

**STANDARD AGREEMENT - AMENDMENT**

STD 213A (Rev. 10/2019)

<input type="checkbox"/> CHECK HERE IF ADDITIONAL PAGES ARE ATTACHED _____ PAGES	AGREEMENT NUMBER C5607126	AMENDMENT NUMBER	Purchasing Authority Number
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1. This Agreement is entered into between the State Agency and the Contractor named below:

STATE AGENCY NAME

California Department of Corrections and Rehabilitation

CONTRACTOR NAME

JPay LLC

2. The term of this Agreement is:

START DATE

07/01/2017

THROUGH END DATE

06/30/2021

3. The maximum amount of this Agreement after this Amendment is:

\$0.00 Zero dollars and Zero cents

4. The parties mutually agree to this amendment as follows. All actions noted below are by this reference made a part of the Agreement and incorporated herein:

The end date will be extended from June 30, 2020 to June 30, 2021.

All other terms and conditions shall remain the same.

IN WITNESS WHEREOF, THIS AGREEMENT HAS BEEN EXECUTED BY THE PARTIES HERETO.

**CONTRACTOR**

CONTRACTOR NAME (if other than an individual, state whether a corporation, partnership, etc.)

JPay LLC

CONTRACTOR BUSINESS ADDRESS

10981 Marks Way

CITY

Miramar

STATE

FL

ZIP

33025

PRINTED NAME OF PERSON SIGNING

Russell Roberts

TITLE

Chief Growth Officer

CONTRACTOR AUTHORIZED SIGNATURE

RR



DATE SIGNED

05/20/2020

**STATE OF CALIFORNIA**

CONTRACTING AGENCY NAME

California Department of Corrections and Rehabilitation

CONTRACTING AGENCY ADDRESS

1900 Birkmont

CITY

Rancho Cordova

STATE

CA

ZIP

95742

PRINTED NAME OF PERSON SIGNING

Nicole Isaacson

TITLE

IT Supervisor II

CONTRACTING AGENCY AUTHORIZED SIGNATURE

Isaacson

DATE SIGNED

May 20, 2020

CALIFORNIA DEPARTMENT OF GENERAL SERVICES APPROVAL

EXEMPTION (If Applicable)

**A. INTRODUCTION**

The Contractor shall provide to the California Department of Corrections and Rehabilitation (CDCR) cost-free Lock Box Services for expedient transmittal of funds to inmate trust accounts on behalf of inmates that are housed in one of CDCR Adult Institutions. The Contractor shall provide a single depository point for inmate deposits for all locations with reporting capabilities, by location. The Contractor shall also provide cost-free Debit Card services to CDCR for the issuance of parole release funds and personal funds to eligible parolees.

Furthermore, this Agreement shall allow CDCR to utilize the Contractor's secure internet website to assign debit cards to Parolees and apply value to cards provided by the Contractor in two (2) categories—one (1) for the Release Funds and one (1) for the Trust Funds.

**B. COMPANY QUALIFICATIONS**

1. Mandatory Qualifications

- a. Minimum five (5) years' experience working with federal, state or local government in developing and implementing Debit Card and Lock Box applications, similar in nature as defined in this SOW
- b. Minimum five (5) years' experience and primary business focus in managing, developing, and implementing multi-tier web based applications
- c. Minimum two (2) years' experience working in a correctional environment in developing and implementing IT applications designed to issue funds, reconcile, and track detailed account activity related to these funds
- d. Certification of Payment Card Industry Data Security Standard (PCI-DSS) compliance
- e. License from California Department of Business Oversight to provide money transmission services

2. Desirable Qualifications

Minimum of two (2) years' experience working with a large correctional environment with a minimum population of 100,000 inmates

**C. CONTRACTOR TASKS/DELIVERABLES**

1. Lock Box Services

- a. Provide cost free Lock Box Services to CDCR inmates' family and friends free of cost.
- b. Provide Lock Box Services to CDCR inmates' family and friends according Contractor's fee schedule.
- c. Provide Lock Box services to CDCR inmates' family and friends free of cost.
- d. Guarantee and assume full liability for all Lock Box funds transferred and deposited into the CDCR bank account. CDCR will not be held responsible for any fraudulent funds transferred by the contractor on behalf of CDCR.

- e. Image front and back of all envelopes and negotiable items (i.e. checks, money orders) and retain all imaged data for a period of current plus 3 years from the time of deposit.
- f. The Contractor shall disclose all exceptions, limitations and full cost to the sender. The disclosure shall be stated on the Lock Box Service Remittance Coupon in multiple languages (at a minimum English and Spanish).
- g. Provide CDCR staff system user training on the Lock Box Service during the term of this contract as requested by CDCR at no additional cost to CDCR.
- h. Provide Remittance Coupon in multiple languages (at a minimum English and Spanish) to be used by family and friends to aid in the processing of funds through the Lock Box Service. The Remittance Forms should be made available in all CDCR facilities (i.e. visiting rooms, inmate orientation packets and online). The Remittance Form must state "For Inmate Trust Funds Only." The Remittance Form shall include an area for:
  - Inmate Name
  - CDCR Identification Number
  - Institution
  - Sender's name, address and phone number
  - Deposit Amount
  - Remittance Coupons shall state the following disclosure statement:

"All Deposits are subject to Restitution unless specifically exempt from Restitution, per Title 15, Section 3097."
- i. Keep all names and identification numbers of inmates confidential.
- j. The Contractor shall provide Lock Box informational materials, (i.e. posters and pamphlets) to be displayed in each CDCR correctional facility, in multiple languages, (at a minimum, in English and Spanish), for the purpose of notifying family and friends about the availability of the Lock Box Services. Material must be reviewed by Accounting Services Branch – Inmate Accounting and the Division of Adult Institutions. Any advertising for Services covered under this contract must be reviewed and approved by CDCR prior to its use. Any advertising for services not under this Agreement is strictly prohibited.
- k. Respond to and resolve all inquiries and complaints (within 24 hours of receipt) from CDCR inmates' and parolees' family and friends regarding failure of transmittal of funds.
- l. Comply with all applicable California banking regulations.
- m. Assist CDCR Investigative Services Unit (ISU) and Criminal Intelligence Analysis Unit (CIAU) with requests for information pertaining to money laundering, fraud, or illegal activities as needed. Provide at a minimum investigative reports that contain transaction history by inmate name, CDCR number, and sender information.
- n. The Contractor shall create an automated interface of the payment file with the Trust Restitution Accounting Canteen System (TRACS)
  - CDCR has a licensing agreement with a third party vendor for the TRACS system, Advanced Technologies Group (ATG).
  - The Contractor is responsible for contacting ATG, negotiating an agreement with ATG to allow interface activities on behalf of the Contractor with TRACS, and all development activities required in setting up their interface with ATG. This could include a "per transaction" fee, or a licensing fee. The Contractor's rates as identified on the Rate Sheet (Exhibit B-2) shall be inclusive of any and all fees anticipated for this Service.

- o. Process Receipts on a daily basis.
  - The front of the negotiable instrument will be imaged, and the front and back of envelopes will be imaged. If the negotiable instrument is damaged and cannot be imaged, it will be rejected. If the envelope is damaged and cannot be imaged, processing of the negotiable instrument will proceed without the associated envelope data.
  - Negotiable instruments will be stamped with the Contractor's standard endorsement during the encoding process.
  - Capture data for all negotiable instruments including the amount, CDCR Identification Number, sender name, address and zip code, the fund source type of cashier's check, personal check or money order, and date of negotiable instrument.
  - Produce a standard audit trail.
  - Make daily deposits.
  - Report any variance or reconciling item.
  - Report any misapplication of funds.
- p. Provide secured database access to CDCR Accounting of funds transferred to CDCR.
- q. Provide a Daily Transaction Report by Institution. This report must contain the inmate name, inmate CDCR number, Sender's name, address, phone number, funds transfer date, "Lock Box" as the Fund Source Type, dollar amount, transaction count, deposit number or batch number, Institution total.
- r. Provide a Daily Transaction Summary Report by Institution, transaction counts, transferred amount, transfer date, deposit number or batch number. (As described in item bb)
- s. Provide a Monthly Transaction Summary Report by Institution, transaction counts, transferred amount, transfer date, deposit number or batch number. All reports should be available within 24 hours of Lock Box transactions and must be accessible to CDCR staff on the Contractor's website at 06:00 a.m. PST the following business day. (As described in item cc)
- t. Contractor will maintain a retention schedule of CDCR data for a minimum of current plus three years from the date of transaction. The retained data must be accessible by CDCR staff for research or investigative purposes. The destruction of this data must be kept confidential for security purposes.
- u. Establish audit trail accountability.
  - A tracking log, various processing steps and a database support activities will be maintained.
  - All mail receipts will be processed through extraction and imaging prior to any reject evaluation processing.
  - When an item is identified as a candidate for rejection and subsequent return-to-sender action, the name and address, processing date, batch ID, sequence number of the transaction, and the inmate's last name and CDCR number will be entered into a database file. Applicable information from the database file is imported into the labeling program for printing.
  - A mailing log corresponding to each day's returned-to-sender items will be appended to the image system reject report file, thus enabling query search capabilities by address, sender name, inmate's CDCR number, or inmate

- name. It also will enable the recreation of facsimile copies of the original instrument and envelope.
- The return-to-sender database information will be appended to the daily Receipts Report. The data file will contain sender name, sender address and zip code, batch number, sequence number, mail received date, dollar amount, inmate's last name, inmate's CDCR number and return-to-sender reason code.
- v. Not accept cash
- w. Not accept the following:
- Any payment designated for any purpose other than deposit into an inmate's Trust Account
  - Any form of payment except for Personal Checks, Certified Checks, Cashier's Check and Money Orders.
- x. Reject a deposit and perform the action indicated if any of the following conditions exist:
- The negotiable instrument or remittance form does not contain an inmate name, the contractor will return to the sender.
  - The negotiable instrument does not contain a valid CDCR Identification Number, the contractor will return to the sender.
  - The name on the negotiable instruments with a valid CDCR Identification Number but a mismatch between the inmates name on file and the payee name on the instrument of payment, the contractor will return to the sender.
  - Negotiable instrument does not have a valid date and signature per banking industry standards, the contractor will return to the sender.
  - Stale dated payments, the contractor will return to the sender.
  - Third Party Checks, the contractor will return to the sender.
  - Foreign drawn negotiable instruments, the contractor will return to the sender.
  - For negotiable instruments with multiple CDCR Identification Numbers, the contractor will return to the sender. Note: There should be only one CDCR Number for each Remittance Form.
  - Parcels. Parcels will remain unopened. The contractor will return to the sender.
  - Attachments to the negotiable instrument found in the mailing, the contractor will return to the sender.
  - All correspondence, the contractor will return to the sender.
  - Any form of payment except for Personal Checks, Certified Checks, Cashier's Check and Money Orders, the Contractor shall return to sender.
  - If no return address, the contractor will forward the payment to:  
CDCR Trust Accounting  
Unknown Funds  
P.O. Box 276088  
Sacramento, CA 95827
- y. Contractor shall mail and transmit all applicable items and data on a daily basis.
- z. Provide daily processing reports summarizing the following:
- Number of remittances received by instrument type
  - Listing of type of negotiable instrument, CDCR Identification Number and dollar amount
  - Total dollar amount deposited
  - Listing of items rejected and the reason

- aa. Provide a monthly report of cumulative data summarizing the following:
  - Number of remittances received by instrument type
  - Listing of type of negotiable instrument, CDCR Identification Number and dollar amount
  - Total dollar amount deposited
  - Listing of items rejected and the reason
- bb. Establish quality controls that provide quality assurance and meet acceptable quality standards for scanned image and data entry accuracy as defined by CDCR.
- cc. Provide security and confidentiality of all CDCR financial information, staff and personnel, and inmates housed at CDCR facilities.
- dd. Provide excellent customer service.

## 2. Debit Card Services

- a. Provide cost free Debit Card Services to CDCR for the issuance of Parole Release funds and personal funds (Trust Funds) to Parolees. Services to include set-up and maintenance of accounts, training and training materials, providing CDCR with web-based access to vendor program, debit card stock, electronic and printed reports and all other materials, supplies, programs and interfaces required to providing this service.
- b. Contractor is to provide to the CDCR client (inmate, parolee, ward) access to release and trust funds through the use of a branded debit card at point-of-sale (POS) devices and automated teller machines (ATMs) wherever the VISA and/or MasterCard logo (and/or the various network partners of Contractor, Ex: Cirrus, Plus, Star) is accepted.
- c. Contractor must have all of the resources to successfully perform under the contract. This includes, but is not limited to, personnel in the number and with the skills required, experience providing similar services, and financial resources sufficient to complete performance under the contract.
- d. Contractor must demonstrate experience with account setup and authorization, card maintenance, training, customer account maintenance, transaction processing, customer service, managing acquirer participation, settlement and reconciliation, reporting and risk management.
  - Debit card may be used throughout the United States.
  - Debit card must have unique card numbers and assigned Personal Identification Number (PIN).
  - Assigned PIN may be changed by the client/cardholder only.
  - No fee charged cardholder by Contractor for first four (4) transactions at Contractor/partner ATMs including account balance requests. Minimal transaction fees thereafter charged to client (cardholder). Client (cardholder) fees must be listed on Contractor's rate sheet and included with bid.
  - No card fees for use at POS terminals.
  - Transaction fees from third-party vendor(s) must be disclosed in advance and be charged to debit card client/cardholder upon acceptance of those fees.
  - Account transaction receipts will include the account balance.
  - After issuance to client by CDCR, lost, stolen, or demagnetized cards will be replaced by Contractor at specified rate charged to client. Fees must be listed on Contractor's rate sheet.

- Contractor to have sufficient resources to pre-fund cards (advance funds) and invoice CDCR in the specified format twice monthly for reimbursement of advanced funds. Contractor will not charge CDCR or cardholders a fee or interest for providing this pre-funding service.
  - Contractor to guarantee and assume full responsibility for funds on deposit for all active cards and ensure funds are available to client/cardholder once the card is activated.
  - Assist CDCR Investigative Services Unit (ISU) and Criminal Intelligence Analysis Unit (CIAU) with requests for information pertaining to money laundering, fraud, or illegal activities as needed. Provide at a minimum investigative reports that contain transaction history by inmate name, CDCR number, and store or ATM location, date and time when transaction occurred.
  - Customer Service to client/cardholder available in Spanish and English.
  - Service available to client/cardholder 24 hours a day via toll-free telephone number, at no charge to client or CDCR.
  - Surcharge-free ATM's must be available in all counties within California (Contractor must identify Partner Network(s) Locations/Options with bid)
- e. Provide all services necessary to implement debit card program at specified locations. See Exhibit A-1 for list of locations.
- f. Deliver debit card stock inventory to CDCR offices/facilities (Cost Center) as requested through the secure internet website by authorized CDCR super user(s) within five (5) business days of request (postage paid by Contractor). Identify minimum quantity, if any on Exhibit B-1, Rate Sheet. See Exhibit A-1 for list of locations.
- g. Provide CDCR with monthly report of cards issued by location (Cost Center). Responsible for maintaining the database of cardholder accounts including Parolee Name, CDCR number, amounts, dates loaded, CDCR Personal Identification Number (PID) and incarceration date.
- h. Responsible for recruiting and connecting with retailers.
- i. Provide toll-free telephone number, printed on the back of the card for 24 hour customer service to cardholders and retailers, to include lost, stolen or inoperative cards.
- j. Provide transaction processing system and gateway services.
- k. Provide settlement services to client to close out cards with minimum balances, that cannot be withdrawn from ATM (less than \$20.00) and refunds for invalid charges.
- l. Settle and reconcile the movement of money within the banking system.
- m. Provide CDCR with necessary secure website to interface with the contractor's debit card system.
- n. Provide real-time printable report through the secure website of cards loaded with date, client name, CDCR number and amount of Release Funds and Trust Funds applied to the card, to be verified by CDCR staff against the request for funds (CDCR form CDCR 102 Release Statement)
- o. Provide training materials, webinar training, and account profiles to appropriate CDCR staff authorized by the CDCR PM.
- p. Provide live or webinar training to super-users at each location (institution(s), camp(s), parole office(s), accounting office(s)), who will then be responsible for on-site training of other staff.
- q. Provide web-based training manual for new users at no additional cost.

- r. Provide toll-free phone and web-based support to all authorized users.
- s. To the extent possible, provide security access levels to promote and maintain separation of duties:
  - Super-user: Full entry, view and report capabilities. Access to training materials and ability to troubleshoot issues
  - User: Enter data necessary to complete transaction to establish client information, fund card, execute searches and low level release of funds to specified amount.(not able to reverse, void, cancel transactions)
  - Approver: Approve large dollar transactions which exceed limit established by project manager prior to posting to card and approve/release all reversal transactions/void/cancels
- t. Provide written training materials for client/cardholder in English and Spanish to be issued with each card.
- u. Including how to use the card, process for reporting/replacing lost, stolen or damaged card, toll free customer service number, information on fees charged by Contractor and potential fees from third-party vendors.
- v. Develop and provide various reports to accommodate the informational and security needs of CDCR, exportable to Microsoft Excel.
- w. Reports to include:
  - Electronic report(s) (Excel format) in specified configuration to include fields required by the State Controller's Office to process Electronic Claim processing, suitable for uploading into CDCR's accounting system (SAP).
  - Daily List of Cards issued/activated by location (cost center/institution) including card number, parolee/client name, CDCR number, amount and source of funds, PID number, release date, incarceration date, name of staff who entered the transaction.
  - Monthly, Quarterly, Annual report of cards issued.
  - Inventory record/reconciliation of cards received, issued, or in stock.
  - Void/Damaged Card report
  - Report of deposits and disbursements of funds on deposit with vendor.
- x. Provide connectivity to all state and national networks required to implement this contract.
- y. Provide retailer management services.
- z. Maintain interface with CDCR's system to facilitate daily data exchange that is compatible with CDCR existing equipment/software.
- aa. Keep all client names and identification numbers confidential.
- bb. Comply with all California Banking regulations (licensed with the state).
- cc. Establish an account with CDCR to fund debit cards. This account will maintain a permanent advance with regularly scheduled replenishment; or, Electronic Fund Transfer from state to Contractor at scheduled intervals based on cards issued.
- dd. Provide client with secure website to view card activity/balance and obtain electronic customer service.
- ee. Mail replacement cards to client(s).
- ff. Stop/cancel the approval of funds expenditure on an activated card when necessary as determined by CDCR. Refund any remaining funds transferred from CDCR to vendor/vendor's bank for a canceled card.



- gg. All Contractor correspondence and communication shall be directed through the Accounting Services Branch- Bakersfield or Designee as the single point of contact. No solicitation of any products or Services will be made to institution staff.
  - hh. Comply with all Payment Card Industry Data Security Standards (PCI-DSS).
    - ii. Provide security and confidentiality of all CDCR financial information, staff and personnel, and inmates released from CDCR facilities.
    - jj. Contractor will maintain a retention schedule of CDCR data for a minimum of current plus three years from the date of transaction. The retained data must be accessible by CDCR staff for research or investigative purposes. The destruction of this data must be kept confidential for security purposes
    - kk. Establish audit trail accountability.
    - ll. Provide excellent customer service.
3. Third Party Account Reimbursement Provisions
- a. If required and in accordance with section C – Contractor Tasks/Deliverables, items 2.a and 2.cc, contractor will reimburse CDCR for all costs for an account established outside the State Treasury.
  - b. CDCR will establish and retain title to and ownership of the account outside the State Treasury.
  - c. CDCR will deposit an advance in the account in an amount to be determined by CDCR and replenish the account as necessary per the limits set by the State of California, Department of Finance, Fiscal Systems and Consulting Unit.
  - d. Upon receipt, audit and approval of itemized semi-monthly invoice from contractor, CDCR, Accounting Services Branch (ASB), Bakersfield will authorize Automated Clearing House (ACH) transactions no less than twice monthly to transfer funds from CDCR's account to a bank account specified by contractor.
  - e. Contractor will provide ASB-Bakersfield with the routing instructions for the fund transfer.
  - f. CDCR will invoice contractor monthly, in arrears, for all charges associated with the account outside of the State Treasury, as billed by the financial institution.
  - g. Contractor will remit invoice payments within 30 calendar days from the date on the invoice to:
    - CDCR, ASB-Rancho Cucamonga
    - PO Box 6000
    - Rancho Cucamonga, CA 91729-6000

**D. DELIVERABLE ACCEPTANCE CRITERIA**

All concluded work shall be submitted to the CDCR Project Manager (PM), or a selected representative, for review, approval and/or rejection. It shall be CDCR's sole determination as to whether the projects have been successfully completed and is acceptable to CDCR. Signed acceptance is required from the CDCR PM, or a selected representative, before approving a deliverable.

Throughout the Agreement, CDCR shall review and validate the project prior to final acceptance. In addition, the CDCR PM, or a selected representative, shall verify and approve the Contractor's invoices.

Acceptance criteria shall consist of the following:

1. Documentation shall be submitted to the CDCR PM both electronically and in paper copy as appropriate.
2. Requirements Analysis and Design documents shall be produced and submitted to the CDCR PM for approval prior to commencement of work related to those documents. The CDCR PM may direct further refinements.
3. The Contractor shall submit for CDCR PM's signature, a weekly status report, recording all tasks performed.
4. Within five (5) business days, the CDCR PM shall review the quality of all contract work performed by the Contractor and submit documentation to identify any deficiencies observed in the level of services provided by the Contractor. The Contractor shall comply with making the necessary changes within five (5) business days, based on the CDCR PM's findings. Once the CDCR PM approves a course of action to address the noted deficiencies, work can continue toward completion for the noted task.
5. Lock Box Specific:
  - a. All requested reports meet CDCR needs and have signed off approval of format.
  - b. Lock Box program is functioning as required by CDCR at all locations.
  - c. Vendor provided training materials for staff meets the criteria specified in the SOW.
  - d. Web-based program is working effectively and efficiently.
  - e. Issues are confirmed within 24 hours and resolved within 72 hours.
  - f. A proper audit trail is established and maintained within the Lock Box program.
  - g. Changes/modifications requested during pilot are complete and acceptable to CDCR.
  - h. Log and track all issues and provide a report to CDCR monthly.
  - i. Re-submit a failed uploaded file within 24 hours.
6. Debit Card Specific:
  - a. All requested reports meet CDCR needs
  - b. Debit card program is functioning as required by CDCR at all locations.
  - c. Debit card stock is received timely at all CDCR locations.
  - d. Vendor provided training materials for staff and parolees meets the criteria specified in the SOW.
  - e. All parolees are adequately informed of the debit card program process for use, reporting of lost/damaged/stolen cards and fees they will be charged.
  - f. CDCR staff are properly trained and proficient in issuance of debit cards.
  - g. Funds on deposit with vendor and disbursements to cardholder's accounts are properly recorded and processed timely.
  - h. Web-based program is working effectively and efficiently
  - i. Issues are resolved timely.
  - j. CDCR realizes anticipated efficiencies/savings in the processing of release funds to parolees.
  - k. A proper audit trail is established and maintained within the debit card program.

- l. Parolees have access to funds upon receipt of the card (charge transactions)
- m. Parolees successfully obtain/change PIN for PIN-based transactions (ATM/Debit card transactions)
- n. Parolees have easy access to network ATM machines throughout all areas of California.
- o. Changes/modifications requested are complete and acceptable to CDCR.

**E. AGREEMENT COMPLETION CRITERIA**

Status monitoring and acceptance of detailed activities and tasks as outlined above in Section C, Contractor Tasks/Deliverables, and D, Deliverable Acceptance Criteria shall be carried out by the CDCR PM, or a selected representative, and assisted by the selected vendor. Following the submission of the final criteria, the CDCR PM, or a selected representative, may inform the selected vendor by both mail and e-mail when the vendor's services are completed. Following this notification, the vendor shall complete and submit a handover report to the vendor's Project Manager and the CDCR PM, or a selected representative, confirming the completed tasks and the current status of related work at the time the services were rendered complete.

**F. EVALUATION OF CONTRACTOR**

The CDCR PM shall complete a written evaluation of the Contractor's performance under this Agreement within sixty (60) days following the term end date. The evaluation shall be prepared on the Contract/Contractor Evaluation Form (STD 4), and maintained in the Agreement file for three (3) years. If the Contractor's performance was unsatisfactory, a copy of the evaluation shall be sent to the DGS, Office of Legal Services, within five (5) days, and to the Contractor within fifteen (15) days, following the completion of the evaluation.

**G. PROJECT ASSUMPTIONS AND CONSTRAINTS**

- 1. The Consultants' work hours must be consistent with CDCR's key staff on-site. CDCR normal business hours are 8 A.M. to 5 P.M., Monday through Friday, except for State holidays. Maintenance that may disrupt connectivity occurs during non-business hours. It is expected that Consultant(s) shall be available during implementations that are scheduled within these windows.
- 2. No overtime pay shall be authorized for non-standard work hours.
- 3. Time off for the Contractor's staff shall be authorized if there is no foreseeable impact to the expected rollout schedule, as determined by the CDCR PM, or selected representative.
- 4. If onsite work is required, the primary work locations shall be at Accounting Services Branch 5100 Young Street, Building A, Suite 110, Bakersfield, California, and/or 1515 K Street, Sacramento, California (Lock Box services), but may be subject to change upon CDCR PM, or selected representative approval.
- 5. Any modifications to tasks within the SOW of this Agreement shall be defined, documented and mutually agreed upon by the Contractor and CDCR PM, or selected representative, prior to starting work on the modified task. Modifications outside the

- original scope of services shall require Agreement amendment and control agency approval prior to commencement of work.
6. The Contractor must submit a resume for review of all personnel substitutions in advance. The proposed substitute must meet or exceed all mandatory qualifications listed under Section B.2.a., Mandatory Qualifications. All Contractor personnel substitutions must be approved by the CDCR PM.
  7. The CDCR PM, or selected representative, reserves the right to renegotiate services deemed necessary to meet the needs of the project according to State priorities. CDCR and the Contractor shall mutually agree to all changes; renegotiated services outside the scope of the original Agreement shall require control agency approval prior to commencement of work on the renegotiated services.
  8. If this is an IT Consulting Agreement, 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.
  9. The CDCR and the Contractor are mutually obligated to keep open and regular channels of communication in order to ensure the successful execution of this Agreement. Both parties are responsible for communicating any potential problem or issue to the CDCR PM, or selected representative, and the Contractor, respectively, within forty-eight (48) hours of becoming aware of said problem.
  10. The Contractor certifies that it has appropriate systems and controls in place to ensure that State funds shall not be used in the performance of this Agreement for the acquisition, operation, or maintenance of computer software in violation of copyright laws.

#### **H. CDCR ROLES AND RESPONSIBILITIES**

The CDCR shall perform and/or provide the following:

1. Provide any bank account changes in writing within five (5) days to the Contractor.
2. Credit the Lock Box funds to the designated inmate's or parolees' account within three business days after the receipt of the file.
3. Respond to and resolve all inquiries and complaints from CDCR inmate's and parolees family and friends regarding failure of CDCR to promptly and properly credit the inmate's or parolees' account.
4. Provide a hyperlink to the Lock Box web site through CDCR's web site.
5. Provide a Secured File Transfer Protocol (FTP) site for the contractor to transfer their Lock Box transaction files to the ATG TRACS server for processing transactions.
6. Provide secured, Internet access. Each CDCR office will assign limited staff access to the system.
7. Provide the required banking information to Contractor.
8. Provide any changes to banking information to Contractor in writing within five (5) days to the Contractor.
9. Establish procedures to ensure the security and accountability for debit cards delivered to CDCR to be issued to clients through applicable CDCR offices.
10. Provide Contractor with list of CDCR institutions/offices where cards will be delivered.
11. Provide the Department's mission, strategies, and programs;

12. Help resolve and escalate project issues within the CDCR organization, as necessary;
13. CDCR PM, or a selected representative, shall review and approve the work plan for each rollout before the Contractor can commence work;
14. CDCR PM, or a selected representative, shall review and approve all work products;
15. Provide Contractor access to applicable files, reports, contracts, documents, and other relevant information;
16. Provide staff availability for consultation meetings;
17. Provide security access to CDCR's facilities, should Contractor need access; and
18. Provide any assistance of a clerical nature for documents or telephone support.

## **I. CONTRACTOR ROLES AND RESPONSIBILITIES**

The Contractor shall perform and/or provide the following:

1. Provide experienced Consultant(s) with skills and knowledge appropriate to carry out the services.
2. Support the CDCR with advice and assistance as may be reasonably requested from the assigned.
3. Submit all work products for review and will make any corrections as required by the CDCR PM, or selected representative.
4. Prioritize all tasks so as to keep within each planned enhancement release's schedule.
5. Work with the CDCR PM, or selected representative, to ensure any issues or risks affecting the schedule, budget, resources, or scope are uncovered and reported.
6. Shall be obligated to keep open and regular channels of communication in order to ensure the successful execution of the services provided within this contract. The contractor is responsible for effectively communicating any potential problems or issues to the CDCR PM, or selected representative, immediately within becoming aware of said problems.
7. Provide assistance to the CDCR PM, or a selected representative, in planning, monitoring, and controlling the activities and tasks to be carried out by the Consultant(s).
8. Monitor the performance of the Consultant(s) and adjust staffing levels appropriately to ensure completion of tasks listed in Section C, Contractor Tasks/Deliverables, within the stated Period of Performance.
9. Comply with all applicable CDCR and EIS policies and procedures including, but not limited to, the EIS Project Management Office guidelines.
10. Comply with all laws, orders, rules, applicable regulations and industry standards that are associated with the performance of their duties and obligations under this Agreement.
11. All Contractor correspondence and communication shall be directed through the CDCR PM, or selected representative, as the single point of contact. The Contractor shall not solicit any products or services to any institution staff.
12. Be responsible for its own personnel, fiscal, and general administrative services to support this Agreement.
13. Once the Agreement has been awarded, the Contractor shall be provided bank account information to transmit the Lock Box funds to the CDCR Bank Account.

**J. PAYMENT CARD INDUSTRY DATA SECURITY STANDARDS**

CDCR requires that the Contractor shall at all times maintain compliance with the most current PCI DSS. Contractor shall be required to:

1. Provide written confirmation of compliance annually
2. Acknowledge responsibility for the security of cardholder data as defined within PCI DSS
3. Acknowledge and agree that cardholder data may only be used for completing the contracted services as described in the full text of this document, or as required by the PCI DSS, or as required by applicable law.

In the event of a breach or intrusion or otherwise unauthorized access to cardholder data stored at or for the Contractor, Contractor shall immediately:

1. Notify CDCR's Information Security Office to allow the proper PCI DSS compliant breach notification process to commence
2. Provide appropriate payment card companies, acquiring financial institutions, and their respective designees access to the Contractor's facilities and all pertinent records to conduct a review of the Contractor's compliance with the PCI DSS requirements

In the event of a breach or intrusion Contractor:

1. Acknowledges any/all costs related to breach or intrusion or unauthorized access to cardholder data entrusted to Contractor deemed to be the fault of Contractor shall be the liability of the Contractor
2. Agrees to assume responsibility for informing all such individuals in accordance with applicable law
3. Indemnify and hold harmless CDCR and its officers and employees from and against any claims, damages or other harm related to such breach

**K. PERIOD OF PERFORMANCE**

The original Period of Performance for this SOW is July 1, 2017, or upon approval by all parties, whichever is later, through June 30, 2020. Services under this SOW shall commence immediately upon execution of this Agreement and shall be provided to all CDCR adult institutions for each service. If it is determined to be in the best interest of the State, CDCR may exercise two (2) optional two (2) year extensions. Any Amendments to the resulting Agreement shall be consistent with the original Scope of Services.

- Amendment 1 will extend the period of performance through June 30, 2021.

Funding for this Agreement is subject to approval of the project funding requests and appropriation of such funds.

## **L. CONTACTS**

The Contacts during the term of this Agreement is as follows:

### **1. Lock Box Services**

- **Project Manager**

Michele Gomez-Essex, Accounting Administrator II  
Accounting Services Branch - Sacramento  
Inmate Welfare Fund/Trust Accounting Section  
P.O. Box 276088  
Sacramento, CA 95827-6088  
(916) 255-1064  
[Michele.Gomez-Essex@cdcr.ca.gov](mailto:Michele.Gomez-Essex@cdcr.ca.gov)

- **Advanced Technologies Group (ATG)**

Ajit Kumar, Vice President – Fiduciary Systems  
1601 48<sup>th</sup> Street, Suite 220  
West Des Moines, IA 50266  
(515) 221-9344  
[ajitk@a-t-g.com](mailto:ajitk@a-t-g.com)

### **2. Debit Card Services Project Manager**

Walter Mazza, Accounting Administrator II  
Accounting Services Branch-Bakersfield  
P.O. Box 12050  
Bakersfield, CA 93389  
(661) 664-3417  
[Walter.Mazza@cdcr.ca.gov](mailto:Walter.Mazza@cdcr.ca.gov)

### **3. IT Contract Administrator**

Cheryl Southerland, Contract Analyst  
Enterprise Information Services  
1940 Birkmont Drive  
Rancho Cordova, CA 95742  
(916) 358-1868  
[Cheryl.Southerland@cdcr.ca.gov](mailto:Cheryl.Southerland@cdcr.ca.gov)

Pursuant to the above referenced agreement between the California Department of Corrections and Rehabilitation (CDCR) and JPay LLC, debit card services will be supplied at no cost to CDCR. In accordance with section C – Contractor Tasks/Deliverables and effective June 1, 2017 or upon approval, JPay will reimburse CDCR for all costs for an account established with Wells Fargo Bank to fund the debit card program.

1. CDCR will establish and retain title to and ownership of the account outside the State Treasury.
2. CDCR will deposit an advance in the account in an amount to be determined by CDCR and replenish the account as necessary per the limits set by the State of California, Department of Finance, Fiscal Systems and Consulting Unit.
3. Upon receipt, audit and approval of itemized semi-monthly invoice from JPay, CDCR, Accounting Services Branch (ASB), Bakersfield will authorize Automated Clearing House (ACH) transactions no less than twice monthly to transfer funds from CDCR's account to a bank account specified by JPay.
4. JPay will provide ASB - Bakersfield with the routing instructions for the fund transfer.
5. CDCR will invoice JPay monthly, in arrears for all charges associated with the account outside the State Treasury as billed by Wells Fargo.
6. JPay will remit invoice payments within 30 calendar days from the date on the invoice to:

CDCR, ASB - Rancho Cucamonga  
PO Box 6000  
Rancho Cucamonga, CA 91729-6000



SERVICE	COST/ QUANTITY	DESCRIPTION	EXTENDED COSTS
<b><i>Cost of Services Chargeable to Clients (Parolees) After Four (4) Free Initial Transactions (Not Chargeable to the State)</i></b>			
ATM Withdrawal	Free	Per Transaction	Free
ATM Balance Inquiry	Free	Per Transaction	Free
Account Transfer Fee	Free	Per Transaction	Free
Update Client Information	Free	Per Transaction	Free
Lost/Stolen/Damaged Card Replacement <i>(includes cost of cancelling card and issuing replacement card)</i>	\$5.00	Per Transaction	\$5.00
All Additional Client Fees <i>(attach fee schedule)</i>	Please see attached	Contractor's Fee Schedule	Please see attached
<b><i>Minimum Card Order (Quantity Per Location)</i></b>			
Minimum Number of Cards that can be Ordered per Delivery Location Postage Free	No minimum		
<b><i>Partner Networks (List current partner networks)</i></b>			
Maestro, MasterCard, Cirrus, MoneyPass			

## Cardholder Fee Table

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Transaction Type	Fee
POS or ATM Decline	\$1.00
Monthly Service (charged monthly beginning 5 days following card activation)	\$3.00
Cancellation (cardholder receives balance via check or money order)	\$9.95