2014:

<http://www.cirm.ca.gov/our-funding/chapter-6-intellectual-property-and-revenue-sharing-requirements-non-profit-and-profit>

Intellectual Property and Revenue Sharing Requirements, effective January 27, 2014:

[http://www.cirm.ca.gov/sites/default/files/files/funding\\_page/Reg100600\\_100611\\_27\\_January\\_2014.pdf](http://www.cirm.ca.gov/sites/default/files/files/funding_page/Reg100600_100611_27_January_2014.pdf)