

STATE OF UTAH - STATE COOPERATIVE CONTRACT

CONTRACT NUMBER MA052

1. CONTRACTING PARTIES: This State Cooperative Contract is between the **Division of Purchasing and General Services**, an agency of the State of Utah, and the following CONTRACTOR:

Sterling Infosystems, Inc.
Name
249 West 17th Street, Floor 6
Address
New York NY 10011
City State Zip

LEGAL STATUS OF CONTRACTOR

- Sole Proprietor
 Non-Profit Corporation
 For-Profit Corporation
 Partnership
 Government Agency

Contact Person Bridget Larsen Phone #415-320-3042 Fax # 646-536-5268 Email blarsen@sterlinginfosystems.com
Federal Tax ID# 11-2845313 Vendor #VC0000157929 Commodity Code #96130

2. GENERAL PURPOSE OF CONTRACT: The general purpose of this contract is to provide:
Background Screening and Verification Services
3. CONTRACT PERIOD: Effective date: 04-26-2011 Termination date: 04-25-2014 unless terminated early or extended in accordance with the terms and conditions of this contract. Renewal options (if any): three (3) additional 12-month terms.
4. PRICING AS PER THE ATTACHMENT: Attachment C Pricing
PAYMENT TERMS: Net 30
MINIMUM ORDER: None
5. ATTACHMENT A: WSCA Contract Terms and Conditions, State Cooperative Contract
ATTACHMENT B: Scope of Work
ATTACHMENT C: Pricing
Any conflicts between Attachment A and other Attachments will be resolved in favor of Attachment A.
6. DOCUMENTS INCORPORATED INTO THIS CONTRACT BY REFERENCE BUT NOT ATTACHED:
a. All other governmental laws, regulations, or actions applicable to the goods and/or services authorized by this contract.
b. Utah State Procurement Code, Procurement Rules, and CONTRACTOR'S response to Bid #NO11002 dated January 5, 2011.

IN WITNESS WHEREOF, the parties sign and cause this contract to be executed.

CONTRACTOR

STATE OF UTAH

[Signature]
Contractor's Signature
9/26/11
Date

[Signature]
Director, Div. of Purchasing & General Svs.
5/2/11
Date

DAMIAN VILLEGAS
Type or Print Name and Title

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PAYMENT TERMS: Net 30

MINIMUM ORDER: None

5. ATTACHMENT A: WSCA Contract Terms and Conditions, State Cooperative Contract

ATTACHMENT B: Scope of Work

ATTACHMENT C: Pricing

Any conflicts between Attachment A and other Attachments will be resolved in favor of Attachment A.

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STATE OF UTAH

Contractor's Signature

Date

Director, Div. of Purchasing & General Svs.

Date

Type or Print Name and Title

Attachment A – Standard Contract Terms and Conditions

Western States Contracting Alliance

PARTICIPANTS: The Western States Contracting Alliance (herein WSCA) is a cooperative group contracting consortium for state government departments, institutions, agencies and political subdivisions (e.g., colleges, school districts, counties, cities, etc.) for the states of Alaska, Arizona, California, Colorado, Hawaii, Idaho, Minnesota, Montana, Nevada, New Mexico, Oregon, South Dakota, Utah, Washington and Wyoming. Other states and their political subdivisions are also eligible to participate in WSCA contracts. Obligations under this contract are limited to those Participating States who have signed a Participating Addendum where contemplated by the solicitation. Financial obligations of Participating States are limited to the orders placed by the departments or other state agencies and institutions having available funds. Participating States incur no financial obligations on behalf of political subdivisions. Unless otherwise specified in the solicitation, the resulting award(s) will be permissive.

QUALITY ESTIMATES: WSCA does not guarantee to purchase any amount under the contract to be awarded. Estimated quantities are for the purposes of submitting proposals only and are not to be construed as a guarantee to purchase any amount.

SPECIFICATIONS: Any deviation from specifications must be clearly indicated by offeror, otherwise, it will be considered that the proposal is in strict compliance. When BRAND NAMES or manufacturers' numbers are stated in the specifications they are intended to establish a standard only and are not restrictive unless the RFP states "No substitute". Proposals will be considered on other makes, models or brands having comparable quality, style, workmanship and performance characteristics. Alternate proposals offering lower quality or inferior performance will not be considered.

ACCEPTANCE OR REJECTION OF PROPOSALS: WSCA reserves the right to accept or reject any or all proposals or parts of proposals, and to waive informalities therein.

SAMPLES: Generally, when required, samples will be specifically requested in the Request for Proposals. Samples, when required, are to be furnished free of charge. Except for those samples destroyed or mutilated in testing, samples will be returned at a offeror's request, transportation collect.

CASH DISCOUNT TERMS: Offeror may quote a cash discount based upon early payment; however, discounts offered for less than 30 days will not be considered in making the award. The date from which discount time is calculated shall be the date a correct invoice is received or receipt of shipment, whichever is later; except that if testing is performed, the date shall be the date of acceptance of the merchandise.

TAXES: Proposal prices shall be exclusive of state sales and federal excise taxes. Where the state government entities are not exempt from sales taxes on sales within their state, the contractor shall add the sales taxes on the billing invoice as a separate entry.

MODIFICATION OR WITHDRAWAL OF PROPOSALS: Proposals may be modified or withdrawn prior to the time set for the opening of proposals. After the time set for the opening of proposals no proposal may be modified or withdrawn, unless done in response to a request for a "Best and Final Offer" from WSCA.

PATENTS, COPYRIGHTS, ETC.: The Contractor shall release, indemnify and hold the Buyer, its officers, agents and employees harmless from liability of any kind or nature, including the Contractor's use of any copyrighted or uncopyrighted composition, secret process, patented or unpatented invention, article or appliance furnished or used in the performance of this contract.

AWARD: WSCA may award multiple contracts as the result of this solicitation. Awards shall be made to the responsible offeror(s) whose proposal is determined to be the most advantageous to WSCA, taking into consideration price and the other evaluation factors set forth in the RFP.

NON-COLLUSION: By signing the proposal the offeror certifies that the proposal submitted, has been arrived at independently and has been submitted without collusion with, and without any agreement, understanding or planned common course of action with, any other vendor of materials, supplies, equipment or services described in the Request for Proposal, designed to limit independent bidding or competition.

CANCELLATION: Unless otherwise stated in the special terms and conditions, any contract entered into as a result of this bid may be canceled by either party upon 60 days notice, in writing, prior to the effective date of the cancellation. Further, any Participating State may cancel its participation upon 30 days written notice, unless otherwise limited or stated in the special terms and conditions of this solicitation. Cancellation may be in whole or in part. Any cancellation under this provision shall not affect the rights and obligations attending orders outstanding at the time of cancellation, including any right of and Purchasing Entity to indemnification by the Contractor, rights of payment for goods/services delivered and accepted, and rights attending any warranty or default in performance in association with any order. Cancellation of the contract due to Contractor default may be immediate.

DEFAULT AND REMEDIES: Any of the following events shall constitute cause for WSCA to declare Contractor in default of the contract: 1. Nonperformance of contractual requirements; 2. A material breach of any term or condition of this contract WSCA shall issue a written notice of default providing a period in which Contractor shall have an opportunity to cure. Time allowed for cure shall not diminish or eliminate Contractor's liability for liquidated or other damages. If the default remains, after Contractor has been provided the opportunity to cure, WSCA may do one or more of the following: 1. Exercise any remedy provided by law; 2. Terminate this contract and any related contracts or portions thereof; 3. Impose liquidated damages; 4. Suspend contractor from receiving future proposal solicitations.

LAWS AND REGULATIONS: Any and all supplies, services and equipment offered and furnished shall comply with all applicable Federal and State laws and regulations.

CONFLICT OF TERMS: In the event of any conflict between these standard terms and conditions and any special terms and conditions which follow; the special terms and conditions shall govern.

REPORTS: The contractor shall submit quarterly reports to the WSCA Contract Administrator showing the quantities and dollar volume of purchases by each agency.

HOLD HARMLESS: The contractor shall release, protect, indemnify and hold WSCA and the respective states and their officers, agencies, employees, harmless from and against any damage, cost or liability, including reasonable attorney's fees for any or all injuries to persons, property or claims for money damages arising from acts or omissions of the contractor, his employees or subcontractors or volunteers.

ORDER NUMBERS: Contract order and purchase order numbers shall be clearly shown on all acknowledgments, shipping labels, packing slips, invoices, and on all correspondence.

GOVERNING LAW: This procurement and the resulting agreement shall be governed by and construed in accordance with the laws of the state sponsoring and administering the procurement. The construction and effect of any Participating Addendum or order against the contract(s) shall be governed by and construed in accordance with the laws of the Participating Entity's State. Venue for any claim, dispute or action concerning an order placed against the contract(s) or the effect of an Participating Addendum shall be in the Purchasing Entity's State.

DELIVERY: The prices offered shall be the delivered price to any Participating State agency or political subdivision. All deliveries shall be F.O.B. destination with all transportation and handling charges paid by the contractor. Responsibility and liability for loss or damage shall remain the Contractor until final inspection and acceptance when responsibility shall pass to the Buyer except as to latent defects, fraud and Contractor's

warranty obligations. The minimum shipment amount will be found in the special terms and conditions. Any order for less than the specified amount is to be shipped with the freight prepaid and added as a separate item on the invoice. Any portion of an order to be shipped without transportation charges that is back ordered shall be shipped without charge.

WARRANTY: As used herein "Buyer" refers to any Participating State agency or political subdivision. The contractor acknowledges that the Uniform Commercial Code applies to this contract. In general, the contractor warrants that: (a) the product will do what the salesperson said it would do, (b) the product will live up to all specific claims that the manufacturer makes in their advertisements, (c) the product will be suitable for the ordinary purposes for which such product is used, (d) the product will be suitable for any *special purposes* that the Buyer has relied on the contractor's skill or judgment to consider.

AMENDMENTS: The terms of this contract shall not be waived, altered, modified, supplemented or amended in any manner whatsoever without prior written approval of the WSCA Contract Administrator.

ASSIGNMENT/SUBCONTRACT: Contractor shall not assign, sell, transfer, subcontract or sublet rights, or delegate responsibilities under this contract, in whole or in part, without the prior written approval of the WSCA Contract Administrator.

NONDISCRIMINATION: The offeror agrees to abide by the provisions of Title VI and Title VII of the Civil Rights Act of 1964 (42 USC 2000e), which prohibit discrimination against any employee or applicant for employment, or any applicant or recipient of services, on the basis of race, religion, color, or national origin; and further agrees to abide by Executive Order No. 11246, as amended, which prohibits discrimination on basis of sex; 45 CFR 90 which prohibits discrimination on the basis of age, and Section 504 of the Rehabilitation Act of 1973, or the Americans with Disabilities Act of 1990 which prohibits discrimination on the basis of disabilities. The offeror further agrees to furnish information and reports to requesting State(s), upon request, for the purpose of determining compliance with these statutes. Offeror agrees to comply with each individual state's certification requirements, if any, as stated in the special terms and conditions. This contract may be canceled if the offeror fails to comply with the provisions of these laws and regulations. The offeror must include this provision in every subcontract relating to purchases by the States to insure that subcontractors and vendors are bound by this provision.

SEVERABILITY: If any provision of this contract is declared by a court to be illegal or in conflict with any law, the validity of the remaining terms and provisions shall not be affected; and the rights and obligations of the parties shall be construed and enforced as if the contract did not contain the particular provision held to be invalid.

INSPECTIONS: Goods furnished under this contract shall be subject to inspection and test by the Buyer at times and places determined by the Buyer. If the Buyer finds goods furnished to be incomplete or in compliance with proposal specifications, the Buyer may reject the goods and require Contractor to either correct them without charge or deliver them at a reduced price, which is equitable under the circumstances. If Contractor is unable or refuses to correct such goods within a time deemed reasonable by the Buyer, the Buyer may cancel the order in whole or in part. Nothing in this paragraph shall adversely affect the Buyer's rights including the rights and remedies associated with revocation of acceptance under the Uniform Commercial Code.

PAYMENT: Payment for completion of a contract is normally made within 30 days following the date the entire order is delivered or the date a correct invoice is received, whichever is later. After 45 days the Contractor may assess overdue account charges up to a maximum rate of one percent per month on the outstanding balance. Payments will be remitted by mail. Payments may be made via a State or political subdivision "Purchasing Card".

FORCE MAJEURE: Neither party to this contract shall be held responsible for delay or default caused by fire, riot, acts of God and/or war which is beyond that party's reasonable control. WSCA may terminate this contract after determining such delay or default will reasonably prevent successful performance of the contract.

HAZARDOUS CHEMICAL INFORMATION: The contractor will provide one set of the appropriate material safety data sheet(s) and container label(s) upon delivery of a hazardous material to the user agency. All safety data sheets and labels will be in accordance with each participating state's requirements.

FIRM PRICE: Unless otherwise stated in the special terms and conditions, for the purpose of award, offers made in accordance with this solicitation must be good and firm for a period of ninety (90) days from the date of proposal opening. Prices must remain firm for the full term of the contract.

EXTENSION OF PRICES: In the case of error in the extension of prices in the proposal, the unit prices will govern.

PROPOSAL PREPARATION COSTS: WSCA is not liable for any costs incurred by the offeror in proposal preparation.

CONFLICT OF INTEREST: The contractor certifies that it has not offered or given any gift or compensation prohibited by the state laws of any WSCA participants to any officer or employee of WSCA or participating states to secure favorable treatment with respect to being awarded this contract.

INDEPENDENT CONTRACTOR: The contractor shall be an independent contractor, and as such shall have no authorization, express or implied to bind WSCA or the respective states to any agreements, settlements, liability or understanding whatsoever, and agrees not to perform any acts as agent for WSCA or the states, except as expressly set forth herein.

POLITICAL SUBDIVISION PARTICIPATION: Participation under this contract by political subdivisions (i.e., colleges, school districts, counties, cities, etc.) of the Participating States shall be voluntarily determined by the political subdivision. The contractor agrees to supply the political subdivisions based upon the same terms, conditions and prices.

DEBARMENT: The contractor certifies that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction (contract) by any governmental department or agency. If the contractor cannot certify this statement, attach a written explanation for review by WSCA.

RECORDS ADMINISTRATION: The contractor will maintain, or supervise the maintenance of all records necessary to properly account for the payments made to the contractor for costs authorized by this contract. These records will be retained by the contractor for at least four years after the contract terminates, or until all audits initiated within the four years have been completed, whichever is later.

AUDIT OF RECORDS: The contractor agrees to allow WSCA, State and Federal auditors, and state agency staff access to all the records to this contract, for audit and inspection, and monitoring of services. Such access will be during normal business hours, or by appointment.

ENTITY PARTICIPATION: Use of specific WSCA cooperative contracts by state agencies, political subdivisions and other entities (including cooperatives) authorized by individual state's statutes to use state contracts are subject to the approval of the respective State Chief Procurement Official. Issues of interpretation and eligibility for participation are solely within the authority of the respective State Chief Procurement Official.

Revision date: June 2010

Attachment B – Scope of Work

Length of Contract

The Contract resulting from this RFP will be for a period of three (3) years. The contract may be extended beyond the original contract period for three (3) additional years on a year by year basis at the State's discretion and by mutual agreement and upon review of current market conditions and contractor performance.

Price Guarantee Period

All pricing must be guaranteed for the initial term of the contract. Following the initial contract period, any request for price adjustment must be for an equal guarantee period, and must be made at least 45 days prior to the effective date. Requests for price adjustment must include sufficient documentation supporting the request. Any adjustment or amendment to the contract will not be effective unless approved by the State of Utah Director of Purchasing and WSCA. The State will be given the immediate benefit of any decrease in the market, or allowable discount. No retroactive price adjustments will be allowed.

Contract Manager

The Contract Manager designated by WSCA and the State of Utah, Division of Purchasing & General Services is:

Brenda Veldevere, Purchasing Agent
State of Utah, Division of Purchasing and General Services
3150 State Office Building, Capitol Hill
Salt Lake City, UT 84114-1061
bveldevere@utah.gov
Phone: (801) 538-3142 Fax: (801) 538-3882

Quarterly Reporting Requirement

Contractors will be required to provide quarterly usage reports to the contract manager. Initiation and submission of the quarterly reports are to be the responsibility of the contractor without prompting or notification by the contract manager.

Quarterly reports must coincide with the quarters in the fiscal year as outlined below:

Quarter #1: July 1 through September 30, due annually by October 30.

Quarter #2: October 1 through December 31, due annually by January 30.

Quarter #3: January 1 through March 31, due annually by April 30.

Quarter #4: April 1 through June 30, due annually by July 30.

Some WSCA States may require additional reporting requirements. Those requirements will be addressed through the individual states Participating Addendum.

Quarterly Reports are to be sent to the contract manager

WSCA Administration Fee

The contractor must pay a WSCA administration fee of one half of one percent (.5%) in accordance with the terms and conditions of the contract. The WSCA administration fee shall be submitted quarterly and

is based on sales of products and services. The WSCA administration fee is not negotiable. WSCA Administration fee is to be payable to WSCA and submitted to the contract manager.

Some WSCA States may require that an additional fee be paid directly to the WSCA Member State on purchases made by procuring entities within that State. For all such requests, the fee level, payment method and schedule for such reports and payments will be incorporated in a Participating Addendum that is made a part of the contract. The contractor may adjust the contract pricing accordingly for purchases made by procuring agencies within the jurisdiction of the State. All such agreements may not affect the WSCA fee or the prices paid by the procuring agencies outside the jurisdiction of the WSCA State requesting the additional fee.

Contract Terms & Conditions

Contracts (Master Agreement) constitute the final agreement except for negotiated participating addendums specific to a state. Contractors will not be allowed to issue separate "service level agreements" with using agencies.

Order of Contract Precedence:

The contract shall consist of the following documents:

1. A Participating Entity's Participating Addendum ("PA") including any state specific Terms & Conditions
2. WSCA Standard Terms & Conditions
3. The Solicitation, and
4. Contractor's response to the Solicitation.

These documents shall be read to be consistent and complementary. Any conflict among documents shall be resolved by giving priority to these documents in the order listed above. Contractor terms and conditions that apply to the Master Agreement are only those that are expressly accepted by the Lead State and must be in writing and attached to the Master Agreement as an Exhibit or Attachment. No other terms and conditions shall apply, including terms and conditions listed in the Contractor's response to the solicitation, or terms listed or referenced on the Contractor website, in the Contractor quotation/sales order, or in similar documents subsequently provided by the Contractor.

Participating Addendums

- A Participating Addendum will be executed by the participating State or participating entity desiring to use contract.
- A Participating Addendum will allow for each Participating State to add terms and conditions that may be unique to their State. The participating State and contractor shall negotiate and agree upon any additional terms and conditions prior to signing and execution of the Participating Addendum.

Insurance Requirement

This requirement pertains to the State of Utah and WSCA insurance requirements, unless other participating states negotiate insurance requirements during the participating addendum process.

Contractor shall procure and maintain at its own expense insurance for any liability arising as a result of the Contractor's, including at any tier, the Contractor's subcontractors, sub-consultants, agents, employees and those for whom the Contractor is liable, acts or omissions in connection with this

Contract which shall protect the contractor, and protect the State and/or end users (as applicable) as additional insureds. Each of the Contractor's insurance policies shall include an endorsement that names the State of Utah and its officers, and employees and/or end users as additional insureds, and the policy shall provide the State of Utah and WSCA and its officers and employees with primary coverage (not contributing coverage) for any liability arising as a result of the Contractor's acts or omissions in connection with this Contract. The Contractor is not required, however, to obtain an "additional insured" endorsement for any Workers' Compensation insurance policy. Contractor shall provide at least the following coverage and any others necessary to provide protection against any claims including those for bodily injury, property damage, personal injury, professional liability and claims covered by the indemnification obligations set forth herein:

- 1) Workers' Compensation Insurance in at least the minimum statutory amounts.
- 2) Commercial General Liability Insurance with a combined single limit of not less than \$1,000,000 per occurrence and \$2,000,000 aggregate.
- 3) Automobile Insurance: If the Contractor's services involve transporting any clients or goods for the State, the Contractor shall maintain a policy of automobile liability insurance covering property damage, personal injury protection, and liability for the vehicles used by the Contractor (including owned, hired and non-owned vehicles).
- 4) Professional Liability Insurance: If the Contractor employs doctors, dentists, social workers, mental health therapists or other professionals (including, at any tier, the Contractor's subcontractors, sub-consultants, agents, employees and those for whom the Contractor is liable) to provide services under this Contract, the Contractor shall maintain a policy of professional liability insurance with a limit of not less than \$1,000,000 per occurrence and \$2,000,000 aggregate. This professional liability insurance shall cover damages caused by errors, omissions or negligence related to the professional services provided under this Contract **by the Contractor, and at any tier, the Contractor's subcontractors, sub-consultants, agents, employees and those for whom the Contractor is liable.**

If any insurance coverage obtained by the Contractor is written on a "claims-made" basis, the certificate of insurance shall so indicate, and the policy shall contain an extended reporting period provision or similar "tail" provision such that the policy covers claims reported up to three (3) years beyond the date that this Contract is terminated.

Contractor shall procure and maintain insurance which shall protect the contractor and The State and/or end user (as an additional insured) from any claims from bodily injury, property damage, or personal injury covered by the indemnification obligations set forth herein. Contractor shall procure and maintain the insurance policies described below at the their own expense and shall furnish to the procurement manager an insurance certificate listing The State of Utah as certificate holder and as an additional insured. The insurance certificate must document that the Commercial General Liability insurance coverage purchased by the authorized dealer to include contractual liability coverage applicable to this contract. In addition, the insurance certificate must provide the following information: the name and address of the insured; name, address, telephone number and signature of the authorized agent; name of the insurance company (authorized to operate in all states); a description of coverage in detailed standard terminology (including policy period, policy number, limits of liability, exclusions and endorsements); and an acknowledgment of notice of cancellation to The State of Utah.

- 1) Workers' Compensation Insurance – The contractor must comply with State of Utah requirements and provide a certificate of insurance.
- 2) Commercial General Liability Policy per occurrence - \$1,000,000. Coverage to include bodily injury and property damage combined single limit.

Other participating states may have insurance requirements that will be addressed in their specific participating addendums.

Customer Service

The contractor shall provide a website dedicated to any participating state that includes, but is not limited to, services, pricing, technical specifications, online ordering, and payment capability.

The contractor shall provide a dedicated customer service representative(s). The representative shall be available to respond to all end user inquiries within one business day. The representative shall be available to resolve any customer service issues.

The representative shall be available to conduct annual meetings, at a minimum, with contract manager to discuss performance and customer service related issues. The representative shall be responsible to conduct and/or coordinate sales meetings, training sessions, and product demonstrations if required.

Retention Schedule

All records that document the provision of a record to a State or Using Agency (not the actual background check record itself) must be maintained by the contractor and available in electronic format for access by the States, at no additional charge, for a period of four (4) years from the provision of the record for purposes of auditing performance and payment.

Multi-Accounts Within a Participating Entity

Participating entities will have different departments utilizing the services provided by contractor(s). Therefore, contractor(s) must process separate individual accounts and unique users within one participating entity.

Third Party Payments

A participating entity may order specific background checks, but require payment by a third party. Contractor must have a method in place to accept payment by a third party.

Payment Types

Contractor must be set-up to accept mailed and electronic payments/P-Cards.

Interest Charges on Late Payments

Any payments contractor's make or causes to be made to State of Utah and/or WSCA after the due date as indicated on the invoice, shall accrue interest at a rate of 18% per annum or the maximum rate permitted by law, whichever is less, until such overdue amount shall have been paid in full. The State's right to interest on late payments shall not preclude the State from exercising any of its other rights or remedies pursuant to this agreement or otherwise with regards to contractor failure to make timely remittances.

Monthly Service and Set-up Fees

Contractor may not charge a setup fee or monthly service fee.

Hours of Operation

Sterling's standard Customer Service hours are 8AM to 8PM (EST), but Sterling is available 24 hours a day, 5 days a week. In addition, Sterling's International Help Desk consists of a team of Client Service Representatives available to support Sterling's international clients across multiple time zones.

Screening Services

WSCA users may contact Client Service Executive or Account Manager to discuss the details of any order or request.

The list of services herein is not intended to be all-inclusive. The State of Utah and WSCA may request other similar services not included in the Master Agreement. As the industry changes or new BSVS are made available, the State of Utah and WSCA reserves the right to change or add those BSVS to the contract. Fees for these additional services are to be priced consistent with the pricing structure established in the Master Agreement. These additional services will be negotiated and added to the Master Agreement.

- 1. Multi-Jurisdictional (local, national, international) Criminal History Record Checks**
- 2. Sex Offender Registry Checks**
- 3. County Criminal Search**
- 4. County Civil Record Searches**
- 5. Social Security Number and Citizenship Verification**
- 6. Driving Records (Motor Vehicle Records)**
- 7. Credit Reports**
- 8. Professional License Verification**
- 9. Education Verification**
- 10. Employment History & Verifications**
- 11. DOT (Transportation) Employment Verification**
- 12. Reference Checks**
- 13. Sanction Screenings (General Services Administration Excluded Parties List System (EPLS), Office of the Inspector General (OIG) List of Excluded Individuals/Entities (LEIE))**
- 14. Military Records**
- 15. US Treasury, Office of Foreign Assets Control (OFAC), list of Specially Designated Nationals (SDN)**
- 16. Other Screening Services (Additional screening/verification services may be offered)**

Other services Sterling offers include Assessment tools, Occupational Health testing, drug screening, I-9/E-Verify services, and many others. Additionally, Sterling processes hundreds of different employee screening products that may or may not be applicable to the State of Utah/WSCA's specific business needs. Sterling may offer specific recommendations during implementation.

For complete details on screening services offered, see Sterling Infosystem's proposal response located at http://www.aboutwsca.org/content.cfm/id/wsca_current_contracts

ATTACHMENT C – PRICING

All pricing is per person/per social locator.

	BACKGROUND SCREEN AND/OR VERIFICATION TYPE	Cost Per Each Report
1.	Multi-Jurisdictional (local, national, international) Criminal History Record Checks	\$2.50
2.	Sex Offender Registry Checks	\$2.50
3.	County Criminal Search	\$6.00
4.	County Civil Record Searches	\$10.00
5.	Social Security Number and Citizenship Verification	\$2.50
6.	Driving Records (Motor Vehicle Records)	\$3.00
7.	Credit Reports	\$5.00
8.	Professional License Verifications	\$6.00
9.	Education Verification	\$7.00
10.	Employment History & Verifications	\$7.00
11.	DOT (Transportation) Employment Verification	\$8.00
12.	Reference Checks	\$7.00
13.	Sanction Screenings	\$3.00
14.	Military Records	\$8.00
15.	U.S. Treasury, Office of Foreign Assets Control (OFAC), list of Specially Designated Nationals (SDN)	\$3.00
16.	Skip Trace Reports	NA
17.	Other Screening Services Offered:	
	1.) Landlord Reference	1.) \$7.00
	2.) FACIS (Health Care Abuse)	2.) 6.00
	3.) Social Media Check	3.) \$7.00
	4.) Various Drug Testing Services	4.) Varies
	5.) Electronic I-9 and E-Verify	5.) \$3.50

The “unlimited search” includes all names a person may have had. The number of names in the “unlimited search” package offering is not limited.

	PACKAGE PRICING Package to include:	Price Per Each Package
1.	Social Locator (Name/Identity-SSN County Criminal per jurisdiction State Criminal per jurisdiction Federal Criminal per jurisdiction Sex Offender & Sexual Predator Registries	\$14.85

1A.	<p>Social Locator (Name/Identity-SSN County Criminal unlimited searches as revealed by SS Locator State Criminal unlimited searches as revealed by SS Locator Federal Criminal unlimited searches as revealed by SS Locator Sex Offender & Sexual Predator Registries</p> <p>*Note – Unlimited Searches Based off last 7 years of SS Locator address history</p>	\$26.10
2.	<p>Social Locator (Name/Identity-SSN County Criminal per jurisdiction State Criminal per jurisdiction Federal Criminal per jurisdiction Sex Offender & Sexual Predator Registries Credit Report</p>	\$19.35
2A.	<p>Social Locator (Name/Identity-SSN County Criminal unlimited searches as revealed by SS Locator State Criminal unlimited searches as revealed by SS Locator Federal Criminal unlimited searches as revealed by SS Locator Sex Offender & Sexual Predator Registries Credit Report</p> <p>*Note – Unlimited Searches Based off last 7 years of SS Locator address history</p>	\$30.60
3.	<p>Social Locator (Name/Identity-SSN County Criminal per jurisdiction State Criminal per jurisdiction Federal Criminal per jurisdiction Sex Offender & Sexual Predator Registries Employment Verification Credit Report Sanction Reports (OIG, GSA, EPLS) SDN</p>	\$28.35
3A.	<p>Social Locator (Name/Identity-SSN County Criminal unlimited searches as revealed by SS Locator State Criminal unlimited searches as revealed by SS Locator Federal Criminal unlimited searches as revealed by SS Locator Sex Offender & Sexual Predator Registries Employment Verification Credit Report Sanction Reports (OIG, GSA, EPLS) SDN</p> <p>*Note – Unlimited Searches Based off last 7 years of SS Locator address history</p>	\$39.60
4.	<p>Social Locator (Name/Identity-SSN County Criminal per jurisdiction State Criminal per jurisdiction Federal Criminal per jurisdiction</p>	

	Sex Offender & Sexual Predator Registries Employment Verification Sanction Reports (OIG, GSA, EPLS) SDN	\$23.85
4A.	Social Locator (Name/Identity-SSN County Criminal unlimited searches as revealed by SS Locator State Criminal unlimited searches as revealed by SS Locator Federal Criminal unlimited searches as revealed by SS Locator Sex Offender & Sexual Predator Registries Employment Verification Sanction Reports (OIG, GSA, EPLS) SDN *Note – Unlimited Searches Based off last 7 years of SS Locator address history	\$35.10
5.	Additional Package Offerings	Sterling will provide aggressive package discounting for whatever services you choose to include.

Up-charge (if any) for rush requests **No Charge**

Volume Discounts: The packages and discounts above are reserved for clients with the highest volume of background screens annually. If WSCA and other members of this contract over exceed this high anticipated volume, additional price breaks will be considered.

PARTICIPATING ADDENDUM
[hereinafter "Addendum"]
WESTERN STATES CONTRACTING ALLIANCE
Background Screening Services
Contract # MA052
Between
Sterling Infosystems, Inc.
[hereinafter "Contractor"]
And
State of Utah
[hereinafter "Participating State" or "Participating" Entity (if not a state)]
State Contract Number: MA052-PA

1. Scope: This Addendum covers the WSCA/NASPO solicitation #NO11002 for Background Screening Services, lead by the State of Utah for use by state agencies and other entities located in the Participating State authorized by that state's statutes to utilize state contracts.

2. Changes: The following terms and conditions will be added to the Participating Addendum for the Participating State:

1) **AUTHORITY**: Provisions of this Addendum are pursuant to the authority set forth in 63G-6, Utah Code Annotated, 1953, as amended, Utah State Procurement Rules (Utah Administrative Code Section R33), and related statutes which permit the STATE to purchase certain specified services, and other approved purchases for the STATE.

2) **LAWS AND REGULATIONS**: Any and all supplies, services and equipment furnished will comply fully with all applicable Federal and State laws and regulations, including applicable licensure and certification requirements.

3) **RECORDS ADMINISTRATION**: The Contractor will maintain, or supervise the maintenance of all records necessary to properly account for the payments made to the Contractor for costs authorized by this contract. These records will be retained by the Contractor for at least four years after the contract terminates, or until all audits initiated within the four years have been completed, whichever is later. The Contractor agrees to allow the State and Federal auditors, and State agency staff, access to all the records to this contract, for audit and inspection, and monitoring of services. Such access will be during normal business hours, or by appointment.

4) **CERTIFY REGISTRATION AND USE OF EMPLOYMENT "STATUS VERIFICATION SYSTEM"**: The Status Verification System, also referred to as "E-verify", only applies to contracts issued through a Request for Proposal process, and to sole sources that are included within a Request for Proposal. It does not apply to Invitation to Bids nor to the Multi-Step Process.

4.1 Status Verification System

A. Each offeror and each person signing on behalf of any offeror certifies as to its own entity, under penalty of perjury, that the named Contractor has registered and is participating in the Status Verification System to verify the work eligibility status of the contractor's new employees that are employed in the State of Utah in accordance with UCA Section 63G-11-103.

B. The Contractor shall require that the following provision be placed in each subcontract at every tier: "The subcontractor shall certify to the main (prime or general) contractor by affidavit that the subcontractor has verified through the Status Verification System the employment status of each new employee of the respective subcontractor, all in accordance with Section 63G-11-103 and to comply with all applicable employee status verification laws. Such affidavit must be provided prior to the notice to proceed for the subcontractor to perform the work."

C. The State will not consider a proposal for award, nor will it make any award where there has not been compliance with this Section.

D. Manually or electronically signing the Proposal is deemed the Contractor's certification of compliance with all provisions of this employment status verification certification required by all applicable status verification laws including UCA Section 63G-11-103.

4.2 Indemnity Clause for Status Verification System

A. Contractor (includes, but is not limited to any Contractor, Design Professional, Designer or Consultant) shall protect, indemnify and hold harmless, the State and its officers, employees, agents, representatives and anyone that the State may be liable for, against any claim, damages or liability arising out of or resulting from violations of the above Status Verification System Section whether violated by employees, agents, or contractors of the following: (a) Contractor; (b) Subcontractor at any tier; and/or (c) any entity or person for whom the Contractor or Subcontractor may be liable.

B. Notwithstanding Section 1. above, Design Professionals or Designers under direct contract with the State shall only be required to indemnify the State for a liability claim that arises out of the design professional's services, unless the liability claim arises from the Design Professional's negligent act, wrongful act, error or omission, or other liability imposed by law except that the design professional shall be

required to indemnify the State in regard to subcontractors or subconsultants at any tier that are under the direct or indirect control or responsibility of the Design Professional, and includes all independent contractors, agents, employees or anyone else for whom the Design Professional may be liable at any tier.

5) **INDEMNITY CLAUSE:** The Contractor will release, protect, indemnify and hold the STATE and the respective political subdivisions and their officers, agencies, employees, harmless from and against any damage, cost or liability, including reasonable attorney's fees for any or all injuries to persons, property or claims for money damages arising from acts or omissions of the Contractor, his employees or subcontractors or volunteers. The parties agree that if there are any Limitations of the Contractor's Liability, including a limitation of liability for anyone for whom the Contractor is responsible, such Limitations of Liability will not apply to injuries to persons, including death, or to damages to property.

6) **EMPLOYMENT PRACTICES CLAUSE:** The Contractor agrees to abide by the provisions of Title VI and VII of the Civil Rights Act of 1964 (42 USC 2000e) which prohibits discrimination against any employee or applicant for employment or any applicant or recipient of services, on the basis of race, religion, color, or national origin; and further agrees to abide by Executive Order No. 11246, as amended, which prohibits discrimination on the basis of sex; 45 CFR 90 which prohibits discrimination on the basis of age; and Section 504 of the Rehabilitation Act of 1973, or the Americans with Disabilities Act of 1990 which prohibits discrimination on the basis of disabilities. Also, the Contractor agrees to abide by Utah's Executive Order, dated March 17, 1993, which prohibits sexual harassment in the work place.

7) **DEBARMENT:** The Contractor certifies that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction (contract), by any governmental department or agency. If the Contractor cannot certify this statement, attach a written explanation for review by the STATE. The Contractor must notify the State Director of Purchasing within 30 days if debarred by any governmental entity during the Contract period.

8) **TERMINATION:** Unless otherwise stated in the Special Terms and Conditions, this contract may be terminated, with cause by either party, in advance of the specified termination date, upon written notice being given by the other party. The party in violation will be given ten (10) working days after notification to correct and cease the violations, after which the contract may be terminated for cause. This contract may be terminated without cause, in advance of the specified expiration date, by either party, upon thirty (30) days prior written notice being given the other party. On termination of this contract, all accounts and payments will be processed according to the financial arrangements set forth herein for approved services rendered to date of termination.

9) **NONAPPROPRIATION OF FUNDS:** The Contractor acknowledges that the State cannot contract for the payment of funds not yet appropriated by the Utah State Legislature. If funding to the State is reduced due to an order by the Legislature or the Governor, or is required by State law, or if federal funding (when applicable) is not provided, the State may terminate this contract or proportionately reduce the services and purchase obligations from the State upon 30 days written notice. In the case that funds are not appropriated or are reduced, the State will reimburse Contractor for products delivered or services performed through the date of cancellation or reduction, and the State will not be liable for any future commitments, penalties, or liquidated damages.

10) **TAXES:** Bid/proposal prices will be exclusive of state sales, use and federal excise taxes. The State of Utah's sales and use tax exemption number is 11736850-010-STC, located at <http://purchasing.utah.gov/contract/documents/salestaxexemptionformsigned.pdf>. The tangible personal property or services being purchased are being paid from STATE funds and used in the exercise of that entity's essential functions. If the items being purchased are construction materials, they will be converted into real property by employees of this government entity, unless otherwise stated in the contract, or contract orders. The State of Utah's Federal excise exemption number is 87-780019K.

11) **PARTICIPANTS:** This is a contract to provide the State of Utah government departments, institutions, agencies and political subdivisions (i.e., colleges, school districts, counties, cities, etc.) with the goods and/or services described in the bid/proposal.

12) **POLITICAL SUBDIVISION PARTICIPATION:** Participation under this contract by political subdivisions (i.e., colleges, school districts, counties, cities, etc.) will be voluntarily determined by the political subdivision. The Contractor agrees to supply the political subdivisions based upon the same terms, conditions and prices.

13) **REPORTS AND FEES:** The Contractor agrees to provide a quarterly administrative fee to the State of Utah in the form of a Check or EFT payment. The fee will be payable to the "State of Utah Division of Purchasing" for an amount equal to 1% of the net sales (net of any returns, credits, or adjustments) under this Addendum for the period. The Contractor's WSCA pricing to the Participating Entity may be adjusted to offset for the equivalent fee amount. Payment(s) shall be made in accordance with the following schedule:

<u>Period End</u>	<u>Fee Due</u>
March 31	April 30
June 30	July 31
September 30	October 31
December 31	January 31

The Contractor agrees to provide a quarterly utilization report, reflecting net sales to the Participating Entity during the associated fee period. The report will show the quantities and dollar volume of purchases by each agency and political subdivision. The report will be provided in secure electronic format and/or submitted electronically to the Purchasing Agent in the Division of Purchasing over in this Addendum and a copy to the Utah reports email address salesreports@utah.gov.

14) **PAYMENT:** Payments are normally made within 30 days following the date the order is delivered or the date a correct invoice is received, whichever is later. After 60 days from the date a correct invoice is received by the appropriate State official, the Contractor may assess interest on overdue, undisputed account charges up to a maximum of the interest rate paid by the IRS on taxpayer refund claims, plus two percent, computed similarly as the requirements of Utah Code Annotated Section 15-6-3. The IRS interest rate is adjusted quarterly, and is applied on a per annum basis, on the invoice amount that is overdue. Payments may be made via a State of Utah (or political subdivision) "Purchasing Card" (major credit card). All payments to the Contractor will be remitted by mail, electronic funds transfer, or Purchasing Card.

15) **HAZARDOUS CHEMICAL INFORMATION:** The Contractor will provide one set of the appropriate material safety data sheet(s) and container label(s) upon delivery of a hazardous material to the user agency. All safety data sheets and labels will be in accordance with each participating state's requirements.

16) **PUBLIC INFORMATION:** Contractor agrees that the contract, related Sales Orders, and Invoices will be public documents, as far as distribution of copies. Contractor gives the STATE express permission to make copies of the contract, related Sales Orders, and Invoices in accordance with the State of Utah Government Records Access and Management Act (GRAMA). Except for sections identified in writing and expressly approved by the State Division of Purchasing, Contractor agrees that the Contractor's response to the solicitation will be a public document, and copies may be given to the public under GRAMA laws. The permission to make copies as noted will take precedence over any statements of confidentiality, proprietary information, or copyright information.

17) **PROCUREMENT ETHICS:** The Contractor understands that a person who is interested in any way in the sale of any supplies, services, construction, or insurance to the State of Utah is violating the law if the person gives or offers to give any compensation, gratuity, contribution, loan or reward, or any promise thereof to any person acting as a procurement officer on behalf of the State, or who in any official capacity participates in the procurement of such supplies, services, construction, or insurance, whether it is given for their own use or for the use or benefit of any other person or organization (63G-6-1002, Utah Code Annotated, 1953, as amended).

18) **ENERGY CONSERVATION AND RECYCLED PRODUCTS:** The contractor is encouraged to offer Energy Star certified products or products that meet FEMP (Federal Energy Management Program) standards for energy consumption. The State of Utah also encourages contractors to offer products that are produced with recycled materials, where appropriate, unless otherwise requested in the solicitation.

19) **INDIVIDUAL CUSTOMERS:** Each State agency and each political subdivision, as a State Entity, that uses this contract will be treated as if they were individual Customers. Each agency and each political subdivision will be responsible for their own charges, fees, and liabilities. The Contractor will apply the charges to each State Entity individually.

3. Primary Contact: The primary Participating State contact individual for this participating addendum is as follows:

Name:	Brenda Veldevere
Participating Entity:	State of Utah, Div. of Purchasing
Address:	3150 State Office Building, Capitol Hill Salt Lake City, Utah 84114-1061
Telephone:	801-538-3142
Fax:	801-538-3882
E-mail:	bveldevere@utah.gov

4. Subcontractors: The following subcontractor(s) are authorized to perform services.
NONE

5. Authorized Point-of-Sale: The following Servicing Contractors are authorized to perform services.
NONE

6. Pricing: All pricing is per person/per social locator.

	BACKGROUND SCREEN AND/OR VERIFICATION TYPE	Cost Per Each Report
1.	Multi-Jurisdictional (local, national, international) Criminal History Record Checks	\$2.50
2.	Sex Offender Registry Checks	\$2.50
3.	County Criminal Search	\$6.00
4.	County Civil Record Searches	\$10.00
5.	Social Security Number and Citizenship Verification	\$2.50
6.	Driving Records (Motor Vehicle Records)	\$3.00
7.	Credit Reports	\$5.00
8.	Professional License Verifications	\$6.00
9.	Education Verification	\$7.00
10.	Employment History & Verifications	\$7.00
11.	DOT (Transportation) Employment Verification	\$8.00
12.	Reference Checks	\$7.00
13.	Sanction Screenings	\$3.00
14.	Military Records	\$8.00
15.	U.S. Treasury, Office of Foreign Assets Control (OFAC), list of Specially Designated Nationals (SDN)	\$3.00
16.	Skip Trace Reports	NA
17.	Other Screening Services Offered:	
	1.) Landlord Reference	1.) \$7.00
	2.) FACIS (Health Care Abuse)	2.) 6.00
	3.) Social Media Check	3.) \$7.00
	4.) Electronic I-9 and E-Verify	4.) \$3.50

The "unlimited search" includes all names a person may have had. The number of names in the "unlimited search" package offering is not limited.

	PACKAGE PRICING Package to include:	Price Per Each Package
1.	Social Locator (Name/Identity-SSN County Criminal per jurisdiction State Criminal per jurisdiction Federal Criminal per jurisdiction Sex Offender & Sexual Predator Registries	\$14.85
1A.	Social Locator (Name/Identity-SSN County Criminal unlimited searches as revealed by SS Locator State Criminal unlimited searches as revealed by SS Locator Federal Criminal unlimited searches as revealed by SS Locator Sex Offender & Sexual Predator Registries *Note – Unlimited Searches Based off last 7 years of SS Locator address history	\$26.10
2.	Social Locator (Name/Identity-SSN County Criminal per jurisdiction State Criminal per jurisdiction Federal Criminal per jurisdiction Sex Offender & Sexual Predator Registries Credit Report	\$19.35

2A.	<p>Social Locator (Name/Identity-SSN County Criminal unlimited searches as revealed by SS Locator State Criminal unlimited searches as revealed by SS Locator Federal Criminal unlimited searches as revealed by SS Locator Sex Offender & Sexual Predator Registries Credit Report</p> <p>*Note – Unlimited Searches Based off last 7 years of SS Locator address history</p>	\$30.60
3.	<p>Social Locator (Name/Identity-SSN County Criminal per jurisdiction State Criminal per jurisdiction Federal Criminal per jurisdiction Sex Offender & Sexual Predator Registries Employment Verification Credit Report Sanction Reports (OIG, GSA, EPLS) SDN</p>	\$28.35
3A.	<p>Social Locator (Name/Identity-SSN County Criminal unlimited searches as revealed by SS Locator State Criminal unlimited searches as revealed by SS Locator Federal Criminal unlimited searches as revealed by SS Locator Sex Offender & Sexual Predator Registries Employment Verification Credit Report Sanction Reports (OIG, GSA, EPLS) SDN</p> <p>*Note – Unlimited Searches Based off last 7 years of SS Locator address history</p>	\$39.60
4.	<p>Social Locator (Name/Identity-SSN County Criminal per jurisdiction State Criminal per jurisdiction Federal Criminal per jurisdiction Sex Offender & Sexual Predator Registries Employment Verification Sanction Reports (OIG, GSA, EPLS) SDN</p>	\$23.85
4A.	<p>Social Locator (Name/Identity-SSN County Criminal unlimited searches as revealed by SS Locator State Criminal unlimited searches as revealed by SS Locator Federal Criminal unlimited searches as revealed by SS Locator Sex Offender & Sexual Predator Registries Employment Verification Sanction Reports (OIG, GSA, EPLS) SDN</p> <p>*Note – Unlimited Searches Based off last 7 years of SS Locator address history</p>	\$35.10
5.	Additional Package Offerings	Sterling will provide aggressive package discounting for whatever services you choose to include.

Up-charge (if any) for rush requests No Charge

Volume Discounts: The packages and discounts above are reserved for clients with the highest volume of background screens annually. If WSCA and other members of this contract over exceed this high anticipated volume, additional price breaks will be considered.

This Addendum and the Master Agreement together with its exhibits, set forth the entire agreement between the parties with respect to the subject matter of all previous communications, representations or agreements, whether oral or written, with respect to the subject matter hereof. Terms and conditions inconsistent with, contrary or in addition to the terms and conditions of this Addendum and the Master Agreement, together with its exhibits, shall not be added to or incorporated into this Addendum or the Master Agreement and its exhibits, by any subsequent purchase order or otherwise, and any such attempts to add or incorporate such terms and conditions are hereby rejected. The terms and conditions of this Addendum and the Master Agreement and its exhibits shall prevail and govern in the case of any such inconsistent or additional terms.

IN WITNESS WHEREOF, the parties have executed this Addendum as of the date of execution by both parties below.

Government Entity: State of Utah

Contractor:

By: Kent D. Beers

By: [Signature]

Name: Kent D. Beers
Title: Director of Purchasing

Name: Dan [Signature]
Title: VP of Sales

Date: 5/2/11

Date: 4/26/11

BACKGROUND SCREENING SERVICES RFP
Solicitation #NO11002

Prepared for:
State of Utah



Prepared by:

STERLING INFOSYSTEMS, INC.
Bridget Larsen ▶▶ Regional Sales Director ▶▶ 646-435-2014

January 5, 2011

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USAGE REPORTING REQUIREMENT

All contractors will be required to provide quarterly usage reports to the contract manager. Initiation and submission of the quarterly reports are to be the responsibility of the contractor without prompting or notification by the contract manager.

Quarterly reports must coincide with the quarters in the fiscal year as outlined below:

Quarter #1: July 1 through September 30, due annually by October 30.

Quarter #2: October 1 through December 31, due annually by January 30.

Quarter #3: January 1 through March 31, due annually by April 30.

Quarter #4: April 1 through June 30, due annually by July 30.

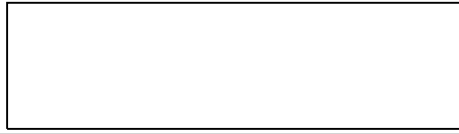
Offerors shall identify below the person responsible for providing the mandatory usage reports: (this information must be kept current during the contract period)

NAME:	Account Manager (specific personnel will be determined during implementation)
MAILING ADDRESS:	5057 West Oaks Boulevard, Suite 100 Rocklin, CA 95765
TELEPHONE #:	800-943-2589
FAX NUMBER:	800-943-4257
EMAIL ADDRESS:	Determined during implementation

The purpose of the contract usage reporting requirement is to aid in contract management; specific report content scope and format requirements will be provided to the awarded contractors during contract signing. Some WSCA States may require additional reporting requirements. Those requirements can be addressed through the individual states Participating Addendum. Failure to comply with this requirement may result in contract cancellation.

Sterling's Client Relations Support team structure consists of a dedicated or designated Account Manager for large, national accounts. The Account Manager is the point of contact for account related strategic initiatives, best practice recommendations, and statistical reporting. The Account Manager is also responsible for providing their clients with in-depth quarterly account reviews. Account reviews describe program performance so that results related to key metrics such as "time to hire" are





evaluated against program expectations. The account review will also include “Voice of the Customer data,” which Sterling proactively collects for transparency into program perception across key stakeholders. Sterling Account Managers are responsible for reviewing customer feedback and performance trends, and transforming this information into ideas that drive continual improvement. The Account Manager for State of Utah and WSCA will fulfill this reporting requirement. Specific personnel will be determined during implementation relationship after we identify which of our team members would be best able to provide nuanced, customized service to the State of Utah and WSCA’s particular business needs.

CLAIM OF BUSINESS CONFIDENTIALITY

To protect information under a Claim of Business Confidentiality, the Offeror must:

1. Provide a written Claim of Business Confidentiality at the time the information (proposal) is provided to the state, and

Please reference the attachment entitled “Sterling Infosystems, Inc. RFP Response – Solicitation #NO11002 – Claim of Business Confidentiality.”

Sterling Infosystems, Inc.’s Subsection 63G-2-309(1) Claim of Business Confidentiality:

1. Client names and contact information provided as references.
 - a. Names of Sterling's clients and contact persons at those businesses are proprietary/confidential/competitive information that if published could put those clients at risk. In addition, Sterling's client contracts specify that Sterling will not publish, or cause to have published, client information without their written permission.
2. Audited Financial Statements
 - a. Sterling is a privately held company, and its audited financial statements contain proprietary/confidential/competitive information about costs of operations, margins and profits that if published could be used to its disadvantage by our competitors

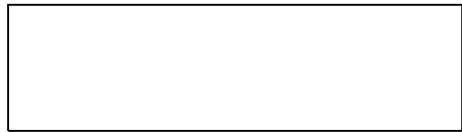
2. Include a concise statement of reasons supporting the claim of business confidentiality (Subsection 63G-2-309(1)).

Please reference the response to question 1. in this section for Sterling Infosystems, Inc.’s concise statement of reasons supporting the claim of business confidentiality.

3. Submit an electronic “redacted” (excluding protected information) copy of your proposal response. Copy must be clearly marked “Redacted Version.”

Please reference proposal entitled “State of Utah RFP Response Solicitation #NO11002 – REDACTED – January 5, 2011.”





MINIMUM REQUIREMENTS

This section contains the minimum requirements that must be met in order to be considered for the evaluation phase. All of the items described in this section are non-negotiable. All Offerors must state willingness and demonstrate ability to satisfy these requirements in the proposal submitted for consideration.

a. **Minimum Experience**

Contractor must have been in business for a minimum of three years providing background screening services on a nationwide basis, and must demonstrate that they have specific public sector experience.

Sterling has provided exemplary employee screening services for our valued clients for over 35 years. In that time, we've established locations on both coasts of the United States and a robust network of technology and researchers with the ability to directly access primary source records. Sterling's patented CourtDirect technology revolutionized the way criminal record searches are performed by building direct links to a large network of jurisdictions in the U.S. With 72% of our volume processed through CourtDirect, Sterling eliminates potential human error in data retrieval and has the ability to deliver primary source information to our clients in an average of 15 hour or less, **50% faster** than our industry competitors. Because of our large and diverse customer base, we have the extensive experience, specialized knowledge, and precisely honed skills required to perform background checks in other countries, including major developing countries like India. We process over 7million transactions annually for over 10,000 clients all over the world.

Sterling partners with the largest Occupational Health Services companies in the industry to ensure that our clients have the greatest number of options for physical testing sites. Results for the physical examinations appear in our SterlingDirect interface, ensuring a streamlined process for all Sterling clients that utilize our services.

Sterling services over 10,000 clients globally and over 40 public sector clients across the United States, including City & County of Denver, Garfield County Government, and Berks County Sheriff's Department. Our 96% client retention rate over the past 10 years is a testament to the quality of information, technology, and personal service we provide.

b. **Licensing Requirements**

Contractors must be in full compliance with the Fair Credit Reporting Act (FCRA). Research staff must have and maintain credentials and/or licenses as required by any





participating entity. For example, the State of Utah and Nevada require that firms which conduct background screening services be licensed as private investigators (PI Agencies).

We are in a uniquely strong position to understand and stay current with pre-employment legislation due to the legal and industry expertise of our executive team and our strategic partnership with Jackson-Lewis, LLP, a nationally recognized employment law firm. We continuously improve our processes and hiring products to help ensure compliance with Fair Credit Reporting Act (FCRA), Fair and Accurate Credit Transactions Act (FACT Act), Driver's Privacy and Protection Act (DPPA), Equal Employment Opportunity Commission (EEOC), American's with Disabilities Act (ADA) requirements, and other federal, state, and international laws, rules, and regulations. Before we submit completed Screening Reports to Sterling clients, our highly trained Quality Control department thoroughly reviews all results and excludes any information that does not comply with international, state, local, or federal regulations before the report is finalized. Sterling clients have the assurance that all data on completed reports is actionable and may be legally considered in the hiring decision.

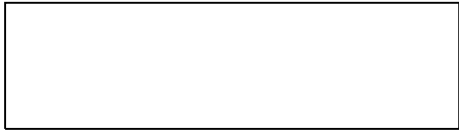
Sterling's CEO, William Greenblatt, is an attorney himself and works closely with our Vice President of Compliance, also an attorney, to stay ahead of the legislative regulatory curve. Michael Lotito, partner at Jackson Lewis' San Francisco office, is a member of Sterling's Board of Directors. Additionally, we have a representative who sits on the Governing and Legislative Affairs Committee for the National Association of Professional Background Screeners (NAPBS). His duties include meeting with national legislators in Washington D.C. and various state legislators to discuss the most important employee screening issues today, ensuring that State of Utah/WSCA benefits from a screening partner that is not only informed but significantly involved in the newest regulatory debates and laws surrounding pre-employment screening. Our strategic partnership with Jackson-Lewis LLP, a nationally recognized law firm that specializes in employment law and HR legal matters, further enhances our already robust compliance resources. Outside of the United States, Sterling has direct legal representation in over 30 countries to ensure compliance with international employment screening laws.

Please reference the document entitled "Sterling Infosystems, Inc. RFP Response - Solicitation #NO11002 - Nevada Private Investigator License" for a copy of our license in Nevada. Sterling has the ability to obtain primary source felony and misdemeanor records from all Utah Counties and from Utah's State Repository through the Utah State Courts XChange website.

c. Good Standing

The Offerors must be in good standing with trade associations, certification boards, or other regulatory agencies. Provide current license and certifications. Disclosure of any





alleged issues, investigations, and/or citations is required. Provide information regarding on-going or past bankruptcies or reorganizations within the last five (5) years) with your proposal submission.

Sterling Infosystems is in good standing with all relevant trade associations, certification boards, and applicable regulatory agencies. Please reference the document entitled “Sterling Infosystems, Inc. RFP Response - Solicitation #NO11002 - Nevada Private Investigator License” for a copy of our license in Nevada. Please reference the documents entitled “Sterling Infosystems, Inc. RFP Response – Solicitation #NO11002 – Sterling Audited Financials” [PROTECTED] followed by the appropriate year for Sterling’s audited financial information for the last five years.

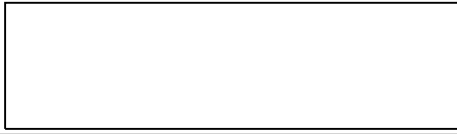
d. Professional Membership

Offeror must provide details regarding membership in professional organizations, such as the National Association of Professional Background Screeners (NAPBS), and provide details as to the benefits of these organizations.

Sterling has the following certifications relevant to background screening:

- ▶ **NAPBS** – National Association of Professional Background Screeners
 - ✓ NAPBS® serves to represent the interest of companies offering tenant, employment and background screening. NAPBS® offers an opportunity for qualified companies to participate in shaping the body of knowledge and regulations impacting our futures.
 - ✓ NAPBS® gives the screening industry the ability to effectively demonstrate its competence, reliability and willingness to adopt standards.
 - ✓ NAPBS® is the best means to associate those companies able and willing to conform to standards and to meet the highest expectations of our clients and lawmakers. NAPBS® has adopted By-Laws, a Code of Conduct, and a Mission Statement.
- ▶ **SHRM** – Society for Human Resources Management
 - ✓ The Society for Human Resource Management (SHRM) is the world’s largest association devoted to human resource management. Representing more than 250,000 members in over 140 countries, the Society serves the needs of HR professionals and advances the interests of the HR profession. Founded in 1948, SHRM has more than 575 affiliated chapters within the United States and subsidiary offices in China and India.
- ▶ **DATIA** – Drug and Alcohol Testing Industry Association





- ✓ DATIA maintains a pro-active government relations program and protects the industry's interests on Capitol Hill.
 - ✓ DATIA promotes and supports legislation benefiting the drug and alcohol testing industry such as the Drug Free Workplace Act of 1998.
 - ✓ DATIA participates in government working groups to make positive changes to proposed regulations and industry guidelines.
 - ✓ DATIA monitors proposed agency regulations for their impact on drug and alcohol testing professionals. Furthermore, DATIA comments on and works with key officials within federal agencies such as the Department of Transportation and the Department of Health and Human Services to ensure that final regulations promote increased growth of the industry.
 - ✓ [Collector Certification Program](#) - DATIA's Certified Professional Collector™ program ensures that collection personnel are proficient in providing collection services according to proper regulations and guidelines.
 - ✓ [Accredited Collection Facility Program](#) - DATIA's ACFP ensures that accredited facilities uphold the highest professional standards in 1) the collection facility and its operation and 2) the collection facility's personnel.
 - ✓ [Nationally Accredited for Administration of Drug and Alcohol Testing Programs](#) - DATIA's NAADATP program and training courses educates drug and alcohol testing program management companies with comprehensive education on the correct policies, procedures, and standards needed for effective program management.
 - ✓ [Excelling as an MRO Assistant](#) - DATIA's MRO Assistant course provides instruction and standards for MRO Assistants, including background knowledge of the industry, practical methodology, and real-world practical hints for successful implementation of the MRO Assistant's role. Plus, attendees of DATIA's MRO Assistant course are then eligible to apply for certification through MROCC.
 - ✓ [DER Compliance: A Train the Trainer Course on the Drug and Alcohol Testing Responsibilities of Employers](#) - DATIA's DER course will instruct representatives of Consortia/Third-Party Administrators on the roles and responsibilities of the DER from the DER's perspective. After completing this course, C/TPAs can hold training courses for DERs at client companies with materials provided by DATIA. After receiving this professional industry instruction, DERs may choose to take an exam and be certified by DATIA.
- » [SAPAA](#) – Substance Abuse Program Administrators Association





- ✓ SAPAA specializes in education. SAPAA's national standards are recognized as the credential for the substance abuse testing and program management industry professional. The Certified Substance Abuse Program Administrators (C-SAPA) certifying examination, formalized in 1997, aids employment opportunities and has increased the professional stature of the many professionals who have earned it.
 - ✓ Additionally, SAPAA's conferences provide an in-depth education. With bottom-line issues - drug and alcohol testing, strategic planning, DOT developments, legal issues and ethical leadership - all rating high on the program and explored in-depth, you receive an education with SAPAA you can't find elsewhere.
- » **SAFE HARBOR** Certification

- ✓ The safe harbor provides a number of important benefits to U.S. and EU firms. Benefits for U.S. organizations participating in the safe harbor will include:
 - All 27 Member States of the European Union will be bound by the European Commission's finding of adequacy
 - Companies participating in the safe harbor will be deemed adequate and data flows to those companies will continue;
 - Member State requirements for prior approval of data transfers either will be waived or approval will be automatically granted; and
 - Claims brought by European citizens against U.S. companies will be heard in the U.S. subject to limited exceptions.
- ✓ The safe harbor framework offers a simpler and cheaper means of complying with the adequacy requirements of the Directive, which should particularly benefit small and medium enterprises.

An EU organization can ensure that it is sending information to a U.S. organization participating in the safe harbor by viewing the public list of safe harbor organizations posted on this website. This list contains the names of all U.S. companies that have self-certified to the safe harbor framework. This list will be regularly updated, so that it is clear who is assured of safe harbor benefits.

- » **ISO** Certification
- ✓ Our ISO 9001:2008 certification means that Sterling quality control procedures are documented according to the highest available standards for detailed written processes, ensuring that Sterling clients enjoy unparalleled risk mitigation. Our ISO 9001:2008 certification emphasizes our vigilant devotion to the very best operational standards so that our clients may consistently depend on receiving the highest quality results.
- » **HR-XML** – Human Resources – eXtensible Markup Language





- ✓ Not only is Sterling HR-XML certified, but we are a Charter Member of the HR-XML Consortium - a standards making body dedicated to standardizing the exchange of HR-related data. Sterling is actively engaged in many of the Consortium's workgroups including Screening, DOT/Drug, and on the Technical and Business Steering Committees.
- ✓ As a leader of the Screening workgroup, Sterling worked with many of today's leading Applicant Tracking and Human Resource Information System vendors (and many of our competitors!) to build a set of standard "documents" that can be exchanged between a variety of systems and across multiple communications protocols. Sterling's Integration Framework is based on HR-XML standards from the ground up and will remain ever-compatible and compliant with HR-XML and HRCertify as ATS and HRIS vendors subscribe to its standard usage. Our HR-XML certification allows us to deliver speed, ease and convenience to our clients. Because of our HR-XML certification, our systems are able to integrate with most advanced HRIS and applicant tracking systems to enable direct entry of screening orders and electronic exchange of results

Sterling's involvement in a variety of industry organizations is of great importance to our company. The time and energy invested provides industry updates including state law considerations and a variety of other compliance issues.

e. Insurance Requirement

This requirement pertains to the State of Utah and WSCA insurance requirements, unless other participating states negotiate insurance requirements during the participating addendum process.

Contractor shall procure and maintain at its own expense insurance for any liability arising as a result of the Contractor's, including at any tier, the Contractor's subcontractors, sub-consultants, agents, employees and those for whom the Contractor is liable, acts or omissions in connection with this Contract which shall protect the contractor, and protect the State and/or end users (as applicable) as additional insureds. Each of the Contractor's insurance policies shall include an endorsement that names the State of Utah and its officers, and employees and/or end users as additional insureds, and the policy shall provide the State of Utah and WSCA and its officers and employees with primary coverage (not contributing coverage) for any liability arising as a result of the Contractor's acts or omissions in connection with this Contract. The Contractor is not required, however, to obtain an "additional insured" endorsement for any Workers' Compensation insurance policy. Contractor shall provide at least the following coverage and any others necessary to provide protection against any claims including those for bodily injury, property damage, personal injury, professional liability and claims covered by the indemnification obligations set forth herein:





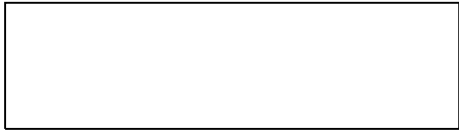
- 1) Workers' Compensation Insurance in at least the minimum statutory amounts.
- 2) Commercial General Liability Insurance with a combined single limit of not less than \$1,000,000 per occurrence and \$2,000,000 aggregate.
- 3) Automobile Insurance: If the Contractor's services involve transporting any clients or goods for the State, the Contractor shall maintain a policy of automobile liability insurance covering property damage, personal injury protection, and liability for the vehicles used by the Contractor (including owned, hired and non-owned vehicles).
- 4) Professional Liability Insurance: If the Contractor employs doctors, dentists, social workers, mental health therapists or other professionals (including, at any tier, the Contractor's subcontractors, sub-consultants, agents, employees and those for whom the Contractor is liable) to provide services under this Contract, the Contractor shall maintain a policy of professional liability insurance with a limit of not less than \$1,000,000 per occurrence and \$2,000,000 aggregate. This professional liability insurance shall cover damages caused by errors, omissions or negligence related to the professional services provided under this Contract by the Contractor, and at any tier, the Contractor's subcontractors, sub-consultants, agents, employees and those for whom the Contractor is liable.

If any insurance coverage obtained by the Contractor is written on a "claims-made" basis, the certificate of insurance shall so indicate, and the policy shall contain an extended reporting period provision or similar "tail" provision such that the policy covers claims reported up to three (3) years beyond the date that this Contract is terminated.

Contractor shall procure and maintain insurance which shall protect the contractor and The State and/or end user (as an additional insured) from any claims from bodily injury, property damage, or personal injury covered by the indemnification obligations set forth herein. Contractor shall procure and maintain the insurance policies described below at the their own expense and shall furnish to the procurement manager an insurance certificate listing The State of Utah as certificate holder and as an additional insured. The insurance certificate must document that the Commercial General Liability insurance coverage purchased by the authorized dealer to include contractual liability coverage applicable to this contract. In addition, the insurance certificate must provide the following information: the name and address of the insured; name, address, telephone number and signature of the authorized agent; name of the insurance company (authorized to operate in all states); a description of coverage in detailed standard terminology (including policy period, policy number, limits of liability, exclusions and endorsements); and an acknowledgment of notice of cancellation to The State of Utah.

- 1) Workers' Compensation Insurance – The contractor must comply with State of Utah requirements and provide a certificate of insurance.
- 2) Commercial General Liability Policy per occurrence - \$1,000,000. Coverage to include bodily injury and property damage combined single limit.





Other participating states may have insurance requirements that will be addressed in their specific participating addendums.

Sterling understands and will comply. Please see attached for “Sterling Infosystems, Inc. RFP Response – Solicitation #NO11002 – Evidence of Insurance.”

f. Customer Service

The contractor shall provide a website dedicated to any participating state that includes, but is not limited to, services, pricing, technical specifications, online ordering, and payment capability. The contractor shall provide a dedicated customer service representative(s). The representative shall be available to respond to all end user inquiries within one business day. The representative shall be available to resolve any customer service issues. The representative shall be available to conduct annual meetings, at a minimum, with contract manager to discuss performance and customer service related issues. The representative shall be responsible to conduct and/or coordinate sales meetings, training sessions, and product demonstrations if required.

Sterling Infosystems provides a website through which the State of Utah/WSCA has the ability to access services, pricing, technical specifications, online ordering, and payment capability. The State of Utah/WSCA will have a dedicated Client Service Executive to assist with day-to-day requests within one business day (please reference the document entitled “Sterling Infosystems, Inc. RFP Response - Solicitation #NO11002 - Service Level Agreement Document” for our service level agreement in terms of response time) and a dedicated Account Manager to provide best practice consultation, resolve customer service issues, and supply quarterly reports, Account Reviews, and other services. Both your Client Service Executive and Account Manager will conduct and/or coordinate sales meetings, training sessions, and product demonstrations if required.

g. Retention Schedule

All records that document the provision of a record to a State or Using Agency (not the actual background check record itself) must be maintained by the contractor and available in electronic format for access by the States, at no additional charge, for a period of four (4) years from the provision of the record for purposes of auditing performance and payment.

Sterling understands and agrees to the terms above.

h. Multi-Accounts Within a Participating Entity

Participating entities will have different departments utilizing the services provided by contractor(s). Therefore, contractor(s) must be able to process separate individual accounts and unique users within one participating entity.

Sterling’s flexible technology allows us to create a linked account structure that provides multiple accounts with unique user IDs associated with one participating entity. Our global presence and robust client service teams ensure that the State of Utah/WSCA entities will receive prompt attention to any inquiries or requests.





i. Third Party Payments

A participating entity may order specific background checks, but require payment by a third party. For example, a higher education institution may require a specific background screen on a student and require the student to pay for the screening. Contractor must have a method in place to accept payment by a third party.

Specifically addressing the example provided, we offer Sterling Student. Sterling Student is a self-service portal that can be utilized by colleges, universities and other educational institutions that require, or desire, background checks for students prior to being admitted to the school and/or to participating in specific programs or courses of study. The application provides easy web-based access to an online questionnaire and consent form that can be completed by the student and submitted directly to Sterling to initiate a background order. The benefits to the client include removing the administrative burden of initiating background orders and controlling costs since the institution can elect to have the student pay a credit or debit card prior to submission, or the client can be billed for the order after submission. We are happy to work with State of Utah/WSCA to adapt Sterling Student to other third party payment requirements.

j. Payment Types

Contractor must be set up to accept mailed and electronic payments/P-Cards.

Yes, Sterling accepts mailed payments and payments with P-Cards. We are more than happy to work with the State of Utah/WSCA to establish a billing arrangement most conducive to your organizational structure and business requirements. Sterling invoices are delivered via email but may also be provided through direct mail or fax.

k. Monthly Service and Set-up Fees

The State of Utah and WSCA will not pay a setup fee or monthly service fee to use your services.

Sterling Infosystems, Inc. will waive our set-up fee and will not charge a monthly set-up fee.

EXPERIENCE AND CAPABILITY

Please provide a point by point response to each of the following questions:

Vendor Profile

Provide the following information specific to your company:

a. Your company’s full name

Sterling Infosystems, Inc.

b. Primary business address





249 West 17th Street Floor 6 New York, NY 10011

c. Describe your company ownership structure

Sterling is a privately-held corporation owned by CEO William Greenblatt since inception in 1975.

d. Employee size (number of employees)

Sterling Infosystems employs over 1,100 people worldwide.

e. Website

www.sterlinginfosystems.com

f. Sales contact information

Bridget Larsen, Regional Sales Director

646-435-2014

blarsen@sterlinginfosystems.com

g. Your client retention rate during the past 3 years

Everything we do is guided by our customer-focused philosophy. We build long-term relationships that are founded in trust and sustained through personal, customized service delivered by our dedicated account teams. Our support teams are knowledgeable, well trained and highly responsive. They have the dedication that makes a difference. It's our people who provide the account management and consultative support that makes your experience one of consistent, superior value. Client service is the reason we have the highest client retention rate in the industry — over 96%.

h. A brief history of your company and the year it was founded

Sterling Infosystems is one of the largest and fastest growing pre-employment screening and testing companies in the United States. We also are one of the most experienced. CEO William Greenblatt still owns and operates the company he founded in 1975 and built into the fourth largest screening company in our industry. Today, Sterling is a \$70 million company and an industry leader with 35 years of proven excellence in the field. We serve over 10,000 clients and perform over 7 million background checks and drug tests annually. With locations and clients all over the world, we are extremely proud of our 96% client retention rate.

Our current global centers are:

- » New York, New York - Headquarters
- » Roseville, California - West Coast Headquarters
- » London, U.K. – European Hub
- » Mumbai, India – International Hub
- » Manila, Philippines – Asia/Pacific Islands Hub





Employment Screening is our core competency / business. We focus all our energy on this industry, making us true experts. We also invest significantly in adding value beyond doing the basics of our business extremely well. Consulting to our clients and sharing “best practices” is a critical part of what we do and enjoy about our business. Both our management and staff spend an enormous amount of time listening to and understanding our clients’ screening goals and objectives. In turn, our clients benefit from the advice we offer on how to improve their organization’s recruiting processes.

Sterling strategically partners with a multitude of service providers to enhance and/or extend our own service offerings. Some examples include:

- » Partners **E-Screen**, **LabCorp** and **Quest Diagnostics** facilitate comprehensive drug testing programs and collections sites for our Occupational Health Services.
- » Our Human Resource and Workplace legal partner is **Jackson Lewis, LLP** and the partnership is extended to our clients at no additional charge. State of Utah/WSCA will be given access to Sterling’s and Jackson Lewis’ Risk Management Help Line to answer employment and labor legal questions.
- » **Form I-9** enables our clients to document, verify, and store I-9 forms for compliance purposes.
- » **Walton Management Systems** helps our clients manage portfolios of incentives that use tax credits, grants, offsets, and profit recovery services to reduce costs.
- » **Turnkey integration** solutions with Kenexa and 9 of the 12 Gartner Magic Quadrant Applicant Tracking and Recruitment Management providers including Taleo, BrassRing, PeopleSoft, Peopleclick, and more.

We attribute our growth and success to many factors. Notably, Sterling combines “high tech” with “high touch.” We are committed to hiring and retaining outstanding talent, have a highly dedicated management team, focus intensely on delivering superlative customer service and are passionate about developing and using technology that makes using our services easy, fast, safe and convenient. With respect to speed, ease and convenience, for example, we are HR-XML certified. Our systems are therefore able to integrate with most advanced HRIS and applicant tracking systems to enable direct entry of screening orders and electronic exchange of results.

Sterling’s suite of services, unparalleled relationship management and pursuit of operational excellence has enabled us to engage, implement and maintain relationships with clients who





carry a similar corporate profile to that of State of Utah/WSCA. We are confident that our past success can be reapplied to provide an appropriate, compliant and cost-effective background screening solution for State of Utah/WSCA.

We also recognize our clients' pressing needs for credible, authoritative information about compliance and related matters. As a result, we provide a Risk Management Help Line as part of our website. It gives our clients direct access to advice from one of the nation's preeminent employment law firms, Jackson Lewis LLP. Using the helpline, authorized State of Utah/WSCA associates will be able to submit employment law and related questions to Jackson Lewis. They'll get answers from a Jackson Lewis attorney within 24 hours—at no additional charge to State of Utah/WSCA!

- i. Provide three current account references for which your company provides similar VSBS for private, state and/or large local government clients (preferably government/public entities). Offerors are required to submit Attachment C – Reference Form, for business references. The business providing the reference must submit the Reference Form directly to the State of Utah, Division of Purchasing. It is the offeror's responsibility to ensure that completed forms are received by the State of Utah Division of Purchasing on or before the proposal submission deadline for inclusion in the evaluation process. Business references not received, or not complete, may adversely affect the offeror's score in the evaluation process. The Purchasing Division reserves the right to contact any or all business references for validation of information submitted.**

Our three references - [PROTECTED] – have all confirmed that they submitted Attachment C – Reference Form directly to the State of Utah.

- j. Describe your company's growth during the past three years.**

In 2007 – 2008 Sterling's revenue was approximately \$73 million, essentially flat, year over year. In 2009, due to the unprecedented unemployment in the United States, our revenue was down in excess of 10%. Notwithstanding, Sterling won in excess of 1,300 new accounts in 2009. These 1,300 clients generated slightly less than \$10 million in new business. In 2010, our revenue is up more than 25%.

- k. Provide details regarding the number of background screenings per month, with error rate.**

Sterling Infosystems is the fourth largest screening company in the industry. We process 7 million transactions annually (583,333,333 each month) with an error rate of .01%.





I. What policies and procedures does your company have in place to audit employment screening searches for regulatory compliance and accuracy?

Sterling is committed to continuous quality improvement in both the information we deliver and the way we run our organization. Sterling’s quality control process includes close supervision of all daily tasks; daily, weekly, and monthly management reports covering every aspect of our business; review of client satisfaction surveys; regular staff and management meetings; and constant, close contact with our clients. We are one of the few background and drug screening companies with the ISO 9001:2008 certification and we employ a team of Six Sigma Black Belts & Green Belts dedicated to applying Lean Six Sigma tools in our operations protocol. Our ISO 9001:2008 certification means that Sterling quality control procedures are documented according to the highest available standards for detailed written processes, ensuring that Sterling clients enjoy unparalleled consistency. Our ISO 9001:2008 certification emphasizes our vigilant devotion to the very best operational standards so that our clients may consistently depend on receiving the highest quality results. Any issues identified in operations are analyzed through Lean Six Sigma tools such as failure mode analysis.

Sterling has institutionalized the use of Lean Six Sigma tools and principles in its background and drug screening fulfillment activities, including but not limited to tools such as control charts, “Five-Why” root cause analysis, and Pareto charts. These tools are utilized on a daily, weekly, monthly, and/or quarterly basis in order to assure that our clients’ requests are met on time, as specified, and without defect.

Each of our operational departments is staffed with Quality Assurance professionals. Our QA specialists sample a statistically significant set of results per staff member to produce a quarterly quality figure at the individual team member level. An individual’s quality score is then factored into incentive compensation. In addition to linking quality monitoring and performance with incentive compensation, we have a team of Six Sigma Black Belts & Green Belts dedicated to applying Lean Six Sigma tools into operations. Any issues identified in operations are analyzed through Lean Six Sigma tools such as failure mode analysis. Finally, we have a team dedicated to monitoring the receipt of drug test results from labs to ensure that transmissions are complete and timely. Additionally, Sterling has established quality assurance and internal audit programs to evaluate staff, researchers, systems, operations, business processes, and results. Our comprehensive quality program allows us to deliver with 99% accuracy rate for over 5 million orders annually.

Background Screening

To provide reliable background-screening services, we ensure accuracy by relying on primary information sources wherever possible. Consequently, we employ hundreds of researchers internationally and in virtually every region of the United States to directly investigate employer,





court, and other records rather than relying on third-party databases. We also have direct access to national and statewide databases where available. Because of our large and diverse customer base, we have the extensive experience, specialized knowledge, and precisely honed skills required to perform background checks in other countries, including major developing countries like India. SterlingDirect automatically sends reference and criminal search instructions to our researchers immediately after a user submits the order request. This research is conducted directly with the applicable records repository. To ensure the quality of information submitted and received, Sterling processes include:

- ✓ Sterling will directly contact the Social Security Administration to verify a trace result that returns as “no hit.”
- ✓ SterlingDirect will not process a request unless the user indicates that the applicant/employee signed a consent form.
- ✓ Date of birth is required to conduct a criminal background check.
- ✓ License number and state of issuance are required to conduct a motor vehicle search.
- ✓ Either a company or individual’s name is required to conduct an employment reference check.
- ✓ A school’s name is required to conduct education verification.

We constantly focus on processes and methods ensure speed and accuracy, performing all services in accordance with written Standard Operating Procedures (SOPs) that are based on our continuous improvement initiatives. Sterling’s ISO 9001:2008 certification and strict adherence to Lean Six Sigma business practices inform our operating procedures, which include the following to ensure the integrity of investigation reports:

- ✓ **Social Security Trace / Consumer Credit Reports:** Information is automatically gathered from all the major credit bureaus and reviewed by Sterling’ in-house Quality Control department. We have initiated a process with multiple databases to better ensure the integrity and breadth of Social Security and address information.
- ✓ **Criminal Conviction Searches:** Sterling’s network of researchers access our secure website via unique user ID and Password, obtaining requests assigned by location. As they gather information, our researchers input data into the system and SterlingDirect displays real time updates. If a criminal conviction records search yields a conviction, arrest, or other “non-clear” result, our system diverts the report to our Criminal Records department for review.
- ✓ **Nationwide Criminal Database Search:** If a Nationwide Criminal Database Search yields a possible match, Sterling will contact the appropriate individual from State of





Utah/WSCA to recommend performing an additional search at the applicable county or state level to verify the match.

- ✓ **Confirmation of Criminal Records:** All criminal conviction “hits” are verified prior to release of the final report regardless of the method utilized to conduct the search (i.e. field research or direct data transfer from court repositories or police records). Our protocol to verify the accuracy of the search involves establishing that the applicant’s name, birth date, and other key identifiers match court records precisely and to confirm that charges and case numbers correspond. Sterling does not release conviction information until we confirm all details with the court.
- ✓ **External Researcher Audits:** All criminal court researchers are audited on a weekly basis. Each researcher is assigned a name that Sterling has previously investigated that was originally found to have a criminal conviction record. We closely scrutinize both the accuracy of information returned and the speed of delivery. Failed tests result in immediate dismissal.
- ✓ **Reference Verification/Education Verification:** As with Criminal Conviction Searches, our network of researchers access requests on our website using unique user IDs and Passwords. As information is gathered, it is input into the system, where department staff or managers proofread the information prior to final distribution to the client.
- ✓ **Motor Vehicle Reports:** Requests are processed through the Department of Motor Vehicles of the corresponding states. Sterling’s in-house Quality Control department reviews results for accuracy and completeness.

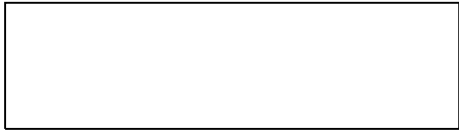
m. Describe your process for training new employees before they commence work on background checks.

Sterling employees undergo an extensive in-house training program designed to ensure all employees are familiar with every aspect of our operations; records of employee training are stored permanently.

The typical period of training lasts several weeks with follow-up training occurring periodically thereafter for all representatives. Among other topics, this training covers FCRA rules and regulations, Sterling Direct and training others to use Sterling Direct, telephone etiquette, client troubleshooting, billing, and interpreting reports for all services including criminal background checks and credit reports.

For continuing expertise in all function areas, we have on-staff experts in criminology, drug testing, credit reporting, employment law, information technology, human resources, recruiting and other disciplines.





Sterling also offers training classes to all employees via the Sterling University. Class topics include: Business Development, Coaching, Communication, Customer Service, E-mail / Writing, Human Resources, Management / Leadership, Meetings, Negotiation, Organizational Development, Personal Development, Presentation Skills, Sales, Time Management, and General Training.

Additionally, Sterling has established quality assurance and internal audit programs to evaluate staff, researchers, systems, operations, business processes, and results.

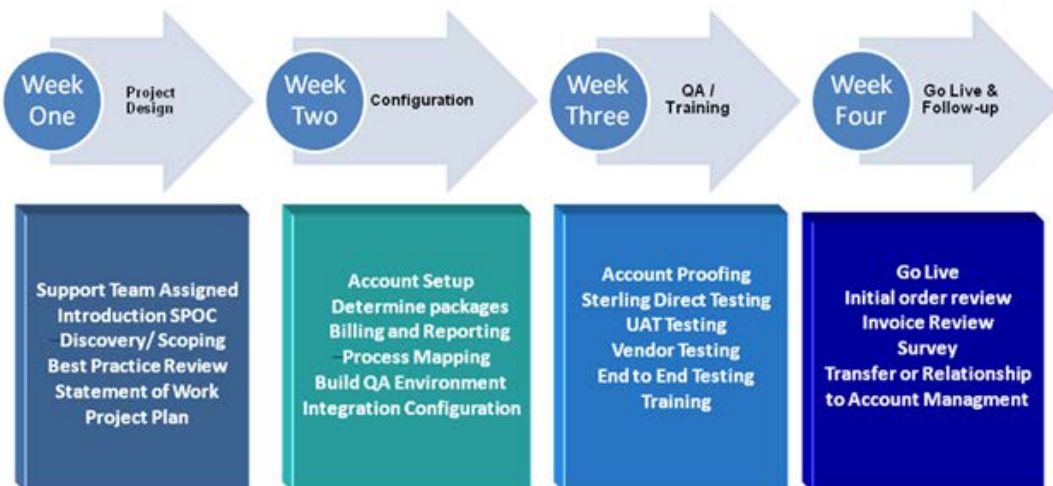
Implementation/On-Boarding

a. Describe your program implementation process, including key steps involved and a timeline of these steps.

Sterling’s Implementation Delivery Group (IDG) brings a structured consultative approach to your company’s rollout; we are focused on understanding your business needs and trends to create a comprehensive background and drug screening program. The treatment strategy during implementation consists of understanding State of Utah/WSCA’s expectations and delivering on those through:

- » Design
- » Configuration
- » QA / Training
- » Go Live

This delivery will be systemic in nature and the IDG team will monitor the process to ensure success. The diagram below depicts the key activities during each phase of the implementation at a high level:





Sterling's Enterprise Business Transformation Team brings value to our key clients such as State of Utah/WSCA in a structured approach that influences Service Selection, Service Delivery, and Service Transparency by leveraging expertise across the entire value stream. This value stream support will consist of Lean 6 Sigma Consulting, Implementation (dedicated Implementation Manager and Implementation Specialist), and innovation through our product support / development team. In addition, the treatment strategy that State of Utah/WSCA will feel will be a dedicated Account Manager and a Client Service Executive with dedicated client extension code. State of Utah/WSCA's role and responsibility during the engagement will be to assign a single point of contact for the Sterling Implementation Manager. In addition, State of Utah/WSCA will be asked to sign its approval after each phase of the rollout (Design, Configuration, Training, Go-Live) to ensure clarity and alignment moving forward.

Implementation takes approximately two to four weeks, depending on the complexity of the account.

b. Describe the training and educational resources you provide to your clients prior to startup of a screening program. Describe post-implementation training as well.

For introductory training, Sterling hosts large-scale, on-site training sessions at our clients' headquarters, web-based training sessions broken up by region, entity and/or client specified category for up to 30 attendees, and schedules smaller sessions as necessary for as few as 1 attendee. The Account Manager and designated Client Services Representatives host these initial training sessions. Sterling provides multiple continuous training options: we deliver on-line training, webinars, on-site instructor-led and/or virtual self-paced training. Our applications include on-line help for future reference. Sterling periodically hosts HR-specific educational seminars with Jackson Lewis, a premier employment law firm in the United States. The most recent webinars reviewed evolving wage laws and issues surrounding FCRA and state compliance. The seminars act as information sessions that keep you abreast of legal changes and their effects on the administration of your background screening program. The seminars are available via webcast on the Sterling website for up to a year after they are presented. Seminar participants are eligible for HCRI credits towards maintaining PHR/SPHR designations.

c. Please outline your proposed account management team, including its location, functional role and tenure with your company.

Sterling offers support for every level in your organization, with the Account Manager as the main point of contact for State of Utah/WSCA's senior management and the Client Service Executive as the main point of contact for State of Utah/WSCA users. State of Utah/WSCA executives will have direct cell phone numbers for Sterling's executive leadership, ensuring close relationships and responsiveness at all levels of your organization.

Specific personnel will be determined during implementation relationship after we identify which of our team members would be best able to provide nuanced, customized service to the





State of Utah and WSCA’s particular business needs. Sterling carefully selects individuals for our Account Management and Client Service teams based on their skills, education, and experience. All must have at least three years of experience in the industry, completed four years of college, and demonstrate computer proficiency. Each team member undergoes extensive training in all services Sterling offers, ensuring that your team and any backups are all exceedingly qualified and prepared to assist.

The following provides a brief description of each role on your account team:

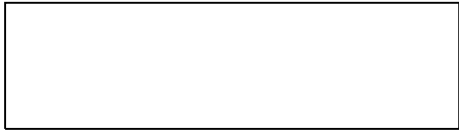
Account Manager

- » Designated Point of Contact for State of Utah/WSCA’s senior management and program administrators
- » Acts as Liaison between State of Utah/WSCA and Sterling’s operational teams
- » Provides regular updates to Sterling Executive Council on State of Utah/WSCA needs, satisfaction, and overall partnership
- » Provides consultative guidance and best practices for your industry
- » Point of contact for account related strategic initiatives
- » Point of contact for statistical reporting
- » Introduces new products and services
- » Responsible for cross-functional escalations
- » Provides quarterly Account Reviews to State of Utah/WSCA senior management
 - ✓ Account reviews address all levels of State of Utah/WSCA’s background screening organization, from system users to executive sponsors, and include statistical analyses to reveal developing patterns or trends in background screening activity, any relevant compliance updates or recommendations, and any specifically requested information. The account review will also include Voice of the Customer data, used to uncover any perceived service gaps. Strategic Account Managers are responsible for reviewing the customer feedback and presenting a plan to address any client reported issues.
- » A **Service Manager** supports the Account Manager. The Service Manager is responsible for handling escalated tactical inquiries, maintaining account metrics on a weekly and monthly basis, and managing the Client Service Executive team.

Client Service Executive

- » Point of Contact for all State of Utah/WSCA users and applicants
- » Responsible for day-to-day customer service requests (e.g. order-related issues, adding/deleting users, general inquires about results, etc.)





- ✓ CSEs answer calls within seconds and strive for first call resolution each and every time. Should an issue arise that requires escalation, the CSE works with the Service Manager and Account Manager to develop service enhancements as needed.
- Analyzes weekly activity and reports any themes/recurrences to Account Management
- Addresses billing questions
- Facilitates on-going training sessions on SterlingDirect

In the event of an after-hours emergency, State of Utah/WSCA's unique client extension will automatically route to an after-hours client services team to address any questions or requests.

While State of Utah/WSCA will enjoy local support from your Account Manager in California, you will have the advantage of support from Sterling's coast-to-coast United States offices and our robust international presence.

Customer Service

a. What are your hours of operation and when are key account people available to us?

Sterling's standard Customer Service hours are 8AM to 8PM (EST), but we are available 24 hours a day, 5 days a week. In addition, Sterling's International Help Desk consists of a team of Client Service Representatives available to support our international clients across multiple time zones.

b. Describe how problem identification and resolution will be handled.

Performance results are evaluated against established program expectations and typical metrics include turn-around time, volume, results analysis, compliance analysis, spending analysis, and many customized reports are available based on the business aspects most important to individual Sterling clients. Sterling's service team has an excellent first call resolution record of over 91%. In the event of a service issue, State of Utah/WSCA will have the support of our Director of Client Services, your dedicated Account Manager, and Sterling's executive team. Service issues that require escalation can go through the Director of Client Services or State of Utah/WSCA's dedicated Account Manager, who is also available to implement large-scale process changes as needed. If further escalation is required for matters involving required technical changes, Sterling's Chief Operating Officer will step in to ensure a timely and thorough resolution. Direct cell phone numbers for Sterling's executives will be available to State of Utah/WSCA executives should you require immediate executive-level contact.





c. How will you service our account? Describe the system you will use to manage our account.

Sterling offers support for every level in your organization, with the Account Manager as the main point of contact for State of Utah/WSCA’s senior management and the Client Service Executive as the main point of contact for State of Utah/WSCA users. State of Utah/WSCA executives will have direct cell phone numbers for Sterling’s executive leadership, ensuring close relationships and responsiveness at all levels of your organization.

Sterling quarterly reviews emphasize dialogue between our company and our clients to ensure that we understand the current state of your business and that our solutions provide the maximum value to your organization. Performance results are evaluated against established program expectations and typical metrics include turn-around time, volume, results analysis, compliance analysis, spending analysis, and many customized reports are available based on the business aspects most important to individual Sterling clients. The account review will also include “Voice of the Customer data” which Sterling proactively collects for transparency into program perception across key stakeholders. Most importantly, quarterly reviews are customized by client to include the most relevant and interesting data on a case-by-case basis. Your Strategic Account Manager will work with you to understand the important metrics for your organization and will transform customer feedback and performance trends into ideas that drive continual improvement.

d. Describe the tools that you provide to answer common questions your clients may have about BSVS.

The State of Utah/WSCA will have access to detailed online help section in SterlingDirect, your dedicated Client Service Executive, and our global Client Services Team for any common questions you have regarding screening services.

Additionally, Sterling believes strongly in partnering with our clients to provide education above simply answering questions. Sterling provides multiple continuous training options: we deliver on-line training, webinars, on-site instructor-led and/or virtual self-paced training. Our applications include on-line help for future reference. Sterling periodically hosts HR-specific educational seminars with Jackson Lewis, a premier employment law firm in the United States. The most recent webinars reviewed evolving wage laws and issues surrounding FCRA and state compliance. The seminars act as information sessions that keep you abreast of legal changes and their effects on the administration of your background screening program. The seminars are available via webcast on the Sterling website for up to a year after they are presented. Seminar participants are eligible for HCRI credits towards maintaining PHR/SPHR designations.





e. How do you respond to customer complaints and service issues? How do you handle client escalations?

Sterling’s service team has an excellent first call resolution record of over 91%. In the event of a service issue, State of Utah/WSCA will have the support of our Director of Client Services, your dedicated Account Manager, and Sterling’s executive team. Service issues that require escalation can go through the Director of Client Services or State of Utah/WSCA’s dedicated Account Manager, who is also available to implement large-scale process changes as needed. If further escalation is required for matters involving required technical changes, Sterling’s Chief Operating Officer will step in to ensure a timely and thorough resolution. Direct cell phone numbers for Sterling’s executives will be available to State of Utah/WSCA executives should you require immediate executive-level contact.

f. How do you assess customer satisfaction?

Sterling continuously seeks avenues of improvement through client satisfaction surveys and periodic client reviews. Sterling currently employs LoyaltyPRO as its process for obtaining feedback from clients, conducting follow-up to ensure customer satisfaction, and enforcing corrective action within our organization.

Some key points that Sterling’s LoyaltyPRO services address are conducted in a survey format and are as follows:

- » Level of Service: Are you meeting, exceeding, or falling short of customers’ service and delivery expectations?
- » Relationships: Measure the extent of our relationships with the customer at multiple levels.
- » Needs and Values: Are we satisfying our customers’ needs?
- » Products and Solutions: Are our products / services viewed positively or negatively and do they have value beyond price?

This survey can be completed as often as each client prefers. State of Utah/WSCA will determine survey frequency during implementation.

Sterling’s customer satisfaction with our products and services is also measured by tools such as Metrix Matrix, which guide efforts to continually improve the customer experience.

Wastes or defects identified by Metrix Matrix are eliminated through the use of Lean Six Sigma tools such as FMEAs and Failure / Constraint Analysis that drive “Zero Waste Product Quality” to deliver the best experience possible for our customers.

Sample Metrix Matrix Survey questions include:

- » How would you rate your overall satisfaction with this particular order?





- » On a scale of 1 to 10, how valuable was the report in the making of your hiring decision?
- » What would have made the report more valuable?

Please reference the document entitled “Sterling Infosystems, Inc. RFP Response - Solicitation #NO11002 - Sample LoyaltyPro Survey” for a sample survey.

Sterling employs a multi-tiered customer feedback program. Our Client Loyalty program leverages the Net Promoter® methodology and captures periodic feedback from key stakeholders regarding overall relationship and quality of services. This is used to drive action both at the account-level and at a strategic level. In addition, we also solicit transactional feedback from users regarding order fulfillment and their support experience. Sterling uses this feedback to drive process improvements across operations.

- g. Once a record has been requested and received, if the requestor wants to re-assess the electronic record, how long are they available? What is the process to re-access electronic search records? Are previously received records available to requestor after termination of contract?**

Electronic records are available via the SterlingDirect interface as long as you remain a client. To access electronic records, authorized users log into the SterlingDirect user interface and search for specific applicants or access their archived records section. Yes, Sterling has the ability to provide all customer data upon contract termination.

Technology

- a. Describe your online system that the State of Utah and WSCA would use to place orders and receive results. Include all methods of order submission.**

Sterling’s state-of-the-art customer web interface is called SterlingDirect™. It provides easy online access for recruiters who manage candidates through the background screening process. Unlike faxing your background requests to our Data Entry team, this online system allows your users to enter the data quickly and receive an order number confirmation immediately. By entering orders online, your team can eliminate the fax process that in turn will help reduce turnaround time, as there can be a delay between faxing orders to time entered.

Always a leader in technology within the background screening industry, Sterling has long offered its clients web access for entering requests, viewing completed orders and running reports. While continuing all the great features of our previous web interface, SterlingDirect adds these unique features:





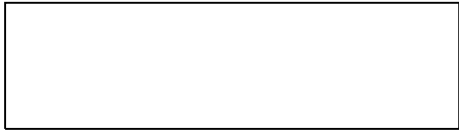
- » Ordering a background screen has been reduced to just four simple steps. They are:
 - ✓ Subject Profile
 - ✓ Packages
 - ✓ Services
 - ✓ Confirmation
- » Each screen offers you the ability to go back, proceed to the next step, request candidate information or save the request.
- » If your work is interrupted or you lack the necessary information, you can save your requests so that you can complete them later.
- » You can invite applicants to fill in their confidential information from the security of their home computer.
- » Many areas of the request form are customizable. They include:
 - ✓ “Required fields” can be configured to your own specifications.
 - ✓ You can determine what services will be included in your customized packages as well as your “a la carte” lists of individual services.
 - ✓ The contents of any package may include optional services as well as those that are mandatory.
 - ✓ You can change the names of fields to match State of Utah/WSCA’s terminology.
- » Easy to recognize icons (yellow, green and red) signal when information is complete or more is needed.
- » You can search for results by different criteria – order placement date range, order number, name of applicant, etc. These results can be configured to your own preferences.
- » You also have access to a fully customizable Candidate Management dashboard, so you’ll always know where your applicants are in the process.

Options for requesting background services include:

- » **SterlingDirect** – State of Utah/WSCA employee enters information via our proprietary web-based system
- » **Data Exchange** – Direct transfer of data via HRIS or ATS integration
- » **Batch processing** – Background request data is sent via data file (i.e. Microsoft Excel spreadsheet)

There is also significant flexibility within each option to ensure our systems meet the needs of State of Utah/WSCA, including off-line means for submitting orders and receiving results such as fax and e-mail.





b. Do you have on-line forms with customization capability? Provide copies of any required forms.

Yes. Electronic Wet Signature (EWS) is a technology that enables the input of a signature to an electronic form, using a mouse, touchpad or computer stylus as an entry device. Sterling’s EWS product utilizes this technology as part of a paperless process that uses the internet to collect signatures to FCRA-compliant Consent & Disclosure agreements. Sterling EWS clients invite candidates to a secured website, where they are presented with state-specific (based on candidate state of residence) summaries of rights to review and consent forms to sign online.

In conjunction with Sterling Direct 2.1, Electronic Wet Signature (EWS) provides a truly paperless process for submitting background screening orders.

Please reference the document entitled “Sterling Infosystems, Inc. RFP Response – Solicitation #NO11002 – Standard Consent and Disclosure Form” for a copy of our consent form and please reference the document entitled “Sterling Infosystems, Inc. RFP Response – Solicitation #NO11002 – EWS User Guide” for detailed information regarding the online version of our consent form.

c. Describe your user interface.

Sterling’s state-of-the-art customer web interface is called SterlingDirect™. It provides easy online access for recruiters who manage candidates through the background screening process. Unlike faxing your background requests to our Data Entry team, this online system allows your users to enter the data quickly and receive an order number confirmation immediately. By entering orders online, your team can eliminate the fax process that in turn will help reduce turnaround time, as there can be a delay between faxing orders to time entered. Please reference the response to question a. in this section for additional details.

d. Describe your ability and process to support a decentralized system of orders submitted from multiple states and locations.

SterlingDirect™ allows authorized users to submit orders from multiple states and locations by using their login information to access our background screening portal. The State of Utah/WSCA can determine the level of access each user has to the system and those security policies will be in force whenever the user logs in and submits orders. All users may access their authorized data from any computer with internet access regardless of their location.





- e. Describe how your employees are granted access to sensitive customer data. (Explain how you manage access rights/who has access to data both with customer and with your credit reporting agency.)

Sterling assigns User IDs and passwords to client-authorized account representatives only. Access rights are determined by job requirements. We have designed and implemented a fully client-configurable User, Password, Login, and Session Management System.

- f. Provide a description of your online ordering and retrieval process. Include any demo codes, if these are available. Include details for both the initial order and access to data at a later date. – add pictures?

Please reference the response to question a. in this section for details of our online ordering and retrieval process through our proprietary system, SterlingDirect™. Orders and order retrieval all take place in SterlingDirect.

- g. Describe any technical features that you've created to provide greater efficiency to a client.

New and enhanced technology:

✓ Sterling Direct 2.1

Sterling continues to transform market needs and customer feedback into technology solutions that make our employment screening services easy to access. To that end, 2009 saw the release of the latest release of Sterling Direct v2.1, which makes it easier than ever for clients to initiate screening orders, monitor and manage the order process, and view results. Some of the features included in this release are:

- » Improved navigation throughout the new user-friendly interface
- » Easier to start an order; easier to place an order
- » Enhanced Search capabilities make it easier to locate results and orders
- » New “My Orders” dashboard provides at –a-glance view of order/result status and alerts
- » “Saved Orders” enhanced to include both “invited” and “responded” status for candidate invitations
- » “View Results Details” includes Open and Closed Dates/Times for all (individual) Service Results
- » Better User Assistance
 - Reorganized Resource Library provides easier access to documents and helpful links





- Online Help
- Direct links to Drug Lab websites for easier identification of local clinics
- Faster Performance & Increased Stability

✓ **Electronic Wet Signature**

Electronic Wet Signature (EWS) is a technology that enables the input of a signature to an electronic form, using a mouse, touchpad or computer stylus as an entry device. Sterling’s EWS product utilizes this technology as part of a paperless process that uses the internet to collect signatures to FCRA-compliant Consent & Disclosure agreements.

Sterling EWS clients invite candidates to a secured website, where they are presented with state-specific (based on candidate state of residence) summaries of rights to review and consent forms to sign online.

In conjunction with Sterling Direct 2.1, Electronic Wet Signature (EWS) provides a truly paperless process for submitting background screening orders.

✓ **Sterling Student**

Sterling Student is a self-service portal that can be utilized by colleges, universities and other educational institutions that require, or desire, background checks for students prior to being admitted to the school and/or to participating in specific programs or courses of study. The application provides easy web-based access to an online questionnaire and consent form that can be completed by the student and submitted directly to Sterling to initiate a background order. The benefits to the client include removing the administrative burden of initiating background orders and controlling costs since the institution can elect to have the student pay a credit or debit card prior to submission, or the client can be billed for the order after submission.

Enhanced Quality Management System to deliver superior service:

- ✓ Expanded and improved customer loyalty survey process used for timely and targeted collection of Voice of the Customer (VOC) data
- ✓ ISO and Lean Six Sigma methodologies leveraged to analyze data and develop and implement improvement activities based on client feedback

Enhanced customer support:

- ✓ **Complimentary webinars**, offered throughout the year by our in-house subject matter experts, focus on such topics as:
 - The Fair Credit Reporting Act and the Background Check Process





- DOT Substance Abuse Testing Audit Preparedness
- Electronic Drug Testing

✓ **Occupational Health Services Consultation**

- **Instructor-Led Training (Online and Onsite)**
 - Designated Employer Representative (DER)
 - Supervisory Substance Abuse Awareness (RST)
 - Employee Substance Abuse Awareness
- **Substance Abuse Testing Policy Development/Review (DOT and Non-DOT)**
- **Mock Substance Abuse Testing Program Auditing**

✓ **Quarterly Client Newsletter**

Keeping our clients informed about industry trends, by providing important compliance-related news and information in each issue to help our clients stay ahead of the “ever-changing curve”. I encourage you to incorporate this information into your daily routine, and to continue making use of our other value-add services.

✓ **Client Solutions**

Our Enterprise Business Transformation department has been expanded to include a team of Lean Six Sigma specialists who engage our clients in process optimization projects to align client expectations to service delivery and enhance both the client and candidate experience.

h. Please list any technology or software requirements needed to use your system (i.e., browser versions, etc.).

SterlingDirect is a proprietary system built on the Microsoft ASP.NET web application. There is no client software required to use SterlingDirect; the only requirements to use our services are a browser (IE 6/7, Firefox 2/3) and an internet connection.

i. What are your business hours for submitting requests on-line? When are results available for retrieval?

Clients may submit background screening requests on-line 24 hours a day, 7 days a week. Authorized users may view results 24 hours a day, 7 days a week.





j. What notifications do you provide throughout the background screening process? Do you provide notification if a search result is delayed and if so provide details?

Sterling provides notifications of search progress, delays, and report completion. The instant Sterling researchers become aware of a potential delay that may affect turn-around time, we provide reasonable and timely notifications to clients regarding the nature of the delay, the reasons for the delay, and an updated completion date. Electronic notifications containing this detailed information will go out to designated State of Utah/WSCA contact(s). We notify clients of any regional delays due to lay-offs, weather, summer closures, etc. via email and postings on our dashboard when users first log-in. Any delays regarding searches specifically ordered by State of Utah/WSCA will be communicated directly via electronic notifications, emails, dashboard postings, and direct phone calls from your account team.

k. Does your company provide batch ordering services? If so, please provide description.

Yes, Sterling accommodates “batch” requests and encourages clients to utilize this method when the order entry volume dictates.

The following is our internal process for uploading:

Batch orders should be sent to Orders@sterlinginfosystems.com as a password protected file. Instructions must be provided in the e-mail as to what type of background checks are being requested (i.e. “Standard” order can be requested). Please also include State of Utah/WSCA’s user ID in the e-mail or indicate on the Excel file.

We can also create a customized batch submission template during implementation. This will allow for State of Utah/WSCA’s User IDs to be pre-filled, any additional fields added (special client misc. fields), and any unnecessary fields removed from the file.

These files are automatically uploaded into the Sterling system and the fulfillment process is initiated for each individual applicant (order).

Compliance

a. Describe your measures to ensure legal compliance pertaining to employment screening (i.e. FCRA, EEOC, FLSA, ADA, etc.).

We are in a uniquely strong position to understand and stay current with pre-employment legislation due to the legal and industry expertise of our executive team and our strategic partnership with Jackson-Lewis, LLP, a nationally recognized employment law firm. We continuously improve our processes and hiring products to help ensure compliance with Fair Credit Reporting Act (FCRA), Fair and Accurate Credit Transactions Act (FACT Act), Driver’s





Privacy and Protection Act (DPPA), Equal Employment Opportunity Commission (EEOC), American's with Disabilities Act (ADA) requirements, and other federal, state, and international laws, rules, and regulations. Before we submit completed Screening Reports to Sterling clients, our highly trained Quality Control department thoroughly reviews all results and excludes any information that does not comply with international, state, local, or federal regulations before the report is finalized. Sterling clients have the assurance that all data on completed reports is actionable and may be legally considered in the hiring decision.

Sterling's CEO, William Greenblatt, is an attorney himself and works closely with our Vice President of Compliance, also an attorney, to stay ahead of the legislative regulatory curve. Michael Lotito, partner at Jackson Lewis' San Francisco office, is a member of Sterling's Board of Directors. Additionally, we have a representative who sits on the Governing and Legislative Affairs Committee for the National Association of Professional Background Screeners (NAPBS). His duties include meeting with national legislators in Washington D.C. and various state legislators to discuss the most important employee screening issues today, ensuring that State of Utah/WSCA benefits from a screening partner that is not only informed but significantly involved in the newest regulatory debates and laws surrounding pre-employment screening. Our strategic partnership with Jackson-Lewis LLP, a nationally recognized law firm that specializes in employment law and HR legal matters, further enhances our already robust compliance resources. Outside of the United States, Sterling has direct legal representation in over 30 countries to ensure compliance with international employment screening laws.

b. Do you offer adverse action letter fulfillment/solutions to clients? If yes, please describe the available resources and procedures.

Yes, Sterling offers adverse action letter fulfillment to help our clients remain compliant and consistent with federal regulations. The following are the steps for taking adverse action on an applicant:

- » CLIENT notifies Sterling that the applicant is not eligible to be hired based on information in the completed background check
- » Sterling sends the applicant a Pre-Adverse Action Letter, a copy of the completed background check, and a Summary of Rights under the FCRA.
- » The pre-adverse action letter gives the applicant 5 business days to contact Sterling if they believe the information contained in the completed report is inaccurate and wish to dispute any aspect of the background check.
- » If the applicant contacts Sterling to dispute information contained in a completed background check, we will conduct a reinvestigation. We direct the applicant to contact the appropriate authorities (i.e. courthouses, credit bureaus) to obtain documentation supporting their claims. We will also notify CLIENT that one of their applicants is disputing





information on the completed background screening report. We will typically give the applicant 30-60 days to furnish documentation proving the information Sterling reported is inaccurate and will update the report as necessary.

- ▶ If the applicant does not contact Sterling to dispute the report after 5 business days, we will send the final letter of adverse action.

State of Utah/WSCA has the option of choosing Sterling’s automated adverse action process. These services are free of charge and are built into the results for each candidate. Training for this service is included during the implementation process.



The screenshot shows the Sterling Direct 'View Results' page. At the top, there are navigation tabs: 'Setup Search', 'Matching Candidates', and 'View Results'. Below this is a 'Results' section with a list of fields: Apt #, City, State, Zip, Additional information, Misc 1, Misc 2, Applicant Email Address, and Company (Demo Company). A 'Results Status' section contains a link: 'To Generate Adverse Action Letter Click Here'. A red box on the right side of the screenshot contains the text 'To Generate Adverse Action Letter, Click Here' with a red arrow pointing to the link in the 'Results Status' section.

Sterling can also administer pre-adverse action and final adverse action letters on behalf of State of Utah/WSCA for the price specified in the Cost Proposal.

- c. **What is your company’s process for resolving consumer disputes? Please include descriptions of dispute documentation, document storage and retrieval, timeliness, internal resources, and any other applicable details.**

Sterling Infosystems, Inc. provides a fully FCRA compliant dispute resolution process that completes in 30 days required by law. We staff a dispute resolution department to assist candidates who contest the information in the completed consumer report. Both the pre-adverse action letter and the adverse action letter direct the applicant to contact Sterling if they wish to contest any information in the consumer report. If an applicant contacts Sterling to contest reported information, your account manager will immediately contact your organization and keep you abreast of the dispute resolution process. We will work with the candidate to resolve the issue. For example, if the disputed information involves a criminal record, Sterling will contact the court to verify the accuracy of the information reported. We always go back to the originating source of the information to ensure it is complete, accurate, and up-to-date.





Should the information on the consumer report require modification or further update, both the applicant and your organization will receive a copy of the new report. If there is no evidence to support the applicant's disputed information, both your company and the applicant will be notified by Sterling. In either case, the re-verified consumer report will be time stamped and available in the system. As a client, you can always view any adverse action progress in the system.

The dispute process is documented both physically and within our internal system. Sterling has controls in place limiting physical access to any Sterling business facility through the use of combination locks, key locks, key cards, manual sign-in/sign-out logs, and verification of identification. All employees are issued electronic keys that limit their access to certain hours, preventing unauthorized after hours entry to the facility. Electronic logs track both ingress and egress of all individuals. These measures ensure that your applicant's confidential data remains secure.

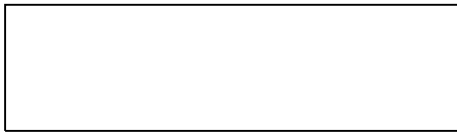
For disagreements regarding Social Security Traces or Credit Reports, we will advise the candidate to contact the Social Security Administration and Credit Bureaus respectively.

d. How will your company assist our organization in staying abreast of legal requirements on the federal and state levels?

Sterling is committed to "hands on" involvement for meeting and exceeding our clients' legal compliance requirements. Sterling regularly provides best practice advice to HR, Risk Management, and Internal Security Directors and Managers where we identify, customize, and recommend Pre-Employment Screening protocols that best serve and protect our clients, rather than simply provide a fulfillment service. Sterling's strategic alliance with nationwide labor law-firm Jackson Lewis LLP ensures that we stay informed of any issues or changes to employment laws. Jackson Lewis is on legal retainer to provide council regarding administrative and operational support. Additionally, Jackson Lewis provides a risk management helpline relating to labor employment topics to clients via our transactional website, www.sterlinginfosystems.com. Michael Lotito, partner at Jackson Lewis' San Francisco office, is a Sterling Board Member and Sterling's CEO, William Greenblatt, is an attorney as well.

We also keep our clients updated via email notifications, monthly newsletters, monthly compliance reports for DOT clients, press releases, quarterly reviews, and announcements on our SterlingDirect dashboard that users can easily view when they log into our system. Please review the screenshot below to see where in our system clients may see compliance updates.





e. Does your organization provide guidance or subject-matter expertise in the form of a compliance professional, in-house counsel, etc.

Yes. Joseph Rotondo, Vice President, Regulatory Compliance directs policy, training and corporate regulatory reporting. With the company since 1978, he assures Sterling's operations comply with all federal, state and local statutes. Please reference question 4 in the "General Information" section for more details on Mr. Rotondo's business/legal background.

f. Quality Assurance, what are your measures and how are they handled in organization.

Sterling is committed to continuous quality improvement in both the information we deliver and the way we run our organization. Sterling's quality control process includes close supervision of all daily tasks; daily, weekly, and monthly management reports covering every aspect of our business; review of client satisfaction surveys; regular staff and management meetings; and constant, close contact with our clients. We are one of the few background and drug screening companies with the ISO 9001:2008 certification and we employ a team of Six Sigma Black Belts & Green Belts dedicated to applying Lean Six Sigma tools in our operations protocol. Our ISO 9001:2008 certification means that Sterling quality control procedures are documented according to the highest available standards for detailed written processes, ensuring that





Sterling clients enjoy unparalleled consistency. Our ISO 9001:2008 certification emphasizes our vigilant devotion to the very best operational standards so that our clients may consistently depend on receiving the highest quality results. Any issues identified in operations are analyzed through Lean Six Sigma tools such as failure mode analysis.

Sterling has institutionalized the use of Lean Six Sigma tools and principles in its background and drug screening fulfillment activities, including but not limited to tools such as control charts, “Five-Why” root cause analysis, and Pareto charts. These tools are utilized on a daily, weekly, monthly, and/or quarterly basis in order to assure that our clients’ requests are met on time, as specified, and without defect.

Each of our operational departments is staffed with Quality Assurance professionals. Our QA specialists sample a statistically significant set of results per staff member to produce a quarterly quality figure at the individual team member level. An individual’s quality score is then factored into incentive compensation. In addition to linking quality monitoring and performance with incentive compensation, we have a team of Six Sigma Black Belts & Green Belts dedicated to applying Lean Six Sigma tools into operations. Any issues identified in operations are analyzed through Lean Six Sigma tools such as failure mode analysis. Finally, we have a team dedicated to monitoring the receipt of drug test results from labs to ensure that transmissions are complete and timely. Additionally, Sterling has established quality assurance and internal audit programs to evaluate staff, researchers, systems, operations, business processes, and results. Our comprehensive quality program allows us to deliver with 99% accuracy rate for over 5 million orders annually.

Background Screening

To provide reliable background-screening services, we ensure accuracy by relying on primary information sources wherever possible. Consequently, we employ hundreds of researchers internationally and in virtually every region of the United States to directly investigate employer, court, and other records rather than relying on third-party databases. We also have direct access to national and statewide databases where available. Because of our large and diverse customer base, we have the extensive experience, specialized knowledge, and precisely honed skills required to perform background checks in other countries, including major developing countries like India. SterlingDirect automatically sends reference and criminal search instructions to our researchers immediately after a user submits the order request. This research is conducted directly with the applicable records repository. To ensure the quality of information submitted and received, Sterling processes include:

- ✓ Sterling will directly contact the Social Security Administration to verify a trace result that returns as “no hit.”





- ✓ SterlingDirect will not process a request unless the user indicates that the applicant/employee signed a consent form.
- ✓ Date of birth is required to conduct a criminal background check.
- ✓ License number and state of issuance are required to conduct a motor vehicle search.
- ✓ Either a company or individual's name is required to conduct an employment reference check.
- ✓ A school's name is required to conduct education verification.

We constantly focus on processes and methods ensure speed and accuracy, performing all services in accordance with written Standard Operating Procedures (SOPs) that are based on our continuous improvement initiatives. Sterling's ISO 9001:2008 certification and strict adherence to Lean Six Sigma business practices inform our operating procedures, which include the following to ensure the integrity of investigation reports:

- ✓ **Social Security Trace / Consumer Credit Reports:** Information is automatically gathered from all the major credit bureaus and reviewed by Sterling' in-house Quality Control department. We have initiated a process with multiple databases to better ensure the integrity and breadth of Social Security and address information.
- ✓ **Criminal Conviction Searches:** Sterling's network of researchers access our secure website via unique user ID and Password, obtaining requests assigned by location. As they gather information, our researchers input data into the system and SterlingDirect displays real time updates. If a criminal conviction records search yields a conviction, arrest, or other "non-clear" result, our system diverts the report to our Criminal Records department for review.
- ✓ **Nationwide Criminal Database Search:** If a Nationwide Criminal Database Search yields a possible match, Sterling will contact the appropriate individual from State of Utah/WSCA to recommend performing an additional search at the applicable county or state level to verify the match.
- ✓ **Confirmation of Criminal Records:** All criminal conviction "hits" are verified prior to release of the final report regardless of the method utilized to conduct the search (i.e. field research or direct data transfer from court repositories or police records). Our protocol to verify the accuracy of the search involves establishing that the applicant's name, birth date, and other key identifiers match court records precisely and to confirm that charges and case numbers correspond. Sterling does not release conviction information until we confirm all details with the court.
- ✓ **External Researcher Audits:** All criminal court researchers are audited on a weekly basis. Each researcher is assigned a name that Sterling has previously investigated that





was originally found to have a criminal conviction record. We closely scrutinize both the accuracy of information returned and the speed of delivery. Failed tests result in immediate dismissal.

- ✓ **Reference Verification/Education Verification:** As with Criminal Conviction Searches, our network of researchers access requests on our website using unique user IDs and Passwords. As information is gathered, it is input into the system, where department staff or managers proofread the information prior to final distribution to the client.
- ✓ **Motor Vehicle Reports:** Requests are processed through the Department of Motor Vehicles of the corresponding states. Sterling’s in-house Quality Control department reviews results for accuracy and completeness.

g. Provide a synopsis of any compliance complaints and/or compliance investigations.

Please reference the document entitled “Sterling Infosystems, Inc. RFP Response – Solicitation #NO11002 – Litigation Summary.”

Data Security

a. Please provide a copy of your security policy as an attachment to proposal response.

Please reference the document entitled “Sterling Infosystems, Inc. RFP Response - Solicitation #NO11002 - Information & Technology Security Policy.”

b. Describe your system, physical site, and personnel security policies.

Physical Premises

- » Sterling maintains several levels of physical security, starting with the building entry. Our New York headquarters is located in a building secured 24/7 by live personnel. During “off” hours, employees are required to show valid identification before building personnel “buzz” them in by releasing electronic locks preventing off-hour building access.
- » Our office is only accessible via fingerprint or buzz-in button at our reception desk. During off-hours when the reception desk is not staffed, an alarm system will notify our security company of any breaches.
- » Sterling requires each employee to wear a photo ID while on the premises. Additionally, all guests on our premises receive security badges that they must prominently display at all times.
- » All confidential information that is deleted or disposed of must be done so that the information cannot be reconstructed (e.g. shred documents or erase/destroy floppy disks/ CD-ROMS/DVDs containing such information).





Network & Data Security

To obtain CyberTrust certification, Sterling's network and data security protocols are thoroughly reviewed on a scheduled basis. These reviews include the following elements:

- » Stateful firewalls
- » DMZ for web and FTP servers
- » VLAN security (General users, IT, general use servers, secure servers are all separate)
- » Switch and router ACLs (Only necessary ports are opened)
- » Host Hardening
- » Fundamental Perimeter Security
- » Packet filtering
- » Log file analysis (We record data for major systems and use this as a diagnostic tool)
- » Windows 2000 security
- » NAT/PAT
- » Up/Down Monitoring (We are alerted via SMS page to several individuals when any systems go down as well as when they come back up).
- » Redundant systems including our Internet connectivity, firewall, routers, and switches.
- » Patches Firewalls

We have two PIX 515E PIX Firewalls (Version 6.3), which are setup in a hot standby configuration. Only necessary traffic is allowed, including http, https, smtp, ftp, and pop3. Our firewalls and switches are also configured to record data such as network user activity, allowing immediate detection of potentially malicious traffic.

Advanced Notification

As part of our agreement with CyberTrust, we are provided with advanced notification of potential attacks, their severity potential, and recommended response steps. Our IT team reviews these alerts and acts on within the categorized response time (e.g. Red Alerts are acted on immediately).

Data in Motion

Sterling manages its services through a centralized hosting infrastructure with secure proprietary application and data repositories that interact with our clients via a suite of proprietary web applications. These interactions are protected by layers of security provisions





which include encrypted communications with the web browsers (128 bit HTTPS) as well as a series of measures within Sterling’s hosting environment prohibiting unauthorized connections and shielding data repositories. Our systems and users are monitored and sessions are maintained over encrypted pipes.

Data at Rest

Data isolation and privacy is ensured through permission-based authentication. Key sensitive data fields are masked where viewable and are encrypted into and out of the database layer. We take this a significant step further by fully encrypting the entirety of our Archived Data prior to securely exporting it on tape to our nationally recognized off-site storage partner. The extra step of exportation ensures that data remains secure even in the case of a process break-down in transport or storage.

Order-related data resides on servers, all of which sit behind multiple firewalls and employ Network and Host-based IDS and password protection. This data is only accessible via our proprietary fulfillment application (installed exclusively on corporate workstations) and via our proprietary, secure browser-based client facing application, SterlingDirect. Data in both applications is not stored locally.

Network

Sterling’s segregated network provides the backdrop for compliance with internal security. Firewalls segregate each network, restricting environments and users to their areas of permitted access. Starting at the access level, we maintain a culture of ‘need to know’ as it pertains to granting access to data and/or environments.

Consequences for disobeying security policies result in disciplinary action up to and including termination.

c. Explain your password policy and procedures.

Username & Password

Sterling assigns User IDs and passwords to client-authorized account representatives only. We have designed and implemented a fully client-configurable User, Password, Login, and Session Management System.

Should an employee with access to SterlingDirect leave State of Utah/WSCA, your HR Staff can change the password required to access SterlingDirect on our website or by contacting our Client Services department.





Sterling also has a great deal of flexibility for establishing “user rights,” including customizable capabilities to delineate the each user’s precise information access. For example, “Master” users can be designated to see all results, while others might have more limited access related to their specific departmental or other needs. The client can restrict user-access to specific data details, such as adverse criminal records or invalid social security numbers. These preferences will be reviewed during the implementation process.

Frequency of password change is configurable to meet State of Utah/WSCA’s policy. We typically recommend changing upon first login and no less than every six months.

Lost User IDs and Passwords can be recovered via contacting our Client Care team or your dedicated Account Manager with approval from your appointed user management contact(s).

d. What measures do you take to protect sensitive consumer information?

Protecting the confidentiality of State of Utah/WSCA’s applicant and employee information is one of our highest priorities. Our zealous concern for keeping private information private and enhancing our clients’ brands is evident by our robust procedures. To assure a secure environment, we also maintain certification by CyberTrust, an independent company specializing in auditing technology security. This certification verifies that we maintain compliance with rigorous security processes and standards CyberTrust has identified specifically for Sterling based on thorough reviews of our physical premises and network/data security needs. The audit includes identification of possible improvements to physical, network, and data security along with implementation priorities and deadlines based on relative risks. Please reference our Information & Technology security policy and the responses detailed in questions **b.** and **c.** in this section.

e. What are your policies regarding the proper maintenance and disposal of personally identifiable information?

Sterling reiterates that protecting the confidentiality of State of Utah/WSCA’s applicant and employee information is one of our highest priorities. We repeat this not for redundancy’s sake but rather because of our zealous commitment and our true belief in its importance. Please reference our Information & Technology security policy and the responses detailed in questions **d.**, **f.**, **b.**, and **c.** in this section, which detail our policy regarding maintenance and disposal of confidential and sensitive information. Please also reference the document entitled “Sterling Infosystems, Inc. RFP Response – Solicitation #NO11002 – Information & Technology Security Policy” for additional details.





f. Explain your retention and disposal policy.

Any documentation we receive is stored in our electronic document-storage application, Documentum. Only authorized Sterling employees have access to this information. No paper copies are maintained. If we must print a document to complete a background check (mailing or faxing a consent form to a school, for example), it is shredded immediately afterwards. Sterling utilizes an independent document shredding company within the confines of its offices.

g. Please describe your data recovery/backup system.

In order to provide continued operations and services to its clients, SI has adopted a continued effort approach to its Business Continuity Management planning, constantly striving for speedier RTO and meaningful RPO. This approach, combined with careful risk management has positioned SI in such a way that, even the most debilitating of disaster scenarios could be managed with successful Return –To-Service. The following is a short list of disaster scenarios addressed by the current BCM planning effort.

Loss of Corporate Headquarters Access

In the event of an incident that would limit or deny access to the Corporate Headquarters, all systems would remain functional and access to those systems would remain intact. Through the use of Citrix remote access, SI would deploy remote core teams equipped with computers and phones, thus providing necessary capability to service its clients. Additionally, its Mumbai location would operate as if nothing had occurred- fulfilling orders and servicing clients.

Loss of Primary Data Center Systems

In the event of a total loss of production systems, SI would failover from its Baltimore Data Center hosted with **Baltimore Technology Park** to its secondary sight hosted in its corporate headquarters in New York City. Real-time replication occurs between these sites and Sterling has made the appropriate investment in Infrastructure to ensure that all core systems could be brought back to service within a 4-6 hour period.

h. Provide a log of system breeches, including dates, size of breach, stolen data content, outcome, and remedy. If a breach in data security occurs, a notice to the contract manager and all customers covered under this contract must be made within 6 business hours.

In over 35 years of business, Sterling has never had a system breach. Our impeccable record of accomplishment reveals not only our commitment to data security, but also our ability to deliver.





i. Describe your approach to data security, and staying pro-active in data security efforts.

Protecting the confidentiality of State of Utah/WSCA’s applicant and employee information is one of our highest priorities. Our zealous concern for keeping private information private and enhancing our clients’ brands is evident by our robust procedures. Our current certifications, including our ISO 9001:2008 certification, our CyberTrust Certification, and our Safe Harbor certification, reveal our commitment to continuously update, enhance, and improve our excellent security system. Our vigilance ensures that our 35 years without a security breach will continue. Please also reference the document entitled “Sterling Infosystems, Inc. RFP Response – Solicitation #NO11002 – Information & Technology Security Policy” for additional details.

DETAILED SCOPE OF WORK

Screening Services

a. Contractor must agree to discuss each case with the using agency and provide a cost estimate as requested. Using agency may put a dollar limit on the case.

Authorized State of Utah/WSCA users may contact their Client Service Executive or Account Manager to discuss the details of any order or request. Sterling Infosystems will provide a list of services and package pricing to the State of Utah/WSCA to ensure that no background check exceeds the agreed upon dollar amount. The State of Utah/WSCA will have access to this pricing information at any time, eliminating the need for users to solicit cost estimates from their account team.

b. What is your procedure for rush background screening services?

Sterling’s superlative turnaround times ensure that our clients rarely have the need to request rushes on any background screening services. Users may submit rush requests to their designated Client Service Executive and/or the Client Services team and Sterling will contact the appropriate researchers to escalate the request where possible.

c. Does your company charge for unsuccessful search or contact?

Yes. Sterling Infosystems, Inc. pursues every search with equal diligence. For searches where it is difficult to contact a specific person to verify a record, we will try multiple methods of contact including phone, fax, and email. State of Utah/WSCA will receive a detailed report with our efforts once the search completes.

d. What recourse is there when contractor provides bad or misinformation?

If an applicant or candidate takes issue with any piece of information discovered on the background check, they may utilize our Dispute Resolution process described in the answer to question **c.** under the Compliance heading in the Experience and Capability section (page 11).





- e. **What sources of information are searched? Describe each service you provide and how you go about obtaining that information, in as much detail as possible, per the following BSVS list.** Please reference the following list for information on each specific service in the BSVS list.

Background Screening and Verification Service (BSVS) List

Following is a list of background screens and verifications required as a minimum. This list of services and any resultant contracts are not intended to be all-inclusive. The State of Utah and WSCA may request other similar services not included in the Master Agreement. As the industry changes or new BSVS are made available, the State of Utah and WSCA reserves the right to change or add those BSVS to the contract. Fees for these additional services are to be priced consistent with the pricing structure established in the Master Agreement. These additional services will be negotiated and added to the Master Agreement.

Under each of the following BSVS requirements, provide a point by point response to each equation and provide in detail other pertinent information related to the specific BSVS:

1. **Multi-Jurisdictional (local, national, international) Criminal History Record Checks:** BSVS should include conviction records only and should not include criminal charges that have not resulted in a conviction.

Sterling has the ability to filter non-conviction results so that only convictions appear on the final report.

Are local, national and international three separate checks or lumped together? If lumped together, is there a price differential to separate out each check?

Any Multi-State/Multi-Jurisdiction Search is best used as a locator to determine which areas require a primary source search of a county or local jurisdiction to obtain accurate criminal record information.

There is no international database repository into which different countries report and consolidate information. International information must be obtained from each country individually. With Sterling’s unique global presence and offices around the world, the State of Utah can rely on our ability to get the most accurate information faster than our competitors.

The Multi-State/Multi-Jurisdiction search has one price and international searches are priced separately. Please refer to the cost proposal for more detailed information.

What is included in the BSVS search report?

This is a query made to a criminal records database containing information from 41 states using the applicant's identifiers. It consists of data obtained from the state based department of corrections, administrative office of the courts, bureau of criminal apprehension, office of foreign assets control,





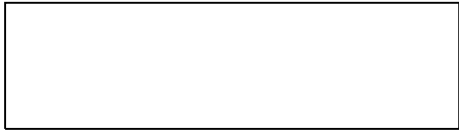
registered sex offenders and/or the department of criminal justice records, various county criminal records and data from other applicable government agencies where available.

Regarding international BSVS, how do you handle countries that require special information or do not provide adequate information to make it worth a BSVS? Contractor must inform customer if in their professional opinion, the BSVS would to produce results due to lack of information available from the specific country.

Sterling clients have access to a global organization with international capabilities in over 300 countries, territories, protectorates, etc. around the world. Sterling’s robust global presence gives us unique insight into the background screening processes for many countries around the world. We maintain a database of specific requirements and capabilities for each country where we provide services. Each country is rated based on a corruption index that describes the accuracy of that country’s information. Sterling is happy to provide all required forms to State of Utah/WSCA as necessary. We are happy to share detailed information on the capabilities of each country and consult with the State of Utah/WSCA as to whether or not that particular country can provide the information you require.

Sterling’s Global Footprint:





What is the average turnaround time to complete BSVS?

SERVICE	AVERAGE TURNAROUND TIME
Multi-State/Multi-Jurisdiction Criminal Database Search	Instant – Five Minutes

How is a court record searched? Please note, if the court charges a processing fee, you may not mark-up the fee. It is to be a direct reimbursement from customer or included in the cost of the BSVS.

Processing fees are included in the price of most Sterling searches and in the cases where they are not included we pass the fee along to the customer without mark-up.

Court records are searched by the following methods:

County Criminal Records

Sterling leads the industry with accuracy and turn-around time using CourtDirect, our automated, high-performance connection with numerous county criminal jurisdictions across the United States. Sterling’s CourtDirect is the largest, most comprehensive network of any provider anywhere in the world and we are adding capabilities on a weekly basis Today, most companies physically retrieve courthouse data for background screening. With our breakthrough platform, Sterling successfully digitized and integrated primary source data from hundreds of U.S. court jurisdictions. Fully 72% of our criminal record search volume is automated via CourtDirect. By eliminating human intervention from the process and creating direct pipelines of information from nationwide courthouses, CourtDirect allows Sterling to offer numerous benefits, including turn-around times **50% faster** than the rest of the industry.

State Criminal Records

In some states, counties submit criminal data to a state repository. The data submitted varies by state; some states collect all data from all counties while other states may only collect arrest or felony data. Our background specialists will work with you to determine if a particular state repository is a good choice for your searches. When it is a good match for your needs, a repository search can frequently provide a cost effective way to search for criminal record information in an entire state. Sterling collects criminal records history directly from the state repositories and reports results according to state guidelines and FCRA regulations, ensuring that all data on a Sterling Infosystems report is actionable and may be used in a hiring decision.

Federal Criminal Records

Federal criminal records detail crimes of a different scale than those at the county level; these crimes are prosecuted in federal district courts and include such charges as international/inter-state drug trafficking, kidnapping, etc. Sterling has the ability to obtain federal records from all district courts throughout the United States and related territories. There are currently 94





federal judicial districts, with at least one in every state as well as the District of Columbia, Puerto Rico, The Virgin Islands, Guam, and the Northern Mariana Islands.

Multi-State/Multi-Jurisdiction or National Criminal Database Search

Sterling offers a National Criminal Database Search that provides multi-jurisdiction information from multiple sources including County Records, State Department of Corrections, Sexual Offenders Lists and Administrative Office of Courts. As not all counties and/or states are represented by this search, Sterling recommends it as a supplement to a comprehensive county and/or statewide Criminal Conviction search. We verify all potential hits with the primary record holder, ensuring that any data reported on a Sterling result is actionable and in compliance with Federal law.

How long are convictions shown on records?

The length of time that convictions appear on records varies depending on the type of search conducted and the nature of the conviction. For example, convictions that are eligible to be expunged will not appear after they are expunged from the record. Convictions that are archived may require extra time and cost to retrieve, but are available for as far back as an individual county or repository chooses to store their information. Certain jurisdictions place restrictions on reporting convictions over 7 years old; some jurisdictions require a minimum salary threshold to report convictions over 7 years.

How do you do background screens in states that don't contribute to the multi-state criminal database or is it even possible? Please list each state and BSVS method to be used per state.

Criminal record information for states that do not contribute to the Multi-state criminal database can be obtained through county courthouse searches and/or state repository searches. The following provides a list of the 50 states and the available methods for obtaining criminal record information:

Alaska (AK)

Available Criminal Record searches:

- » Multi-State/Multi-Jurisdiction Criminal Record Search
- » County Courthouse Search

Alabama (AL)

Available Criminal Record searches:

- » Multi-State/Multi-Jurisdiction Criminal Record Search
- » County Courthouse Search
- » State Repository Search

Arkansas (AR)

Available Criminal Record searches:

- » Multi-State/Multi-Jurisdiction Criminal Record Search





- » County Courthouse Search
- » State Repository Search

Arizona (AZ)

Available Criminal Record searches:

- » Multi-State/Multi-Jurisdiction Criminal Record Search
- » County Courthouse Search

California (CA)

Available Criminal Record searches:

- » Multi-State/Multi-Jurisdiction Criminal Record Search
- » County Courthouse Search
- » Incarceration Record Search at the state level

Connecticut (CT)

Available Criminal Record searches:

- » Multi-State/Multi-Jurisdiction Criminal Record Search
- » County Courthouse Search
- » State Repository Search

Florida (FL)

Available Criminal Record searches:

- » Multi-State/Multi-Jurisdiction Criminal Record Search
- » County Courthouse Search
- » State Repository Search
 - Requires gender

Georgia (GA)

Available Criminal Record searches:

- » Multi-State/Multi-Jurisdiction Criminal Record Search
- » County Courthouse Search
- » State Repository Search
 - Requires signed release for both felony & misdemeanor information

Iowa (IA)

Available Criminal Record searches:

- » Multi-State/Multi-Jurisdiction Criminal Record Search
- » County Courthouse Search
- » State Repository Search





Idaho (ID)

Available Criminal Record searches:

- Multi-State/Multi-Jurisdiction Criminal Record Search
- County Courthouse Search
- State Repository Search
 - Idaho requires a specific signed release to complete this search

Illinois (IL)

Available Criminal Record searches:

- Multi-State/Multi-Jurisdiction Criminal Record Search
- County Courthouse Search
- State Repository Search

Indiana (IN)

Available Criminal Record searches:

- Multi-State/Multi-Jurisdiction Criminal Record Search
- County Courthouse Search
- State Repository Search

Kansas (KS)

Available Criminal Record searches:

- Multi-State/Multi-Jurisdiction Criminal Record Search
- County Courthouse Search
- State Repository Search

Kentucky (KY)

Available Criminal Record searches:

- Multi-State/Multi-Jurisdiction Criminal Record Search
- County Courthouse Search
- State Repository Search

Maryland (MD)

Available Criminal Record searches:

- Multi-State/Multi-Jurisdiction Criminal Record Search
- County Courthouse Search
- State Repository Search
 - Only provides conviction information





Maine (ME)

Available Criminal Record searches:

- » Multi-State/Multi-Jurisdiction Criminal Record Search
- » County Courthouse Search
- » State Repository Search

Michigan (MI)

Available Criminal Record searches:

- » Multi-State/Multi-Jurisdiction Criminal Record Search
- » County Courthouse Search
- » State Repository Search
 - All felonies and serious misdemeanors that are punishable by over 93 days are required to be reported to the state repository by law enforcement agencies, prosecutors, and courts in all 83 Michigan counties.
 - Suppressed records and warrant information are not available. Also not included are federal records, tribal records, and criminal history from other states. A search for a record that may be in another state requires that that you correspond with that state directly.

Minnesota (MN)

Available Criminal Record searches:

- » Multi-State/Multi-Jurisdiction Criminal Record Search
- » County Courthouse Search
- » State Repository Search

Missouri (MO)

Available Criminal Record searches:

- » Multi-State/Multi-Jurisdiction Criminal Record Search
- » County Courthouse Search
- » State Repository Search

Mississippi (MS)

Available Criminal Record searches:

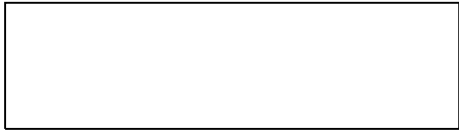
- » Multi-State/Multi-Jurisdiction Criminal Record Search
- » County Courthouse Search

Montana (MT)

Available Criminal Record searches:

- » Multi-State/Multi-Jurisdiction Criminal Record Search
- » County Courthouse Search





- » State Repository Search
 - The following information is not released:
 - Traffic offenses unless felony driving under the influence of alcohol
 - Deferred impositions that have been dismissed

North Carolina (NC)

Available Criminal Record searches:

- » Multi-State/Multi-Jurisdiction Criminal Record Search
- » County Courthouse Search
- » State Repository Search

North Dakota (ND)

Available Criminal Record searches:

- » Multi-State/Multi-Jurisdiction Criminal Record Search
- » County Courthouse Search
- » State Repository Search
 - Signed release required

Nebraska (NE)

Available Criminal Record searches:

- » Multi-State/Multi-Jurisdiction Criminal Record Search
- » County Courthouse Search
- » State Repository Search
 - Restricted
 - The following information is not released:
 - Juvenile records
 - Records without dispositions except if an arrest without a disposition is less than one year old

New Hampshire (NH)

Available Criminal Record searches:

- » Multi-State/Multi-Jurisdiction Criminal Record Search
- » County Courthouse Search
- » State Repository Search
 - Requires notarized New Hampshire consent form

New Jersey (NJ)

Available Criminal Record searches:

- » Multi-State/Multi-Jurisdiction Criminal Record Search
- » County Courthouse Search
- » State Repository Search
 - Provides felony information only





New Mexico (NM)

Available Criminal Record searches:

- Multi-State/Multi-Jurisdiction Criminal Record Search
- County Courthouse Search
- State Repository Search
 - The following information is not released:
 - Juvenile records

Nevada (NV)

Available Criminal Record searches:

- Multi-State/Multi-Jurisdiction Criminal Record Search
- County Courthouse Search
- State Repository Search
 - The following information is not released:
 - Sealed records
 - Juvenile records

New York (NY)

Available Criminal Record searches:

- Multi-State/Multi-Jurisdiction Criminal Record Search
- County Courthouse Search
- State Repository Search
 - The following information is not released:
 - Misdemeanor records prior to 2003

Ohio (OH)

Available Criminal Record searches:

- Multi-State/Multi-Jurisdiction Criminal Record Search
- County Courthouse Search
- State Repository Search

Oklahoma (OK)

Available Criminal Record searches:

- Multi-State/Multi-Jurisdiction Criminal Record Search
- County Courthouse Search
- State Repository Search
 - The following information is not released:
 - Juvenile records





Oregon (OR)

Available Criminal Record searches:

- Multi-State/Multi-Jurisdiction Criminal Record Search
- County Courthouse Search
- State Repository Search

Pennsylvania (PA)

Available Criminal Record searches:

- Multi-State/Multi-Jurisdiction Criminal Record Search
- County Courthouse Search
- State Repository Search
 - Before a State or local police department disseminates criminal history record information to an individual or noncriminal justice agency, it shall extract from the record all notations of arrests, indictments or other information relating to the initiation of criminal proceedings where:
 - Three years have elapsed from the date of arrest;
 - No conviction has occurred; and
 - No proceedings are pending seeking a conviction

Rhode Island (RI)

Available Criminal Record searches:

- Multi-State/Multi-Jurisdiction Criminal Record Search
- County Courthouse Search
- State Repository Search

South Carolina (SC)

Available Criminal Record searches:

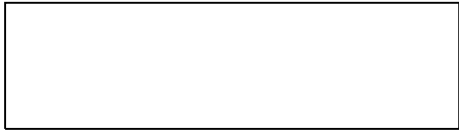
- Multi-State/Multi-Jurisdiction Criminal Record Search
- County Courthouse Search
- State Repository Search
 - Includes felony information only

Tennessee (TN)

Available Criminal Record searches:

- Multi-State/Multi-Jurisdiction Criminal Record Search
- County Courthouse Search
- State Repository Search





Texas (TX)

Available Criminal Record searches:

- » Multi-State/Multi-Jurisdiction Criminal Record Search
- » County Courthouse Search
- » State Repository Search
 - This source contains information on arrests, prosecutions and the disposition of the case for persons arrested for Class B misdemeanor or greater violation of Texas criminal statutes.

Utah (UT)

Available Criminal Record searches:

- » Multi-State/Multi-Jurisdiction Criminal Record Search
- » County Courthouse Search
- » State Repository Search
 - The following information is not released:
 - Juvenile records
 - Records from Justice Courts

Virginia (VA)

Available Criminal Record searches:

- » Multi-State/Multi-Jurisdiction Criminal Record Search
- » County Courthouse Search
- » State Repository Search
 - Conviction information only

Washington (WA)

Available Criminal Record searches:

- » Multi-State/Multi-Jurisdiction Criminal Record Search
- » County Courthouse Search
- » State Repository Search

Wisconsin (WI)

Available Criminal Record searches:

- » Multi-State/Multi-Jurisdiction Criminal Record Search
- » County Courthouse Search
- » State Repository Search

Colorado (CO)

Available Criminal Record searches:

- » County Courthouse Search
- » State Repository Search





Delaware (DE)

Available Criminal Record searches:

- » County Courthouse Search
- » State Repository Search
 - Processed via mail through Delaware State Police
 - Requires fingerprint card

Hawaii (HI)

Available Criminal Record searches:

- » County Courthouse Search
- » State Repository Search

Louisiana (LA)

Available Criminal Record searches:

- » County Courthouse Search

Massachusetts (MA)

Available Criminal Record searches:

- » County Courthouse Search
- » State Repository Search
 - Restricted

South Dakota (SD)

Available Criminal Record searches:

- » County Courthouse Search
- » State Repository Search
 - The following information is not released:
 - Juvenile records
 - Minor traffic violations
 - Out-of-state or federal charges

Vermont (VT)

Available Criminal Record searches:

- » County Courthouse Search
- » State Repository Search
 - Conviction information only





West Virginia (WV)

Available Criminal Record searches:

- » County Courthouse Search
- » State Repository Search
 - West Virginia consent form & West Virginia fingerprint card required

Wyoming (WY)

Available Criminal Record searches:

- » County Courthouse Search

If contractor only performs an electronic database search and does not get a hit, do you have other methods to complete a search?

Yes. Sterling Infosystems offers county, state, federal, and municipal criminal record searches in addition to our Multi-State/Multi-Jurisdiction database search.

If there are multiple hits, do you pursue all hits or do we need to request this and do we pay separately for each verification type?

When a possible match is found, it is returned as a jurisdiction to be searched without providing the underlying criminal information. Once the jurisdiction has been determined, it is added to the list of counties determined by the Social Security Number / Address Verification and the background check is processed. This protocol is necessary as under the Fair Credit Reporting Act. When a public record is used to make an employment decision, one can only rely on the current state of that record necessitating a contemporaneous verification.

Sterling's Multi-State / Multi-Jurisdictional Record Locator Search is fully compliant and provides a very affordable, enhanced level of due diligence that can be incorporated into any company's employee screening program.

2. Sex Offender Registry Checks

Is this type of search always included in vendor's Criminal History Check?

Sterling offers separate sex offender and criminal history searches. Individual jurisdictions classify crimes differently; depending on the classification and the courthouse where a crime is prosecuted, sexual crimes may appear in a criminal history search. Sterling recommends running both criminal and sex offender history searches to ensure the greatest accuracy and risk mitigation.





Database searches must be national at a minimum, and may include statewide, and local.

Sterling offers a number of sex offender searches but recommends the Dru Sjodin National Sex Offender Public Website (NSOPW) search for the greatest accuracy and scope. Our in-house team directly searches 49 states (Nevada is excluded by law) through the Federal Department of Justice database, which is updated in real time. This search is more comprehensive than an individual state registry search because it is possible to uncover potential sexual criminal history in states where the applicant may have frequented but never lived.

Sterling has access to the sex offender registries of most states in the country. By law, Nevada prohibits the use of sex offender information in pre-employment screening. Sexual offender searches are statewide, encompassing all counties within the state. In the event an individual moves, sexual offenders must register with their new state of residence. Additionally, a sex-offender search is included in the multi-jurisdiction National Criminal Database search. This sex offender search is an inclusive database search, meaning that any “hits” are verified with the primary source.

If States do not participate in national database, how do you obtain information?

According to Nevada state law, it is illegal to obtain sex offender information for use in pre-employment screening. We report all sex offender information we discover in the course of performing criminal background searches. California allows the release of sex offender information for employees whose duties require them to work with or have access to vulnerable populations.

What is the average turnaround time to complete BSVS?

SERVICE	AVERAGE TURNAROUND TIME
Sex Offender Database Searches	Same Day – 24 Hours

What information is required from customer to complete the BSVS?

Our standard consent and release form contains sufficient information to complete a sex offender history search. For this search specifically, the minimum we require is first name, last name and date of birth.

What information is included in BSVS report?

Sex offender reports include identifying information, what information connects the record in question with the individual requested, specific crime, county of conviction, victim age, offender age, state(s) where registered, and other case comments if available.

3. County Criminal Search





Is a county criminal search always included in the Criminal History Check?

Sterling clients have the ability to include county, state, federal, national/multi-jurisdiction, and municipal criminal record checks in every search or to create different packages with different levels of criminal searches. We are happy to customize all your criminal history packages to meet State of Utah/WSCA needs.

What records do you search?

Sterling leads the industry with accuracy and turn-around time using CourtDirect, our automated, high-performance connection with numerous county criminal jurisdictions across the United States. Sterling’s CourtDirect is the largest, most comprehensive network of any provider anywhere in the world and we are adding capabilities on a weekly basis Today, most companies physically retrieve courthouse data for background screening. With our breakthrough platform, Sterling successfully digitized and integrated primary source data from hundreds of U.S. court jurisdictions. Fully 72% of our criminal record search volume is automated via CourtDirect. By eliminating human intervention from the process and creating direct pipelines of information from nationwide courthouses, CourtDirect allows Sterling to offer numerous benefits, including turn-around times **50% faster** than the rest of the industry.

What is the scope of the search in number of years, etc.?

Industry best practice suggests a seven-year criminal history search based on address history is the “gold standard” of criminal record history searches. Sterling is happy to adjust the scope of the criminal record search according to the State of Utah/WSCA’s preferences – we are happy to conduct a 10 year criminal history search or a criminal history search based on all addresses lived. We report all conviction information available that is permissible to report according to local, state, and federal laws, rules, and regulations.

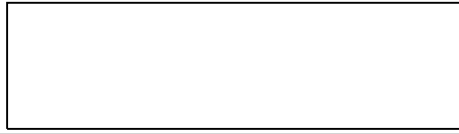
What is the average turnaround time to complete BSVS?

SERVICE	AVERAGE TURNAROUND TIME
Criminal Background Check	15 Hours

What information is included in BSVS report?

Sterling reports include: Case Number, what information connects the record in question with the individual requested, identifiers, violation date, violation type, final charge, disposition date, disposition, and any additional case comments that are available.





4. County Civil Record Searches

Is a County Civil Record Search always included in the Criminal History Check?

Civil records may be included in a package with other types of criminal history checks as determined by State of Utah/WSCA.

What records do you search?

County civil court records are found in either the upper or lower courts, based on the dollar amount of the action. The dollar amount criteria will vary by state and/or county.

What is the scope of the search in number of years, etc.?

Like criminal records, industry best practice suggests a seven-year civil history search based on address history is the “gold standard” of civil record history searches. Sterling is happy to adjust the scope of the civil record search according to the State of Utah/WSCA’s preferences – we are able to conduct a civil history search based on all known addresses. We report all conviction information available that is permissible to report according to local, state, and federal laws, rules, and regulations.

What is the average turnaround time to complete BSVS?

SERVICE	AVERAGE TURNAROUND TIME
Civil Background Check	15 Hours

What information is included in BSVS report?

Sterling reports include: Case Number, File Date, Disposition Date, Court, Defendant Identifiers, Plaintiff Identifiers, Disposition, and Case Comments.

5. Social Security Number and Citizenship Verification

What information is required to complete BSVS?

Sterling requires first name, last name, social security number, and date of birth. If State of Utah/WSCA prefers, Sterling can obtain the date of birth after the order request is submitted.

What records do you search?

Sterling offers three types of social security number information searches: SSN Trace, SSN Verification, and E-Verify.





SSN Trace

While many of our competitors compile information only from the three major credit bureaus, SterlingDirect automatically gathers data from all major credit bureaus and over 400 reliable data sources including utility companies, USPS mail forwarding data, and others. Sterling's Quality Control department reviews all information returned. Sterling will contact the Social Security administration directly to verify a trace result that confirms as "no hit."

SSN Verification

Through Sterling, HR managers can electronically verify Social Security Numbers pre-hire to eliminate delays during onboarding and to streamline hiring process tasks. With Sterling, the SSN check can be initiated with a simple click directly from the interface HR managers use for other screening tasks. This eliminates duplicate data entry in addition to reducing manual steps and errors. The instant results are automatically recorded in the candidate's record, showing a Verified, Failed, or Deceased result, which ensures HR managers at any location can work seamlessly through the candidate's secure, unified electronic file. While the SSN Verification can be performed today at post-hire directly through the SSA, by using Sterling's SSN verification service HR managers can eliminate extra manual processes, reducing the impact on their resources and speeding time to hire. Sterling's SSN verification is another value-added service that unifies the complex hiring process into a single, streamlined workflow.

E-Verify

Sterling's I-9/E-Verify service is a powerful web-based platform that automates a company's new hire process, allowing I-9s to be completed and signed online. Both Sterling's paper-based and electronic I-9 services are integrated with our E-Verify service so that within seconds of submitting an initial EVP verification, the data will be transmitted to the Social Security Administration to confirm SSN, Date of Birth and Citizenship and you will receive an initial eligibility statement with one of the following results: EMPLOYMENT AUTHORIZED; SSA TENTATIVE NON-CONFIRMATION; DHS VERIFICATION IN PROCESS. This comprehensive process will provide you will all necessary information to take action on all of your employees in a timely and acceptable manner.

To help you easily comply with eligibility verification requirements of today and the future, Sterling's I-9 and E-Verify Solution includes an integrated instant employment eligibility verification through the DHS. To save you time and provide added visibility this solution provides verification summary status information and resolution tools for addressing those infrequent situations where work eligibility cannot be immediately confirmed.

The Sterling E-Verify solution will allow you to efficiently manage state and federal regulatory compliance requirements through solution features and by generating program summary reports. By enabling you to scan and upload supporting documents easily, and re-verify I-9





documentation as necessary, the solution allows you to stay compliant with fewer hassles and greater program control.

What is the average turnaround time to complete BSVS?

SERVICE	AVERAGE TURNAROUND TIME
Social Security Trace	Instant – Five Minutes

What is included in the BSVS report?

SSN Trace

Results display a list of names and addresses associated with the social security number provided.

SSN Verification

Results report the first name, last name, and date of birth associated with the social security number provided by the candidate/employee.

E-Verify

Within seconds of submitting an initial EVP verification, the data will be transmitted to the Social Security Administration to confirm SSN, Date of Birth and Citizenship and you will receive an initial eligibility statement with one of the following results: EMPLOYMENT AUTHORIZED; SSA TENTATIVE NON-CONFIRMATION; DHS VERIFICATION IN PROCESS.

6. Driving Records (Motor Vehicle Records)

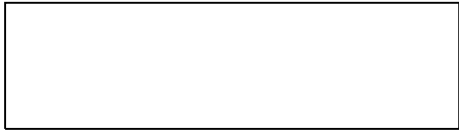
What information is required to complete BSVS?

At minimum, Sterling requires the candidate/employee’s first name, last name, date of birth, driver’s license number, and the state that issued the driver’s license.

What records do you search?

Sterling obtains all available motor vehicle information directly from each state’s Department of Motor Vehicles. Sterling clients often search applicants’ motor vehicle records to determine if the license is valid and to identify driving record history. The information found consists of the current status of license as well as any history of speeding, reckless driving, careless driving, driving under the influence, driving while intoxicated, etc. We report the dates of all incidents as well as the dates and causes of all suspensions. All reported data is compliant with the local, state, and federal rules and regulations.





What is included in the BSVS report?

Sterling reports include: License number, Last Name, First Name, Middle Name, Street Address, City, State, Zip Code, Date of Birth, Gender, Eye Color, Weight, Height, License Issue Date, License Type, Description, Expiration Date, Status, Endorsements, Restrictions, Violations (including offense date, description, commercial information, hazardous materials information, accident information, speed limit, speed actual, points, state code, statue, and additional comments), Suspensions (includes suspension date, description, commercial information, hazardous material information, comments, and reinstatement date), and Actions (includes action date and action description).

How do you verify a DOB?

If Sterling locates a driving record that matches all identifiers other than the date of birth, we contact the applicant to confirm the correct date of birth or we can contact State of Utah/WSCA to resolve the discrepancy. We will inform you if the Social Security Trace revealed a different date of birth than the one the applicant provided.

What is the average turnaround time to complete BSVS?

SERVICE	AVERAGE TURNAROUND TIME
Department of Motor Vehicle Reports	Same Day – 24 Hours

7. Credit Reports

What information is required to complete BSVS?

At minimum, Sterling requires first name, last name, date of birth, and social security number to complete credit reports.

What records do you search?

Sterling has the capability to obtain credit reports instantly through SterlingDirect. Information reported comes from TransUnion.

Our methodology for international credit report data varies by region. As an example, for Canadian searches we obtain a specific signed consent form and send it to the appropriate bureau for information.





What approach do you take to ensure integrity of social security and address information?

Sterling only reports credit information if the name and social security number match the exact information provided in the background check order. For additional security, clients may choose to run our pre-hire SSN Verification in tandem with the credit report and we will only report credit information that ensures the name and social security number match the results on the Social Security Number Verification.

What is the scope of the search in number of years, etc.?

Sterling reports information from TransUnion, which includes information that goes back 7 years.

What is the average turnaround time to complete BSVS?

SERVICE	AVERAGE TURNAROUND TIME
Consumer Credit Report	Instant – Five Minutes

What information is included in BSVS report?

Reports include detailed information regarding trade accounts (credit cards, phone bills, car payments, insurance, mortgage, and charge accounts), accounts that have had negative action taken (write-offs, bad debt, collections, foreclosures, and repossessions), and public records (civil judgments, tax liens, bankruptcy).

8. Professional License Verification

What information is required to complete BSVS?

At minimum, Sterling requires the first and last name of the candidate/employee, the state where the license was issued, the type of license issued, and the license number if possible and/or applicable.

What records do you search?

Sterling conducts direct verifications via the state licensing board of specified licenses, certifications or possible reprimands. Some examples of license searches available are: CPA, Attorney, Teacher, Registered Nurse, Licensed Practical Nurse, Physician, Psychologist, and Pharmacist. The results include type, status, expiration and limitations





What is the scope of the search in number of years, etc.?

The search is limited only by the record keeping policies of the record holding institution. We will research all available information.

What is the average turnaround time to complete BSVS?

SERVICE	AVERAGE TURNAROUND TIME
Professional License Verification	24 - 48 hours

What information is included in BSVS report?

Sterling reports include: Contact name, Contact title, Contact phone #, Issuing Agency, Status, Start Date, End/Expiration Date, Comments regarding disciplinary actions and any additional information.

9. Education Verification

What information is required to complete BSVS?

At minimum, Sterling requires first and last name of the candidate/employee (any names used while attending school if different from the name provided are also helpful), the name of the educational institution where the candidate/employee obtained his or her degree, the type of degree, and the field of study (if possible).

What records do you search? Is the highest degree only verified, or all degrees earned? Do services include verification of high school diploma and GED?

To complete education verifications, Sterling’s Verification Specialists accesses requests on our secure website. As our specialists gather information directly from record holding institutions or third parties designated by record holding institutions, they input details into the system and the appropriate department managers proofread results prior to final distribution to the client.

Sterling has the ability to search the highest degree verified or all degrees earned, depending on the State of Utah/WSCA’s request. We do both for our clients as they prefer.

Yes, our services include verification of high school diploma and GED.





What is the scope of the search in number of years, etc.?

Like Professional License Verifications, The search is limited only by the record keeping policies of the record holding institution. We will research all available information.

What is the average turnaround time to complete BSVS?

SERVICE	AVERAGE TURNAROUND TIME
Education Verification	24 - 48 hours

What information is included in BSVS report? Does report include attendance, major, degree (highest earned), dates, GPA, and any honors?

Sterling reports typically include: Major, Degree Earned, Honors Received, and Dates of Enrollment. Upon client request, we can and do include GPA information.

10. Employment History & Verifications

What information is required to complete BSVS?

At minimum, Sterling requires first and last name of the candidate/employee (any names used while employed if different from the name provided are also helpful), and the name of the organization where the candidate/employee worked. Job title and approximate dates of employment are also helpful.

What records do you search?

Sterling Infosystems has a multilingual staff that works to complete references quickly and effectively from the primary record holding companies/organizations/institutions.

Do you have direct contact with supervisor/HR or do you rely solely on employment verification service?

We always strive to connect with the supervisor that worked most closely with the applicant. If supervisors are unavailable or not permitted to disclose employment details, we will contact HR. We only rely on third party employment verification services when required by the company/organization in question. For example, if a company stores all of their employment information through a third party service such as The Work Number and requires that all inquiries go through that services, we will follow the processes required by the company/organization.





Does BSVS include a reference-check service asking questions such as: was employee honest; does employee work well with others; etc.?

We ask the following series of questions and include attainable information on the completed report:

- ▶▶ Could you provide his/her start and end date of employment?
- ▶▶ Could you provide his/her starting and ending salary?
- ▶▶ Could you provide his/her job title?
- ▶▶ Are you authorized to answer performance related questions?
- ▶▶ Is he/she eligible for rehire?
- ▶▶ What were his/her duties?
- ▶▶ What was his/her reason for leaving?
- ▶▶ How would you rate his/her performance on the scale of unsatisfactory, satisfactory and excellent?
- ▶▶ How did he/she follow company's safety guidelines on the scale of unsatisfactory, satisfactory and excellent?
- ▶▶ How would you rate his/her attendance?
- ▶▶ How would you rate his/her attitude and honesty?
- ▶▶ How would you rate his/her ability to get along with others?

Questions 10 -12 are based on a scale of Unsatisfactory, Satisfactory, and Excellent.

What is included in the BSVS report?

On a completed verification, dates of employment, position, and salary are available via SterlingDirect in real-time. Direct verification of claimed previous employment includes verification of dates employed, position held, starting and ending rates of pay, performance, reason for departure, rehire status, and any general comments. Attainable information from the job performance questions we ask also appears on the completed report.

Sterling also provides a history of the verification so that State of Utah/WSCA may see the status of the report at all times. Sterling is happy to customize verification questions and protocols to fit the culture and needs of your company. We are so confident our professionalism that Sterling will offer clients audio files of completed verifications via SterlingDirect so clients may hear information firsthand and gain transparency into our process.





Is employment record reviewed for gaps and inconsistencies on the application and employer statements?

While we do not review individual applications, Sterling Infosystems has the ability to tailor a procedure to verify gaps of employment according to the State of Utah/WSCA’s preferences. We will work with you to create parameters detailing what sort of documentation the State of Utah/WSCA will accept for proof of verification for an employment gap and State of Utah/WSCA users may include gaps of employment verification requests in the background screening order. If State of Utah/WSCA chooses to use one of our customizable electronic applications, we can require that applicants include employment gap information. Our system has the ability to generate orders automatically from our customized online applications, streamlining the data entry process for State of Utah/WSCA users.

What is the average turnaround time to complete BSVS?

SERVICE	AVERAGE TURNAROUND TIME
Employment Verification	24 - 48 hours

11. DOT (Transportation) Employment Verification

What information is required to complete BSVS?

At minimum, DOT Employment verifications require the candidate/employee’s first and last name, social security number, date of birth, driver’s license number, and separate consent forms for each previous employer.

What records do you search?

We search employment records, safety records, accident history, and drug and alcohol history.

What is the scope of the search in number of years, etc.?

In compliance with DOT Section 40.25, we request information from DOT Regulated employers who have employed the candidate/employee during the two years before the date of the application.

In compliance with FMCSA – 49 CFR Parts 382 & 391, the Department of Transportation requires all employers to get a three-year employment safety, accident and drug/alcohol history for all applicants applying for a driving position.





What is included in the BSVS report?

DOT Employment Verifications include, candidate/employee identifiers (first & last name, date of birth, driver’s license number, social security number, etc.), general employment information, safety records, accident history, and drug/alcohol history.

- ✓ Specialists trained on the DOT Driver Investigation Safety Performance History Process for drug and alcohol testing and driving and accident history
- ✓ All information regarding driver’s safety performance and drug testing history stored and available within Sterling Direct
- ✓ Full Compliance with Part 391.23 and 391.51 including
- ✓ Written record of requests
- ✓ Proof of good faith effort as per the regulation
- ✓ Forms and processes checked by Jackson Lewis
- ✓ Sterling Advantage
- ✓ Documentation archived and available 24/7
- ✓ Can perform data entry on client’s behalf
- ✓ Ensure compliance

What is the average turnaround time to complete BSVS?

SERVICE	AVERAGE TURNAROUND TIME
DOT Employment Verification	72 - 110 hours* <i>*In accordance with federal regulations, previous employers have up to 30 days to respond to these requests.</i>

12. Reference Checks

What information is required to complete the reference check?

At minimum, Sterling requires the first and last name of the applicant, the first and last name of the reference, and a contact number for the reference. Any other helpful contact information for the reference would be appreciated.

What is your process to complete a reference check? Do you check personal and/or professional references?

Sterling completes the following two types of reference checks:

Personal Verification

a friend, relative, and/or personal relationship





Professional Verification

a coworker, supervisor, and/or work related relationship

To complete a reference check, Sterling employees contact the reference provided and ask the following series of questions:

- » Is your relationship with them personal, professional or both?
- » How long have you known this person?
- » Would you please describe their personality?
- » How do they react to stress?
- » How does this person get along with others?
- » How do they react in a team environment?
- » Please comment on their written and verbal communication skills.
- » What would you say is their greatest strength?
- » Are there any weaknesses that would affect their employment, or anything their employer should be aware of?
- » If give the opportunity, would you hire this person?

We are happy to customize these questions according to the State of Utah/WSCA’s preferences.

Do you perform on-site or telephone interviews or do you mail out questionnaires?

We follow the standard procedure required/requested by the reference. The majority of our references are conducted via telephone interview, but we will fax and/or mail questionnaires of the reference requests that method of communication. We are happy to customize our methodology according to the State of Utah/WSCA’s collection preferences.

What is the scope of the reference check?

The scope of our standard reference check includes the answers to the questions detailed above. As previously mentioned, we will contact any reference provided and ask customized questions that the State of Utah/WSCA requires. Our flexibility allows for a wide and customizable scope for personal/professional reference checks.

What is included in the report?

The report includes the name of the reference and the reference’s detailed responses to the detailed questions above.





What is the average turnaround time to complete?

SERVICE	AVERAGE TURNAROUND TIME
Personal/Professional Reference Verification	24 - 48 hours

13. Sanction Screenings

(General Services Administration Excluded Parties List System (EPLS), and the Office of the Inspector General (OIG) List of Excluded Individuals/Entities (LEIE))

What information is required to complete BSVS?

The following requirements apply for both EPLS and LEIE:

At minimum, Sterling requires the candidate/employee’s first and last name, social security number, and date of birth and in some jurisdictions gender, but you will be notified if this is needed during the ordering process.

What records do you search?

EPLS

EPLS is the electronic version of the Lists of Parties Excluded from Federal Procurement and Non-procurement Programs, which identifies those parties excluded throughout the U.S. Government (unless otherwise noted) from receiving Federal contracts or certain subcontracts and from certain types of Federal financial and non-financial assistance and benefits.

LEIE

Internal researchers obtain information directly from the Office of Inspector General. Our researchers perform this search by checking two different websites for the information.

What is the scope of the search in number of years, etc.?

Industry standards recommend a 7-year search, but Sterling will report all available information after applying federal and state reporting restrictions.

What is included in the BSVS report?

EPLS

At minimum, the EPLS indicates: full name and address of each excluded person, type of action, cause for the action, scope of the action, termination date for the action, the agency information that placed the person’s name into the EPLS.





LEIE

- ▶ Determines if a candidate/employee is excluded from participation in Medicare, Medicaid, and other Federal health care programs
- ▶ Candidates/Employees are excluded from participation if they have any sanctions in specific categories that include but are not limited to: patient abuse/neglect conviction, felony health care fraud conviction, felony controlled substance conviction, misdemeanor health care fraud conviction, misdemeanor controlled substance conviction, license revocation/suspension/surrender, federal/state health care program exclusion/suspension, quality of care violation, fraud/kickbacks, failure to disclose required information, failure to grant immediate access, failure to take corrective action, default on health education loan or scholarship obligation
- ▶ OIG is the primary source for this data, which means no confirmation with the reporting agency is required

What is the average turnaround time to complete BSVS?

SERVICE	AVERAGE TURNAROUND TIME
Sanction Screening Searches	Same Day – 24 Hours

Are BSVS in compliance with the Fraud and Abuse Control Information System (FACIS)?

The EPLS and LEIE searches are primary sources managed by the federal government included in the information reported by the Fraud and Abuse Control Information System, an independent private entity.

FACIS provides information on the sanction history of both individuals and entities associated with the healthcare field. Possible types of sanctions include exclusions, termination of license, suspension, revocation, probation and debarments. FACIS information includes GSA, OIG, OFAC and approximately 800 state and Federal sources. The information in FACIS is public, published information. The FDA Debarment List is included in the 800 state and federal sources that are searched. FACIS offers three levels of screening that vary in the depth of sanctions provided. A Level III FACIS search provides a search of disciplinary actions taken by federal agencies as well as those taken by licensing and certification agencies in all 50 states. Level III is the most comprehensive FACIS search available.





Sterling offers the EPLS, OIG/LEIE, and all three levels of the FACIS search. These can be packaged or run individually.

14. Military Records

What information is required to complete BSVS?

At minimum, Sterling Infosystems requires candidate/employee identifiers (first name, last name, date of birth, social security number) and the name of the military base/duty station where the candidate/employee last served. If the candidate/employee supplies the name of his or her unit, that information will be helpful in expediting the verification process.

What records do you search?

If there are no records at the last duty station, or the senior personnel cannot provide any information regarding the applicant's service, Sterling Infosystems will follow the official US Military procedure as detailed below:

US Military Procedure

The U.S. Military has created a standardized process for requesting verifications of military service. The procedure is as follows:

- ▶ Using the military's official form, Sterling Infosystems will mail a request for an undeleted copy of the applicant's discharge document (DD-214) to the National Personnel Records Center in St. Louis, MO. A consent form signed by the applicant must accompany the request.
- ▶ The estimated turnaround time is 4 - 6 weeks, during which no follow up can be attempted.
- ▶ Once the estimated turnaround time has expired, follow up calls will be made.
- ▶ The National Personnel Records Center mails a copy of the applicant's original DD-214 as a response to the verification request. This document contains all information regarding the applicant's military service. The copy of the DD-214 is retained for a minimum of 30 days, and can be held longer at the client's request.

If the National Personnel Records Center does not locate a record for the applicant, they will conduct additional research to determine to whom the request should be directed and will forward the request to the appropriate location. Sterling Infosystems will be notified that the request was forwarded. In such cases, the turnaround time is unknown.

What is the scope of the search in number of years, etc.?

The scope of the search is limited only by the number of years for which the National Personnel Records Center maintains personnel data. Sterling Infosystems will attempt to verify every military service verification request submitted.





What is included in the BSVS report?

Sterling Infosystems reports include information contained in the applicant's original DD-214 as a response to the verification request. This document contains all information regarding the applicant's military service, including dates of service and circumstances of discharge.

What is the average turnaround time to complete BSVS?

SERVICE	AVERAGE TURNAROUND TIME
Military Service Record Verification	Contact with Admin Chief or First Company Sergeant: 24 – 48 hours
	National Personnel Records Center: 4-6 weeks

Clearly indicate experience and success rate in obtaining military records.

Sterling Infosystems has developed a procedure that guarantees that our clients receive the best information as quickly as possible. When verifying military service, Sterling Infosystems’ first step is to contact the last duty station/ military base where the applicant served directly. If the applicant has supplied the name of his or her unit, we can request to speak with either the "Admin Chief" or the "Company First Sergeant." Our experience has taught us that this information will allow us faster turnaround time when available. If there are no records at the last duty station, or the senior personnel cannot provide any information regarding the applicant's service, Sterling Infosystems will follow the official US Military procedure as detailed above. Our overall accuracy rate for verifications is 99%.

15. US Treasury, Office of Foreign Assets Control (OFAC), list of Specially Designated Nationals (SDN)

What information is required to complete BSVS?

At minimum, Sterling requires the candidate/employee’s first and last name, and social security number. Additional information such as date of birth may also be helpful, but is not required.

What records do you search?

Sterling researches information directly from The Office of Foreign Assets Control (OFAC) administers for economic sanctions programs primarily against countries and groups of individuals such as terrorists and narcotics traffickers.





How do you verify search information matches individual?

Once we determine a name match for an individual in the OFAC records, we perform a second search of EPLS records to make sure the name and SSN match the information provided on the order. The Federal EPLS Search includes the EPLS (Excluded Parties Listing System) and OFAC (Office of Foreign Assets Control).

EPLS is the electronic version of the Lists of Parties Excluded from Federal Procurement and Non-procurement Programs (Lists), which identifies those parties excluded throughout the U.S. Government (unless otherwise noted) from receiving Federal contracts or certain subcontracts and from certain types of Federal financial and non-financial assistance and benefits.

What is the scope of the search in number of years, etc.?

Industry standards recommend a 7-year search, but Sterling will report all available information after applying federal and state reporting restrictions.

What is included in the BSVS report? At minimum, report is to include reason why they are there.

When there is a hit, Sterling reports state the name and any other identifiers, reason/source of data, date added, and date of removal (if applicable). The report does include the reason the name appears on the OFAC list.

What is the average turnaround time to complete BSVS?

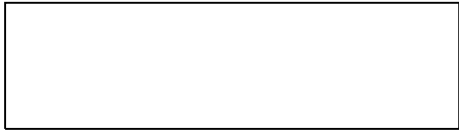
SERVICE	AVERAGE TURNAROUND TIME
Office of Foreign Assets Control	Same Day – 24 Hours

16. Skip Trace Reports

While Sterling does not offer a “Skip Trace” product, we offer other solutions that achieve the goals of verifying candidate/employee identity and information that rely on more accurate primary sources than the skip trace databases. As mentioned previously, we have the unique ability to offer a pre-hire Social Security Number Verification. Please reference the information about Social Security Number Verification and our uniquely robust Social Security Trace in question 5 in this section for detailed information. Our SSN Trace and SSN Verification accomplish the goals of a Skip Trace while providing more accurate and detailed information.

What information is required to complete BSVS?





What records do you search?

How do you verify search information matches individual?

What is the scope of the search in number of years, etc.?

What is included in the BSVS report?

What is the average turnaround time to complete BSVS?

17. Other Screening Services Offered

Additional screening/verification services may be offered. Please provide details regarding each additional service.

Other services Sterling offers include Assessment tools, Occupational Health testing, drug screening, I-9/E-Verify services, business tax credit consulting services, and many others. Additionally, Sterling processes hundreds of different employee screening products that may or may not be applicable to the State of Utah/WSCA's specific business needs. We would be more than happy to offer specific recommendations during implementation.



SERVICE LEVEL AGREEMENT

1 Key Performance Indicators

This SLA specifies performance standards related to Service Delivery, the timeliness of order completion, and the accuracy rates for those orders.

Performance Area	Performance Metric	Measurement
Service Delivery	Turn-around Time (TAT)	Request received by Sterling to Result posted to the CLIENT ¹ ¹ Order information provided by CLIENT must be complete and accurate
	Order Accuracy	% of Orders without Defect

2 Service Delivery KPIs

2.1 Turn-Around Time (TAT)

TAT is calculated from the time Sterling's system recognizes the receipt of a request to the time the result is posted to CLIENT. TAT commitments are specified at both the 'Applicant' level (i.e., all searches completed for an individual applicant) as well as at the 'Request' level.

TABLE 1: TAT AT THE APPLICANT LEVEL

SERVICE PACKAGE TYPE	SERVICES	QUARTERLY SERVICE PROVIDER GUARANTEE			
		75%	85%	95%	Average
Basic (no Education or Reference Checks)	Applicant request includes: <ul style="list-style-type: none"> • (SSN) Address Verification • Criminal Searches² • Credit Check • DMV² 	Complete within 2 Business days	Complete within 3 Business days	Complete within 5 Business days	2 Business day

Assumes a Basic Package consists of (1) SSN Request, (3) Criminal Searches, (1) Credit Check, (1) DMV Search.

² In addition to not adhering to Rules of Engagement, SLA excludes: International Searches, Criminal Searches in State of NJ, and Puerto Rico. DMV Searches in PA.

SERVICE PACKAGE TYPE	SERVICES	QUARTERLY SERVICE PROVIDER GUARANTEE			
		75%	85%	95%	Average
Full (includes Education and Reference Checks)	Applicant request includes: <ul style="list-style-type: none"> • (SSN) Address Verification • Criminal Searches³ • Credit Check • DMV³ • Education Verification³ • Employment Verification³ 	Complete within 4 Business days	Complete within 5 Business days	Complete within 8 Business days	4 Business days

Assumes Full Package consists of Basic Package services and (1) Education Verification and (1) Employment Verification.

³In addition to Basic Package exceptions and not adhering to Rules of Engagement, SLA excludes: International Searches, Summer/Winter Break Education Verifications and any request for which the entity gives an extended response time.

TABLE 2: TAT FOR DRUG TESTS

SERVICE TYPE	Result Type	QUARTERLY SERVICE PROVIDER GUARANTEE			
		75%	85%	95%	Average
Non-DOT Urine Drug Testing ^{4a}	Negatives	5 minutes	6 minutes	4 hours	1 hour
	Non-Negatives ^{4b} <i>(typically make up 5% of total results)</i>	3 business days	4.5 business days	6 business days	3 business days
DOT Urine Drug Testing ^{4a}	Negatives	1 business day	1.5 business days	3.5 business days	1.5 business day
	Non-Negatives ^{4b} <i>(typically make up 5% of total results)</i>	3 business days	5 business days	8 business days	4 business days
Oral Fluid Drug Testing ^{4a}	Negatives	5 minutes	6 minutes	4 hours	1 hour
	Non-Negatives ^{4b} <i>(typically make up 3% of total results)</i>	3 business days	4.5 business days	6 business days	3 business days
Hair Drug Testing ^{4a}	Negatives	1 hour	2 hours	5 hours	2 hours
	Non-Negatives ^{4b} <i>(typically make up 7% of total drug results)</i>	3 business days	5 business days	7 business days	3 business days

^{4a} NOTE: TAT for Drug Testing is measured from the time Sterling receives the results from the lab to the time results are reported to CLIENT. All testing panels are considered.

^{4b} NOTE: Will require GC/MS confirmation by the testing laboratory in addition to a medical interview. Final result released by Sterling will not necessarily be positive. Also includes cancelled tests and invalid specimens.

TABLE 3: TAT FOR EACH SERVICE TRANSACTION

SERVICE	QUARTERLY SERVICE PROVIDER GUARANTEE			
	75%	85%	95%	Average
SSN Trace (Address Verification)	2 hrs.	3 hrs.	6 hrs.	6 hrs.
Criminal Search	1 Business day	1.5 Business days	3 Business days	1 Business day
Credit Check	1 hr.	2 hrs.	6 hrs.	5 hrs.
MVR / DMV Search	1 Business day	1 Business day	1.5 Business days	1 Business day
Education Verification	3 Business days	6 Business days	12 Business days	4 Business days
Employment Verification ⁵	2.5 Business days	4 Business days	6 Business days	2 Business days
Personal Reference	2.5 Business days	3 Business days	5 Business days	2 Business days
DOT Reference	6 Business days	12 Business days	30 Business days	6 Business days
Professional License	12 hrs.	1 Business day	2.5 Business days	1 Business day
OFAC	1 hrs.	2 hrs.	6 hrs.	1 hr.
OIG	2 hrs.	3 hrs.	12 hrs.	2 hrs.
Sex Offender Search	3 hrs.	6 hrs.	12 hrs.	3 hrs.
FACIS	3 hrs.	6 hrs.	14 hrs.	3 hrs.
Worker's Compensation Search	6 Business days	12 Business days	30 Business days	6 Business days

⁵NOTE: Protocol for Employment verifications: Sterling makes 5 attempts to contact the entity for 5 business days in order to obtain the employment verification. If no information is received from the entity within an additional 5 business days, the request is closed and the result is posted to CLIENT.

RULES OF ENGAGEMENT – MEASURING BUSINESS DAYS

- Requests received after 2:00pm Eastern will be considered to begin on the next business day.
- Business days exclude Service Provider holidays listed below:

- New Years Day***
- Martin Luther King, Jr. Day***
- Presidents Day***
- Memorial Day***
- Independence Day***
- Labor Day***
- Columbus Day***
- Election Day***
- Veteran's Day***
- Thanksgiving Day (and the day after Thanksgiving)***
- Christmas Day***

RULES OF ENGAGEMENT – ORDER REQUEST COMPLETENESS

Upon placing the order, CLIENT must provide materially complete and accurate information to Sterling. The following items indicate where Sterling would contact the APPLICANT/CLIENT for additional information in order to fulfill the request:

1. Order Cover Sheet⁶
 - ▶ Form not filled out completely
 - ▶ Information on request from is inconsistent with information on application
2. Application⁶
 - ▶ Illegible
 - ▶ Incomplete address information, including street, city and state
 - ▶ Dates when maiden names were used are not provided
3. Education Verification
 - ▶ Missing dates of attendance and / or graduation, and name used while in attendance
 - ▶ Name of school abbreviated or incomplete
 - ▶ School location not provided
 - ▶ Specific location of campus (if applicable)
4. Employment Verification
 - ▶ Missing dates of employment
 - ▶ Name of company abbreviated or incomplete
 - ▶ Specific location of company
5. Drivers License Verification
 - ▶ Incorrect drivers license number or license
 - ▶ State of issuance not provided or incorrect
6. Personal References
 - ▶ Daytime telephone numbers
 - ▶ Complete telephone number and correct names are not provided for each reference
7. Authorization / Release
 - ▶ Appropriate signed release is not provided which includes the applicant's addresses and dates for the past seven (7) years
 - ▶ Date of Birth inaccurate or not provided
 - ▶ Maiden name not provided

⁶Applies to Fax clients only.

RULES OF ENGAGEMENT – PERFORMANCE STANDARDS AND REPORTING

- Based on results reported quarterly, Sterling Infosystems will guarantee compliance with the Turn-Around Times identified in Tables 1 - 3 and places 100% of the value of the completed order at risk for any orders that exceed the 95% on-time delivery commitments (Order Request Completeness requirements apply).
- Results are also available via the Sterling Infosystems on-line reporting capability.

2.2 Order Quality

Sterling quality reviews occur at three different levels:

- **During the fulfillment process:** a statistically significant number of transactions are sampled daily to ensure that Sterling’s fulfillment process meets CLIENT-specific instructions – any errors that are found are corrected before Sterling releases results to CLIENT
- **Post fulfillment:** every week, a statistically significant number of transactions for each service type is sampled to review 1) accuracy of result, 2) adherence to regulatory compliance and 3) adherence to any CLIENT instructions/ business rules – corrective and preventative action is taken against any errors found and CLIENT is notified accordingly
- **CLIENT Reported issues:** reported issues are logged and investigated to understand root cause and take corrective action

TABLE 4: ACCURACY % FOR POST FULFILLMENT AUDITS AND CLIENT REPORTED ISSUES

QUALITY CHECK	ACCURACY RATE	DESCRIPTION
Post-fulfillment quality monitoring	99.00%	Sterling re-tests and reviews a statistically significant sample of results to check for: <ol style="list-style-type: none"> 1) Integrity of reported “hits” and “clears” 2) Alignment to regulatory compliance 3) Alignment to CLIENT/ business rules
CLIENT reported issues	99.99%	Number of CLIENT reported issues vs. the total number of processes transactions

The Utah Division of Purchasing & General Services

On behalf of the

STATE OF UTAH

and the



Request for Proposals

Solicitation Number NO11002

WSCA Contract for Background Screening And Verification Services (BSVS)

November 2010

REQUEST FOR PROPOSAL

Background Screening and Verification Services

Solicitation # NO11002

Section 1: Solicitation General Information

Purpose of Request for Proposal (RFP)

The State of Utah, Division of Purchasing and General Services is requesting proposals for Background Screening and Verification Services (BSVS) on behalf of the State of Utah and the Western States Contracting Alliance (WSCA). The purpose of this request for proposal is to establish contracts with qualified suppliers to provide Background Screening and Verification Services for all participating States. The services resulting from the award of this solicitation are to be available to all state entities, cities, counties, higher education, school districts and other political subdivisions on an as needed basis under the same pricing and terms and conditions agreed to in the contracts.

It is anticipated that this RFP may result in contract awards to multiple contractors.

This RFP is designed to provide interested offerors with sufficient basic information to submit proposals meeting minimum requirements, but is not intended to limit a proposal's content or exclude any relevant or essential data. Offerors are at liberty and are encouraged to expand upon the specifications to evidence service and capability under any agreement.

Objective

The objective of this RFP is to obtain deeper volume price discounts than are obtainable by an individual state or local government entity. This discount is based on the collective volume of potential purchases by the numerous state and local government entities. The savings realized by the contractor in managing one comprehensive WSCA contract rather than numerous state and local contracts should result in the most attractive service level and discounts available in the marketplace.

Background

This will be a new Master Agreement for the State of Utah and WSCA. Therefore, no background information or history is available.

Issuing Office and Solicitation Number

The State of Utah Division of Purchasing is the issuing office for this document and all subsequent addenda relating to it. The reference number for the transaction is Solicitation #NO11002. This number must be referred to on all proposals, correspondence, and documentation relating to the RFP.

Procurement Manager

The Procurement Manager (and subsequent Contract Manager) designated by WSCA and the State of Utah, Division of Purchasing & General Services is:

Nancy Orton, Assistant Director
State of Utah, Division of Purchasing and General Services
3150 State Office Building, Capitol Hill
Salt Lake City, UT 84114-1061
nancyo@utah.gov
Phone: (801) 538-3148 Fax: (801) 538-3882

Schedule of Events

Solicitation Release:	November 29, 2010
Pre-Proposal Conference:	December 14, 2010 at 2:00 PM (MST)
Question/Answer Deadline:	December 20, 2010 at 3:00 PM (MST)
Closing Date:	January 5, 2011 at 3:00 PM (MST)

Pre-Proposal Conference

A pre-proposal conference will be held on Tuesday, December 14, at 2:00 PM, at the State of Utah Archives Building located at 346 South Rio Grande, Salt Lake City, UT 84101. Due to limited space, please limit attendance to one individual from your company. Attendance at the conference is optional. Answers to questions asked during the pre-proposal conference will be provided via an addendum posted in BidSync.

Proposal Submittal

Proposals must be received by the posted due date and time. Proposals received after the deadline will be late and ineligible for consideration.

The preferred method of submitting your proposal is electronically through BidSync, however, you may mail or drop off hard copies to the State of Utah, Division of Purchasing, 3150 State Office Building, Capitol Hill, Salt Lake City, UT 84114 on or before the due date and time. The proposal packet shall include a separate document in BidSync titled "Cost Proposal" or sealed envelope labeled 'NO11002 – Cost Proposal', that contains the pricing document. If submitting by hardcopy, you must provide one original and six (6) identical copies.

When submitting an offer electronically through BidSync, please allow sufficient time to complete the online forms and upload documents. The solicitation will end at the closing time listed in the offer. If you are in the middle of uploading your documents at the closing time, the system will stop the process and your offer will not be received by the system. It is recommended that the submission process be completed the day prior to the due date, with the knowledge that any changes/updates will be accepted through the due date and time.

Electronic offers may require uploading of electronic attachments. BidSync's site will accept a wide variety of document types as attachments. However, the submission of documents containing embedded documents (zip files), mov, wmp, and mp3 files are prohibited. All documents should be attached as separate files.

BidSync customer support may be contacted at (800) 990-9339 for guidance on the

BidSync site. Do not contact the procurement manager for assistance with BidSync.

Offerors are responsible for ensuring that their BidSync registration information is current and correct. The State of Utah accepts no responsibility for missing or incorrect information contained in the vendor registration in BidSync.

Governing Laws and Regulations

This procurement is conducted by the State of Utah, Division of Purchasing & General Services, in accordance with the Utah Procurement Code. These are available at www.purchasing.utah.gov.

The laws of the State of Utah will govern all contracts that result from this procurement unless the contractor and participating State agree in a Participating Addendum that the laws of another jurisdiction will govern purchases made by procuring agencies within the jurisdiction of the participating entity.

Length of Contract

The Contract resulting from this RFP will be for a period of three (3) years. The contract may be extended beyond the original contract period for three (3) additional years on a year by year basis at the State’s discretion and by mutual agreement and upon review of current market conditions and contractor performance.

Price Guarantee Period

All pricing must be guaranteed for the initial term of the contract. Following the initial contract period, any request for price adjustment must be for an equal guarantee period, and must be made at least 45 days prior to the effective date. Requests for price adjustment must include sufficient documentation supporting the request. Any adjustment or amendment to the contract will not be effective unless approved by the State of Utah Director of Purchasing and WSCA. The State will be given the immediate benefit of any decrease in the market, or allowable discount. No retroactive price adjustments will be allowed.

Usage Reporting Requirement

All contractors will be required to provide quarterly usage reports to the contract manager. Initiation and submission of the quarterly reports are to be the responsibility of the contractor without prompting or notification by the contract manager.

Quarterly reports must coincide with the quarters in the fiscal year as outlined below:

Quarter #1: July 1 through September 30, due annually by October 30.

Quarter #2: October 1 through December 31, due annually by January 30.

Quarter #3: January 1 through March 31, due annually by April 30.

Quarter #4: April 1 through June 30, due annually by July 30.

Offerors shall identify below the person responsible for providing the mandatory usage reports: (This information must be kept current during the contract period)

NAME:	
MAILING ADDRESS:	

TELEPHONE #:	
FAX NUMBER:	
EMAIL ADDRESS:	

The purpose of the contract usage reporting requirement is to aid in contract management; specific report content scope and format requirements will be provided to the awarded contractors during contract signing. Some WSCA States may require additional reporting requirements. Those requirements can be addressed through the individual states Participating Addendum. Failure to comply with this requirement may result in contract cancellation.

Standard Contract Terms and Conditions

Any contract resulting from this RFP will include, but not be limited to, WSCA Standard Terms & Conditions (Attachment A).

Additional Terms and Conditions specific to a state will be addressed in the Participating Addendum. Please refer to Attachment D for the State of Utah and State of Minnesota Special Terms and Conditions.

Questions

All questions must be submitted through BidSync. Answers will be given via the BidSync site. Questions received after the Question/Answer period will not be answered.

Discussions with Offerors (Oral Presentation)

An oral presentation by an offeror to clarify a proposal may be required at the sole discretion of the State. However, the State may award a contract based on the initial proposals received without discussion with the Offeror. If oral presentations are required, they will be scheduled after the submission of proposals. Oral presentations will be made at the offeror's expense. If oral presentations are required by the evaluation committee, only the highest scoring offerors will be invited to participate.

Protected Information

The Government Records Access and Management Act (GRAMA), Utah Code Ann., Subsection 63G-2-305, provides in part that:

the following records are protected if properly classified by a government entity:

(1) trade secrets as defined in Section 13-24-2 if the person submitting the trade secret has provided the governmental entity with the information specified in Section 63G-2-309 (Business Confidentiality Claims);

(2) commercial information or non-individual financial information obtained from a person if:

(a) disclosure of the information could reasonably be expected to result in unfair competitive injury to the person submitting the information or would impair the ability of the governmental entity to obtain necessary information in the future;

(b) the person submitting the information has a greater interest in prohibiting access than the public in obtaining access; and

(c) the person submitting the information has provided the governmental entity with the information specified in Section 63G-2-309;

* * * * *

(6) records the disclosure of which would impair governmental procurement proceedings or give an unfair advantage to any person proposing to enter into a contract or agreement with a governmental entity, except that this Subsection (6) does not restrict the right of a person to see bids submitted to or by a governmental entity after bidding has closed;

GRAMA provides that trade secrets, commercial information or non-individual financial information may be protected by submitting a Claim of Business Confidentiality.

To protect information under a Claim of Business Confidentiality, the offeror must:

1. provide a written Claim of Business Confidentiality *at the time the information (proposal) is provided to the state*, and
2. include a concise statement of reasons supporting the claim of business confidentiality (Subsection 63G-2-309(1)).
3. submit an electronic “redacted” (excluding protected information) copy of your proposal response. Copy must clearly be marked “Redacted Version.”

A Claim of Business Confidentiality may be appropriate for information such as client lists and non-public financial statements. Pricing and service elements may not be protected. An entire proposal may not be protected under a Claim of Business Confidentiality. Failure to conform may result in rejection of proposal as non-responsive.

The claim of business confidentiality must be submitted with your proposal on the form which may be accessed at:

<http://www.purchasing.utah.gov/contractinfo/ConfidentialityClaimForm.doc>

To ensure the information is protected, the Division of Purchasing asks the offeror to clearly identify in the Executive Summary and in the body of the proposal any specific information for which an offeror claims business confidentiality protection as "PROTECTED".

All materials submitted become the property of the State of Utah. Materials may be evaluated by anyone designated by the state as part of the proposal evaluation committee. Materials submitted may be returned only at the State's option.

WSCA Background Information

The Western States Contracting Alliance (WSCA) is a cooperative group-contracting consortium for state government departments, agencies, institutions, institutions of higher education, and political subdivisions (i.e., colleges, school districts, counties, cities, etc.) for the States of Alaska, Arizona, California, Colorado, Hawaii, Idaho, Minnesota, Montana, Nevada, New Mexico, Oregon, South Dakota, Utah, Washington, and Wyoming. WSCA is a subset of the National Association of State Procurement Officials (NASPO). NASPO is a non-profit association dedicated to strengthening the procurement community through education, research, and communication. It is made up of the directors of the central purchasing offices in each of the 50 states, the District of Columbia and the territories of the United States.

The Master Agreement(s) resulting from this procurement may be used by WSCA member states and their political subdivisions. WSCA Master Agreements, including the Master Agreement(s) resulting from this RFP, may be used by any of the other 35 states, the District of Columbia, and the territories of the United States with authorization from the WSCA directors and subject to approval of the individual state procurement director and local statutory provisions.

WSCA Administration Fee

The contractor must pay a WSCA administration fee of one half of one percent (.5%) in accordance with the terms and conditions of the contract. The WSCA administration fee shall be submitted quarterly and is based on sales of products and services. The WSCA administration fee is not negotiable. This fee is to be included as part of the pricing submitted with proposal.

Additionally, some WSCA States may require that an additional fee be paid directly to the WSCA Member State on purchases made by procuring entities within that State. For all such requests, the fee level, payment method and schedule for such reports and payments will be incorporated in a Participating Addendum that is made a part of the contract. The contractor may adjust the contract pricing accordingly for purchases made by procuring agencies within the jurisdiction of the State. All such agreements may not affect the WSCA fee or the prices paid by the procuring agencies outside the jurisdiction of the WSCA State requesting the additional fee.

Interest Charges on Late Payments

Any payments contractor's make or causes to be made to State of Utah and/or WSCA after the due date as indicated on the invoice, shall accrue interest at a rate of 18% per annum or the maximum rate permitted by law, whichever is less, until such overdue amount shall have been paid in full. The State's right to interest on late payments shall not preclude the State from exercising any of its other rights or remedies pursuant to this agreement or otherwise with regards to contractor failure to make timely remittances.

Proposed Offer Considered Firm

Responses to this RFP, including proposed prices, will be considered firm for one hundred and twenty (120) days after the proposal due date.

Cancellation of Procurement

This RFP may be canceled at any time and any and all proposals may be rejected in whole or in part when the State of Utah, Division of Purchasing and General Services and/or WSCA determines such action to be in the best interest of the State of Utah and/or WSCA.

Right to Waive

The evaluation committee reserves the right to waive minor irregularities. The evaluation committee also reserves the right to waive a mandatory requirement provided that all of the otherwise responsive proposals fail to meet the mandatory requirement and the failure to do so does not materially affect the procurement. This right is at the sole discretion of the evaluation committee.

Right to Accept All or Portion

The State of Utah reserves the right to accept all or a portion of an offeror's proposal.

Changes in Contractor Representation

The contractor must notify the Contract Manager of changes in the contractor's key administrative personnel, in advance and in writing. The State of Utah reserves the right to require a change in contractor representatives if the assigned representative(s) is not, in the opinion of the State of Utah's contract manager, meeting the needs adequately.

Estimated Annual Usage

This is a new contract for the State of Utah and WSCA. Therefore, annual usage data is not available. However, the following states: **Utah, Nevada, Colorado, New Mexico, Hawaii, Mississippi, Alaska, Minnesota, Louisiana, Connecticut, and Oklahoma**, have requested to be named in this RFP as a potential user of the resulting contracts. We anticipate that other states may sign on after the award process.

Master Agreement

Master Agreement(s) resulting from this RFP will constitute the final agreement except for negotiated participating addendums specific to a state. Contractors will not be allowed to issue separate "service level agreements" with using agencies.

Order of Contract Precedence

The contract shall consist of the following documents:

1. A Participating Entity's Participating Addendum ("PA") including any state specific Terms & Conditions included in this solicitation
2. WSCA Standard Terms & Conditions
3. The Solicitation, and
4. Contractor's response to the Solicitation.

These documents shall be read to be consistent and complementary. Any conflict among documents shall be resolved by giving priority to these documents in the order listed above. Contractor terms and conditions that apply to the Master Agreement are only those that are expressly accepted by the Lead State and must be in writing and attached to the Master Agreement as an Exhibit or Attachment. No other terms and conditions shall apply, including terms and conditions listed in the Contractor's response to the solicitation, or terms listed or referenced on the Contractor website, in the Contractor quotation/sales order, or in similar documents subsequently provided by the Contractor.

Section 2: Proposal Requirements and Information

Proposal Content and Format Requirements

Proposals must be detailed and concise. Each proposal must be labeled and organized in a manner that is congruent with the requirements and terminology used in this RFP and must include a point by point response to the RFP requirements and scope of work.

RFP Revisions

Revisions, if any, and all written questions and the State's answers, will be posted on the BidSync website. Solicitation documents will not be mailed to prospective Offerors. Offerors must register (free of charge) as a vendor with BidSync in order to have access to the RFP and related documents. Offerors are responsible for ensuring that their registration information is current and correct. The State of Utah accepts no responsibility for missing or incorrect information contained in the supplier's registration information on BidSync. The State of Utah accepts no responsibility for a prospective Offeror not receiving solicitation documents and/or revisions to the solicitation. It is the responsibility of the prospective Offeror to obtain the information provided through BidSync.

News Releases

News releases or other public disclosure of information pertaining to this RFP or the state cooperative contracts may not be published without a written request for permission by contractor to the State of Utah and approval granted by the State of Utah.

Minimum Requirements

This section contains the minimum requirements that must be met in order to be considered for the evaluation phase. All of the items described in this section are non-negotiable. All Offerors must state willingness and demonstrate ability to satisfy these requirements in the proposal submitted for consideration.

a. Minimum Experience

Contractor must have been in business for a minimum of three years providing background screening services on a nationwide basis, and must demonstrate that they have specific public sector experience.

b. Licensing Requirements

Contractors must be in full compliance with the Fair Credit Reporting Act (FCRA). Research staff must have and maintain credentials and/or licenses required by FCRA.

Research staff must have and maintain credentials and/or licenses as required by any participating entity. For example, the State of Utah and Nevada require that firms which conduct background screening services be licensed as private investigators (PI Agencies).

c. Good Standing

The Offerors must be in good standing with trade associations, certification boards, or other regulatory agencies. Provide current license and certifications. Disclosure of any alleged issues, investigations, and/or citations is required.

Provide information regarding on-going or past bankruptcies or reorganizations within the last five (5) years with your proposal submission.

d. Professional Membership

Offeror must provide details regarding membership in professional organizations, such as the National Association of Professional Background Screeners (NAPBS), and provide details as to the benefit of these organizations.

e. Insurance Requirement

This requirement pertains to the State of Utah and WSCA insurance requirements, unless other participating states negotiate insurance requirements during the participating addendum process.

Contractor shall procure and maintain at its own expense insurance for any liability arising as a result of the Contractor's, including at any tier, the Contractor's subcontractors, sub-consultants, agents, employees and those for whom the Contractor is liable, acts or omissions in connection with this Contract which shall protect the contractor, and protect the State and/or end users (as applicable) as additional insureds. Each of the Contractor's insurance policies shall include an endorsement that names the State of Utah and its officers, and employees and/or end users as additional insureds, and the policy shall provide the State of Utah and WSCA and its officers and employees with primary coverage (not contributing coverage) for any liability arising as a result of the Contractor's acts or omissions in connection with this Contract. The Contractor is not required, however, to obtain an "additional insured" endorsement for any Workers' Compensation insurance policy. Contractor shall provide at least the following coverage and any others necessary to provide protection against any claims including those for bodily injury, property damage, personal injury, professional liability and claims covered by the indemnification obligations set forth herein:

- 1) Workers' Compensation Insurance in at least the minimum statutory amounts.
- 2) Commercial General Liability Insurance with a combined single limit of not less than \$1,000,000 per occurrence and \$2,000,000 aggregate.
- 3) Automobile Insurance: If the Contractor's services involve transporting any clients or goods for the State, the Contractor shall maintain a policy of automobile liability insurance covering property damage, personal injury protection, and liability for the vehicles used by the Contractor (including owned, hired and non-owned vehicles).
- 4) Professional Liability Insurance: If the Contractor employs doctors, dentists, social workers, mental health therapists or other professionals (including, at any tier, the Contractor's subcontractors, sub-consultants, agents, employees and those for whom the Contractor is liable) to provide services under this Contract, the Contractor shall maintain a policy of professional liability insurance with a limit of not less than \$1,000,000 per occurrence and \$2,000,000 aggregate. This professional liability insurance shall cover damages caused by errors, omissions or negligence related to the professional services provided under this Contract by the Contractor, and at any tier, the Contractor's

subcontractors, sub-consultants, agents, employees and those for whom the Contractor is liable.

If any insurance coverage obtained by the Contractor is written on a "claims-made" basis, the certificate of insurance shall so indicate, and the policy shall contain an extended reporting period provision or similar "tail" provision such that the policy covers claims reported up to three (3) years beyond the date that this Contract is terminated.

Contractor shall procure and maintain insurance which shall protect the contractor and The State and/or end user (as an additional insured) from any claims from bodily injury, property damage, or personal injury covered by the indemnification obligations set forth herein. Contractor shall procure and maintain the insurance policies described below at the their own expense and shall furnish to the procurement manager an insurance certificate listing The State of Utah as certificate holder and as an additional insured. The insurance certificate must document that the Commercial General Liability insurance coverage purchased by the authorized dealer to include contractual liability coverage applicable to this contract. In addition, the insurance certificate must provide the following information: the name and address of the insured; name, address, telephone number and signature of the authorized agent; name of the insurance company (authorized to operate in all states); a description of coverage in detailed standard terminology (including policy period, policy number, limits of liability, exclusions and endorsements); and an acknowledgment of notice of cancellation to The State of Utah.

- 1) Workers' Compensation Insurance – The contractor must comply with State of Utah requirements and provide a certificate of insurance.
- 2) Commercial General Liability Policy per occurrence - \$1,000,000. Coverage to include bodily injury and property damage combined single limit.

Other participating states may have insurance requirements that will be addressed in their specific participating addendums.

f. Customer Service

The contractor shall provide a website dedicated to any participating state that includes, but is not limited to, services, pricing, technical specifications, online ordering, and payment capability.

The contractor shall provide a dedicated customer service representative(s). The representative shall be available to respond to all end user inquiries within one business day. The representative shall be available to resolve any customer service issues.

The representative shall be available to conduct annual meetings, at a minimum, with contract manager to discuss performance and customer service related issues. The representative shall be responsible to conduct and/or coordinate sales meetings, training sessions, and product demonstrations if required.

g. Retention Schedule

All records that document the provision of a record to a State or Using Agency (not the actual background check record itself) must be maintained by the contractor and available in electronic format for access by the States, at no additional charge, for a period of four (4) years from the provision of the record for purposes of auditing performance and payment.

h. Multi-Accounts Within a Participating Entity

Participating entities will have different departments utilizing the services provided by contractor(s). Therefore, contractor(s) must be able to process separate individual accounts and unique users within one participating entity.

i. Third Party Payments

A participating entity may order specific background checks, but require payment by a third party. For example, a higher education institution may require a specific background screen on a student and require the student to pay for the screening. Contractor must have a method in place to accept payment by a third party.

j. Payment Types

Contractor must be set-up to accept mailed and electronic payments/P-Cards.

k. Monthly Service and Set-up Fees

The State of Utah and WSCA will not pay a setup fee or monthly service fee to use your services.

Section 3: Experience and Capability

Please provide a point by point response to each of the following questions:

Vendor Profile

Provide the following information specific to your company:

- a. Your company's full name
- b. Primary business address
- c. Describe your company ownership structure
- d. Employee size (number of employees)
- e. Website
- f. Sales contact information
- g. Your client retention rate during the past 3 years
- h. A brief history of your company and the year it was founded
- i. Provide three current account references for which your company provides similar BSVS for private, state and/or large local government clients (preferably government/public entities). **Offerors are required to submit Attachment C - Reference Form, for business references. The business providing the reference must submit the Reference Form directly to the State of Utah, Division of Purchasing.** It is the offeror's responsibility to ensure that completed forms are received by the State of Utah Division of Purchasing on or before the proposal submission deadline for inclusion in the evaluation process. Business references not received, or not complete, may adversely affect the offeror's score in the evaluation process. The Purchasing Division reserves the right to contact any or all business references for validation of information submitted.
- j. Describe your company's growth during the past three years.
- k. Provide details regarding the number of background screenings per month, with error rate.
- l. What policies and procedures does your company have in place to audit employment screening searches for regulatory compliance and accuracy?
- m. Describe your process for training new employees before they commence work on background checks.

Implementation/On-Boarding

- a. Describe your program implementation process, including key steps involved

and a timeline of these steps.

- b. Describe the training and educational resources you provide to your clients prior to startup of a screening program. Describe post-implementation training as well.
- c. Please outline your proposed account management team, including its location, functional role and tenure with your company.

Customer Service

- a. What are your hours of operation and when are key account people available to us?
- b. Describe how problem identification and resolution will be handled.
- c. How will you service our account? Describe the system you will use to manage our account.
- d. Describe the tools that you provide to answer common questions your clients may have about BSVS.
- e. How do you respond to customer complaints and service issues? How do you handle client escalations?
- f. How do you assess customer satisfaction?
- g. Once a record has been requested and received, if the requestor wants to re-access the electronic record, how long are they available? What is the process to re-access electronic search records? Are previously received records available to requestor after termination of contract?

Technology

- a. Describe your online system that the State of Utah and WSCA would use to place orders and receive results? Include all method of order submission.
- b. Do you have on-line forms with customization capability? Provide copies of any required forms.
- c. Describe your user interface.
- d. Describe your ability and process to support a decentralized system of orders submitted from multiple states and locations.
- e. Describe how your employees are granted access to sensitive customer data. (Explain how you manage access rights / who has access to data both

with customer and within your credit reporting agency.)

- f. Provide a description of your online ordering and retrieval process. Include any demo codes, if these are available. Include details for both the initial order and access to data at a later date.
- g. Describe any technical features that you've created to provide greater efficiency to a client.
- h. Please list any technology or software requirements needed to use your system (i.e., browser versions, etc.).
- i. What are your business hours for submitting requests on-line? When are results available for retrieval?
- j. What notifications do you provide throughout the background screening process? Do you provide notification if a search result is delayed and if so provide details?
- k. Does your company provide batch ordering services? If so, please provide description.

Compliance

- a. Describe your measures to ensure legal compliance pertaining to employment screening (i.e. FCRA, EEOC, FLSA, ADA, etc.).
- b. Do you offer adverse action letter fulfillment / solutions to clients? If yes, please describe the available resources and procedures.
- c. What is your company's process for resolving consumer disputes? Please include descriptions of dispute documentation, document storage and retrieval, timeliness, internal resources, and any other applicable details.
- d. How will your company assist our organization in staying abreast of legal requirements on the federal and state levels?
- e. Does your organization provide guidance or subject-matter expertise in the form of a compliance professional, in-house counsel, etc.
- f. Quality Assurance, what are your measures and how are they handled in organization.
- g. Provide a synopsis of any compliance complaints and/or compliance investigations.

Data Security

- a.** Please provide a copy of your security policy as an attachment to proposal response.
- b.** Describe your system, physical site, and personnel security policies.
- c.** Explain your password policy and procedures.
- d.** What measures do you take to protect sensitive consumer information?
- e.** What are your policies regarding the proper maintenance and disposal of personally identifiable information?
- f.** Explain your retention and disposal policy.
- h.** Please describe your data recovery/backup system.
- i.** Provide a log of system breaches, including dates, size of breach, stolen data content, outcome, and remedy. If a breach in data security occurs, a notice to the contract manager and all customers covered under this contract must be made within 6 business hours.
- j.** Describe your approach to data security, and staying pro-active in data security efforts.

Section 4: Detailed Scope of Work

Screening Services

- a.** Contractor must agree to discuss each case with the using agency and provide a cost estimate as requested. Using agency may put a dollar limit on the case.
- b.** What is your procedure for rush background screening services?
- c.** Does your company charge for unsuccessful search or contact?
- d.** What recourse is there when contractor provides bad or mis-information?
- e.** What sources of information are searched? Describe each service you provide and how you go about obtaining that information, in as much detail as possible, per the following BSVS list.

Section 4 – Detailed Scope of Work

Background Screening and Verification Service (BSVS) List:

Following is a list of background screens and verifications required as a minimum. This list of services and any resultant contracts are not intended to be all-inclusive. The State of Utah and WSCA may request other similar services not included in the Master Agreement. As the industry changes or new BSVS are made available, the State of Utah and WSCA reserves the right to change or add those BSVS to the contract. Fees for these additional services are to be priced consistent with the pricing structure established in the Master Agreement. These additional services will be negotiated and added to the Master Agreement.

Under each of the following BSVS requirements, provide a point by point response to each question and provide in detail other pertinent information related to the specific BSVS:

1. Multi-Jurisdictional (local, national, international) Criminal History Record Checks:

BSVS should include conviction records only and should not include criminal charges that have not resulted in a conviction.

Are local, national and international three separate checks or lumped together? If lumped together, is there a price differential to separate out each check?

What is included in the BSVS search report?

Regarding international BSVS, how do you handle countries that require special information or do not provide adequate information to make it worth a BSVS? Contractor must inform customer if in their professional opinion, the BSVS would not produce results due to lack of information available from the specific country.

What is the average turnaround time to complete BSVS?

What information is typically required from customer to complete the BSVS?

How is a court record searched? Please note, if the court charges a processing fee, you may not mark-up the fee. It is to be a direct reimbursement from customer or included in the cost of the BSVS.

How long are convictions shown on records?

How do you do background screens in states that don't contribute to the multi-state criminal database or is it even possible? Please list each state and BSVS method to be used per state.

If contractor only performs an electronic data base search and does not get a hit, do you

have other methods to complete a search?

If there are multiple hits, do you pursue all hits or do we need to request this and do we pay separately for each verification type?

2. Sex Offender Registry Checks

Is this type of search always included in vendor's Criminal History Check?

Database searches must be national at a minimum, and may include statewide, and local.

If State's do not participate in national database, how do you obtain information?

What is the average turnaround time to complete BSVS?

What information is required from customer to complete the BSVS?

What information is included in BSVS report?

3. County Criminal Search

Is a county criminal search always included in the Criminal History Check?

What records do you search?

What is the scope of the search in number of years, etc.?

What is the average turnaround time to complete BSVS?

What information is included in BSVS report?

4. County Civil Record Searches

Is a County Civil Record search always included in the Criminal History Check?

What information is required to complete BSVS?

What records do you search?

What is the scope of the search in number of years, etc.?

What is the average turnaround time to complete BSVS?

What information is included in BSVS report?

5. Social Security Number and Citizenship Verification

What information is required to complete BSVS?

What records do you search?

What is the average turnaround time to complete BSVS?

What is included in the BSVS report?

It will be a requirement of the contract that contractor use E-verify through Homeland Security and Social Security Administration.

6. Driving Records (Motor Vehicle Records)

What information is required to complete BSVS?

What records do you search?

What is included in the BSVS report?

How do you verify a DOB?

What is the average turnaround time to complete BSVS?

7. Credit Reports

What information is required to complete BSVS?

What records do you search?

What approach do you take to ensure integrity of social security and address information?

What is the scope of the search in number of years, etc.?

What is the average turnaround time to complete BSVS?

What information is included in BSVS report?

8. Professional License Verification

What information is required to complete BSVS?

What records do you search?

What is the scope of the search in number of years, etc.?

What is the average turnaround time to complete BSVS?

What information is included in BSVS report?

9. Education Verification

What information is required to complete BSVS?

What records do you search? Is the highest degree only verified, or all degrees earned? Do services include verification of high school diploma and GED?

What is the scope of the search in number of years, etc.?

What is the average turnaround time to complete BSVS?

What information is included in BSVS report? Does report include attendance, major, degree (highest earned), dates, GPA, and any honors?

10. Employment History & Verifications

What information is required to complete BSVS?

What records do you search?

Do you have direct contact with supervisor/HR or do you rely solely on employment verification service?

Does BSVS include a reference-check service asking questions such as: was employee honest; does employee work well with others; etc.?

What is the scope of the search in number of years, etc.?

What is included in the BSVS report?

Is employment record reviewed for gaps and inconsistencies on the application and employer statements?

What is the average turnaround time to complete BSVS?

11. DOT (Transportation) Employment Verification

What information is required to complete BSVS?

What records do you search?

What is the scope of the search in number of years, etc.?

What is included in the BSVS report?

What is the average turnaround time to complete BSVS?

12. Reference Checks

What information is required to complete the reference check?

What is your process to complete a reference check? Do you check personal and/or professional references?

Do you perform on-site or telephone interviews or do you mail out questionnaires?

What is the scope of the reference check?

What is included in the report?

What is the average turnaround time to complete?

13. Sanction Screenings

(General Services Administration Excluded Parties List System (EPLS), and the Office of the Inspector General (OIG) List of Excluded Individuals/Entities (LEIE))

What information is required to complete BSVS?

What records do you search?

What is the scope of the search in number of years, etc.?

What is included in the BSVS report?

What is the average turnaround time to complete BSVS?

Are BSVS in compliance with the Fraud and Abuse Control Information System (FACIS)?

14. Military Records

What information is required to complete BSVS?

What records do you search?

What is the scope of the search in number of years, etc.?

What is included in the BSVS report?

What is the average turnaround time to complete BSVS?

Clearly indicate experience and success rate in obtaining military records.

15. U.S. Treasury, Office of Foreign Assets Control (OFAC), list of Specially Designated Nationals (SDN)

What information is required to complete BSVS?

What records do you search?

How do you verify search information matches individual?

What is the scope of the search in number of years, etc.?

What is included in the BSVS report? At a minimum, report is to include reason why they are there.

What is the average turnaround time to complete BSVS?

16. Skip Trace Reports

What information is required to complete BSVS?

What records do you search?

How do you verify search information matches individual?

What is the scope of the search in number of years, etc.?

What is included in the BSVS report?

What is the average turnaround time to complete BSVS?

17. Other Screening Services Offered

Additional screening/verification services may be offered. Please provide details regarding each additional service.

Section 5: Evaluation Criteria

Proposals will be evaluated against the following proposal evaluation criteria, listed in relative order of importance:

- a. Cost
- b. Demonstrated Ability to Meet Scope of Work
- c. Demonstrated Experience and Capabilities
- d. Expertise of Key Personnel
- e. References

Evaluation Process

In the initial phase of the evaluation process, the proposal evaluation committee will review all proposals timely received. Unacceptable proposals (non-responsive proposals not conforming to RFP requirements) will be eliminated from further consideration.

- | | |
|--|------------------|
| 1. Meets Minimum Qualifications | Pass/Fail |
| 2. Meets Minimum Requirements | Pass/Fail |

Phase 1: Technical Proposal Evaluation

Acceptable and potentially acceptable proposals will be evaluated against the proposal evaluation criteria.

1. Technical Evaluation	70 Points
<u>Evaluation Criteria</u>	<u>Points</u>
Ability to Meet Scope of Work:	30 pts
Experience and Capabilities:	25 pts
Expertise of Key Personnel	10 pts
References:	5 pts

Note: Offerors that achieve 75% of the total technical score (52.50 points) will proceed to the Phase 2 Cost Proposal Evaluation. Offerors with a score of less than the minimum required technical score will be deemed unacceptable and ineligible for further consideration.

Phase 2: Cost Proposal Evaluation

Firms successful in the technical evaluation will advance to phase 2 Cost Proposal Evaluation as follows:

Evaluation Criteria

Points

1. **Cost**

30 Points

Evaluation of Cost Proposals: The offeror with the lowest rates will receive the maximum 30 points. All other offerors will receive points as determined by the ratio* of their rates to the lowest rates. Final price scores will be calculated based on the following:

*Ratio Calculation: Points assigned to each offerors cost proposal will be based on the lowest proposal price. The offeror with the lowest Proposed Price will receive 100% of the price points. All other offerors will receive a portion of the total cost points based on what percentage higher their Proposed Price is than the Lowest Proposed Price. An Offeror whose Proposed Price is more than double (200%) the Lowest Proposed Price will receive no points. The formula to compute the points is: $\text{Cost Points} \times (2 - \frac{\text{Proposed Price}}{\text{Lowest Proposed Price}})$.

During the proposal evaluation process, informal discussion(s) may be conducted with offerors for the purpose of clarification(s); however, proposals may be evaluated without such discussion(s).

Section 6: Cost Proposal

Cost proposals will be evaluated independent of the technical evaluation. Cost proposals must be submitted to the State of Utah as a separate document to your proposal response uploaded in BidSync. If submitting proposal in hardcopy, Cost Proposal shall be submitted as a separate sealed package and clearly marked: "Cost Proposal in Response to RFP #NO11002. Do not embed cost proposal in the technical proposal response.

Offeror shall provide detailed prices for all costs associated with the responsibilities and related services, per Attachment B.

Please note: The State of Utah and WSCA will not pay a mark-up on court fees (charges for documents). These fees are to be billed as a direct reimbursement.

Attachment A – Standard Contract Terms and Conditions

Western States Contracting Alliance

PARTICIPANTS: The Western States Contracting Alliance (herein WSCA) is a cooperative group contracting consortium for state government departments, institutions, agencies and political subdivisions (e.g., colleges, school districts, counties, cities, etc.,) for the states of Alaska, Arizona, California, Colorado, Hawaii, Idaho, Minnesota, Montana, Nevada, New Mexico, Oregon, South Dakota, Utah, Washington and Wyoming. Other states and their political subdivisions are also eligible to participate in WSCA contracts. Obligations under this contract are limited to those Participating States who have signed a Participating Addendum where contemplated by the solicitation. Financial obligations of Participating States are limited to the orders placed by the departments or other state agencies and institutions having available funds. Participating States incur no financial obligations on behalf of political subdivisions. Unless otherwise specified in the solicitation, the resulting award(s) will be permissive.

QUALITY ESTIMATES: WSCA does not guarantee to purchase any amount under the contract to be awarded. Estimated quantities are for the purposes of submitting proposals only and are not to be construed as a guarantee to purchase any amount.

SPECIFICATIONS: Any deviation from specifications must be clearly indicated by offeror, otherwise, it will be considered that the proposal is in strict compliance. When BRAND NAMES or manufacturers' numbers are stated in the specifications they are intended to establish a standard only and are not restrictive unless the RFP states "No substitute". Proposals will be considered on other makes, models or brands having comparable quality, style, workmanship and performance characteristics. Alternate proposals offering lower quality or inferior performance will not be considered.

ACCEPTANCE OR REJECTION OF PROPOSALS: WSCA reserves the right to accept or reject any or all proposals or parts of proposals, and to waive informalities therein.

SAMPLES: Generally, when required, samples will be specifically requested in the Request for Proposals. Samples, when required, are to be furnished free of charge. Except for those samples destroyed or mutilated in testing, samples will be returned at a offeror's request, transportation collect.

CASH DISCOUNT TERMS: Offeror may quote a cash discount based upon early payment; however, discounts offered for less than 30 days will not be considered in making the award. The date from which discount time is calculated shall be the date a correct invoice is received or receipt of shipment, whichever is later; except that if testing is performed, the date shall be the date of acceptance of the merchandise.

TAXES: Proposal prices shall be exclusive of state sales and federal excise taxes. Where the state government entities are not exempt from sales taxes on sales within their state, the contractor shall add the sales taxes on the billing invoice as a separate entry.

MODIFICATION OR WITHDRAWAL OF PROPOSALS: Proposals may be modified or withdrawn prior to the time set for the opening of proposals. After the time set for the opening of proposals no proposal may be modified or withdrawn, unless done in response to a request for a "Best and Final Offer" from WSCA.

PATENTS, COPYRIGHTS, ETC.: The Contractor shall release, indemnify and hold the Buyer, its officers, agents and employees harmless from liability of any kind or nature, including the Contractor's use of any copyrighted or uncopyrighted composition, secret process, patented or unpatented invention, article or appliance furnished or used in the performance of this contract.

AWARD: WSCA may award multiple contracts as the result of this solicitation. Awards shall be made to the responsible offeror(s) whose proposal is determined to be the most advantageous to WSCA, taking into consideration price and the other evaluation factors set forth in the RFP.

NON-COLLUSION: By signing the proposal the offeror certifies that the proposal submitted, has been arrived at independently and has been submitted without collusion with, and without any agreement, understanding or planned common course of action with, any other vendor of materials, supplies,

equipment or services described in the Request for Proposal, designed to limit independent bidding or competition.

CANCELLATION: Unless otherwise stated in the special terms and conditions, any contract entered into as a result of this bid may be canceled by either party upon 60 days notice, in writing, prior to the effective date of the cancellation. Further, any Participating State may cancel its participation upon 30 days written notice, unless otherwise limited or stated in the special terms and conditions of this solicitation. Cancellation may be in whole or in part. Any cancellation under this provision shall not effect the rights and obligations attending orders outstanding at the time of cancellation, including any right of and Purchasing Entity to indemnification by the Contractor, rights of payment for goods/services delivered and accepted, and rights attending any warranty or default in performance in association with any order. Cancellation of the contract due to Contractor default may be immediate.

DEFAULT AND REMEDIES: Any of the following events shall constitute cause for WSCA to declare Contractor in default of the contract: 1. Nonperformance of contractual requirements; 2. A material breach of any term or condition of this contract WSCA shall issue a written notice of default providing a period in which Contractor shall have an opportunity to cure. Time allowed for cure shall not diminish or eliminate Contractor's liability for liquidated or other damages. If the default remains, after Contractor has been provided the opportunity to cure, WSCA may do one or more of the following: 1. Exercise any remedy provided by law; 2. Terminate this contract and any related contracts or portions thereof; 3. Impose liquidated damages; 4. Suspend contractor from receiving future proposal solicitations.

LAWS AND REGULATIONS: Any and all supplies, services and equipment offered and furnished shall comply fully with all applicable Federal and State laws and regulations.

CONFLICT OF TERMS: In the event of any conflict between these standard terms and conditions and any special terms and conditions which follow; the special terms and conditions shall govern.

REPORTS: The contractor shall submit quarterly reports to the WSCA Contract Administrator showing the quantities and dollar volume of purchases by each agency.

HOLD HARMLESS: The contractor shall release, protect, indemnify and hold WSCA and the respective states and their officers, agencies, employees, harmless from and against any damage, cost or liability, including reasonable attorney's fees for any or all injuries to persons, property or claims for money damages arising from acts or omissions of the contractor, his employees or subcontractors or volunteers.

ORDER NUMBERS: Contract order and purchase order numbers shall be clearly shown on all acknowledgments, shipping labels, packing slips, invoices, and on all correspondence.

GOVERNING LAW: This procurement and the resulting agreement shall be governed by and construed in accordance with the laws of the state sponsoring and administering the procurement. The construction and effect of any Participating Addendum or order against the contract(s) shall be governed by and construed in accordance with the laws of the Participating Entity's State. Venue for any claim, dispute or action concerning an order placed against the contract(s) or the effect of an Participating Addendum shall be in the Purchasing Entity's State.

DELIVERY: The prices offered shall be the delivered price to any Participating State agency or political subdivision. All deliveries shall be F.O.B. destination with all transportation and handling charges paid by the contractor. Responsibility and liability for loss or damage shall remain the Contractor until final inspection and acceptance when responsibility shall pass to the Buyer except as to latent defects, fraud and Contractor's warranty obligations. The minimum shipment amount will be found in the special terms and conditions. Any order for less than the specified amount is to be shipped with the freight prepaid and added as a separate item on the invoice. Any portion of an order to be shipped without transportation charges that is back ordered shall be shipped without charge.

WARRANTY: As used herein "Buyer" refers to any Participating State agency or political subdivision. The contractor acknowledges that the Uniform Commercial Code applies to this contract. In general, the contractor warrants that: (a) the product will do what the salesperson said it would do, (b) the product will live up to all specific claims that the manufacturer makes in their advertisements, (c) the product will be

suitable for the ordinary purposes for which such product is used, (d) the product will be suitable for any *special purposes* that the Buyer has relied on the contractor's skill or judgment to consider.

AMENDMENTS: The terms of this contract shall not be waived, altered, modified, supplemented or amended in any manner whatsoever without prior written approval of the WSCA Contract Administrator.

ASSIGNMENT/SUBCONTRACT: Contractor shall not assign, sell, transfer, subcontract or sublet rights, or delegate responsibilities under this contract, in whole or in part, without the prior written approval of the WSCA Contract Administrator.

NONDISCRIMINATION: The offeror agrees to abide by the provisions of Title VI and Title VII of the Civil Rights Act of 1964 (42 USC 2000e), which prohibit discrimination against any employee or applicant for employment, or any applicant or recipient of services, on the basis of race, religion, color, or national origin; and further agrees to abide by Executive Order No. 11246, as amended, which prohibits discrimination on basis of sex; 45 CFR 90 which prohibits discrimination on the basis of age, and Section 504 of the Rehabilitation Act of 1973, or the Americans with Disabilities Act of 1990 which prohibits discrimination on the basis of disabilities. The offeror further agrees to furnish information and reports to requesting State(s), upon request, for the purpose of determining compliance with these statutes. Offeror agrees to comply with each individual state's certification requirements, if any, as stated in the special terms and conditions. This contract may be canceled if the offeror fails to comply with the provisions of these laws and regulations. The offeror must include this provision in every subcontract relating to purchases by the States to insure that subcontractors and vendors are bound by this provision.

SEVERABILITY: If any provision of this contract is declared by a court to be illegal or in conflict with any law, the validity of the remaining terms and provisions shall not be affected; and the rights and obligations of the parties shall be construed and enforced as if the contract did not contain the particular provision held to be invalid.

INSPECTIONS: Goods furnished under this contract shall be subject to inspection and test by the Buyer at times and places determined by the Buyer. If the Buyer finds goods furnished to be incomplete or in compliance with proposal specifications, the Buyer may reject the goods and require Contractor to either correct them without charge or deliver them at a reduced price, which is equitable under the circumstances. If Contractor is unable or refuses to correct such goods within a time deemed reasonable by the Buyer, the Buyer may cancel the order in whole or in part. Nothing in this paragraph shall adversely affect the Buyer's rights including the rights and remedies associated with revocation of acceptance under the Uniform Commercial Code.

PAYMENT: Payment for completion of a contract is normally made within 30 days following the date the entire order is delivered or the date a correct invoice is received, whichever is later. After 45 days the Contractor may assess overdue account charges up to a maximum rate of one percent per month on the outstanding balance. Payments will be remitted by mail. Payments may be made via a State or political subdivision "Purchasing Card".

FORCE MAJEURE: Neither party to this contract shall be held responsible for delay or default caused by fire, riot, acts of God and/or war which is beyond that party's reasonable control. WSCA may terminate this contract after determining such delay or default will reasonably prevent successful performance of the contract.

HAZARDOUS CHEMICAL INFORMATION: The contractor will provide one set of the appropriate material safety data sheet(s) and container label(s) upon delivery of a hazardous material to the user agency. All safety data sheets and labels will be in accordance with each participating state's requirements.

FIRM PRICE: Unless otherwise stated in the special terms and conditions, for the purpose of award, offers made in accordance with this solicitation must be good and firm for a period of ninety (90) days from the date of proposal opening. Prices must remain firm for the full term of the contract.

EXTENSION OF PRICES: In the case of error in the extension of prices in the proposal, the unit prices will govern.

PROPOSAL PREPARATION COSTS: WSCA is not liable for any costs incurred by the offeror in proposal preparation.

CONFLICT OF INTEREST: The contractor certifies that it has not offered or given any gift or compensation prohibited by the state laws of any WSCA participants to any officer or employee of WSCA or participating states to secure favorable treatment with respect to being awarded this contract.

INDEPENDENT CONTRACTOR: The contractor shall be an independent contractor, and as such shall have no authorization, express or implied to bind WSCA or the respective states to any agreements, settlements, liability or understanding whatsoever, and agrees not to perform any acts as agent for WSCA or the states, except as expressly set forth herein.

POLITICAL SUBDIVISION PARTICIPATION: Participation under this contract by political subdivisions (i.e., colleges, school districts, counties, cities, etc.) of the Participating States shall be voluntarily determined by the political subdivision. The contractor agrees to supply the political subdivisions based upon the same terms, conditions and prices.

DEBARMENT: The contractor certifies that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction (contract) by any governmental department or agency. If the contractor cannot certify this statement, attach a written explanation for review by WSCA.

RECORDS ADMINISTRATION: The contractor will maintain, or supervise the maintenance of all records necessary to properly account for the payments made to the contractor for costs authorized by this contract. These records will be retained by the contractor for at least four years after the contract terminates, or until all audits initiated within the four years have been completed, whichever is later.

AUDIT OF RECORDS: The contractor agrees to allow WSCA, State and Federal auditors, and state agency staff access to all the records to this contract, for audit and inspection, and monitoring of services. Such access will be during normal business hours, or by appointment.

ENTITY PARTICIPATION: Use of specific WSCA cooperative contracts by state agencies, political subdivisions and other entities (including cooperatives) authorized by individual state's statutes to use state contracts are subject to the approval of the respective State Chief Procurement Official. Issues of interpretation and eligibility for participation are solely within the authority of the respective State Chief Procurement Official.

Revision date: June 2010