STATE OF CALIFORNIA
STANDARD AGREEMENT
STD 213 (DHS Rev 7/04)

29808

REGISTRATION NUMBER	AGREEMENT NUMBER
4260100D614 7231	06-55350

1. This Agreement is entered into between the State Agency and the Contractor named below:

STATE AGENCY'S NAME (Also referred to as CDHS, DHS, or the State)
California Department of Health Services

CONTRACTOR'S NAME (Also referred to as Contractor)
City of Long Beach

2. The term of this Agreement is: 7/1/06 through 6/30/09

3. The maximum amount of this Agreement is: $ 126,000
One hundred twenty - six thousand dollars

4. The parties agree to comply with the terms and conditions of the following exhibits, which are by this reference made a part of this Agreement.

Exhibit A – Scope of Work	7 pages
Exhibit A, Attachment I – AB 411	7 pages
Exhibit A, Attachment II – Title 17	4 pages
Exhibit B – Budget Detail and Payment Provisions	3 pages
Exhibit B, Attachment I – Budget (Year 1)	1 page
Exhibit B, Attachment II – Budget (Year 2)	1 page
Exhibit B, Attachment III – Budget (Year 3)	1 page
Exhibit C * – General Terms and Conditions	GTC 306
Exhibit D(S) – Special Terms and Conditions (Attached hereto as part of this agreement)	18 pages
Exhibit E – Additional Provisions	2 pages
Exhibit F – Contractor's Release	1 page
Exhibit G – Travel Reimbursement Information	2 pages

APPROVED AS TO FORM
8/21, 2006
ROBERT E SHANNON, City Attorney
BY D T Sum
SENIOR DEPUTY CITY ATTORNEY

Items shown above with an Asterisk (*), are hereby incorporated by reference and made part of this agreement as if attached hereto.
These documents can be viewed at http://www.ols.dgs.ca.gov/Standard+Language.

IN WITNESS WHEREOF, this Agreement has been executed by the parties hereto.

CONTRACTOR

CONTRACTOR'S NAME *(if other than an individual, state whether a corporation, partnership, etc.)*
City of Long Beach

BY *(Authorized Signature)* — DATE SIGNED *(Do not type)*: 9.8.06

PRINTED NAME AND TITLE OF PERSON SIGNING
Gerald Miller, City Manager

ADDRESS
2525 Grand Avenue, Room 220, Long Beach, CA 90815

STATE OF CALIFORNIA

AGENCY NAME
California Department of Health Services

BY *(Authorized Signature)* — Jayna Qucrin, Chief CMU Policy & Procedures — DATE SIGNED *(Do not type)*: 10/5/06

PRINTED NAME AND TITLE OF PERSON SIGNING
Terri L. Anderson, Chief, Contracts and Purchasing Services Section

ADDRESS
1501 Capitol Avenue, Suite 71.2101, MS 1403, P.O. Box 997413
Sacramento, CA 95899-7413

California Department of General Services Use Only

CAE

APPROVED
OCT 19 2006
DEPARTMENT OF GENERAL SERVICES

☐ Exempt per:

Exhibit A
Scope of Work

1. Service Overview

Contractor agrees to provide to the California Department of Health Services (CDHS) the services described herein.

Contractor agrees to provide the beach water quality monitoring and public notification services as required by and in accordance with

Exhibit A
Scope of Work

C. Either party may make changes to the information above by giving written notice to the other party. Said changes shall not require an amendment to this agreement.

5. Services To Be Performed

Contractor shall perform the following services:

A. Testing, and coordinating the testing of, the waters adjacent to all public beaches within the jurisdiction of the County on at least a weekly basis from April 1 to October 31 of each year as required by and in accordance with Assembly Bill 411, Statutes of 1997, Chapter 765, and Sections 7956 through 7962 of Title 17 of the California Code of Regulations.

B. Inspecting the public beaches to determine whether the standards established pursuant to Assembly Bill 411, Statutes of 1997, Chapter 765, and Sections 7956 through 7962 of Title 17 of the California Code of Regulations are being complied with. If it is found that a public beach is in violation of the standards, restricting the use of, or closing, the public beach or portion thereof in which the violation occurs until the standard is complied with.

C. Investigating any complaint by a person of a violation of any standard established pursuant to Assembly Bill 411, Statutes of 1997, Chapter 765, and Sections 7956 through 7962 of Title 17 of the California Code of Regulations. If any violation of the standards is found, restricting the use of, or closing, the public beach or portion thereof until the standard is complied with.

D. Whenever a public beach is posted, closed, or otherwise restricted in accordance with Assembly Bill 411, Statutes of 1997, Chapter 765, and Sections 7956 through 7962 of Title 17 of the California Code of Regulations, informing the agency responsible for the operation and maintenance of the public beach within 24 hours of the posting, closure, or restriction.

E. Establishing a telephone hotline to inform the public of all beaches currently closed, posted, or otherwise restricted, and updating the telephone hotline as needed to convey changes in public health risks.

F. Reporting any violation of the standards established pursuant to Assembly Bill 411, Statutes of 1997, Chapter 765, and Sections 7956

Exhibit A
Scope of Work

through 7962 of Title 17 of the California Code of Regulations to the city attorney.

G. In the event of a known untreated sewage release, immediately testing the waters adjacent to the public beach and taking action pursuant to

Exhibit A
Scope of Work

E. In implementing this provision, the State may provide a format for the Contractor's use to request informal SOW changes. If no format is provided by the State, the Contractor may devise its own format for this purpose.

7. Subcontract Requirements

A. This provision replaces and supersedes provision 4 of Exhibit D(S).

B. Prior written authorization will be required before the Contractor enters into or is reimbursed for any subcontract for services costing $5,000 or more. Except as indicated in paragraph B(3) herein, when securing subcontracts for services exceeding $5,000, the Contractor shall obtain at least three bids or justify a sole source award.

1) The Contractor must provide in its request for authorization, all particulars necessary for evaluating the necessity or desirability of incurring such cost.

2) The State may identify the information needed to fulfill this requirement.

3) Subcontracts performed by the entities or for the service types listed below are exempt from the bidding and sole source justification requirements:

a. A local governmental entity or the federal government,
b. A State college or university from any State,
c. A Joint Powers Authority,
d. An auxiliary organization of a California State University or a California Community college,
e. A foundation organized to support the Board of Governors of the California Community Colleges,
f. An auxiliary organization of the Student Aid Commission established under Education Code § 69522,
g. Entities of any type that will provide subvention aid or direct services to the public.
h. Entities and/or service types identified as exempt from advertising in State Administrative Manual Section 1233, subsection 3. View this publication at the following Internet address: http://sam.dgs.ca.gov,
i. Other academic institutions of higher education, or consortia of academic institutions of higher education (including private universities and educational institutes),

Exhibit A
Scope of Work

j. Entities whose name and budgeted costs have been submitted to CDHS in response to a competitive Invitation for Bid or Request for Proposal.

4) Unless otherwise mandated by the funding agency (i.e., federal government), CDHS may only pay the Contractor's overhead charges or indirect costs on the first $25,000 of each subcontract.

C. Agreements **with governmental or public entities and their auxiliaries, or a Joint Powers Authority.**

1) If the total amount of all subcontracts exceeds twenty-five percent (25%) of the total agreement amount or $50,000, whichever is less and each subcontract is not with an entity or of a service type described in paragraph B(3) herein, CDHS shall:

a. Obtain approval from the Department of General Services to use said subcontracts, or

b. If applicable, obtain a certification from the prime Contractor indicating that each subcontractor was selected pursuant to a competitive bidding process requiring at least three bids from responsible bidders, or

c. Obtain approval from the Secretary of the California Health and Human Services Agency to use said subcontracts.

2) When the conditions of C(1) apply, each subcontract that is not with a type of entity or of a service type described in paragraph B(3) herein, shall not commence work before CDHS has obtained applicable prior approval to use said subcontractor. CDHS shall inform the Contractor when CDHS has obtained appropriate approval to use said subcontractors.

D. CDHS reserves the right to approve or disapprove the selection of subcontractors and with advance written notice, require the substitution of subcontractors and require the Contractor to terminate subcontracts entered into in support of this agreement.

1) Upon receipt of a written notice from CDHS requiring the substitution and/or termination of a subcontract, the Contractor shall take steps to ensure the completion of any work in progress and select a replacement, if applicable, within 30 calendar days, unless a longer period is agreed to by CDHS.

Exhibit A
Scope of Work

E. Actual subcontracts (i.e., written agreement between the Contractor and a subcontractor) of $5,000 or more are subject to the prior review and written approval of CDHS. CDHS may, at its discretion, elect to waive this right. All such waivers shall be confirmed in writing by CDHS.

F. Contractor shall maintain a copy of each subcontract entered into in support of this agreement and shall, upon request by CDHS, make said copies available for approval, inspection, or audit.

G. Sole responsibility rests with the Contractor to ensure that subcontractors, used in performance of this agreement, are paid in a timely manner. The timeliness of said payments may be affected by the timeliness of payments issued by CDHS to the Contractor.

H. The Contractor is responsible for all performance requirements under this agreement even though performance may be carried out through a subcontract.

I. When entering into a consulting service agreement with CDHS, the Contractor may be required to supply budget detail for each subcontractor and/or each major subcontracted activity under this agreement.

   1) Budget detail format and submission requirements will be determined by CDHS.

   2) Methods of including budget detail in this agreement, if applicable, will be determined by CDHS.

   3) Any subcontractor budget detail displayed in this agreement, or incorporated by reference, is included for information purposes only. Changes to a subcontractor's identity or budget detail shall not require the processing of a formal amendment to this agreement.

J. The Contractor shall ensure that all subcontracts for services include provision(s) requiring compliance with applicable terms and conditions specified in this agreement.

K. The Contractor agrees to include the following clause, relevant to record retention, in all subcontracts for services:

Exhibit A
Scope of Work

and final payment from CDHS, to permit CDHS or any duly authorized representative, to have access to, examine or audit any pertinent books, documents, papers and records related to this subcontract and to allow interviews of any employees who might reasonably have information related to such records."

L. Unless otherwise stipulated in writing by CDHS, the Contractor shall be the subcontractor's sole point of contact for all matters related to performance and payment under this agreement.

M. Contractor shall, as applicable, advise all subcontractors of their obligations pursuant to the applicable numbered provisions of this agreement.

Exhibit A, Attachment I

BILL NUMBER: AB 411 CHAPTERED

BILL TEXT

CHAPTER 765
FILED WITH SECRETARY OF STATE OCTOBER 8, 1997
APPROVED BY GOVERNOR OCTOBER 7, 1997
PASSED THE ASSEMBLY SEPTEMBER 11, 1997
PASSED THE SENATE SEPTEMBER 8, 1997
AMENDED IN SENATE SEPTEMBER 5, 1997
AMENDED IN SENATE JUNE 19, 1997
AMENDED IN ASSEMBLY MAY 27, 1997
AMENDED IN ASSEMBLY APRIL 9, 1997

INTRODUCED BY Assembly Members Wayne and Shelley
(Coauthors: Assembly Members Bowen, Cunneen, Davis, Keeley, Knox, Kuehl, Lempert, and Scott)
(Coauthors: Senators Alpert, Craven, Karnette, Solis, and Watson)

FEBRUARY 20, 1997

An act to amend Sections 115880, 115885, and 115915 of the Health and Safety Code, relating to public beaches.

LEGISLATIVE COUNSEL'S DIGEST

AB 411, Wayne. Beach sanitation: posting.

Existing law requires the State Department of Health Services to adopt regulations establishing minimum standards for the sanitation of public beaches. Violation of these regulations adopted by the department is a crime.

This bill would require these regulations to require the testing of the waters adjacent to all public beaches, as defined, for microbiological contaminations, including, but not limited to, total coliform, fecal coliform, and enterococci bacteria, to establish protocols for determining the location of monitoring sites and monitoring frequency based on risks to public health, and for public notification of health hazards, including, but not limited to, the posting, closing, and reopening of public beaches, and to require that public beaches, with certain exceptions, be tested for microbiological contaminations, including, but not limited to, total coliform, fecal coliform, and enterococci bacteria on a weekly basis

from April 1 to October 31, inclusive, of each year if certain conditions are met. By changing the definition of a crime, this bill would impose a state-mandated local program.

This bill would, subject to appropriation of sufficient funds, require local health officers to be responsible for testing waters adjacent to public beaches within their jurisdiction. This bill would require the local health officer to immediately test the waters adjacent to a public beach and to take related action in the event of a known untreated sewage release, and in the event of an untreated sewage release that is known to have reached recreational waters adjacent to a public beach, would require the local health officer to immediately close those waters until it has been determined by the local health officer that the waters are in compliance with the standards. By increasing the duties of local health officers, this bill would impose a state-mandated local program.

Existing law requires the health officer having jurisdiction of the area in which a public beach is created to close, or restrict the use of the public beach if he or she finds any violation of the

beach postings, closures, and restrictions. By increasing the duties of the local health officer, this bill would impose a state-mandated local program.

This bill would make any duty imposed upon a local public officer or agency pursuant to these provisions mandatory only during a fiscal year in which the Legislature has appropriated sufficient funds, as determined by the State Director of Health Services, in the annual Budget Act or otherwise for local agencies to cover the costs to those agencies associated with the performance of those duties, and would require the director to annually, within 15 days after enactment of the Budget Act, file a written statement with the Secretary of the Senate and with the Chief Clerk of the Assembly memorializing whether sufficient funds have been appropriated.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement, including the creation of a State Mandates Claims Fund to pay the costs of mandates that do not exceed $1,000,000 statewide and other procedures for claims whose statewide costs exceed $1,000,000.

This bill would provide that for certain mandates, no reimbursement is required by this act for a specified reason. With regard to other mandates, this bill would provide that no reimbursement shall be made from the State Mandates Claims Fund for costs mandated by the state pursuant to this act, but would recognize that local agencies and school districts may pursue any available remedies to seek reimbursement for these costs.

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Section 115880 of the Health and Safety Code is amended to read:

115880. (a) The department shall by regulation, in consultation with local health officers and the public, establish minimum standards for the sanitation of public beaches, including, but not limited to, the removal of refuse, as it determines are reasonably necessary for the protection of the public health and safety.

(b) Prior to final adoption by the department, the regulations and standards required by this section shall undergo an external comprehensive review process similar to the process set forth in Section 57004 of the Health and Safety Code.

(c) The regulations shall, at a minimum, do all of the following, by December 31, 1998:

(1) Require the testing of the waters adjacent to all public

department may require the testing of waters adjacent to all public beaches for microbiological indicators other than those set forth in this paragraph, or a subset of those set forth in this paragraph, if the department affirmatively establishes, based on the best available scientific studies and the weight of the evidence, that the alternative indicators are as protective of the public health.

(2) Establish protective minimum standards for total coliform, fecal coliform, and enterococci bacteria, or for other microbiological indicators that the department determines are appropriate for testing pursuant to paragraph (1).

(3) Establish protocols for all of the following:

(A) Determining monitoring site locations and monitoring frequency based on risks to public health.

(B) Making decisions regarding public notification of health hazards, including, but not limited to the posting, closing, and reopening of public beaches.

(4) Require that the waters adjacent to public beaches be tested for total coliform, fecal coliform, and enterococci bacteria, or for other microbiological indicators that the department determines are appropriate for testing pursuant to paragraph (1). Except as set forth in paragraph (5), testing shall be conducted on at least a weekly basis, from April 1 to October 31, inclusive, of each year, beginning in 1999, if all of the following apply:

(A) The beach is visited by more than 50,000 people annually.

(B) The beach is located on an area adjacent to a storm drain that flows in the summer.

(5) The monitoring frequency and locations established pursuant to this subdivision and related regulations may only be reduced or altered after the testing required pursuant to paragraph (4) reveals levels of microbiological contaminants that do not exceed for a period of two years the minimum protective standards established pursuant to paragraph (2).

(d) The local health officer shall be responsible for testing the waters adjacent to, and coordinating the testing of, all public beaches within his or her jurisdiction.

(e) The local health officer may meet the testing requirements of this section by utilizing test results from other agencies conducting microbiological contamination testing of the waters under his or her jurisdiction.

(f) Any city or county may adopt standards for the sanitation of public beaches within its jurisdiction that are stricter than the standards adopted by the state department pursuant to this section.

(g) For purposes of this section, "public beach" means any public beach located within the coastal zone, as defined in Section 30103 of the Public Resources Code.

(h) Any duty imposed upon a local public officer or agency

pursuant to this section shall be mandatory only during a fiscal year in which the Legislature has appropriated sufficient funds, as determined by the State Director of Health Services, in the annual Budget Act or otherwise for local agencies to cover the costs to those agencies associated with the performance of these duties. The State Director of Health Services shall annually, within 15 days after enactment of the Budget Act, file a written statement with the Secretary of the Senate and with the Chief Clerk of the Assembly memorializing whether sufficient funds have been appropriated.

SEC. 2. Section 115885 of the Health and Safety Code is amended to read:

115885. The health officer having jurisdiction over the area in which a public beach is created shall:

(a) Inspect the public beach to determine whether the standards established pursuant to Section 115880 are being complied with. If the health officer finds any violation of the standards, he or she

health officer shall immediately test the waters adjacent to the public beach and to take action pursuant to regulations established under Section 115880.

(f) Notwithstanding any other provision of law, in the event of an untreated sewage release that is known to have reached recreational waters adjacent to a public beach, the local health officer shall immediately close those waters until it has been determined by the local health officer that the waters are in compliance with the standards established pursuant to Section 115880.

(g) Any duty imposed upon a local public officer or agency pursuant to this section shall be mandatory only during a fiscal year in which the Legislature has appropriated sufficient funds, as determined by the State Director of Health Services, in the annual Budget Act or otherwise for local agencies to cover the costs to those agencies associated with the performance of these duties. The State Director of Health Services shall annually, within 15 days after enactment of the Budget Act, file a written statement with the Secretary of the Senate and with the Chief Clerk of the Assembly memorializing whether sufficient funds have been appropriated.

SEC. 3. Section 115915 of the Health and Safety Code is amended to read:

115915. (a) Whenever any beach fails to meet the bacteriological standards established pursuant to subdivision (b) of Section 115880, the health officer shall, at a minimum, post the beach with conspicuous warning signs to inform the public of the nature of the problem and the possibility of risk to public health.

(b) A warning sign shall be visible from each legal primary beach access point, as identified in the coastal access inventory prepared and updated pursuant to Section 30531 of the Public Resources Code, and any additional access points identified by the health officer.

(c) Any duty imposed upon a local public officer or agency pursuant to this section shall be mandatory only during a fiscal year in which the Legislature has appropriated sufficient funds, as determined by the State Director of Health Services, in the annual Budget Act or otherwise for local agencies to cover the costs to those agencies associated with the performance of these duties. The State Director of Health Services shall annually, within 15 days

g. Intellectual Property Indemnity

(1) Contractor shall indemnify, defend and hold harmless DHS and its licensees and assignees, and its officers, directors, employees, agents, representatives, successors, and users of its products, ("Indemnitees") from and against all claims, actions, damages, losses, liabilities (or actions or proceedings with respect to any thereof), whether or not rightful, arising from any and all actions or claims by any third party or expenses related thereto (including, but not limited to, all legal expenses, court costs, and attorney's fees incurred in investigating, preparing, serving as a witness in, or defending against, any such claim, action, or proceeding, commenced or threatened) to which any of the Indemnitees may be subject, whether or not Contractor is a party to any pending or threatened litigation, which arise out of or are related to (i) the incorrectness or breach of any of the representations, warranties, covenants or agreements of Contractor pertaining to Intellectual Property; or (ii) any Intellectual Property infringement, or any other type of actual or alleged infringement claim, arising out of DHS' use, reproduction, manufacture, sale, offer to sell, distribution, import, export, modification, public and private performance/display, license, and disposition of the Intellectual Property made, conceived, derived from, or reduced to practice by Contractor or DHS and which result directly or indirectly from this agreement. This indemnity obligation shall apply irrespective of whether the infringement claim is based on a patent, trademark or copyright registration that issued after the effective date of this agreement. DHS reserves the right to participate in and/or control, at Contractor's expense, any such infringement action brought against DHS.

(2) Should any Intellectual Property licensed by the Contractor to DHS under this agreement become the subject of an Intellectual Property infringement claim, Contractor will exercise its authority reasonably and in good faith to preserve DHS' right to use the licensed Intellectual Property in accordance with this agreement at no expense to DHS. DHS shall have the right to monitor and appear through its own counsel (at Contractor's expense) in any such claim or action. In the defense or settlement of the claim, Contractor may obtain the right for DHS to continue using the licensed Intellectual Property; or, replace or modify the licensed Intellectual Property so that the replaced or modified Intellectual Property becomes non-infringing provided that such replacement or modification is functionally equivalent to the original licensed Intellectual Property. If such remedies are not reasonably available, DHS shall be entitled to a refund of all monies paid under this agreement, without restriction or limitation of any other rights and remedies available at law or in equity.

(3) Contractor agrees that damages alone would be inadequate to compensate DHS for breach of any term of this Intellectual Property Exhibit by Contractor. Contractor acknowledges DHS would suffer irreparable harm in the event of such breach and agrees DHS shall be entitled to obtain equitable relief, including without limitation an injunction, from a court of competent jurisdiction, without restriction or limitation of any other rights and remedies available at law or in equity.

h. Federal Funding

In any agreement funded in whole or in part by the federal government, DHS may acquire and maintain the Intellectual Property rights, title, and ownership, which results directly or indirectly from the agreement; except as provided in 37 Code of Federal Regulations part 401.14; however, the federal government shall have a non-exclusive, nontransferable, irrevocable, paid-up license throughout the world to use, duplicate, or dispose of such Intellectual Property throughout the world in any manner for governmental purposes and to have and permit others to do so.

i. Survival

The provisions set forth herein shall survive any termination or expiration of this agreement or any project schedule.

9. Prior Approval of Training Seminars, Workshops or Conferences

[redacted]

Contractor disagree with the Branch Chief's decision, the Contractor may appeal to the second level.

(2) When appealing to the second level, the Contractor must prepare an appeal indicating the reasons for disagreement with Branch Chief's decision. The Contractor shall include with the appeal a copy of the Contractor's original statement of dispute along with any supporting evidence and a copy of the Branch Chief's decision. The appeal shall be addressed to the Deputy Director of the division in which the branch is organized within ten (10) working days from receipt of the Branch Chief's decision. The Deputy Director of the division in which the branch is organized or his/her designee shall meet with the Contractor to review the issues raised. A written decision signed by the Deputy Director of the division in which the branch is organized or his/her designee shall be directed to the Contractor within twenty (20) working days of receipt of the Contractor's second level appeal.

h. If the Contractor wishes to appeal the decision of the Deputy Director of the division in which the

agreement. This audit does not fulfill the audit requirements of Paragraph c(3) below. The audit shall be completed by the 15th day of the fifth month following the end of the Contractor's fiscal year, **and/or**

(3) If the Contractor is a State or Local Government entity or Nonprofit organization (as defined by the Federal Office of Management and Budget [OMB] Circular A-133) and expends $500,000 or more in Federal awards, the Contractor agrees to obtain an annual single, organization wide, financial and compliance audit according to the requirements specified in OMB Circular A-133 entitled "Audits of States, Local Governments, and Non-Profit Organizations". An audit conducted pursuant to this provision will fulfill the audit requirements outlined in Paragraphs c(1) and c(2) above. The audit shall be completed by the end of the ninth month following the end of the audit period. The requirements of this provision apply if:

(a) The Contractor is a recipient expending Federal awards received directly from Federal awarding agencies, or

(b) The Contractor is a subrecipient expending Federal awards received from a pass-through entity such as the State, County or community based organization.

(4) If the Contractor submits to DHS a report of an audit other than an OMB A-133 audit, the Contractor must also submit a certification indicating the Contractor has not expended $500,000 or more in federal funds for the year covered by the audit report.

d. Two copies of the audit report shall be delivered to the DHS program funding this agreement. The audit report must identify the Contractor's legal name and the number assigned to this

15. Payment Withholds

(Applicable only if a final report is required by this agreement. Not applicable to government entities.)

Unless waived or otherwise stipulated in this agreement, DHS may, at its discretion, withhold 10 percent (10%) of the face amount of the contract, 50 percent (50%) of the final invoice, or $3,000 whichever is greater, until DHS receives a final report that meets the terms, conditions and/or scope of work requirements of this agreement.

16. Performance Evaluation

(Not applicable to grant agreements.)

DHS may, at its discretion, evaluate the performance of the Contractor at the conclusion of this agreement. If performance is evaluated, the evaluation shall not be a public record and shall remain on file with DHS. Negative performance evaluations may be considered by DHS prior to making future contract awards.

17. Officials Not to Benefit

No members of or delegate of Congress or the State Legislature shall be admitted to any share or part of this agreement, or to any benefit that may arise therefrom. This provision shall not be construed to extend to this agreement if made with a corporation for its general benefits.

18. Four-Digit Date Compliance

(Applicable to agreements in which Information Technology (IT) services are provided to DHS or if IT equipment is procured.)

Contractor warrants that it will provide only Four-Digit Date Compliant. Deliverables and/or services to the State. "Four Digit Date compliant" Deliverables and services can accurately process, calculate, compare, and sequence date data, including without limitation date data arising out of or relating to leap years and changes in centuries. This warranty and representation is subject to the warranty terms and conditions of this Contract and does not limit the generality of warranty obligations set forth elsewhere herein.

19. Union Organizing

(Applicable only to grant agreements.)

Grantee, by signing this agreement, hereby acknowledges the applicability of Government Code 16645 through 16649 to this agreement. Furthermore, Grantee, by signing this agreement, hereby certifies that:

a. No state funds disbursed by this grant will be used to assist, promote or deter union organizing.

b. Grantee shall account for state funds disbursed for a specific expenditure by this grant, to show those funds were allocated to that expenditure.

c. Grantee shall, where state funds are not designated as described in b herein, allocate, on a pro

20. Contract Uniformity (Fringe Benefit Allowability)

(Applicable only to nonprofit organizations.)

Pursuant to the provisions of Article 7 (commencing with Section 100525) of Chapter 3 of Part 1 of Division 101 of the Health and Safety Code, DHS sets forth the following policies, procedures, and guidelines regarding the reimbursement of fringe benefits.

a. As used herein fringe benefits shall mean an employment benefit given by one's employer to an employee in addition to one's regular or normal wages or salary.

b. As used herein, fringe benefits do not include:

(1) Compensation for personal services paid currently or accrued by the Contractor for services of employees rendered during the term of this agreement, which is identified as regular or normal salaries and wages, annual leave, vacation, sick leave, holidays, jury duty and/or military leave/training.
(2) Director's and executive committee member's fees.
(3) Incentive awards and/or bonus incentive pay.
(4) Allowances for off-site pay.
(5) Location allowances.
(6) Hardship pay.
(7) Cost-of-living differentials

c. Specific allowable fringe benefits include:

(1) Fringe benefits in the form of employer contributions for the employer's portion of payroll taxes (i.e., FICA, SUI, SDI), employee health plans (i.e., health, dental and vision), unemployment insurance, worker's compensation insurance, and the employer's share of pension/retirement plans, provided they are granted in accordance with established written organization policies and meet all legal and Internal Revenue Service requirements.

d. To be an allowable fringe benefit, the cost must meet the following criteria:

(1) Be necessary and reasonable for the performance of the agreement.
(2) Be determined in accordance with generally accepted accounting principles.
(3) Be consistent with policies that apply uniformly to all activities of the Contractor.

e. Contractor agrees that all fringe benefits shall be at actual cost.

f. Earned/Accrued Compensation

(1) Compensation for vacation, sick leave and holidays is limited to that amount earned/accrued within the agreement term. Unused vacation, sick leave and holidays earned from periods prior to the agreement term cannot be claimed as allowable costs. See Provision f (3)(a) for an example.

(2) For multiple year contracts, vacation and sick leave compensation, which is earned/accrued but not paid, due to employee(s) not taking time off may be carried over and claimed within the overall term of the multiple years of the agreement. Holidays cannot be carried over from one contract year to the next. See f Provision (3)(b) for an example.

(3) For single year agreements, vacation, sick leave and holiday compensation that is earned/accrued but not paid, due to employee(s) not taking time off within the term of the agreement, cannot be claimed as an allowable cost. See Provision f (3)(c) for an example.

(a) **Example No. 1:**

If an employee, John Doe, earns/accrues three weeks of vacation and twelve days of sick leave each year, then that is the maximum amount that may be claimed during a contract

period of one year. If John Doe has five weeks of vacation and eighteen days of sick leave at the beginning of the agreement, the Contractor during a one-year agreement term may only claim up to three weeks of vacation and twelve days of sick leave actually used by the employee. Amounts earned/accrued in periods prior to the beginning of the agreement are not an allowable cost.

(b) **Example No. 2:**

If during a three-year (multiple year) agreement, John Doe does not use his three weeks of vacation in year one, or his three weeks in year two, but he does actually use nine weeks in year three; the Contractor would be allowed to claim all nine weeks paid for in year three. The total compensation over the three-year period cannot exceed 156 weeks (3 x 52 weeks).

(c) **Example No. 3:**

If during a single year agreement, John Doe works fifty weeks and used one week of vacation and one week of sick leave and all fifty-two weeks have been billed to DHS, the remaining unused two weeks of vacation and seven days of sick leave may not be

Exhibit E
Additional Provisions

1. Contract Amendments

Should either party, during the term of this agreement, desire a change or amendment to the terms of this Agreement, such changes or amendments shall be proposed in writing to the other party, who will respond in writing as to whether the proposed changes/amendments are accepted or rejected. If accepted and after negotiations are concluded, the agreed upon changes shall be made through the State's official agreement amendment process. No amendment will be considered binding on either party until it is formally approved by the State.

2. Cancellation / Termination

A. This agreement may be cancelled or terminated without cause by either party by giving thirty (30) calendar days advance written notice to the other party. Such notification shall state the effective date of termination or cancellation and include any final performance and/or payment/invoicing instructions/requirements.

B. Upon receipt of a notice of termination or cancellation from CDHS, Contractor shall take immediate steps to stop performance and to cancel or reduce subsequent contract costs.

C. Contractor shall be entitled to payment for all allowable costs authorized under this agreement, including authorized non-cancelable obligations incurred up to the date of termination or cancellation, provided such expenses do not exceed the stated maximum amounts payable.

3. Dispute Resolution Process

A. This provision replaces and supersedes provision 12 of Exhibit D(S).

B. If the Contractor believes there is a dispute or grievance between Contractor and CDHS, both parties shall follow the two-step procedure outlined below.

1) The Contractor should first discuss the problem informally with the CDHS program contract manager. If the problem cannot be resolved at this stage, the Contractor must direct the grievance together with any evidence, in writing, to the program Section Chief. The grievance must state the issues in dispute, the legal authority or other basis for the Contractor's position and the remedy sought. The Section Chief must make a determination on the problem within ten (10) working days after receipt of the written communication from the Contractor. The Section Chief shall respond in writing to the Contractor indicating the decision and reasons therefore. Should the Contractor disagree with the Section Chief's decision, the Contractor may appeal to the second level.

2) The Contractor must prepare a letter indicating why the Section Chief's decision is unacceptable, attaching to it the Contractor's original statement of the dispute

Exhibit E
Additional Provisions

with supporting documents along with a copy of the Section Chief's response. This letter shall be sent to the Division Chief of the division in which the section is organized within ten (10) working days from receipt of the Section Chief's decision. The Division Chief or designee shall meet with the Contractor to review the issues raised. A written decision signed by the Division Chief or designee shall be returned to the Contractor within twenty (20) working days of receipt of the Contractor's letter.

Exhibit F

Contractor's Release

Instructions to Contractor:

With final invoice(s) submit one (1) original and one (1) copy. The original must bear the original signature of a person authorized to bind the Contractor. The additional copy may bear photocopied signatures.

Submission of Final Invoice

Pursuant to **contract number** 06-55350 entered into between the State of California Department of Health Services (DHS) and the Contractor (identified below), the Contractor does acknowledge that final payment has been requested via

Travel Reimbursement Information

1. The following rate policy is to be applied for reimbursing the travel expenses of persons under contract. *The terms "contract" and/or "subcontract" have the same meaning as "grantee" and/or "subgrantee" where applicable.*

   a. Reimbursement *for travel and/or per diem* shall be at the rates established for nonrepresented/excluded state employees. *Exceptions to DPA lodging rates may be approved by DHS upon the receipt of a statement on/with an invoice indicating that such rates are not available.*

   b. Short Term Travel is defined as a 24-hour period, and less than 31 consecutive days, and is at least 50 miles from the main office, headquarters or primary residence. Starting time is whenever a contract *or subcontract* employee leaves his or her home or headquarters. "Headquarters" is defined as the place where the contracted personnel spends the largest portion of their working time and returns to upon the completion of assignments. *Headquarters may be individually established for each traveler and approved verbally by the program funding the agreement. Verbal approval shall be followed up in writing or email.*

   c. Contractors on travel status for more than one 24-hour period and less than 31 consecutive days may claim a fractional part of a period of more than 24 hours. Consult the chart appearing on page 2 of this exhibit to determine the reimbursement allowance. All lodging must be receipted. If contractor does not present receipts, lodging will not be reimbursed.

      (1) Lodging (with receipts):

Travel Location / Area	Reimbursement Rate
Statewide (excluding the counties identified below)	$ 84.00 plus tax
Counties of Los Angeles and San Diego	$110.00 plus tax
Counties of Alameda, San Francisco, San Mateo, and Santa Clara.	$140.00 plus tax

Reimbursement for actual lodging expenses exceeding the above amounts may be allowed with the advance approval of the Deputy Director of the Department of Health Service or his or her designee. Receipts are

2. If any of the reimbursement rates stated herein are changed by the Department of Personnel Administration, no formal contract amendment will be required to incorporate the new rates. However, DHS shall inform the contractor, in writing, of the revised travel reimbursement rates.

3. For transportation expenses, the contractor must retain receipts for parking; taxi, airline, bus, or rail tickets; car rental; or any other travel receipts pertaining to each trip for attachment to an invoice as substantiation for reimbursement. Reimbursement may be requested for commercial carrier fares; private car mileage; parking fees; bridge tolls; taxi, bus, or streetcar fares; and auto rental fees when substantiated by a receipt.

4. **Note on use of autos:** If a contractor uses his or her car for transportation, the rate of pay will be **34 cents** maximum per mile. If the contractor is a person with a disability who must operate a motor vehicle on official state business and who can operate only specially equipped or modified vehicles they may claim a rate of **37 cents** per mile. If a contractor uses his or her car "in lieu of" airfare, the air coach fare will be the maximum paid by the State. The contractor must provide a cost comparison upon request by the state. Gasoline and routine automobile repair expenses are not reimbursable.

5. The contractor is required to furnish details surrounding each period of travel. Travel *expense reimbursement* detail may include, but not be limited to: purpose of travel, departure and return times, destination points, miles driven, mode of transportation, etc. *Reimbursement for travel expenses may be withheld pending receipt of adequate travel documentation.*

6. Contractors are to consult with the program with which the contract is held to obtain specific invoicing procedures.

Travel Reimbursement Guide

Length of travel period	This condition exists...	Allowable Meal(s)
Less than 24 hours	Travel begins at 6:00 a.m. or earlier and continues until 9:00 a.m. or later.	Breakfast
Less than 24 hours	• Travel period ends at least one hour after the regularly scheduled workday ends, or • Travel period begins prior to or at 4:00 p.m. and continues beyond 7:00 p.m.	Dinner
24 hours	Travel period is a full 24-hour period determined by the time that the travel period begins and ends.	Breakfast, lunch, and dinner
Last fractional part of more than 24 hours	Travel period is more than 24 hours and traveler returns at or after 8:00 a.m.	Breakfast
	Travel period is more than 24 hours and traveler returns at or after 2:00 p.m.	Lunch
	Travel period is more than 24 hours and traveler returns at or after 7:00 p.m.	Dinner

7. *At DHS' discretion, changes or revisions made by DHS to this exhibit, excluding travel policy established by DPA may be applied retroactively to any agreement to which a Travel Reimbursement Information exhibit is attached, incorporated by reference, or applied by DHS program policy.*