



**ATTACHMENT J –**  
**AGREEMENT FOR INTERNAL AUDIT**  
**CONSULTING SERVICES**

*This draft agreement may be modified after the contract award to conform to common standards and practices within the Internal Audit Consulting industry. Vendors are not required to submit contract exceptions with their RFP response. If Citizens and Vendor are unable to agree on final contract terms, the contract award will terminate and the parties will have no further obligation to each other in connection with the RFP.*

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This Agreement (“Agreement”) is between CITIZENS PROPERTY INSURANCE CORPORATION (“**Citizens**”), a legislatively created Florida governmental entity, having its principal place of business at 2101 Maryland Circle, Tallahassee, Florida 32303, and **VENDOR NAME** (“**Vendor**”) having its principal place of business at **VENDOR ADDRESS**. Citizens and Vendor shall each be known as a “Party,” and collectively shall be known as the “Parties.”

**Recitals**

On November 15, 2016 Citizens issued a Request for Proposal No.16-0005 for Internal Audit Consulting Services (the “Solicitation”). Vendor’s response to the Solicitation was accepted by Citizens, subject to the terms set forth in this Agreement.

In consideration of the covenants and restrictions stated in this Agreement, the Parties acknowledge and agree as follows:

**Terms of Agreement**

1. **Definitions.** As used in this Agreement, the following terms have the following meanings:
  - 1.1. “Citizens Confidential Information” means all non-public information, data, and documentation, whether marked as confidential or not, disclosed to Vendor in the course of this Agreement that is either: (a) Protected under any applicable state or federal law (including Chapter 119, Florida Statutes; Sections 501.171, and 627.351(6), Florida Statutes; Chapter 690-128, Florida Administrative Code; and, 15 U.S.C. § 6801 et seq.); (b) private information concerning Citizens’ employees or policyholders (including social security numbers, personal health information, personal credit information, banking information, drivers’ license numbers, personal email addresses, personal phone numbers, and home addresses); or, (c) related to any Citizens’ manuals, lists, operating and other systems or programs, business practices or procedures, insurance policies, claimants or claims, or any business, governmental, and regulatory matters affecting Citizens. “Citizens Confidential Information” does not include any information, data or documentation

that: (a) is publicly available through no fault of Vendor or Vendor Staff; or, (b) Vendor developed independently without relying in any way on Citizens Confidential Information.

- 1.2. "Deliverable" means any information, advice, recommendations or other content of any reports, presentations or other communications Vendor provides to Citizens under this Agreement.
- 1.3. "Effective Date" means the date on which the last Party executes this Agreement.
- 1.4. "Services" means all internal audit consulting services and Deliverables to be provided by Vendor to Citizens under this Agreement. If any service or Deliverable is not specifically described in this Agreement but is necessary for the proper performance and provisioning of the Services, that service or Deliverable shall be included within the definition of the Services to the same extent and in the same manner as if specifically described herein.
- 1.5. "Task Order" means the mutually agreed-upon, written document setting forth the project-specific activities, Deliverables, compensation and timelines for Services assigned to Vendor under this Agreement.
- 1.6. "Vendor Staff" means any of Vendor's employees, agents, subcontractors or representatives who: (a) provide the Services; or (b) gain access to Citizens Confidential Information in connection with the Agreement.

## **2. Term and Renewals.**

- 2.1. Term of Agreement. This Agreement shall commence on the Effective Date and, unless terminated as provided for herein, shall continue for five (5) years.
- 2.2. Renewals. This Agreement may be renewed for up to five (5) additional years upon mutual agreement of the Parties. Renewals shall be subject to the same terms and conditions set forth in this Agreement at the time of renewal, including any written amendments signed by the Parties.

## **3. Services.**

- 3.1. Description. From time to time and by way of Task Orders, Citizens may request Vendor to provide Services in one or more of the following areas:
  - 3.1.1. Compliance/Regulatory – a comprehensive review of an organization's adherence to a broad range of compliance activities and regulatory guidelines including detailed knowledge of insurance, state and federal laws governing Citizens.
  - 3.1.2. Data Analytics/Analysis – the development and execution of analytics, including but not limited to data mining, trend analysis and advanced regression analyses, used to identify risks and provide insights to the organization.
  - 3.1.3. Finance and Investment – an evaluation of an organization's financial operational and investment processes.
  - 3.1.4. Forensic and Fraud – an examination and evaluation of a company's or an individual's financial and systems information to determine if it is accurate and lawful. Information and data acquired during the audit may be used as

evidence in court. A forensic audit can be conducted in order to prosecute a party for fraud, embezzlement or other financial claims.

- 3.1.5. Governance – an evaluation of the oversight role and the process by which companies manage and mitigate business risks.
- 3.1.6. Information Systems & Technology – an examination and evaluation of the design and effectiveness of management controls within an organization's information technology infrastructure and operations.
- 3.1.7. Operational – a systematic review of effectiveness and efficiency of operational processes. Operational audits are future-oriented, systematic, and independent evaluation of process activities, including property and casualty insurance operations, human resource functions, procurement and vendor management processes, etc.
- 3.1.8. Risk Management – enables an organization to evaluate all relevant business and regulatory risks and controls and monitor mitigation actions in a structured manner.

These service areas are expected to cover most, if not all, of the internal audit consulting services requested under this Agreement. However, Citizens may request other types of internal audit consulting services subject to the rates, pricing and other terms set forth in this Agreement.

- 3.2. Non-Exclusivity. Vendor may not be the exclusive provider of the Services. Citizens may engage additional firms to provide internal auditing services and may make work assignments to those firms at its discretion based on considerations it deems appropriate. Vendor acknowledges that Citizens does not represent or guarantee that Vendor will receive any minimum volume of work under this Agreement.

#### **4. Service Warranties, Representations and Standards.**

- 4.1. General Warranty. Vendor warrants that the Services will be performed and delivered in a professional, workmanlike manner in accordance with this Agreement and the standards prevailing in the industry (including the AICPA and PCAOB).
- 4.2. Ability to Perform. As of the Effective Date, Vendor represents that, to the best of its knowledge, there is no pending or threatened action, proceeding, or investigation, or any other legal or financial condition, that would in any way prohibit, restrain, or diminish Vendor's ability to perform the Services or satisfy its contractual obligations. During the term of this Agreement, Vendor shall notify Citizens of any change in circumstances that would in any way diminish Vendor's ability to perform the Services or satisfy its contractual obligations.
- 4.3. Monitoring of Performance. Vendor shall continuously monitor and record its performance to ensure that all of Vendor's responsibilities and obligations hereunder are being met and fulfilled. Citizens may conduct programmatic and other administrative contract monitoring during the term of this Agreement. The purpose of this monitoring is to ensure that all of Vendor's responsibilities and obligations are being met and fulfilled.
- 4.4. Trained and Qualified Vendor Staff. Vendor warrants that all Vendor Staff shall be

properly trained and qualified. Upon request, Vendor shall furnish a copy of all professional certifications or other proof of qualification. All Vendor Staff must comply with all reasonable administrative requirements of Citizens and with all controlling laws and regulations relevant to the Services.

- 4.5. **Background Checks.** Vendor shall ensure that background checks are conducted on Vendor Staff prior to Vendor Staff providing services under this Agreement and annually thereafter. The scope, timing and sharing of the background checks shall be mutually agreed to by the Parties using reasonable and commonly accepted standards. Any Vendor Staff whose background check indicates conduct that demonstrates a lack of honesty, integrity or inability to properly perform the services, will not be allowed to perform as Vendor Staff under this Agreement.
- 4.6. **Replacing Key Personnel Identified on a Task Order.** The Parties may identify key personnel by name in a Task Order. If Vendor needs to replace such person(s) before completing the Task Order, Vendor will use good-faith efforts to notify Citizens' Contract Manager at least ten (10) business days in advance of the change. Such notice will include a resume for the person(s) filling the vacancy. Citizens shall be provided with a reasonable opportunity to review and approve any changes to Vendor Staff, and such approval shall not be unreasonably withheld, conditioned or delayed.
- 4.7. **Service Level Standards.** Task Orders may include specific service level standards (including but not limited to work item delivery dates) and the service credits to be issued if the standards are not met. Citizens also reserves the right to withhold applicable payments or implement other appropriate remedies when Vendor has failed to perform as specified in this Agreement, and these consequences for non-performance shall not be considered a penalty.
- 4.8. **No Other Warranties.** EXCEPT AS EXPRESSLY AGREED IN A TASK ORDER, THE FOREGOING SETS FORTH VENDOR'S SOLE WARRANTIES, EXPRESS OR IMPLIED, CONCERNING THE SERVICES AND ANY DELIVERABLES, AND IS MADE EXPRESSLY IN LIEU OF ALL OTHER WARRANTIES, CONDITIONS AND REPRESENTATIONS, EXPRESS OR IMPLIED, INCLUDING ANY IMPLIED WARRANTIES OF FITNESS FOR A PARTICULAR PURPOSE, MERCHANTABILITY, INFORMATIONAL CONTENT, NON-INFRINGEMENT, INTERFERENCE WITH ENJOYMENT OR OTHERWISE.

## **5. Deliverables.**

- 5.1. **Deliverables.** Each Deliverable set forth in a Task Order must be delivered by Vendor to Citizens in the time and manner specified in the Task Order. Failure to do so will entitle Citizens to: (a) withhold any payment associated with the Deliverable until such delivery is made; and / or, (b) implement other appropriate remedies when Vendor has failed to perform / comply with provisions of this Agreement; and/ or (c) terminate this Agreement for cause in accordance with the notice and cure provisions set forth in Section 11.2. below.
- 5.2. **Title to Deliverables.** With the exception of the Pre-Existing Materials described in Section 5.3., Citizens will have all right, title and interest in and to each Deliverable and any derivative works relating thereto (including ownership of copyrights). The use of these Deliverables in any manner by Citizens shall not support any claim by Vendor for additional compensation. Each Deliverable, and any portion thereof,



shall be a "work made for hire" for Citizens pursuant to federal copyright laws. To the extent any of the Deliverable is not deemed a work made for hire by operation of law, Vendor hereby irrevocably assigns, transfers, and conveys to Citizens, or its designee, without further consideration all of its right, title, and interest in such Deliverable, including all rights of patent, copyright, trade secret, trademark, or other proprietary rights in such materials. Vendor acknowledges that Citizens shall have the right to obtain and hold in its own name any intellectual property right in and to the Deliverable. Vendor agrees to execute any documents or take any other actions as may reasonably be necessary, or as Citizens may reasonably request, to perfect or evidence Citizens' ownership of the Deliverable.

In no event, however, shall either Vendor or its affiliates be precluded from developing for itself, or for others, any original information or materials, whether in tangible or non-tangible form, which may be competitive with, or similar to, either the Services or the Deliverables so long as such party does not infringe any patent or copyright of any member of Citizens. In addition, Vendor shall be free to use its general knowledge, skills and experience, and any ideas, concepts, know-how, and techniques that are acquired or used in the course of providing the Services which are retained in the unaided memories of employees who have had authorized access to Citizens' Confidential Information.

This Section shall survive the termination of this Agreement.

### 5.3. Pre-Existing Materials.

- 5.3.1. Citizens acknowledges that, in the course of performing the Services, Vendor may use materials, software, reports, routines, language, instructions, methods, techniques, trade secrets, patents, copyrights, or other intellectual property that have been previously developed, purchased, licensed, or acquired by Vendor or by third parties (collectively, the "Pre-Existing Materials"), and that such Pre-Existing Materials shall remain the sole and exclusive property of Vendor or the third parties. Where Vendor seeks to embed Pre-Existing Materials in the Deliverable, Vendor must first obtain written approval from Citizens.
- 5.3.2. If and to the extent any Pre-Existing Materials of Vendor are embedded or incorporated in the Deliverable, Vendor hereby grants to Citizens the irrevocable, perpetual, non-exclusive, worldwide, royalty-free right and license to: (a) use, execute, reproduce, display, perform, distribute copies of and prepare derivative works based upon such Pre-existing Materials and any derivative works thereof for Citizens' internal business purposes only; and, (b) authorize others to do any or all of the foregoing for Citizens' internal business purposes only.
- 5.3.3. If and to the extent any Pre-Existing Materials of third parties are embedded or incorporated in the Deliverable, Vendor shall secure for Citizens an irrevocable, perpetual, non-exclusive, worldwide, royalty-free and fully paid-up right to use, execute, display, and perform such Pre-Existing Materials. Vendor shall secure such right at its expense and prior to incorporating any such Pre-Existing Materials into any Deliverable, and such right must include, if practicable, a right to: (a) copy, modify, and create derivative works based upon such Pre-Existing Materials; and, (b) sublicense all or any portion of the foregoing rights to an affiliate or a third party service provider of Citizens. This Section does not apply to standard

office software (e.g., Microsoft Office).

5.4. The provisions of this Section shall survive the termination of this Agreement.

**6. Task Orders.**

6.1. Issuance. Work will be assigned under this Agreement via mutually agreed upon written Task Orders.

6.2. Modification. The Parties may modify a Task Order (a "Change"), provided that the Change remains within the general scope of this Agreement. The Parties will make an equitable adjustment in Vendor's compensation or delivery date if a Change materially affects the cost or time of performance of the Task Order. Such adjustments must be set forth in writing, and consent shall not be unreasonably withheld, delayed or conditioned.

6.3. Acceptance. Unless otherwise provided in a Task Order, Vendor grants to Citizens a thirty (30) day acceptance period ("Acceptance Period") commencing on the date completed Services are delivered to Citizens. Citizens shall have the right to reject the Services, in whole or in part, during the Acceptance Period for Vendor's failure to meet the agreed upon specifications and quality standards, with such determination to be made in Citizens' reasonable judgment. At the end of the Acceptance Period, if Citizens has not rejected the Services, the Services shall be deemed to be accepted by Citizens.

**7. Compensation.**

7.1. Maximum Compensation and Budget Requirement. Citizens' obligation to pay Vendor for all Services and reimbursable expenses, if any, under this Agreement: (a) shall not exceed a total dollar amount of **\$2,000,000.00**; and, (b) is contingent on the availability of funds as budgeted by Citizens' Board of Governors on an annual basis.

7.2. Compensation Schedule. Compensation shall be based upon either (a) the maximum hourly rates identified below, or (b) a project-based pricing terms negotiated by the Parties and set forth in an individual Task Order. ***Project-based pricing may include fixed fee arrangements in which the hourly rates identified below are used to determining the reasonableness of the fixed fee.***

The hourly rates identified below may be reduced in a particular Task Order but may not be exceeded. If necessary to provide the Services requested by Citizens, the Parties may amend this Agreement to include additional positions and rates.

Position	Hourly Rate for Year 1	Hourly Rate for Year 2	Hourly Rate for Year 3	Hourly Rate for Year 4	Hourly Rate for Year 5
Principal					
Manager/Project Leader					
Senior Associate					
Associate					

The positions listed above, shall have the following experience in order to bill at

the hourly rates identified:

- Principle – Considered the leading expert in the applicable service area.
- Manager/Project Leader – Ten (10) or more years of experience in the applicable service area.
- Senior Associate – Five (5) or more years of experience in the applicable service area.
- Associate – Less than five (5) years of experience in the applicable service area.

The hourly rates for each optional renewal year shall not exceed the sum of (a) the Hourly Rate for Year 5 quoted above, and (b) an annual adjustment equal to the percentage increase or decrease in the CPI-U index, using July 1, 2021 as a starting point.

- 7.3. Invoices. Vendor must timely submit all requests for compensation for Services or expenses, where permitted, in sufficient detail for a pre- or post-audit. The compensation request must include a unique invoice number, be in US dollars, legible, page-numbered, signed, and dated. Vendor shall also submit a copy, marked as duplicate, of the original, invoice to Citizens' Contract Manager or designee. All invoices and payment credits must be submitted to the attention of Citizens' Accounts Payable department at [AccountsPayable@citizensfla.com](mailto:AccountsPayable@citizensfla.com) or Post Office Box 10749, Tallahassee, Florida 32302-2749 in accordance with the Compensation Schedule and must include, at a minimum, the following: (a) Agreement / task order number / purchase order number, if applicable; (b) Vendor's name, address, phone number (and remittance address, if different); (c) Vendor's Federal Employment Identification Number; (d) Citizens' Contract Manager's name; (e) invoice date; (f) Services period; (g) taxes listed separately, if applicable (see Section 7.8.); and, (h) itemized Services for which compensation is being sought.
- 7.4. Payment Processing. Citizens may require any other information from Vendor that Citizens deems necessary to verify any compensation request placed under this Agreement and Vendor agrees that it will provide such information as reasonably requested by Citizens. Payment shall be due net thirty (30) days of Citizens' actual receipt of a complete and undisputed invoice. Where a submitted invoice is incomplete, such as not containing the information described in this Section, Citizens will return the incomplete invoice to Vendor for correction within thirty (30) days of Citizens' actual receipt of such invoice. Where Citizens reasonably disputes any part of a complete invoice, such as the amount of the compensation request, Citizens shall pay any undisputed portion of the invoiced amount within (30) days of Citizens' actual receipt of the complete invoice and will describe the basis for the disputed portion of the invoiced amount. Where Vendor disagrees with Citizens dispute of any invoice, the Parties shall seek to resolve the dispute in accordance with the Dispute Resolution Process further described in this Agreement. In no case shall Citizens be subject to late payment interest charges where Vendor has submitted an incomplete invoice or where Citizens has reasonably disputed an invoice. Where Vendor fails to submit an invoice within twelve (12) calendar months of the Services for which compensation is being requested, Vendor acknowledges and agrees that any payment due for such Services is forfeited by Vendor for its failure to timely submit an invoice.
- 7.5. Travel-related Expenses. Vendor agrees to comply with Citizens' then-current



Vendor Travel Reimbursement Guidelines. All travel-related expenses must be pre-approved in writing by Citizens' Contract Manager or designee. Citizens shall reimburse Vendor for pre-approved travel-related expenses incurred in the performance of Services following Citizens' receipt of Vendor's reimbursement request submitted in accordance with the then-current Vendor Travel Reimbursement Guidelines.

- 7.6. No Additional Charges. Except for the compensation described in the Compensation Schedule and travel-related expenses, if permitted, Citizens shall not be billed for or be obligated to pay to Vendor any charges, expenses, or other amounts for the Services or otherwise.
- 7.7. Offsets and Credits. Any amounts due from Vendor may be applied by Citizens against any amounts due to Vendor. Any such amounts that are not so applied shall be paid to Citizens by Vendor within thirty (30) days following Citizens' request.
- 7.8. Taxes. Citizens is a State of Florida, legislatively created, governmental entity which does not pay federal excise or state sales taxes on direct purchases of tangible personal property. Vendor represents and warrants that it is an independent contractor for purposes of federal, state, and local employment taxes. Vendor agrees that Citizens is not responsible to collect or withhold any federal, state, or local employment taxes, including personal property tax, income tax withholding, and social security contributions, for Vendor or Vendor Staff. Any and all taxes, interest or penalties, including personal property tax or any federal, state, or local withholding or employment taxes, imposed, assessed, or levied as a result of this Agreement shall be paid or withheld by Vendor or, if assessed against and paid by Citizens, shall be immediately reimbursed by Vendor upon demand by Citizens.

**8. Indemnification and Limitation of Liability.** *The following provisions are taken from the State of Florida General Contract Conditions (Form PUR 1000) and were incorporated into the State's 2014 contracts with audit consulting firms under ITN 02-973-000-A. Citizens is willing to modify this language after the contract award for this RFP if requested by a Vendor to conform to common standards and practices in the industry.*

- 8.1. Indemnification. Vendor shall be fully liable for the actions of its agents, employees, partners, or subcontractors and shall fully indemnify, defend, and hold harmless Citizens and its officers, agents, and employees, from suits, actions, damages, and costs of every name and description, including attorneys' fees, arising from or relating to personal injury and damage to real or personal tangible property caused in whole or in part by Vendor, its agents, employees, partners, or subcontractors, provided, however, that Vendor shall not indemnify for that portion of any loss or damages proximately caused by the negligent act or omission of Citizens. Vendor's obligations of indemnification with respect to any Claim are contingent upon Citizens (or other Indemnitee) providing Vendor: (a) written notice of the Claim; (b) the opportunity to settle or defend against the Claim at Vendor's sole expense; and, (c) assistance in defending against or settling the Claim at Vendor's sole expense. Vendor shall not be liable for any cost, expense, or compromise incurred or made by an Indemnitee in any legal action without Vendor's prior written consent, which shall not be unreasonably withheld.

Further, Vendor shall fully indemnify, defend, and hold harmless Citizens from any



suits, actions, damages, and costs of every name and description, including attorneys' fees, arising from or relating to violation or infringement of a trademark, copyright, patent, trade secret or intellectual property right, provided, however, that the foregoing obligation shall not apply to Citizens' misuse or modification of Vendor's products or Citizens' operation or use of Vendor's products in a manner not contemplated by this Agreement or a Task Order. If any product is the subject of an infringement suit, or in Vendor's opinion is likely to become the subject of such a suit, Vendor may at its sole expense procure for Citizens the right to continue using the product or to modify it to become non-infringing. If Vendor is not reasonably able to modify or otherwise secure the Citizens the right to continue using the product, Vendor shall remove the product and refund Citizens the amounts paid in excess of a reasonable rental for past use. Citizens shall not be liable for any royalties.

Vendor's obligations under the preceding two paragraphs with respect to any legal action are contingent upon Citizens giving Vendor (1) written notice of any action or threatened action, (2) the opportunity to take over and settle or defend any such action at Citizens' sole expense, and (3) assistance in defending the action at Vendor's sole expense. Vendor shall not be liable for any cost, expense, or compromise incurred or made by Citizens in any legal action without Vendor's prior written consent, which shall not be unreasonably withheld.

The provisions of this Section shall survive the termination of this Agreement.

8.2. Limitation of Liability. FOR ALL CLAIMS AGAINST VENDOR UNDER THIS AGREEMENT AND ANY TASK ORDER, AND REGARDLESS OF THE BASIS ON WHICH THE CLAIM IS MADE, VENDOR'S LIABILITY FOR DIRECT DAMAGES SHALL BE LIMITED TO THE GREATER OF \$100,000, OR TWO TIMES THE DOLLAR AMOUNT OF THE APPLICABLE TASK ORDER(S). THIS LIMITATION SHALL NOT APPLY TO CLAIMS ARISING UNDER THE INDEMNITY PARAGRAPH CONTAIN IN THIS AGREEMENT.

UNLESS OTHERWISE SPECIFICALLY ENUMERATED IN THIS AGREEMENT OR IN THE TASK ORDER, NO PARTY SHALL BE LIABLE TO ANOTHER FOR SPECIAL, INDIRECT, PUNITIVE, OR CONSEQUENTIAL DAMAGES, EVEN IF THE PARTY HAS BEEN ADVISED THAT SUCH DAMAGES ARE POSSIBLE. NO PARTY SHALL BE LIABLE FOR LOST PROFITS, LOST REVENUE, OR LOST INSTITUTIONAL OPERATING SAVINGS. CITIZENS MAY, IN ADDITION TO OTHER REMEDIES AVAILABLE TO IT AT LAW OR EQUITY AND UPON NOTICE TO VENDOR, RETAIN SUCH MONIES FROM AMOUNTS DUE VENDOR AS MAY BE NECESSARY TO SATISFY ANY CLAIM FOR DAMAGES, PENALTIES, COSTS AND THE LIKE ASSERTED BY OR AGAINST IT.

NOTHING IN THIS SECTION OR IN THIS AGREEMENT SHALL BE CONSTRUED AS A WAIVER OF THE LIMIT ON CITIZENS' LIABILITY FOR TORT CLAIMS UNDER APPLICABLE FLORIDA LAW.

## 9. Insurance.

9.1. Vendor Insurance Requirements. Prior to accepting its first Task Order and upon renewal or reissuance of coverage thereafter, Vendor must provide current and properly completed in-force certificates of insurance to Citizens that evidence the coverages required in Sections 9.1. and 9.2. Vendor shall provide copies of its

policies upon request by Citizens. Vendor may use a self-insurance program for any of the required coverages, provided such program has received prior written approval from Citizens.

9.1.1. Workers' Compensation which provides coverage for Vendor's employees and independent contractors' employees, regardless of the state of hire, in at least the minimum statutory limits required by the State of Florida, and Employers' Liability with limits of \$1 million per accident; provided, however, that such workers' compensation policy may exclude coverage for independent contractor employees who are covered by a workers' compensation policy that meets the requirements (including Employers' Liability coverage) set forth herein.

9.1.2. Commercial General Liability with minimum limits of \$1 million per occurrence (to include contractual liability for liability assumed hereunder) and \$2 million in the aggregate;

9.1.3. Automobile Liability with combined single limits of not less than \$1 million per accident (this policy must include Symbol 1 "Any Auto" coverage); and

9.1.4. Professional Liability (errors and omissions) with minimum limits of \$1 million per claim and \$2 million in the aggregate, coverage shall be provided on a claims made and reported basis;

9.2. Subcontractor Insurance Requirements. Each subcontractor used by Vendor to provide Services under this Agreement shall provide insurance as follows:

9.2.1. Professional Liability (errors and omissions) with minimum limits of \$1 million per occurrence and \$2.5 million in the aggregate.

9.3. Insurance Company Qualifications. Each company issuing policies required under Sections 9.1. and 9.2. must have an AM Best Financial Strength rating of "A-" or above.

9.4. Waiver of Subrogation. The CGL and Auto Liability insurance required under Section 9. will include a provision waiving the insurer's rights of recovery or subrogation against Citizens.

9.5. Notice of Cancellation or Change. To the extent practicable, the CGL and Professional Liability policies shall require thirty (30) calendar days prior written notice to Citizens of cancellation, non-renewal or change in any coverage.

## **10. Contract Administration.**

10.1. Contract Administrator. Citizens shall name a Contract Administrator during the term of this Agreement whose responsibility shall be to maintain this Agreement. All legal notices and contractual documents shall be sent to the Contract Administrator in addition to the Citizens Contract Manager named below. As of the Effective Date, the Contract Administrator is:

Lori Newman, Vendor Management Office  
301 West Bay Street, Suite 300  
Jacksonville, Florida 32202  
904-407-0225  
[Lori.Newman@citizensfla.com](mailto:Lori.Newman@citizensfla.com)

Citizens shall provide written notice to Vendor of any changes to the Contract Administrator or Contract Manager; such changes shall not be deemed Agreement amendments.

- 10.2. Contract Managers. Each Party will designate a Contract Manager during the term of this Agreement whose responsibility shall be to oversee the Party's performance of its duties and obligations pursuant to the terms of this Agreement. As of the Effective Date, Citizens' and Vendor's Contract Managers are as follows:

Citizens' Contract Manager

John Fox  
Citizens Property Insurance Corporation  
301 West Bay Street, Suite 1300  
Jacksonville, Florida 32202  
904-208-7621  
[John.Fox@Citizensfla.com](mailto:John.Fox@Citizensfla.com)

Vendor's Contract Manager

Name  
Company Name  
Address  
City, State Zip  
Phone  
Email

Vendor shall provide written notice to Citizens of any changes to the Contract Manager; such changes shall not be deemed Agreement amendments.

**11. Agreement Termination.**

- 11.1. Termination without Cause. By thirty (30) days advance written notice, Citizens may terminate this Agreement in whole or in part, at its sole discretion and without the need to specify a reason for termination. The actual date of termination of this Agreement will be thirty (30) days from the date of the written notice, or as otherwise specified in Citizens' written notice (the "Termination Date"). Where Citizens elects to terminate this Agreement in part, Vendor shall continue to provide Services on any portion of the Agreement not terminated. Vendor shall be entitled to payment for Services satisfactorily performed through the Termination Date but shall not be entitled to recover any cancellation charges or damages, including lost profits or reliance damages. Vendor shall not have a reciprocal right to terminate without cause unless Vendor reasonably determines that it can no longer provide the Services in accordance with applicable law or professional obligations.
- 11.2. Termination for Cause. Either Party may terminate this Agreement if the other Party fails to honor its material obligations under this Agreement. Unless otherwise provided herein, before terminating this Agreement, the Party that believes the other Party is failing to perform this Agreement shall notify the other Party, in writing, of the nature of the failure to perform and provide a reasonable time certain for correcting the failure (such time should not generally be less than ten (10) days from receipt of the notice). If the other Party does not correct its failure to perform within the time provided, and its failure is not legally excusable, the Party claiming



failure to perform may thereafter notify the other Party, in writing, that it considers the other Party in default and may terminate this Agreement and pursue any remedies allowed in law or equity. Instead of terminating this Agreement in whole, Citizens may elect to terminate this Agreement in part, in which case Vendor shall continue to provide Services on any portion of the Agreement not terminated. If after termination it is determined that Vendor was not in default, or that the default was excusable, the rights and obligations of the Parties shall be the same as if the termination had been issued without cause under Section 11.1.

**12. Disputes.**

- 12.1. Dispute Resolution Process. Vendor acknowledges that Citizens is not an agency for purposes of the Florida Administrative Procedure Act, Chapter 120, Florida Statutes. The Parties agree that, if a disagreement arises as to the terms or enforcement of any provision of this Agreement, each Party shall in good faith attempt to resolve the disagreement prior to the filing of a lawsuit or commencing a legal action.
- 12.2. Jurisdiction and Venue; Waiver of Jury Trial. This Agreement shall be deemed to have been made in the State of Florida and shall be subject to, and governed by, the laws of the State of Florida, and no doctrine of choice of law shall be used to apply any law other than that of the State of Florida. Each Party hereby irrevocably consents and submits to the exclusive jurisdiction of the Circuit Court of Leon County, Florida, for all purposes under this Agreement, and waives any defense to the assertion of such jurisdiction based on inconvenient forum or lack of personal jurisdiction. The Parties also agree to waive any right to jury trial.
- 12.3. The provisions of this Section shall survive the termination of this Agreement.

**13. Records; Audits; Public Records Laws.**

- 13.1. Record Retention. Vendor shall retain all records relating to this Agreement for the longer of: (a) five (5) years after the termination of this Agreement; or, (b) the period specified by Citizens as necessary to comply with Florida law.
- 13.2. Right to Audit Records. Citizens shall have reasonable access to Vendor's facilities and the right to review and audit any of Vendor's timecards, expense reports, related expense supporting documentation and other project records relating to this Agreement, upon written notice to Vendor of at least three (3) business days. Vendor shall not unreasonably delay or inhibit Citizens' right to audit as set forth in this Section. Vendor shall cooperate with auditor(s) and, provide requested documentation in a timely manner (preferably within five (5) business days). Vendor must resolve any deficiencies discovered during the audit within ninety (90) calendar days from being reported. Citizens may extend the response time period in its sole discretion. Citizens has the right to conduct follow-up audit procedures to assess Vendor's corrective action(s). Any entity performing auditing services pursuant to this Section shall execute a non-disclosure agreement with regard to Vendor's proprietary information, unless precluded from doing so by law. Vendor agrees to reimburse Citizens for the reasonable costs of investigation incurred by Citizens for investigations of Vendor's compliance with this Agreement which result in termination for cause or in regulatory or criminal penalties in connection with performance of this Agreement. Such costs shall include, but shall not be limited

to: salaries of investigators, including overtime; travel and lodging expenses; expert witness fees and, documentary fees.

- 13.3. Public Records Laws. Vendor acknowledges that Citizens is subject to Florida public records laws, including Chapter 119, Florida Statutes, (collectively, "Florida's Public Records Laws"). Therefore, any information provided to Citizens or maintained by Vendor in connection with this Agreement may be subject to disclosure to third parties.

13.3.1. Protection of Vendor's Confidential Information. Section 627.351(6)(x)1.e., Florida Statutes, provides that proprietary information licensed to Citizens under a contract providing for the confidentiality of such information is confidential and exempt from the disclosure requirements of Florida's Public Records Law. Other Florida Statutes allow for various protection of vendor's trade secrets and financial information. In order to protect any information provided to Citizens that vendor considers to be protected from disclosure under Florida law ("Vendors Confidential Information") Vendor should clearly label and mark each page or section containing such information as "Confidential", "Trade Secret" or other similar designation.

13.3.2. Responding to Request for Vendor Confidential Information. If Citizens receives a Public Records Request ("PRR") or a request from any regulatory or legislative entity regarding Vendor's Confidential Information, it shall promptly notify Vendor in writing, or electronically. To the extent permitted by law, Citizens shall not produce Vendor's Confidential Information unless authorized by Vendor, or by order of a court of competent jurisdiction. In the event a legal proceeding is brought to compel the production of Vendor's Confidential Information, the Parties agree that Citizens is authorized to deliver Vendor's Confidential Information to the court or other legal tribunal for disposition. If Vendor continues to assert in good faith that Vendor's Confidential Information is confidential or exempt from disclosure or production pursuant to Florida's Public Records Laws then Vendor shall be solely responsible for defending its position, or seeking a judicial declaration. Nothing in this Agreement shall create an obligation or duty for Citizens to defend or justify Vendor's position. Vendor also agrees to indemnify and hold harmless any Citizens Indemnitee for any Claims, including attorneys' fees, costs, and expenses incidental thereto, incurred by Citizens in connection with this Section.

13.3.3. Vendor's Duty to Forward Records Requests to Citizens. Vendor receives a PRR that is in any way related to this Agreement, Vendor agrees to immediately notify Citizens' Records Custodian and forward the PRR to Citizens' Records Custodian for logging and processing. Citizens' Records Custodian's email address is: [Recordsrequest@citizensfla.com](mailto:Recordsrequest@citizensfla.com). Citizens shall be the Party responsible for coordinating the response and production to the PRR. Vendor shall communicate with Citizens to determine whether requested information is confidential and/or exempt from public records disclosure requirements. Vendor agrees to assist Citizens in responding to any PRR in a prompt and timely manner as required by Florida's Public Records Laws.

- 13.4. Vendor's Failure to Respond to Public Records Request. Vendor must comply with Citizens' request for records, including all documents, papers, letters, emails, or

other materials in conjunction with this Agreement, within thirty (30) calendar days of Citizens' request. Vendor's failure to comply with Citizens request may be subject to penalties in accordance with Chapter 119.10, Florida Statutes. Vendor will hold Citizens harmless from any actions resulting from Vendor's non-compliance with Florida's Public Records Laws. Without limiting Citizens' other rights of termination as further described in this Agreement, Citizens may unilaterally terminate this Agreement for refusal by Vendor to comply with this Section unless the records are exempt from Section 24(a) of Article I of the State Constitution and Section 119.07(1), Florida Statutes.

13.5. The provisions of this Section shall survive the termination of this Agreement.

#### **14. Security and Confidentiality.**

14.1. General Requirements. Vendor shall implement and maintain appropriate safeguards to: (a) ensure the security and confidentiality of Citizens Confidential Information; (b) protect against any anticipated threats or hazards to the security or integrity of Citizens Confidential Information; and, (c) protect against unauthorized access to or use of Citizens Confidential Information that could cause harm or inconvenience to Citizens or any customer of Citizens.

14.2. Review of Vendor's Privacy and Security Controls.

14.2.1. Audit Reports. For each calendar year during the term of this Agreement, upon sixty (60) days of issuance but no later than the end of each calendar year, Vendor shall submit to Citizens via email to Citizens' Contract Manager or designee a copy of its annual American Institute of Certified Public Accountants Service Organization Control (SOC) 1 type 2 report or SOC 2 type 2 report (for all Trusted Services Principals) relevant, as solely determined by Citizens, to the Services.

14.2.2. Right to Review by Citizens. Without limiting any other rights of Citizens herein, Citizens shall have the right to review Vendor's privacy and security controls prior to the commencement of Services and from time to time during the term of this Agreement. In lieu of such a review, Citizens may require Vendor to complete, within thirty (30) days of receipt, an audit questionnaire provided by Citizens regarding Vendor's privacy and security programs.

14.3. Use of Citizens' Systems. Where Vendor or Vendor Staff have access to Citizens' systems or technology provided by or through Citizens, in addition to the other safeguards required by this Section, Vendor and Vendor Staff shall not share user identifications and / or passwords with any other individual.

14.4. Data Encryption. Vendor and Vendor Staff will encrypt all electronic data and communications containing Citizens Confidential Information using a strong cryptographic protocol that is consistent with industry standards.

14.5. Data Storage. Except as permitted in writing by Citizens' Contract Manager or designee, Vendor and Vendor Staff shall not store Citizens Confidential Information on portable external storage devices or media (such as "thumb drives," compact disks, or portable disk drives).

14.6. Data Export. Except as permitted in writing by Citizens' Contract Manager or designee, Vendor and Vendor Staff are prohibited from: (a) performing any



Services outside of the United States; or, (b) sending, transmitting, or accessing any Citizens Confidential Information outside of the United States.

- 14.7. Security of Vendor Facilities. All Vendor and Vendor Staff facilities in which Citizens Confidential Information is located or housed shall be maintained in a reasonably secure manner. Within such facilities, all printed materials containing Citizens Confidential Information should be kept locked in a secure office, file cabinet, or desk (except when materials are being used).
- 14.8. Labeling of Confidential Information. Any documents or electronic files created by Vendor or Vendor Staff that contain Citizens Confidential Information must be conspicuously labeled or marked so that the individual viewing or receiving the information understands that the information is confidential.
- 14.9. Photocopying and Faxing Restrictions. Vendor and Vendor Staff shall not make photocopies or send facsimiles of Citizens Confidential Information unless there is a business need.
- 14.10. Transmission of Confidential Information Materials. In the event it is necessary to transport materials containing Citizens Confidential Information via mail, parcel delivery service or other means, Vendor Staff must subsequently verify that such materials have been received by the intended parties.
- 14.11. Disposal of Confidential Information. The disposal of all printed materials containing Citizens Confidential Information must be done in a manner that renders the information inaccessible to others (the use of a reputable third party shredding company is permissible).
- 14.12. Authority to Disclose Confidential Information to Others. Vendor acknowledges and agrees that any Citizens Confidential Information disclosed to or acquired by Vendor is disclosed and/or acquired solely for the purposes of facilitating the provision of the Services. Vendor shall restrict access to Citizens Confidential Information to Vendor Staff who will actually perform Services and Vendor shall provide such Vendor Staff with work environments that protect against inadvertent disclosure to others. Vendor shall be solely responsible for informing any individual or entity with access to Citizens Confidential Information of the provisions of this Agreement and shall be responsible for any acts of those individuals and entities that violate such provisions.
- 14.13. Unauthorized Disclosure of Confidential Information. Vendor will notify Citizens as soon as possible of any potential or actual unauthorized disclosure, misuse, or misappropriation of Citizens Confidential Information of which it becomes aware and will cooperate in remedying such situation promptly. Pursuant to Section 501.171, Florida Statutes, if Vendor maintains computerized data that includes personal information, as defined in such statute, on behalf of Citizens, Vendor shall disclose to Citizens any breach of the security of the system as soon as practicable, but no later than ten (10) days following the determination of the breach of security or reason to believe the breach occurred.
- 14.14. Return of Confidential Information. During the term of this Agreement upon Citizens written request or upon the termination of this Agreement for any reason, Vendor shall promptly return to Citizens all copies, whether in written, electronic or other form or media, of Citizens Confidential Information in its possession, or securely dispose of all such copies, and certify in writing to Citizens that Citizens Confidential Information has been returned to Citizens or disposed of securely.

- 14.15. Notification of Anticipatory Breach. Vendor agrees that should it, for any reason, not be able to provide or maintain appropriate safeguards to fulfill its obligations under this Section, it will immediately inform Citizens in writing of such inability and such inability on Vendor's part will serve as justification for Citizens' termination of this Agreement, at Citizens' sole election, at any time after the inability becomes known to Citizens.
- 14.16. Remedies. Vendor acknowledges that breach of Vendor's obligation of data security and confidentiality may give rise to irreparable injury to Citizens and Citizens' customers, which damage may be inadequately compensable in the form of monetary damages. Accordingly, Citizens may seek and obtain injunctive relief against the breach or threatened breach of the provisions of this Section, in addition to any other legal remedies which may be available, including, at the sole election of Citizens, the immediate termination, without penalty to Citizens, of this Agreement in whole or in part.
- 14.17. Subcontractors. Except as permitted in writing by Citizens' Contract Manager or designee, the provisions of this Section shall apply to each of Vendor's subcontractors at any level who obtain access to Citizens Confidential Information in connection with this Agreement.
- 14.18. The provisions of this Section shall survive the termination of this Agreement.

**15. Miscellaneous.**

- 15.1. Relationship of the Parties. Vendor is an independent contractor with no authority to contract for Citizens or in any way to bind or to commit Citizens to any agreement of any kind or to assume any liabilities of any nature in the name of or on behalf of Citizens. Under no circumstances shall Vendor or Vendor Staff hold itself out as or be considered an agent, employee, joint venturer, or partner of Citizens. In recognition of Vendor's status as an independent contractor, Citizens shall carry no Workers' Compensation insurance or any health or accident insurance to cover Vendor or Vendor Staff. Citizens shall not pay any contributions to Social Security, unemployment insurance, federal or state withholding taxes, any other applicable taxes whether federal, state, or local, nor provide any other contributions or benefits which might be expected in an employer-employee relationship. Neither Vendor nor Vendor Staff shall be eligible for, participate in, or accrue any direct or indirect benefit under any other compensation, benefit, or retirement plan of Citizens.
- 15.2. Vendor Conflicts of Interests. Vendor, and all principals in its business, must execute a Conflict of Interest Form as required by Citizens. Vendor shall not have a relationship with a Citizens officer or employee that creates a conflict of interest. If there is the appearance of a conflict of interest, Vendor will promptly contact Citizens' Contract Manager or designee to obtain a written decision as to whether action needs to be taken to ensure a conflict does not exist or that the appearance of a conflict is not significant.
- 15.3. No Gifts. Vendor shall not give a gift or make an expenditure to or for the personal benefit of a Citizens officer or employee.
- 15.4. Convicted Vendor List. Vendor shall promptly notify Citizens' Contract Manager or designee in writing if it or any of its affiliates are placed on the convicted vendor list maintained by the State of Florida pursuant to Section 287.133, Florida

Statutes, or on any similar list maintained by any other state or the federal government.

- 15.5. Compliance with Laws. Vendor and Vendor Staff will comply with all applicable laws, ordinances, rules, and regulations governing Vendor's performance under this Agreement.
- 15.6. Subcontracting. Vendor shall not enter into any subcontracts for the performance of the Services, or assign or transfer any of its rights or obligations under this Agreement, without Citizens' prior written consent and any attempt to do so shall be void and without effect. Citizens' consent to Vendor's request to subcontract any of the Services shall not relieve Vendor of any of its duties or obligations under this Agreement, and Vendor shall indemnify and hold Citizens harmless from any payment required to be paid to any such subcontractors. This section shall not restrict Vendor's right to use any affiliated company or subsidiary to assist in performing the Services and shall not restrict the use of third parties for internal, administrative and/or regulatory compliance purposes.
- 15.7. Severability. If a court deems any provision of this Agreement void or unenforceable, that provision shall be enforced only to the extent that it is not in violation of law or is not otherwise unenforceable and all other provisions shall remain in full force and effect.
- 15.8. Headings. The Sections and headings herein contained are for the purposes of identification only, and shall not be considered as controlling in construing this Agreement.
- 15.9. Publicity; Use of Names and Logos. Vendor may use Citizens' name and logo in its marketing materials, website and social media to indicate that it is a participating or contracted vendor for Citizens. However, Vendor may not in any way state, imply or infer that it holds a "preferred," "approved," "awarded," "selected" or otherwise special status with Citizens in any such materials. This prohibition includes, but is not limited to, the use of endorsements or quotes from Citizens officials, Citizens vendor scores, or any other Citizens-related materials that may directly or indirectly imply that Vendor enjoys a special or preferred status with Citizens. Citizens reserves the right to determine that its name and/or logo have been misused and to request that Vendor cease using its name and/or logo in any way it deems inappropriate. Failure to comply will result in disciplinary action, up to and including contract termination. Vendor may only use the approved Citizens logo, which is available for download at: <https://www.citizensfla.com/about/mediaresources.cfm>.
- 15.10. Waiver. The delay or failure by a Party to exercise or enforce any of its rights under this Agreement shall not constitute or be deemed a waiver of the Party's right thereafter to enforce those rights, nor shall any single or partial exercise of any such right preclude any other or further exercise thereof or the exercise of any other right.
- 15.11. Entire Agreement. This Agreement, and any Task Orders, exhibits, schedules and attachments hereto, set forth the entire agreement and understanding of the Parties with respect to the subject matter hereof, and supersedes any prior or contemporaneous proposals, agreements or understandings with respect to the subject matter hereof.
- 15.12. Modification of Terms. This Agreement may only be modified or amended upon a



mutual written contract amendment signed by Citizens and Vendor or as otherwise permitted by this Agreement. Vendor may not unilaterally modify the terms of this Agreement in any manner such as by affixing additional terms to any Deliverable (e.g., attachment or inclusion of standard preprinted forms, product literature, “shrink wrap” or “click through” terms, whether written or electronic) or by incorporating such terms onto Vendor’s order or fiscal forms or other documents forwarded by Vendor for payment and any such terms shall have no force or effect upon Citizens or this Agreement. Citizens’ acceptance of any Service or processing of documentation on forms furnished by Vendor for approval or payment shall not constitute acceptance of any proposed modification to terms and conditions or any conflicting terms and conditions.

- 15.13. Assignments. This Agreement shall inure to the benefits of, and be binding upon, the successors and assigns of each Party, but only as permitted under this Agreement. Each Party binds itself and its respective successors and assigns in all respects to all of the terms, conditions, covenants and provisions of this Agreement. Vendor shall not sell, assign or transfer any of its rights (including rights to payment), duties or obligations under this Agreement without the prior written consent of Citizens. In the event of any assignment, Vendor shall remain liable for performance of this Agreement unless Citizens expressly waives such liability. Citizens may assign this Agreement with prior written notice to Vendor of its intent to do so. Nothing herein shall be construed as creating any personal liability on the part of any officer, employee or agent of Citizens.
- 15.14. Notice and Approval of Changes in Ownership. Because the award of this Agreement may have been predicated upon Vendor’s ownership structure, Vendor agrees that any transfer of a substantial interest in Vendor by any of its owners shall require Citizens’ prior written approval, which approval shall not be unreasonably withheld or unreasonably delayed. By execution of this Agreement, Vendor represents that it has no knowledge of any intent to transfer a substantial interest in Vendor. A substantial interest shall mean at least twenty-five percent (25%) of the voting shares or control over Vendor. This Section shall not apply to: (a) transfers occurring upon the incapacitation or death of an owner; (b) transfers associated with an initial public offering on a major stock exchange; or, (c) transfers to a company whose stock is publicly traded on a major stock exchange.
- 15.15. Force Majeure. Neither Party shall be responsible for delays in performance if the cause of the delay was beyond that Party’s control (or the control of its employees, subcontractors or agents). To be excused from a delay in delivering a Service, Vendor must notify Citizens in writing of the delay and describe the cause of the delay within five calendar days after the date Vendor knew or should have known that the delay would occur. If the delay is justified, Citizens will give Vendor a reasonable extension of time to perform; provided, however, that Citizens may elect to terminate this Agreement in whole or in part if Citizens determines, in its sole judgment, that such a delay will significantly impair the value of this Agreement to Citizens. THE FOREGOING EXTENSION OF TIME SHALL BE VENDOR’S SOLE REMEDY WITH RESPECT TO FORCE MAJEURE EVENTS. Vendor shall not be entitled to an increase in this Agreement price or payment of any kind from Citizens for direct, indirect, consequential, or other costs or damages arising because of such delays, disruptions, interferences, or hindrances. This Section may not be invoked to excuse or delay Vendor’s compliance with its obligations to protect Citizens Confidential Information under this Agreement.

15.16. Execution in Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, and all of which together shall constitute but one and the same Agreement. The Parties agree that a faxed or scanned signature may substitute for and have the same legal effect as the original signature.

***Signature Page Follows***

**IN WITNESS WHEREOF**, this Agreement has been duly executed by authorized representatives of the Parties.

**CITIZENS PROPERTY INSURANCE  
CORPORATION**

**VENDOR**

\_\_\_\_\_  
Signature

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Signature

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Print Name

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