

Name Change and Novation Process

- I. The Name Change Process identifies the steps necessary when a Company wants to change only their name on a Contract. This process shall be used when there are no other changes to the Contractor (no personnel changes, change of ownership, merger or other change). Refer to Section A for the steps.
- II. The Novation Process identifies the steps necessary when a Company is merging or being purchased by another company in which the personnel, ownership, and other changes take place. Refer to Section B for the steps.

Novation: the act of substituting a valid existing contract with a replacement contract, where all concerned parties mutually agree to make the switch. In most novation scenarios, one of the two initial contracting parties is replaced outright by an entirely new party, where the original party willingly agrees to forgo any rights originally afforded to them. Novations are most frequently used in corporate takeovers and the sales of businesses.

A. Name Change Process

This process is intended for all contracts including telecom, and contracts resulting from delegated and non-delegated IT projects.

If a name change is associated with a DGS Leveraged Purchase Agreement (LPA), the name change on the DGS LPA must be processed before a department can process a name change on its agreement. DGS must be contacted to verify whether the Contractor has processed the appropriate documentation to effect the change in name. The name on the department's STD 213 must match the name on the DGS LPA.

1. The Contractor shall provide the following documents with the new Company Name:
 - a. Payee Data Record (STD 204)
 - b. Seller's Permit (if applicable)
 - c. Secretary of State Certificate (if applicable)
 - d. Insurance certificates (if applicable)

- e. Bonds (if applicable)
 - f. A letter outlining the reason for the request signed by the Contractor's General Counsel, or an officer qualified to sign on behalf of the company. The letter should include a narrative describing the events leading to the name change.
 - g. A copy of the business license, if applicable or a copy of Public Notice of Name Change with an effective date.
2. Upon receipt of the above documentation, the Contract Administrator shall review and proceed with drafting a Contract Amendment to reflect the name change.

B. Novation Process

1. The Contractor shall provide the following documents with the new Company Name:
- a. Payee Data Record (STD 204)
 - b. Seller's Permit (if applicable)
 - c. Secretary of State Certificate (if applicable)
 - d. Insurance certificates (if applicable)
 - e. Bonds (if applicable)
 - f. A written attestation from current Contractor, on Company letterhead, from an officer qualified to sign on behalf of the new Company confirming it will perform each of its obligations under the Contract Agreement as amended; and,
 - g. Novation Agreement (refer to Attachment 1) signed by the original Company, the new Company, and the State Agency.

Attachment 1 – Novation Agreement

“SAMPLE” NOVATION AGREEMENT

This Novation Agreement (“Agreement”) is made as of *(month date year)* (the “Effective Date”), by and among *(name of contractor on original contract)*, *(name of new contractor on contract)*, with reference to the following:

- A. *(State why the name is changing i.e., one company purchased the other, legal name change etc. and include any legal documentation that supports these items such as incorporation documentation, or legal name change documentation, etc.)*
- B. *(Name of original contractor)* and *(agency name)* are parties to *(reference contract number)* (the “Contract”), attached hereto as Exhibit 1, and are bound by its Terms and Conditions.
- C. *(Name of original contractor)* wishes to be released and discharged from its duties under the Contract.
- D. *(Name of new contractor)* is willing to assume *(name of original contractor)*'s obligations under the Contract, in return for and in consideration of an assignment to *(name of new contractor)* of *(name of original contractor)*'s rights under the Contract.

NOW, THEREFORE, the parties hereto agree as follows:

- 1. *(Name of new contractor)* is hereby substituted in place of *(original contractor)* with respect to the obligations under the Contract upon the Effective Date of this Novation.
- 2. *(Name of new contractor)* hereby agrees to assume and perform all of the obligations of *(name of original contractor)* under the Contract effective upon the Effective Date of this Novation.
- 3. *(Name of agency)* hereby releases and discharges *(name of original contractor)* from the obligations under the Contract effective upon the Effective Date of this Novation.

California Department of Technology
Office of Statewide Technology Procurement

<p><i>(State Agency)</i></p> <p>By Signature: _____</p> <p>Title: _____</p> <p>Printed Name: _____</p> <p>Date: _____</p>	<p><i>(New Contractor)</i></p> <p>By Signature: _____</p> <p>Title: _____</p> <p>Printed Name: _____</p> <p>Date: _____</p>
<p><i>(Original Contractor)</i></p> <p>By signature: _____</p> <p>Title _____</p> <p>Printed Name_____</p> <p>Date: _____</p>	<p>Approved by:</p> <p>State of California, Department of Technology, Office of Statewide Technology Procurement</p> <p>By signature: _____</p> <p>Title _____</p> <p>Printed Name_____</p> <p>Date: _____</p>