

**COUNTY OF SANTA CLARA – AMENDMENT TO SERVICE AGREEMENT****This is an amendment to an existing Agreement**

Purchase Order Number:	4300014871	Amendment Number:	5	Effective Date (Will be the date executed by Authorized County Representative):	02/27/2024
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Maximum Financial Obligation (Prior to this Amendment):	\$ 5,162,402.00	Amended Maximum Financial Obligation (If dollar amount is changing):	\$ 5,638,402.00
Current Agreement End Date:	06/30/2025	New Agreement End Date:	

**For County Use Only – SAP**

	Account Assignment	Plant Number	General Ledger (Expense Code)	Cost Center (Dept Code)	Amount	WBS (Capital Project Code)	Internal Order (“PCA” code – optional)
<b>Line 1</b>	H	145	5255100	2658	\$ 122,400		
<b>Line 2</b>	H	145	5255100	2658	\$ 353,600		
<b>Line 3</b>	Select						
<b>Line 4</b>	Select						
<b>Line 5</b>	Select						

**Parties to Agreement**

Legal notices and invoices pertaining to this Agreement shall be sent to the appropriate contact person listed below. Notices shall be in writing and served either by personal delivery or sent by certified or registered mail, postage prepaid, addressed as follows. Notice shall be deemed effective on the date that the notice is personally delivered or, if mailed, three (3) days after deposit in the mail. Either party may designate a different person and/or address for the receipt of notices by sending written notice to the other party, which shall not require an amendment to this Agreement.

**Contractor**

Contractor Name (As Displayed In SAP):	Apex Systems, LLC
Contact Person:	Eric Sholl
Street Address *:	3945 Freedom Circle, Suite 940
City, State, Zip *:	Santa Clara, CA 95054
Telephone Number *:	(408) 490-2138
Email Address *:	esholl@apexsystems.com
SCC Vendor Number (As Assigned In SAP):	1012960

\* To be completed for Independent Contractors Only – DO NOT COMPLETE FOR DEPENDENT CONTRACTORS

**COUNTY OF SANTA CLARA – AMENDMENT TO SERVICE AGREEMENT****This is an amendment to an existing Agreement****County of Santa Clara**

Agency / Department:	Technology Services and Solutions	Department Number:	145
Program Manager or Contract Monitor Name:	Magnus Chung (magnus.chung@isd.sccgov.org)		
Street Address:	1555 Berger Drive, Bldg 2		
City, State, Zip:	San Jose, CA 95112		
Telephone Number:	(408) 758-4229		
Fiscal Contact (Accounts Payable Contact):	AccountsPayable@isd.sccgov.org		
Contract Preparer:	Alexander Perez (Alexander.Perez@isd.sccgov.org)		

**Signatures**

Amendment is not valid until signed by Contractor and the County Authorized Representative. The Agreement as amended constitutes the entire agreement of the parties concerning the subject matter herein and supersedes all prior oral and written agreements, representations and understandings concerning such subject matter. By signing below, signatory warrants and represents that he/she executed this Amendment in his/her authorized capacity, that he/she has the authority to bind the entity listed below to contractual obligations and that by his/her signature on this Amendment, the entity on behalf of which he/she acted, executed this Amendment.

Agency/Department Manager:	<small>DocuSigned by:</small> <i>Magnus Chung</i> <small>896F0BC44B9C4B5...</small>	Date:	2/20/2024
Agency/Department Fiscal Officer:	<small>DocuSigned by:</small> <i>Jyoti Gulati</i> <small>5FC5CB30CF4441F...</small>	Date:	2/21/2024
Contractor:	<small>DocuSigned by:</small> <i>Eric D. Skell</i> <small>13F6DA54137246F...</small>	Date:	2/21/2024
County Authorized Representative: <i>(Procurement Department, Board of Supervisors, or Delegated Authority)</i>		Date:	
County Counsel: <i>(Signature required when the Standard Provisions language (Section VI) is revised, or for IT Services pursuant to Board Policy 5.3.5.2 (4), or for Board approved contracts, or for contracts with Board delegated authority to agencies/departments.) Please note: Attachments and exhibits that include additional terms and conditions, conflict with County standard provisions, or require risk assessment must be approved by County Counsel.</i>	<small>DocuSigned by:</small> <i>Tara Lundstrom</i> <small>D1B53BA91EE8478...</small>	Date:	2/20/2024
Office of the County Executive: <i>(Signature required when Board approved contract by a Delegation of Authority)</i>		Date:	
Signed and certified that a copy of this document has been delivered by electronic or other means to the President, Board of Supervisors	Attest:  Curtis Boone Acting Clerk of the Board of Supervisors <i>(Signature required when Board approved contract)</i>	Date:	

**COUNTY OF SANTA CLARA - AMENDMENT TO SERVICE AGREEMENT**

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**Reason(s) for Amending the Service Agreement**

**Amend Term of Agreement**

Or see Attachment \_\_\_\_\_ as incorporated by this reference

**Amend Contract Specifics**

*Note: A new Agreement should be created if the Scope of Services is significantly modified or expanded.*

The County of Santa Clara needs continued operational support for the current mainframe environment until the platform is decommissioned. Through this amendment, Apex will provide two part time resources to further assist the County to prepare for decommissioning the mainframe platform.

Or see Attachment   N   as incorporated by this reference

**Amend Maximum Financial Obligation**

A.	Maximum Financial Obligation prior to this Amendment: (Same as on page 1)	\$\$ 5,162,402.00
B.	Amount of increase or decrease: (Explain below)	\$\$ 476,000.00
C.	Revised Maximum Financial Obligation: (A +/- B will equal C)	\$\$ 5,638,402.00

**Explanation of increase / decrease** (include new payment terms if applicable):

Apex is providing two additional resources under this agreement; therefor, the maximum financial obligation is being increased for the additional work that will be provided.

Or see Attachment   H-3   as incorporated by this reference

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**Amend Standard Provisions**

Or see Attachment I-3 as incorporated by this reference  
 Or Section VI. Standard Provisions is replaced in its entirety by Attachment \_\_\_\_\_



**Other (please explain below)**

Or see Attachment \_\_\_\_\_ as incorporated by this reference

**Contract History**

Total financial obligation from prior fiscal year(s):	\$\$ 3,571,202.00
Financial obligation in current fiscal year:	\$\$ 918,000.00
Cumulative total of all agreements with this Contractor within Budget Unit for same type of services (including this amendment):	\$\$ 5,638,402.00

**Insurance**



Insurance does not require changes



Insurance Exhibit is replaced by Exhibit B -3 attached and incorporated by this reference.

**Amend Maximum Financial Obligation**

The maximum financial obligation payable under this Agreement shall not exceed \$5,638,402, which represents an increase of \$476,000 from the prior not to exceed of \$5,162,402.

The total anticipated spend in FY2024 and FY2025 is \$918,000 and \$1,149,200, respectively.

Position	Rate	Hours/ Week	FY2024	FY2025	Total
Senior Software Engineer (z/OS)	\$170	40	\$353,600	\$353,600	\$707,200
Senior Systems Software Engineer (CICS)	\$170	25	\$221,000	\$221,000	\$442,000
Senior Software Engineer (COMM)	\$170	25	\$221,000	\$221,000	\$442,000
Senior Software Engineer (OPC/ODDS)	\$170	20	\$61,200	\$176,800	\$238,000
Senior Software Engineer/Database Admin (DB2)	\$170	20	\$61,200	\$176,800	\$238,000
		<b>Total</b>	<b>\$918,000</b>	<b>\$1,149,200</b>	<b>\$2,067,200</b>

**Revision(s) to County Standard Terms and Conditions**

**Section C, Conflicts of Interest, in Attachment I of the First Amendment is hereby replaced in its entirety with the following:**

**C. CONFLICTS OF INTEREST; POLITICAL REFORM ACT**

Contractor shall comply, and require its employees, agents, and subcontractors to comply, with all (1) applicable requirements governing avoidance of impermissible client conflicts; and (2) federal, state and local conflict of interest and disclosure laws and regulations including, without limitation, California Government Code section 1090 et seq., the California Political Reform Act (California Government Code section 87100 et seq.) and the regulations of the Fair Political Practices Commission concerning disclosure and disqualification (2 California Code of Regulations section 18700 et seq.). Failure to do so constitutes a material breach of this Agreement and is grounds for immediate termination of this Agreement by County.

In accepting this Agreement, Contractor covenants that it presently has no interest, and will not acquire any interest, direct or indirect, financial or otherwise, which would conflict in any manner or degree with the performance of this Agreement. Contractor further covenants that, in the performance of this Agreement, it will not use any contractor or employ any person having such an interest. Contractor, including but not limited to Contractor's employees, agents, and subcontractors, may be subject to the disclosure and disqualification provisions of the California Political Reform Act of 1974 (the "Act"), that (1) requires such persons to disclose economic interests that may foreseeably be materially affected by the work performed under this Agreement, and (2) prohibits such persons from making or participating in making decisions that will foreseeably financially affect such interests.

If the disclosure provisions of the Act are applicable to any individual providing service under the Agreement, Contractor shall, upon execution of this Agreement, provide County with the names, description of individual duties to be performed, and email addresses of all individuals, including but not limited to Contractor's employees, agents and subcontractors, that could be substantively involved in "mak[ing] a governmental decision" or "serv[ing] in a staff capacity" and in that capacity participating in making governmental decisions or performing duties that would be performed by an individual in a designated position, (2 CCR 18700.3), as part of Contractor's service to County under this Agreement. Contractor shall immediately notify County of the names and email addresses of any additional individuals later assigned to provide such service to County under this Agreement in such a capacity. Contractor shall immediately notify County of the names of individuals working in such a capacity who, during the course of the Agreement, end their service to County. Contractor shall ensure that all such individuals identified pursuant to this paragraph understand that they are subject to the Act and shall conform to all requirements of the Act and other applicable conflict of interest and disclosure laws and regulations, and shall file Statements of Economic Interests within 30 days of commencing service pursuant to this Agreement, annually by April 1, and within 30 days of their termination of service pursuant to this Agreement.

If applicable, Contractor and its agents shall comply with California Government Code section 84308 ("Levine Act") and the applicable regulations of the Fair Political Practices Commission concerning campaign disclosure (2 California Code of Regulations sections 18438.1 – 18438.8), which (1) require a party to a proceeding involving a contract to disclose on the record of the proceeding any contribution, as defined by Government Code section 84308(a)(6), of more than \$250 that the party or their agent has made within the prior 12 months, and (2) prohibit a party to a proceeding involving a contract from

**Attachment I-3**

making a contribution, as defined by Government Code section 84308(a)(6), of more than \$250 to any County officer during the proceeding and for 12 months following the final decision in the proceeding. Disclosures pursuant to the Levine Act must be submitted online at the Office of the Clerk of the Board of Supervisors website at <http://www.sccgov.org/levineact>.

**Section C, COVID-19 Requirements (if applicable), in Attachment I-1 of the Third Amendment is hereby replaced in its entirety with the following:**

**C. COVID-19 REQUIREMENTS (IF APPLICABLE)**

Contractor shall comply with all County requirements in effect relating to COVID-19 for persons who routinely perform services for County onsite and share airspace with or proximity to other people at a County facility as part of their services for County as set forth in a County Health Order (or similar directives) available at <https://covid19.sccgov.org/home>, and incorporated herein by this reference. Contractor shall comply with all reasonable requests by County for documentation demonstrating Contractor's compliance with this Section.

**Exhibit M, Contractor Certification of Compliance with COVID-19 Vaccine Requirements, is hereby removed in its entirety from this Agreement.**

**Section A, Survival, of this Attachment I-3, is hereby added to the Agreement as follows:**

**A. SURVIVAL**

All representations, warranties, and covenants contained in this Agreement, or in any instrument, certificate, exhibit, or other writing intended by the parties to survive this Agreement, shall survive the termination or expiration of this Agreement, including but not limited to all terms (1) providing for indemnification of County; (2) relating to the California Public Records Act; (3) relating to County Data; and (4) relating to Contractor's obligations upon termination or expiration of this Agreement.

**Skills, Experience & Responsibilities of Required Positions  
(Positions #4 and #5)**

**Position 4: Senior Software Engineer – OPC/ODDS**

**Commitment:** ~20 hours per week

**Compensation:** \$170/hour (all inclusive)

The Senior Software Engineer – OPC/ Operator Dynamic Dialog Subsystem (ODDS): is the principal IBM and 3rd party software product support for automation & scheduling and is the expert technical resource for those software systems. This position incorporates some functions and responsibilities of a Software Architect and Software Specialist for OPC/ODDS. Under direction, the Senior Software Engineer will evaluate, implement, and maintain IBM software, third party software, management systems, computer applications, operating systems, and direct software services.

**DUTIES/RESPONSIBILITIES:**

- Primary responsibility for maintaining the OPC/ODDS and JES2 software environment.
- Install and/or participate with software management and installation. This would include installation and maintenance utilizing the IBM SMP/E product. It also includes migration with testing and integration.
- Implement and verifies backup and recovery procedures. This would include Business Recovery concerns and associated testing.
- Reviews new features and other changes related to system software and advises Technical/Development/Operations groups of issues relevant to reporting, programming, and performance, identifying the need for software upgrades and patches, as appropriate.
- Creates, maintains, and upgrades software systems for development and production environments.
- Provides technical leadership to operations on the use of software management system, development and integration tools, and deployment strategies, to include automation tuning and guidance in effective use of software features.
- Monitors system software access, performance, and resource utilization.
- Act as a liaison between application programmers and vendors to report and resolve software problems.
- Assists with the analysis, design, programming, and implementation of applications that will interface with system software.
- Assists in analyzing requirements and recommends policies, procedures, and standards for software systems.
- Analyzes requirements and recommends policies, procedures, and standards for software systems.
- Develops and modifies technical documentation to support operations and training.
- Performs other duties as assigned including special projects.
- Ability to provide 24/7/365 software support. This would include on-call support during off-hours.

**MINIMUM QUALIFICATIONS:**

- 20+ years of experience with mainframe software management specific to z/OS operating system and scheduling/automation software products.
- Experience supporting/leading/training of software management use with little or no direction. This would include all aspects such as logical/physical design, defining, implementing, monitoring, reporting and utilities.
- Ability to install and customize IBM and third-party software using SMP/E & IEBCOPY
- Ability to perform multiple activities simultaneously with supervision.
- Possible travel and variable hours may be required.
- Ability to write/read/debug programs in a batch and online environment.
- Ability to write software exit program(s) and use software utilities as required.
- Solid knowledge of mainframe JCL and utilities.
- Experience using TSO, ISPF & SDSF
- Working knowledge of OPC, ODDS, TMON & RMF MON III
- Experience writing in Assembler, REXX and CLISTS.
- Experience and understanding of z/OS UNIX environment.
- Experience with RACF, JES2, SMS, FDR, JHS and DIF
- Strong analytical skills.

- Excellent oral and written communication skills.
- Excellent problem-solving skills.
- Ability to think strategically and act tactically.
- Ability to work in a team environment, share ideas and take direction.

## ADDITIONAL QUALIFICATIONS

- Experience with OPC, ODDS, CICS, DB2 & DR

**Position 5: Senior Software Engineer/Database Admin – DB2****Commitment:** ~20 hours per week**Compensation:** \$170/hour (all inclusive)

The Senior Software Engineer / Database Administrator – DB2: is the principal IBM and 3rd party software product architect and an expert technical resource for those software systems. This position incorporates some functions and responsibilities of a Software Architect and Software Specialist. Under general direction, the Senior Software Engineer / Database Administrator will evaluate, design, implement, and maintain IBM software, third party software, management systems, computer applications, operating systems, and direct software services.

## DUTIES/RESPONSIBILITIES:

- Primary responsibility for maintaining the DB2 in a z/OS 2.4, CICS and JES2 software environment.
- Install and/or participate with software management and installation. This would include installation and maintenance utilizing the IBM SMP/E product. It also includes migration with testing and integration.
- Implement and verifies backup and recovery procedures. This would include Business Recovery concerns and associated testing.
- Reviews new features and other changes related to system software and advises Technical/Development/Operations groups of issues relevant to reporting, programming, and performance, identifying the need for software upgrades and patches, as appropriate.
- Creates, maintains, and upgrades software systems for development and production environments.
- Monitors system software access, performance, and resource utilization.
- Provides technical leadership to developers on the use of software management system, development and integration tools, and deployment strategies, to include application tuning and guidance in effective use of software features.
- Act as a liaison between application programmers and vendors to report and resolve software problems.
- Work with application programmers to ensure that application problems do not adversely affect production operations.
- Assists with the analysis, design, programming, and implementation of applications that will interface with system software.
- Analyzes requirements and recommends policies, procedures, and standards for software systems.
- Develops and modifies technical documentation to support operations and training.
- Performs other duties as assigned including special projects.
- Develop/maintain/monitor proper software use and security authorization policies.
- Ability to provide 24/7/365 software support, including on-call support during off-hours.
- Perform DB2 object maintenance including, database, tablespaces and tables/index creation and maintenance.
- Allocate disk space / dataset proactively.
- Maintain and verify DB2 database related jobs like backups and runstat etc.
- Knowledge in the use of DB2 utilities like REORG RUNSTAT LOAD/UNLOAD etc.
- Knowledge of SMS tablespaces.
- Knowledge of tuning and optimizing of SQLs.
- Knowledge of Database and related objects recovery, in case of a DR.
- Knowledge of resolving different tablespace status including check pending. copy pending and how DB2 object grants work.

**MINIMUM QUALIFICATIONS:**

- 20+ years of experience with mainframe software management specific to DB2 sub-system and associated software products.
- Experience supporting/leading/training of software management use with little or no direction. This would include all aspects such as logical/physical design, defining, implementing, monitoring, reporting and utilities.
- Actively mentor and guide staff in development of mainframe implementation, testing, and maintaining of DB2 software and related system software skills.
- Monitor DB2 and its components to make recommendations to better utilize resources for optimal performance and cost-effectiveness.
- Ability to install and customize IBM and third-party software using SMP/E & IEBCOPY
- Ability to perform multiple activities simultaneously with minimal supervision.
- Possible travel and variable hours may be required.
- Ability to write/read/debug programs in a batch and online environment.
- Ability to write software exit program(s) and use software utilities as required.
- Solid knowledge of mainframe JCL and utilities.
- Advanced Knowledge of VSAM file structures, SQL & DB2 Tables.
- Experience using PTX, TSO, ISPF & SDSF
- Working knowledge of TMON for DB2, Vision Results & Platinum Tools
- Experience writing in Assembler, REXX and CLISTS.
- Experience and understanding of z/OS UNIX environment.
- Strong analytical skills.
- Excellent oral and written communication skills.
- Excellent problem-solving skills.
- Ability to think strategically and act tactically.
- Ability to work in a team environment, share ideas and take direction.

**ADDITIONAL QUALIFICATIONS**

- Working knowledge of z/OS, JES2 & RACF
- Experience with Communications Server, CICS & DR
- Performs regular maintenance and checkups to keep DB2 environment in high performance.
- Have a good working knowledge of DB2 utilities.
- Ability to design and implement DB2 objects in an optimal manner so that they can work with best performance.
- To be able to keep an eye on database object growths and act proactively.
- Ability to optimize and tune SQL queries to assist DB2 developers.

EXHIBIT B-3 (revised)

INSURANCE REQUIREMENTS FOR  
PROFESSIONAL SERVICES CONTRACTS  
(e.g. Medical, Legal, Financial services, etc.)

Indemnity

Notwithstanding any other provision of this Agreement, Contractor shall indemnify, release, hold harmless, and defend, with counsel approved by County of Santa Clara (hereinafter "County"), County and its officers, agents, and employees from any claim, demand, suit, judgment, liability, loss, injury, damage, or expense of any kind (including attorneys' fees and costs) arising out of, or in connection with, performance of this Agreement by Contractor and/or its officers, agents, employees, or sub-contractors, excepting only loss, injury, or damage caused by the sole negligence or willful misconduct of personnel employed by County. It is the intent of the parties to this Agreement to provide the broadest possible coverage for County as allowed by law. Contractor shall reimburse County for all costs, attorneys' fees, expenses, and liabilities incurred with respect to any litigation or process in which Contractor contests its obligation to indemnify, defend, and/or hold harmless County under this Agreement and does not prevail in that contest.

Insurance

Without limiting the Contractor's indemnification of the County, the Contractor shall provide and maintain at its own expense, during the term of this Agreement, or as may be further required herein, the following insurance coverages and provisions:

A. Evidence of Coverage

Prior to commencement of this Agreement, the Contractor shall provide a Certificate of Insurance certifying that coverage as required herein has been obtained. Individual endorsements executed by the insurance carrier shall accompany the certificate. In addition, a certified copy of the policy or policies shall be provided by the Contractor upon request.

This verification of coverage shall be sent to the requesting County department, unless otherwise directed. The Contractor shall not receive a Notice to Proceed with the work under the Agreement until it has obtained all insurance required and such insurance has been approved by the County. This approval of insurance shall neither relieve nor decrease the liability of the Contractor.

B. Qualifying Insurers

All coverages, except surety, shall be issued by companies which hold a current policy holder's alphabetic and financial size category rating of not less than A- V, according to the current Best's Key Rating Guide or a company of equal financial stability that is approved by the County's Insurance Manager.

EXHIBIT B-3 (revised)

C. Notice of Cancellation

All coverage as required herein shall not be canceled or changed so as to no longer meet the specified County insurance requirements without 30 days' prior written notice of such cancellation or change being delivered to the County of Santa Clara or their designated agent.

D. Insurance Required

1. Commercial General Liability Insurance - for bodily injury (including death) and property damage which provides limits as follows:
  - a. Each occurrence - \$1,000,000
  - b. General aggregate - \$2,000,000
  - c. Personal Injury - \$1,000,000
  
2. General liability coverage shall include:
  - a. Premises and Operations
  - b. Personal Injury liability
  - c. Severability of interest
  
3. General liability coverage shall include the following endorsement, a copy of which shall be provided to the County:

**Additional Insured Endorsement**, which shall read:

“County of Santa Clara, and members of the Board of Supervisors of the County of Santa Clara, and the officers, agents, and employees of the County of Santa Clara, individually and collectively, as additional insureds.”

Insurance afforded by the additional insured endorsement shall apply as primary insurance, and other insurance maintained by the County of Santa Clara, its officers, agents, and employees shall be excess only and not contributing with insurance provided under this policy. Public Entities may also be added to the additional insured endorsement as applicable and the contractor shall be notified by the contracting department of these requirements.

EXHIBIT B-3 (revised)

4. Automobile Liability Insurance

For bodily injury (including death) and property damage which provides total limits of not less than one million dollars (\$1,000,000) combined single limit per occurrence applicable to owned, non-owned and hired vehicles.

4a. Aircraft/Watercraft Liability Insurance (Required if Contractor or any of its agents or subcontractors will operate aircraft or watercraft in the scope of the Agreement)

For bodily injury (including death) and property damage which provides total limits of not less than one million dollars (\$1,000,000) combined single limit per occurrence applicable to all owned non-owned and hired aircraft/watercraft.

5. Workers' Compensation and Employer's Liability Insurance

- a. Statutory California Workers' Compensation coverage including broad form all-states coverage.
- b. Employer's Liability coverage for not less than one million dollars (\$1,000,000) per occurrence.

6. Professional Errors and Omissions Liability Insurance

- a. Coverage shall be in an amount of not less than one million dollars (\$1,000,000) per occurrence/aggregate.
- b. If coverage contains a deductible or self-retention, it shall not be greater than fifty thousand dollars (\$50,000) per occurrence/event.
- c. Coverage as required herein shall be maintained for a minimum of two years following termination or completion of this Agreement.

7. Claims Made Coverage

If coverage is written on a claims made basis, the Certificate of Insurance shall clearly state so. In addition to coverage requirements above, such policy shall provide that:

- a. Policy retroactive date coincides with or precedes the Contractor's start of work (including subsequent policies purchased as renewals or replacements).
- b. Policy allows for reporting of circumstances or incidents that might give rise to future claims.

EXHIBIT B-3 (revised)

E. Special Provisions

The following provisions shall apply to this Agreement:

1. The foregoing requirements as to the types and limits of insurance coverage to be maintained by the Contractor and any approval of said insurance by the County or its insurance consultant(s) are not intended to and shall not in any manner limit or qualify the liabilities and obligations otherwise assumed by the Contractor pursuant to this Agreement, including but not limited to the provisions concerning indemnification.
2. The County acknowledges that some insurance requirements contained in this Agreement may be fulfilled by self-insurance on the part of the Contractor. However, this shall not in any way limit liabilities assumed by the Contractor under this Agreement. Any self-insurance shall be approved in writing by the County upon satisfactory evidence of financial capacity. Contractor's obligation hereunder may be satisfied in whole or in part by adequately funded self-insurance programs or self-insurance retentions.
3. Should any of the work under this Agreement be sublet, the Contractor shall require each of its subcontractors of any tier to carry the aforementioned coverages, or Contractor may insure subcontractors under its own policies.
4. The County reserves the right to withhold payments to the Contractor in the event of material noncompliance with the insurance requirements outlined above.

F. Fidelity Bonds (Required only if contractor will be receiving advanced funds or payments)

Before receiving compensation under this Agreement, Contractor will furnish County with evidence that all officials, employees, and agents handling or having access to funds received or disbursed under this Agreement, or authorized to sign or countersign checks, are covered by a BLANKET FIDELITY BOND in an amount of AT LEAST fifteen percent (15%) of the maximum financial obligation of the County cited herein. If such bond is canceled or reduced, Contractor will notify County immediately, and County may withhold further payment to Contractor until proper coverage has been obtained. Failure to give such notice may be cause for termination of this Agreement, at the option of County.