County of Los Angeles
**CHIEF EXECUTIVE OFFICE**
713 KENNETH HAHN HALL OF ADMINISTRATION
LOS ANGELES, CALIFORNIA 90012
(213) 974-1101
http://ceo.lacounty.gov

WILLIAM T FUJIOKA
Chief Executive Officer

Board of Supervisors
GLORIA MOLINA
First District

YVONNE B. BURKE
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

November 13, 2007

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**APPROVE A CONTRACT WITH THE CALIFORNIA DEPARTMENT OF EDUCATION AND AUTHORIZE CONTRACTS TO IMPLEMENT TRAINING AND SUPPORT ACTIVITIES FOR CHILD CARE PROVIDERS (ALL DISTRICTS) (3-VOTES)**

**JOINT RECOMMENDATION WITH THE CHILD CARE PLANNING COMMITTEE THAT YOUR BOARD:**

1. Approve and instruct the Chairman to execute the contract with the California Department of Education/Child Development Division (CDE/CDD). This contract will fund a variety of training and support activities for child care center staff and licensed family child care providers throughout Los Angeles County. While the contract was received on October 9, 2007, the contract term is from July 1, 2007 through June 30, 2008 in the amount of $4.25 million. The Office of Child Care (OCC), within the Service Integration Branch of the Chief Executive Office (CEO), will manage this contract on behalf of the County of Los Angeles Child Care Planning Committee (Planning Committee).

2. Adopt the resolution and delegate authority to the CEO, or his designee, to prepare and execute any and all documents, and contract amendments on behalf of the County as may be deemed necessary to effectuate the CDE/CDD contract. Approval as to form by County Counsel will be obtained prior to executing any amendments.

3. Delegate authority to the CEO, or his designee, to prepare and execute agreements substantially similar to the proposed Sample Agreement, for the contract term not to exceed one year, to implement the training, and support components of the CDE/CDD contract. The proposed training and support agreements will be with the following agencies: Child Development Institute in an amount not to exceed $30,000; Prevent Child Abuse California in an amount not to exceed $150,000; WestEd in an amount not to exceed $44,000; and Los Angeles Community College Collaborative in an amount not to exceed $35,000. In addition, a specific vendor(s) will be identified to provide management training to child care program administrators in an amount not to exceed $15,000. Approval as to form by County Counsel will be obtained prior to executing the training and support agreements.

4. Delegate authority to the CEO, or his designee, to prepare and execute any and all amendments as may be deemed necessary for implementing the training and support agreements to increase the maximum contract sums by no more than 10 percent of each total contract amount, provided sufficient funding is available. Approval as to form by County Counsel will be obtained prior to executing any amendments.

## PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The CDE/CDD contract is a one-time only augmentation to the Child Care Staff Retention/Training Program known locally as the Investing in Early Educators Program. This contract is intended to improve the quality of services offered in child care and development centers and family child care homes by improving the teaching and caregiving skills of individuals working in those programs. The training and support agreements are necessary to implement the training and support components of the CDE/CDD contract.

The OCC has been operating the Investing in Early Educators Program, with funding from CDE/CDD, since September 2001. Generally, 85 percent of previous contracts have been dedicated to cash stipends to qualified persons who complete at least one three-semester unit course related to child development or a degree, while working directly with children in CDE/CDD funded centers or other qualified programs. However, this one-time only contract is intended to augment the Investing in Early Educators Program by addressing a variety of key training needs identified by the Planning Committee, and by providing resources to implement quality improvements in qualified child care centers and family child care homes. These resources include reimbursement specified for substitute costs and stipends for qualified individuals and programs.

Formal approval of the CDE/CDD contract by your Board is required to receive funds from CDE/CDD.

**Implementation of Strategic Plan Goals**

The CDE/CDD contract supports the County's strategic goals related to service excellence, organizational effectiveness, and children and families' well-being by making a variety of training resources and support services available to child care centers and family child care homes.

**FISCAL IMPACT/FINANCING**

Approval of the attached CDE/CDD contract (Attachment I) will provide $4.25 million to support a variety of training seminars, provide incentives to participate in the training, and realize program quality improvements in local child care centers and family child care homes in Los Angeles County. Funding is included in the CEO Fiscal Year 2007-08 Adopted Budget. Funds from the CDE/CDD contract will completely offset expenses related to its implementation, including the training and support agreements authorized hereunder.

**FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

Statewide, $15 million were available for this one-time only augmentation of the Child Care Staff Retention/Training Program. CDE/CDD awarded funds to the child care planning councils in each county, based on a formula which uses the number of persons working in CDE/CDD funded child development centers. Los Angeles County's allocation is $4.25 million.

The term of the CDE/CDD contract is July 1, 2007 through June 30, 2008. The delay in finalizing the State Budget impacted the processing of these contracts. Los Angeles County received the attached CDE/CDD contract documents on October 9, 2007.

Local child care planning councils throughout the State were required to submit a Staff Retention and Training Plan (Plan) by July 30, 2007. The Planning Committee submitted the Plan for Los Angeles County on July 5, 2007, and it was accepted by CDE/CDD. Key components of the Plan include training and support activities, substitute costs, and stipends.

- **Training and Support Activities**

  With authorization from your Board, the CEO will establish agreements, substantially similar to Attachment III, for a contract term not to exceed one year with organizations possessing both content and unique training expertise in selected areas.

  - The Child Development Institute (CDI) will provide up to three-full days of training and over 100 hours of consultation with child care centers and family child care providers on how to integrate specific developmental screening tools into their regular operations. CDI is qualified to provide the proposed training and support services because of its successful history of providing clinical services to children and families, along with training and on-site consultation to early childhood programs. In addition, CDI's approach to training on the use of developmental screening tools is done within the context of strengthening families. CDI is the only vendor that provides this unique combination of services. The cost for these services shall not exceed $30,000.

  - Prevent Child Abuse California (PCA CA) will conduct up to five ten-day training seminars on implementing the Preventing Child Abuse and Neglect (PCAN) curriculum, which utilizes the strengthening families model. PCA CA trainers are certified to train using the PCAN curriculum and are experienced in training both professionals and paraprofessionals. In addition to the training, PCA CA will facilitate quarterly networking sessions for training graduates to support this new approach to strengthening families. PCA CA's successful track record of training in the area of child abuse prevention, combined with their PCAN certification, makes them uniquely qualified to provide these services. The cost for these services shall not exceed $150,000.

  - WestEd will provide up to 64 hours of group training and six hours of on-site consultation for participating family child care providers. These sessions will be conducted in the Florence/Firestone and Antelope Valley areas and will focus on the Program in Infant Toddler Care (PITC) in Practice (PiP), which is the newest training package designed for family child care providers, including classroom training, reflective action planning, and on-site coaching of participants. WestEd is the only entity authorized by the CDE/CDD to provide PITC on-site training and technical assistance services for California's infant/toddler centers and family child care providers serving infants and toddlers. The cost for these services shall not exceed $44,000.

- The Los Angeles Community College Collaborative (Collaborative), comprising the nine community colleges of the Los Angeles Community College District, will establish the local capacity to expedite the processing of Child Development Permits and align child development coursework across the district. In addition, the Collaborative will integrate *Desired Results R and/or R2* into the course outlines for observation and assessment courses for child development students, as well as provide two professional development training sessions for child development practitioners on *Desired Results: Linking Theory to Practice.* The Collaborative is the only source approved by the CDE/CDD to process child development permit applications, aside from the Commission on Teacher Credentialing (CTC) in Sacramento and the Child Development Training Consortium. The Collaborative is well suited to provide these services considering over 80 percent of all personnel working in child development programs in Los Angeles County are trained through the community college system. The cost for these services shall not exceed $35,000.

- A specific vendor(s) has not yet been identified to provide administrative training to child development program managers to plan, implement, and sustain practices which enhance their ability to attract and retain qualified teaching staff. Efforts are underway to identify a trainer who can address legal and programmatic issues related to successful employee recruitment, supervision, and evaluation, as well as techniques for building a positive work environment. Given the diversity of the child care provider community, the vendor(s) will need to approach these issues from multiple perspectives, including public agencies, for-profit organizations, and not for-profit organizations. The vendor(s) will be expected to provide three-full days of training, for a cost not to exceed $15,000. Once identified, your Board will be notified of the vendor(s).

- **Substitute Costs and Stipend Payments**

  Programs will be reimbursed for substitute costs incurred so that teaching staff can participate in training sponsored by the OCC. Stipends will be paid to individuals pursuing certain types of training, and programs will be eligible for quality improvement stipends.

  - Reimbursement for substitute costs, so family child care providers and classroom teachers can participate in training activities.

- Stipends to qualified early educators who pursue college course work related to child development or leading to a degree in child development or closely allied field.

- Stipends to early educators who participate in qualified non-credit bearing training sessions.

- Stipends to child development centers, Family Child Care Home Education Networks, and individual family child care homes participating in the Steps to Excellence Project (STEP). These stipends will be based on program quality improvement plans which are directly linked to the STEP rating criteria. In early 2008, OCC will submit a Board letter seeking your authorization to issue specific awards to individual programs.

**IMPACT ON CURRENT SERVICES (OR PROJECTS)**

The results of the California Early Care and Education Workforce Study, conducted in 2006, revealed that turnover rates in CDE/CDD funded centers were 9 percent, compared with 18-22 percent for non-subsidized programs. Non-subsidized programs were also found to pay substantially lower salaries ($13.70 per hour, compared to $17.35 per hour) and require significantly lower academic qualifications for teachers (12 units in Child Development compared to 24 units in Child Development, plus 16 units of General Education). These results, while consistent with previous research, were particularly troubling, because:

- High staff turnover has been shown by a variety of studies to undermine child care program quality;

- Large numbers of low-income, vulnerable children receiving CalWORKs or other voucher type subsidies do not have access to the more stable, CDE/CDD funded programs; and

- Poor quality child care services are not able to reduce the "achievement gap" that emerges at kindergarten entry, nor are they able to support the development of strong healthy families.

In December 2006, your Board adopted STEP, a child care quality rating and support program developed by the County of Los Angeles Policy Roundtable for Child Care. STEP defines specific measures of quality for six areas of child care center and family child care home operations. STEP is targeted to licensed child development centers

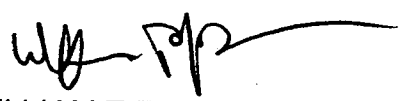
and family child care homes serving children from birth through five years of age, in selected pilot communities of Los Angeles County.

Implementation of the CDE/CDD contract will make training and technical assistance available to child care operators who are intent on improving the quality of services available to children and families in the County. It will also provide program quality incentives to child care centers and family child care homes located within the STEP pilot communities.

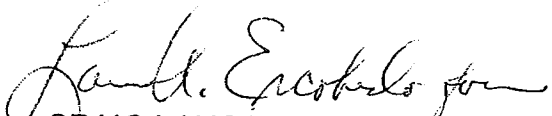
**CONCLUSION**

Upon approval by your Board, our Office respectfully requests that your staff provide two original signatures on the attached contracts, two original signatures on the resolution (Attachment II), and one approved copy of the Board letter to the Chief Executive Office, Service Integration Branch, Office of Child Care, 222 South Hill Street, 5th Floor, Los Angeles, CA 90012. Copies will be forwarded to CDE/CDD as required.

Respectfully submitted,



WILLIAM T FUJIOKA
Chief Executive Officer



CRAIG LANCASTER
Chair, Child Care Planning Committee

WTF:CL
LS:KH:ak

Attachments (3)

c: Auditor-Controller
County Counsel

# ATTACHMENT I

CALIFORNIA DEPARTMENT OF EDUCATION
1430 N Street
Sacramento, CA 95814-5901

F.Y. 07 - 08

DATE: July 01, 2007

CONTRACT NUMBER: CDRT-7017
PROGRAM TYPE: CC STAFF RETENTION/ TRAINING PROGRAM
PROJECT NUMBER: 19-P999-00-7

# LOCAL AGREEMENT FOR CHILD DEVELOPMENT SERVICES

CONTRACTOR'S NAME: LOS ANGELES COUNTY BOARD OF SUPERVISORS

By signing this contract and returning it to the State, you are agreeing to provide services in accordance with the CHILD CARE AND DEVELOPMENT FUND - PROGRAM REQUIREMENTS FOR CHIILD DEVLEOPMENT STAFF RETENTION AND TRAINING PROGRAM (Exhibit B), the attached APPLICATION, and the APPROVED COUNTY PLAN (Exhibit C) which are by this reference incorporated into this contract. The Program Requirements specify the contractual responsibilities of the State and the contractor. The Contractor's signature also certifies compliance with "Standard Provisions for State Contracts" (Exhibit A) which are attached hereto and by this reference incorporated herein.

Funding of this contract is contingent upon appropriation and availability of funds. This contract may be terminated immediately by the State if funds are not appropriated or available in amounts sufficient to fund the State's obligations under this contract. This contract is effective from JuLY 1, 2007 through June 30, 2008. These funds shall not be used for any purpose considered nonreimburseable pursuant to the Program Requirements,current Resource & Referral Funding Terms and Conditions (FT&C) and Title 5, California Code of Regulations. The total amount payable pursuant to this agreement shall not exceed $4,250,000.00.

Expenditure of these funds shall be reported quarterly to Child Development Fiscal Services (CDFS) on Form CDFS-9529 with fiscal quarters ending September 30th, December 31st, March 31st, and June 30th. Quarterly reporting must be submitted for reimbursement of expenditures. For non-educational agencies, expenditures made for the period July 1, 2007 through June 30, 2008 shall be included in the 2007/08 audit due by the 15th of the fifth month following the end of the contractor's fiscal year or earlier if specified by the CDE. The audits for School Districts and County Offices shall be submitted in accordance with Education Code Section 41020.

Any provision of this contract found to be in violation of Federal or State statute or regulation shall be invalid but such a finding shall not affect the remaining provisions of this contract.

Exhibit A, Standard Provisions for State Contracts attached.

**APPROVED AS TO FORM:**
**RAYMOND G. FORTNER, JR.**
**County Counsel**
By Michele Jackson
**Deputy**

| STATE OF CALIFORNIA | CONTRACTOR |
|---|---|
| BY (AUTHORIZED SIGNATURE) | BY (AUTHORIZED SIGNATURE) |
| PRINTED NAME OF PERSON SIGNING: Margie Burke | PRINTED NAME AND TITLE OF PERSON SIGNING |
| TITLE: Manager, Contracts & Purchasing Svs | ADDRESS |

| | | | | | |
|---|---|---|---|---|---|
| AMOUNT ENCUMBERED BY THIS DOCUMENT $ 4,250,000 | PROGRAM/CATEGORY (CODE AND TITLE): Child Development Programs | | FUND TITLE: General | | Department of General Services use only |
| PRIOR AMOUNT ENCUMBERED FOR THIS CONTRACT $ 0 | (OPTIONAL USE) 0656 24151-P999 | | | | |
| TOTAL AMOUNT ENCUMBERED TO DATE $ 4,250,000 | ITEM 30.10.020.901 6100-196-0001 | CHAPTER 171 | STATUTE 2007 | FISCAL YEAR 2007-2008 | |
| | OBJECT OF EXPENDITURE (CODE AND TITLE): 702 SACS: Res-5035 Rev-8590 | | | | |
| I hereby certify upon my own personal knowledge that budgeted funds are available for the period and purpose of the expenditure stated above. | | | T.B.A. NO. | B.R. NO. | |
| SIGNATURE OF ACCOUNTING OFFICER | | | DATE | | |

APPROVED AS TO FORM:

RAYMOND G. FORTNER, JR.
County Counsel

By _____
Deputy

# STANDARD PROVISIONS FOR STATE CONTRACTS

1. The Contractor agrees to indemnify, defend and save harmless the State, its officers, agents and employees from any and all claims and losses accruing or resulting to any and all contractors, subcontractors, suppliers, laborers, and any other person, firm or corporation furnishing or supplying work services, materials, or supplies in connection with the performance of this Agreement, and from any and all claims and losses accruing or resulting to any person, firm or corporation who may be injured or damaged by Contractor in the performance of this Agreement.
2. Contractor, and the agents and employees of Contractor, in the performance of this Agreement, shall act in an independent capacity and not as officers or employees or agents of the State.
3. The State may terminate this Agreement and be relieved of any payments should the Contractor fail to perform the requirements of this Agreement at the time and in the manner herein provided. In the event of such termination the State may proceed with the work in any manner deemed proper by the State. All costs to the State shall be deducted from any sum due the Contractor under this Agreement and the balance, if any, shall be paid to the Contractor upon demand.
4. This Agreement is not assignable by the Contractor, either in whole or in part, without the consent of the State in the form of a formal written amendment.
5. Time is of the essence in this Agreement.
6. No amendment or variation of the terms of this Agreement shall be valid unless made in writing, signed by the parties and approved as required. No oral understanding or Agreement not incorporated in the Agreement is binding on any of the parties.
7. The consideration to be paid Contractor, as provided herein, shall be in compensation for all of Contractor's expenses incurred in the performance hereof, including travel, per diem, and taxes, unless otherwise expressly so provided.
8. Contractors entering into a contract funded wholly or in part with funds from the United States Government agree to amendments in funding to reflect any reductions in funds if the Congress does not appropriate sufficient funds. In addition, the contract is subject to any restrictions, limitations or enactments of congress which affect the provisions, terms or funding of this agreement in any manner. The State shall have the option to terminate the contract without cost to the State in the event that Congress does not appropriate funds or a United States agency withholds or fails to allocate funds.

## Contractor Certification Clauses

The authorized signer of this Contract CERTIFIES UNDER PENALTY OF PERJURY that he/she are duly authorized to legally bind the Contractor to the clauses(s) listed below. This certification is made under the laws of the State of California.

1. NON-DISCRIMINATION CLAUSE: During the performance of this Agreement, Contractor and its subcontractors shall not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of sex, race, color, ancestry, religious creed, national origin, physical disability (including HIV and AIDS), mental disability, medical condition (cancer), age (over 40), marital status, and denial of family care leave. Contractor and subcontractors shall insure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment. Contractor and subcontractors shall comply with the provisions of the Fair Employment and Housing Act (*Government Code* Section 12990 (a-f) et seq.) and the applicable regulations promulgated thereunder (*California Code of Regulations*, Title 2, Section 7285 et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing *Government Code* Section 12990 (a-f), set forth in Chapter 5 of Division 4 of Title 2 of the California *Code of Regulations*, are incorporated into this Agreement by reference and made a part hereof as if set forth in full. Contractor and its subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other Agreement.

   Contractor shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under the Agreement. (Not applicable to public entities.)

2. DRUG-FREE WORKPLACE CERTIFICATION: By signing this contract, the contractor will comply with the requirements of the Drug-Free Workplace Act of 1990 and will provide a drug-free workplace by taking the following actions:
   a. Publish a statement notifying employees that unlawful manufacture, distribution, dispensation, possession or use of a controlled substance is prohibited and specifying actions to be taken against employees for violations.
   b. Establish a Drug-Free Awareness Program to inform employees about:
      1) the dangers of drug abuse in the workplace;
      2) the person's or organization's policy of maintaining a drug-free workplace;
      3) any available counseling, rehabilitation and employee assistance programs; and,
      4) penalties that may be imposed upon employees for drug abuse violations.
   c. Every employee who works on the proposed contract will:
      1) receive a copy of the company's drug-free workplace policy statement; and,
      2) agree to abide by the terms of the company's statement as a condition of employment on the contract.

   Failure to comply with these requirements may result in suspension of payments under this agreement or termination of this agreement or both and Contractor may be ineligible for award of any future State agreements if the department determines that any of the following has occurred: (1) the Contractor has made false certification, or (2) violated the certification by failing to carry out the requirements as noted above. (*Government Code* 8350 et seq.)

3. NATIONAL LABOR RELATIONS BOARD CERTIFICATION: Contractor certifies that no more than one (1) final unappealable finding of contempt of court by a Federal court has been issued against Contractor within the immediately preceding two-year period because of Contractor's failure to comply with an order of a Federal court, which orders Contractor to comply with an order of the National Labor Relations Board. (*Public Contract Code* 10296) (Not applicable to public entities.)

4. EXPATRIATE CORPORATIONS: Contractor hereby declares that it is not an expatriate corporation or subsidiary of an expatriate corporation within the meaning of *Public Contract Code* Section 10286 and 10286.1, and is eligible to contract with the State of California.

5. SWEATFREE CODE OF CONDUCT:

   a. All Contractors contracting for the procurement or laundering of apparel, garments or corresponding accessories, or the procurement of equipment, materials, or supplies, other than procurement related to a public works contract, declare under penalty of perjury that no apparel, garments or corresponding accessories, equipment, materials, or supplies furnished to the state pursuant to the contract have been laundered or produced in whole or in part by sweatshop labor, forced labor, convict labor, indentured labor under penal sanction, abusive forms of child labor or exploitation of children in sweatshop labor, or with the benefit of sweatshop labor, forced labor, convict labor, indentured labor under penal sanction, abusive forms of child labor or exploitation of children in sweatshop labor. The contractor further declares under penalty of perjury that they adhere to the Sweatfree Code of Conduct as set forth on the California Department of Industrial Relations website located at www.dir.ca.gov, and *Public Contract Code* Section 6108.
   b. The contractor agrees to cooperate fully in providing reasonable access to the contractor's records, documents, agents or employees, or premises if reasonably required by authorized officials of the contracting agency, the Department of Industrial Relations, or the Department of Justice to determine the contractor's compliance with the requirements under paragraph (a).

6. DOMESTIC PARTNERS: For contracts over $100,000 executed or amended after January 1, 2007, the contractor certifies that contractor is in compliance with Public Contract Code Section 10295.3.

EXHIBIT B

# *CHILD DEVELOPMENT STAFF RETENTION AND TRAINING PROGRAM*

## *CDRT*

## *PROGRAM REQUIREMENTS*

## *July 1, 2007 – June 30, 2008*

# *CHILD DEVELOPMENTSTAFF RETENTION AND TRAINING PROGRAM CONTRACT REQUIREMENTS*

Fiscal Year 2007-08

These are the requirements for fiscal year 2007-08. Each contractor is required, as a condition of its contract with the California Department of Education (CDE), Child Development Division (CDD), to adhere to these requirements, and any other requirements incorporated into the contract, in addition to all other applicable laws and regulations. Any variance from this contract, the requirements, laws or regulations could be considered a noncompliance issue and subject the contractor to possible termination of the contract.

Any change of these requirements that are binding on the State and the contractor must be in writing, in advance, from the CDE in the form of a formal contract amendment. Any interpretation of the requirements must be in writing from the CDE and signed by the director of the CDD.

Contractors may adopt any reasonable policies relating to the program that are not in conflict with law, regulations or the terms of this contract. Those potentially affected shall be duly notified and due process, if applicable, shall be assured.

This contract may be fully or partially funded through a grant from the federal Department of Health and Human Services and subject to *Code of Federal Regulations* (*CFR*) 45, Parts 98 and 99, the Child Care and Development Block Grant Act of 1990, as amended, and Public Law 104-193, the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996, 42 USC 9858. If the Catalogue of Federal Domestic Assistance (CFDA) number is 93596 (shown as FC# in the funding block), the fund title is Child Care Mandatory and Matching Funds of the Child Care and Development Fund. If the CFDA number is 93575, the fund title is Child Care and Development Block Grant subject to the Child Care and Development Block Grant Act of 1990, the Omnibus Budget Reconciliation Act of 1990, Section 5082, Public Law 101-508, as amended, Section 658J and 658S, and Public Law 102-586.

## I. DEFINITIONS

"Actual and allowable net costs" means the costs which may be reimbursed under a particular child development contract after disallowed costs and restricted income have been subtracted from total expenditures.

"Additional funds" means award of new contracts or expanded contracts that increase the contractor's level of administrative responsibility. Cost of living adjustments, rate increases and one-time-only supplemental funds are not considered to be "additional funds."

"Administrative costs" means costs incurred for administrative activities where neither the family, the child nor, if applicable, family child care home service providers directly benefit from the activity.

"Approved indirect cost plan" means that the annual agency audit does not include any management findings regarding the development or the application of the plan.

"Benefit to the State" means that the activity will improve knowledge or expertise in areas directly related to subsidized child care and development services.

"Child development fund" means the restricted fund used by the contractor to account for contract funds and related net reimbursable program costs.

"Contract period" means the time span the contract is in effect as specified in the child

development contract.

"Depreciation" means a cost in the current fiscal year that is based on acquisition costs, less any estimated residual value, computed on a straight line method (based on the normal, estimated useful life expectancy of the asset).

"Disallowed costs" means costs which have been incurred but are not reimbursable because they are not reasonable and/or necessary for the performance of the contract as defined below or are otherwise nonreimbursable as specified in Section V.G below.

"Employment agreements" means the formal hiring documents for individuals who will accrue benefits normally afforded to contractor's staff.

"Indirect cost" means an expense that cannot be readily assigned to one specific program or one specific line item within a program.

"Indirect cost allocation plan" means a written justification and rationale for assigning the relative share of indirect costs across more than one program or contract.

"Net reimbursable program costs" means the portion of the actual and allowable net costs that are incurred in the provision of child care and development services for subsidized children.

"New contract" is a contract award to an existing contractor that is for a program type as specified in *Education Code* Section 8208(i) that is different than the child development contract(s) currently administered by the applicant.

"Private contractor" means an entity other than a public agency that is tax exempt or non-tax exempt and under contract with the CDE for the provision of child care and development services.

"Public contractor" means a school district, community college district, county superintendent of schools, campus of the California State University or the University of California system, county, city or other public entity under contract with the CDE for the provision of child care and development services.

"Reasonable and necessary costs" means expenditures that, in nature and amount, do not exceed what an ordinarily prudent person would incur in the conduct of a competitive business.

"Restricted income "means income which may only be expended for specific limited purposes.

"Unnecessarily increase the value" means an improvement of a site beyond what is required to meet Title 22 California *Code of Regulations*, Community Care Licensing Standards.

"Use allowance" means an alternate method for claiming the use of the contractor's assets as a cost when depreciation methods are not used.

## II. GENERAL PROVISIONS

### A. Notification of Address Change

Contractors shall notify the CDD in writing of any change in mailing address for communication regarding the contract (administrative address) within ten (10) calendar days of the address change. For non-public agencies, the notification must be accompanied with:

1. board minutes verifying the change in address or a signed document by the sole proprietor of the agency, and;
2. a copy of the notification to the Internal Revenue Service of the address change.

Contractors shall notify the CDE/CDD in writing of any proposed change in operating facility address(es) at least thirty (30) calendar days in advance of the change unless such change is required by an emergency such as fire, flood or earthquake.

B. Issuance and Use of Checks

Except for external payroll services, private contractors shall not use any pre-signed, pre-authorized, or pre-stamped checks without the prior written approval of the CDE/CDD.

Private contractors shall require two (2) authorized signatures on all checks unless:

1. the contractor has a policy approved by its governing board requiring dual signatures only on checks above a specified dollar amount; and
2. the annual audit verifies that appropriate internal controls are maintained.

D. Prohibition Against Loans and Advances

Contractors shall not loan contract funds to individuals, corporations, organizations, public agencies or private agencies. Contractors shall not advance unearned salary to employees. Contractors shall not make advance payments to subcontractors and shall compensate subcontractors after services are rendered or goods are received.

E. Materials Developed with Contract Funds

If the contractor receives income from materials developed with contract funds, the use of the income shall be restricted to the child development program. If the materials were developed in part with contract funds, the income from the sale of the materials that shall be used in the child development program shall be computed in direct proportion to the share of contract funds used in development of the materials.

Materials developed with contract funds shall contain an acknowledgement of the use of State (general) or Federal funds in the development of materials and a disclaimer that the contents do not necessarily reflect the position or policy of the CDE.

F. Contractor's Termination for Convenience

1. General Termination for Convenience

A contractor may terminate the contract for any reason during the contract term. The contractor shall notify the CDE/CDD of its intent to terminate the contract at least ninety (90) calendar days prior to the date the contractor intends to terminate the contract.

Within fifteen (15) days from the date the contractor notifies the CDE/CDD of its intent to terminate the contract; the contractor shall submit a current inventory of equipment purchased in whole or in part with contract funds.

Upon receipt of a notice of intent to terminate, the CDD will transfer the

program to another agency as soon as practicable.

The State shall only be obligated to compensate the contractor for net reimbursable program costs in accordance with this contract through the date of termination. There shall be no other compensation to the contractor. The State shall offset any monies the contractor owes the State against any monies the State owes under this contract.

2. Changes in Laws or Regulations

The CDE/CDD shall notify contractors in writing of changes in laws or regulations prior to the effective date or as soon as possible after enactment. If any laws or regulations are changed substantially during the contract period, the contractor shall have the option to discontinue performance and be relieved of all obligations for further performance.

The contractor has thirty (30) calendar days from receipt of notification of pending changes to notify the CDD in writing of the contractor's intent to terminate if the required changes are unacceptable to the contractor. The contract shall be deemed terminated sixty (60) calendar days after receipt of the notification of the intent to terminate.

G. Applicability of *Corporations Code*

Except for partnerships and sole proprietorships, private contractors shall be subject to all applicable sections of the *Corporations Code* including standards of conduct and management of the organization.

H. Eligibility for Funding

A contractor is not eligible for additional funds, as defined in Section I above, if the contractor has received final notification, as specified in Section VIII.A below, that its contract has been terminated.

A contractor is not eligible for additional funds if the contractor has demonstrated fiscal and/or programmatic noncompliance and has received final notification, as specified in Section IX.A below, that

1. its contract will be placed on conditional status: or
2. it will not be offered continued funding.

I. Continued Funding

Contractors have no vested right to a subsequent contract. Contractors that are not on conditional contract status but which have evidenced fiscal or programmatic noncompliance with the provisions of this contract, law or regulations shall receive an administrative review in accordance with Section IX.A below to determine whether they will receive an offer for continued funding.

Contractors currently on conditional status that do not meet the requirements specified in the Conditional Status Addendum, as specified in Section IX.C below, may not be offered a subsequent contract and shall be so notified by the CDD at least ninety (90) calendar days prior to the end of the current contract period.

Contractors that intend to accept the offer to continue services in the subsequent

contract period shall respond to a continued funding application request from the CDD in accordance with the instructions and timelines specified in the request. Failure to respond within the timelines specified in the continued funding application request shall constitute notification to the CDD of the contractor's intent to discontinue services at the end of the current contract period unless the contractor has received a written extension of the original timeline from the CDD.

J. Conflicts of Interest

For any transaction to which the contractor is a party and the other party is:

1. an officer or employee of the contractor or of an organization having financial interest in the contractor; or
2. a partner or controlling stockholder or an organization having a financial interest in the contractor; or
3. a family member of a person having a financial interest in the contractor, the transaction(s) shall be fair and reasonable and conducted at arm's length.

Based on corporate law (*Corporations Code*, sections 310, 5233-5234, 7233 and 9243 as applicable) the general rules that would be followed to ensure that transactions are conducted "at arm's length" include:

1. prior to consummating the transaction, the governing body should authorize or approve the transaction in good faith and the board should require the interested party, or parties, to make full disclosure to the board both in writing and during the board meeting where the transaction is being discussed; and
2. all parties having a financial interest in the transaction should refrain from voting on the transaction and it should be so noted in the board minutes.

If the transaction involves the renting of property, either land or buildings, owned by affiliated organizations, officers or other key personnel of the contractor or their families, the board of directors shall request the interested party to obtain a "fair market rental estimate" from an independent appraiser. If the contractor has no board or is a sole proprietor, the requirement for a "fair market rental estimate" shall also apply. The contractor has the burden of supporting the reasonableness of rental costs. If the property is owned by the contractor, rental costs are not reimbursable and costs may be claimed only as depreciation or use allowance. Any transaction described in this paragraph shall be disclosed by the auditor in the notes to the financial statement in the annual audit.

Rental costs for equipment owned by affiliated organizations, officers or other key personnel of the contractor or their families are allowable only as use or depreciation allowance.

K. Americans with Disabilities Act

By signing this contract, the contractor assures the CDE that it complies with the Americans with Disabilities Act (ADA) of 1990 (42 U.S.C. 12101 et seq.) which prohibits discrimination on the basis of disability, as well as all applicable regulations and guidelines issued pursuant to the ADA .

L. Air or Water Pollution Violations *(Government Code*, Section 4477)

By signing this agreement, the contractor swears under penalty of perjury that the

contractor is not:

1. In violation of any order or resolution not subject to review promulgated by the state Air Resources Board or an air pollution control district;
2. Subject to a cease and desist order not subject to review issued pursuant to Section 13301 of the *Water Code* for violation of waste discharge requirements or discharge prohibitions; or
3. Finally determined to be in violation of provisions of federal law relating to air or water pollution. This provision does not apply to public agencies.

M. Recycled Paper Certification (*Public Contract Code* Section 10233, 10308.5/10354)

The contractor agrees to certify in writing to the CDE, under penalty of perjury, the minimum, if not exact, percentage of post-consumer waste material as defined in *Public Contract Code*, Section 12200, in products, materials, goods or supplies offered or sold to the State regardless of whether the product meets the requirements of *Public Contract Code* Section 12209. With respect to the printer or duplication cartridges that comply with the requirements of *Public Contract Code* Section 12156(e), the certification required by this subdivision shall specify that the cartridges so comply.

N. Child Support Compliance (*Public Contract Code,* Section 7110)

For any agreement in excess of $100,000, the contractor acknowledges in accordance with *Public Contract Code* 7110, that:

1. The contractor recognizes the importance of child and family support obligations and shall fully comply with all applicable state and federal laws relating to child and family support enforcement including, but not limited to, disclosure of information and compliance with earnings assignment orders as provided in Chapter 8 (commencing with Section 5200) of part 5 of Division 9 of the Family Code; and
2. The contractor, to the best of its knowledge, is fully complying with the earnings assignment orders of all employees and is providing the names of all new employees to the New Hire Registry maintained by the California Employment Development Department.

O. Unlawful Denial of Services (*Government Code*, Section 11135)

1. No person in the State of California shall, on the basis of race, national origin, ethnic group identification, religion, age, sex, color, or disability, be unlawfully denied full and equal access to the benefits of, or be unlawfully subjected to discrimination under, any program or activity that is conducted, operated, or administered by the state or by any state agency, is funded directly by the state, or receives any financial assistance from the state.
2. With respect to discrimination on the basis of disability, programs and activities subject to subdivision (a) shall meet the protections and prohibitions contained in Section 202 of the Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12132), and the federal rules and regulations adopted in implementation thereof, except that if the laws of this state prescribe stronger protections and prohibitions, the programs and activities subject to subdivision (a) shall be subject to the stronger protections and prohibitions.

As used in this section, "disability" means any mental or physical disability as defined in *Government Code* Section 12926.

P. Computer Software Copyright Compliance

By signing this agreement, the contractor certifies that it has appropriate systems and controls in place to ensure that state (general) and Federal funds will not be used in the performance of this contract for the acquisition, operation or maintenance of computer software in violation of copyright laws.

Q. Priority Hiring Considerations

If the contract includes services in excess of $200,000, the contractor shall give priority consideration in filling vacancies in positions funded by the contract to qualified recipients of aid under the *Welfare and Institutions Code* Section 11200 in accordance with Public Contract Code 10353.

R. *Labor Code*/Workers' Compensation

Contractor needs to be aware of the provisions which require every employer to be insured against liability for Worker's Compensation or to undertake self-insurance in accordance with the provisions, and Contractor affirms to comply with such provisions before commencing the performance of the work of this Agreement. (*Labor Code* Section 3700)

S. Corporate Qualifications to do Business in California

1. When agreements are to be performed in the state by corporations, the contracting agencies will be verifying that the contractor is currently qualified to do business in California in order to ensure that all obligations due to the state are fulfilled.
2. "Doing business" is defined in *Revenue and Taxation Code* (*R&TC*) Section 23101 as actively engaging in any transaction for the purpose of financial or pecuniary gain or profit. Although there are some statutory exceptions to taxation, rarely will a corporate contractor performing within the state not be subject to the franchise tax.
3. Both domestic and foreign corporations (those incorporated outside of California) must be in good standing in order to be qualified to do business in California. Agencies will determine whether a corporation is in good standing by calling the Office of the Secretary of State.

## III. FACILITIES AND EQUIPMENT

A. Depreciation and Use Allowance

Taxes, insurance and maintenance may be claimed as part of actual and allowable costs for buildings or building improvements related to the child development program and equipment necessary for the operation of the program. Within the limits specified below, depreciation or use allowance may also be claimed. Depreciation shall not be claimed on land, donated assets or assets purchased with public funds, on any fully depreciated asset or on idle or excess facilities. A use allowance shall not be claimed on land or assets purchased with contract funds or on assets for which depreciation has been claimed.

Depreciation is a cost in the current fiscal year based on acquisition costs, less any estimated residual value, computed on a straight line method from the original date of acquisition (based on the normal, estimated useful life expectancy of the asset). When depreciation is applied to assets acquired in prior years, the annual charges shall not

exceed the amounts that would have resulted had depreciation been claimed from the date of acquisition.

A use allowance is the alternate method for compensation when depreciation costs are not claimed. The use allowance for buildings and improvements is computed at an annual rate not to exceed two percent (2%) of acquisition costs. The use allowance for equipment is computed at an annual rate not to exceed six and two-thirds percent (6-2/3%) of acquisition costs.

B. Capital Outlay

Capital outlay expenditures are those that result in the acquisition of or additions to capital assets. Capital outlay expenditures are subdivided into two categories:

1. Sites and improvement of sites; buildings; improvement of buildings; building fixtures; and services systems; and
2. Equipment which includes personal property of a relatively permanent nature and/or of significant value. (See the California School Accounting Manual for categorization of various items.)

Capital outlay expenditures for category (1) are only reimbursable as depreciation or use allowance. Capital outlay expenditures for licensable facilities in the community served by the program are reimbursable as lease payments, down payments, payments of principal and interest on loans incurred to acquire, rehabilitate or construct licensable facilities as long as the costs do not exceed fair market rents existing in the community in which the facility is located. In addition, to be reimbursable, interest paid on private sector debt for the purchase, lease-purchase, repair or renovation of child care and development facilities owned or leased by contractors providing center-based care must not exceed the value obtained by the state in the use of the facilities for the child care and development program during the year.

Federal funds cannot be used for the purchase or improvement of land, or for the purchase, construction, or permanent improvement of any building or facility. However, the federal funds may be expended for minor remodeling, and for upgrading child care facilities to assure that provider meets State and local child care standards, including applicable health and safety requirements.

C. Equipment Bidding and Approval Requirements

All equipment purchases in excess of seven thousand five hundred dollars ($7,500) per item (including tax) shall be approved in writing in advance by the CDD. In determining if an equipment purchase exceeds the threshold, all expenses associated with a purchase that are necessary for it to perform the intended purpose should be included in calculating the purchase cost. Example: A computer system could include, but is not limited to, individual items such as a central processing unit (CPU), computer monitor, computer stand, modems, disk drives, software, printer, etc. or hardware and software to install a local area network (LAN) system; and

For private agencies, all equipment purchases exceeding five thousand dollars ($5,000 including tax) will not be approved unless at least three (3) bids or estimates have been obtained. The contractor shall purchase the goods or services from the lowest responsible bidder. If three (3) bids or estimates cannot be obtained, the contractor shall provide adequate documentation of the reason(s) why three (3) bids or estimates could not be obtained (e.g., emergency situations). Public agencies shall comply with

applicable sections of the Public Contract Code. Bids, if applicable, shall be attached to the Request for Approval of Equipment (CD-2703) when submitted to the CDD for approval. One copy of the request shall be retained by the CDD and one copy returned to the contractor approved or disapproved within thirty (30) calendar days of receipt. If the request for approval of an equipment purchase is disapproved, the contractor may appeal the decision in accordance with instructions specified in Section X. below.

Equipment replacement and lease-purchase agreements are subject to the above requirements. An inventory of all equipment shall be maintained.

D. Equipment Inventory

Property records must be maintained that include a description of the equipment, serial number or other identification number, the source of the equipment, the acquisition date, the cost of the equipment, the location, use and condition of the equipment and any ultimate disposition date including date of disposal and sale price if applicable. A physical inventory of equipment must be taken at least every two years and reconciled with property records. A control system must be developed to ensure adequate safeguards to prevent loss, damage or theft (any loss, damage or theft must be investigated) and adequate maintenance procedures must be developed to keep the equipment in good condition.

E. Title, Use, Disposition and Retention

1. Title. When equipment is purchased with State funds, title shall vest in the contractor only for such period of time as the contractor has a contract with the CDE.
2. Retention of Equipment. The CDD may provide written authorization for the contractor to retain the equipment for the contractor's own use if a fair compensation is paid to the State for the State's share of the cost of the equipment. Fair compensation shall be determined by the State using the State's share of original acquisition cost, less depreciation, computed on a straight-line method over the estimated useful life expectancy of the equipment.
3. Use. When equipment is purchased in whole or in part with State funds, the contractor shall use the equipment exclusively in the program(s) from which funds were used to purchase the equipment. If the contractor wishes to share the use of the equipment between/among two (2) or more programs, the cost of such equipment shall be prorated between/among the programs.
4. Disposition. The contractor may dispose of obsolete equipment and remove the asset at its recorded value. If the sale of equipment originally purchased with State (general) funds occurs, the proceeds from the sale of the equipment must be returned to the program. If the contractor no longer has a contract with the CDE, the contractor shall dispose of the equipment in accordance with written directions from the CDE/CDD.

## IV. SUBCONTRACTS

A. Subcontracts Excluded from Requirements of this Section

The following types of relationships are not subject to the requirements contained in Section IV:

1. Employment agreements;
2. Facility rental or lease agreements;

3. Medical or dental service agreements;
4. Bookkeeping/auditing agreements, except for Section IV.B, below;
5. Janitorial and grounds keeping agreements;
6. A subcontract with a public agency; and
7. Subcontracts with an individual for less than ten thousand dollars ($10,000), except for Section IV.B, below.

However, no subcontract shall in any way relieve the contractor of any responsibility for performance under this contract.

All subcontracts, rental agreements, and other contractual arrangements should include a termination for convenience clause permitting termination of such agreements without cost to the contractor.

B. Bids for Subcontracts

Private contractors shall obtain at least three (3) bids or estimates for subcontracts that exceed five thousand dollars ($5,000). The subcontract shall be awarded to the lowest responsible bidder. If three (3) bids or estimates cannot be obtained, the private contractor shall:

1. Maintain documents in its records that establish the reasons why three (3) bids or estimates could not be obtained; and
2. The reasonableness of the proposed expenditure without three (3) bids or estimates.

Subcontracts subject to the approval of the CDD shall be rebid at least once every three (3) years or more often if specified by the CDD in its annual approval of the subcontract. Public agencies shall award subcontracts in accordance with the *Public Contract Code*. The contractor shall not split subcontracts to avoid competitive bidding requirements.

Subcontracts for direct child development services between a public agency contractor and a private subcontractor are exempt from bidding but <u>not</u> from advance approval by the CDD if they are for ten thousand dollars ($10,000) or more.

Subcontracts for auditing and/or bookkeeping services shall be rebid and changed every five (5) years unless retention of the same auditor is approved by the A&I.

C. Prior Child Development Division Approval

If directed by CDD, contractors will obtain prior written approval from the CDD for subcontracts of ten thousand dollars ($10,000) or more that are otherwise not excluded from the provisions of Section IV.A above.

Prior to execution of a subcontract and commencement of work, the contractor shall submit two (2) copies of the proposed subcontract to the CDD for approval, including a proposed line-item budget which shows the costs of the services to be performed. The budget for a proposed subcontract for renovation and repair shall show the total cost of labor and the total cost of materials. Bids, if applicable, shall be submitted to the CDD when requesting approval. If three (3) bids were not obtained, the contractor shall provide written justification when the subcontract is submitted to the CDD for prior approval. Contractors shall demonstrate that approval of the subcontract is cost effective to the State. For proposed renovation and repair subcontracts, private agencies shall include documents showing that the bidder selected by the contractor

has obtained a payment bond in an amount not less than one-half (1/2) the amount of the proposed subcontract. Requests for approval of subcontracts for transportation services shall include a Certificate of Insurance for the subcontractor in an amount not less than $1 million per occurrence (or a greater amount if required by the Public Utilities Commission regulations), listing the contractor and the State as additional named insured.

One copy of the subcontract will be retained by the CDD and the other copy returned to the contractor approved or disapproved within thirty (30) calendar days of receipt of all required documents. No reimbursement shall be made to the contractor or subcontractor for work performed prior to CDD approval. A disapproved contract will include a statement of the reason(s) for not approving the subcontract. If the request for approval of a subcontract is denied, the contractor may appeal the decision in accordance with instructions specified in Section X. below.

The State does not assume any responsibility for performance of approved subcontracts nor does the State assume responsibility for any unpaid debt of the contractor resulting from subcontracting liens.

Subcontracts which increase the contractor's cost of performance are nonreimbursable. Subcontracts which contain a provision for reimbursement for cost-plus-a-percentage-of-cost are not reimbursable.

D. Required Subcontract Provisions

Every subcontract shall specify:

1. The dates within which the subcontractor is to perform the contract. The time for subcontractor performance shall not begin prior to, nor shall the time extend beyond, the time period of the contract between the contractor and the State.
2. The dollar amount of the subcontract or specify an amount not to exceed a maximum dollar amount.
3. The service(s) to be provided under the subcontract.
4. The responsibilities of each party under the subcontract.
5. That the subcontractor, and the agents and employees of the subcontractor, in the performance of the subcontract, are acting in an independent capacity and not as officers or employees or agents of the State of California.
6. That modifications of the subcontract shall be in writing, and that for subcontracts in excess of the amount stated in the annual child development contract, prior written CDD approval is required unless the subcontract is otherwise exempt from prior CDD approval.
7. That the subcontract is the complete and exclusive statement of the mutual understanding of the parties and that the subcontract supersedes and cancels all previous written and oral agreements and communications relating to the subject matter of the subcontract.
8. Remedies, in case of a breach of contract, for subcontracts in excess of ten thousand dollars ($10,000).
9. That the State of California retains title to any equipment or supplies purchased with State funds and that the equipment shall be returned to the contractor upon termination of the subcontract. The subcontract shall also specify that the subcontractor shall obtain prior written approval from the contractor and the CDD for any unit of equipment that costs in excess of seven thousand five hundred dollars ($7,500).
10. That the subcontractor shall be reimbursed for travel and per diem expenses only at rates that do not exceed the rates paid to the CDE's non-represented employees

computed in accordance with State Department of Personnel Administration regulations, Title 2 California *Code of Regulations*, Subchapter 1.

11. That the subcontractor agrees to indemnify and hold harmless the State of California, its officers, agents and employees from any and all claims and losses occurring or resulting to any and all contractors, subcontractors, materialmen, laborers and any other person, firm or corporation furnishing or supplying work, services, materials or supplies in connection with the performance of the subcontract, and from any and all claims and losses occurring or resulting to any person, firm or corporation that may be injured or damaged by the subcontractor in the performance of the subcontract.
12. For management and/or direct service subcontracts, the subcontractor shall maintain records for program review, evaluation, audit and/or other purposes and make the records available to agents of the State for a period of five (5) years.
13. The provisions of the "Nondiscrimination Clause" included in the prime contract as specified in Title 2 California *Code of Regulations*, Chapter 5, Section 8107.

E. Recommended Subcontract Provisions

The following items are suggested for inclusion in subcontracts to protect the interests of the contractor:

1. Funding of the subcontract should be made subject to the appropriation and availability of funds from the State.
2. All subcontracts should contain a provision that the subcontractor is liable for any audit exception caused by, or as a result of, the subcontractor's lack of performance as required by the subcontract.
3. The subcontract should provide that the subcontractor, its agents and employees, in the performance of the subcontract, are acting in an independent capacity and not as agents or employees of the contractor.
4. Unless exempt from CDD approval above, subcontracts for ten thousand dollars ($10,000) or more cannot become effective and binding on either the prime contractor or the subcontractor until approved in writing by the CDD, and any work performed by the subcontractor prior to the date of such approval shall not be used as a claim against the State.
5. The consideration paid to the subcontractor, as provided in the subcontract, should be stated to be the full compensation for all the subcontractor's expenses incurred in the performance of the subcontract.

F. Audit Requirements for Subcontracts

Subcontracts for management and/or direct services shall be audited in accordance with the CDE Audit Guidelines. The cost of the audit shall be reimbursable and shall be borne by the contractor either directly or as an allowance in the subcontract. The audit of the subcontract shall be submitted to the A&I along with the contractor's audit as specified in Section VI.E below.

## V. COSTS AND REIMBURSEMENTS

A. Reasonable and Necessary Costs

Contractors will be reimbursed for actual costs that are reasonable and necessary to the performance of the contract as defined in Section I above. The funds apportioned by CDE to the LPC must be used to supplement and not supplant any local efforts to increase collaboration of child care agencies and children's service interest groups that may already be in place.

B. Indirect Costs

If indirect costs are claimed, an indirect cost allocation plan must be on file with the contractor and available for review by the CDD and auditors. The maximum indirect cost rate is eight percent (8%). This rate is applied to budget categories 1000-5000 only in determining the maximum amount of indirect costs that are reimbursable under the contract. School districts and county offices of education shall use the CDE approved rate if it is less than eight percent (8%).

The amount of cost allocable to this contract shall not exceed the benefits to this contract. The allocation method must quantify this benefit among all similar programs and then distribute the costs accordingly.

The indirect cost rate shall not include consideration of any costs otherwise nonreimbursable. If a depreciation or use allowance is included in the indirect cost rate, such allowance shall not be claimed on the asset.

C. Administrative Costs

Contractors may claim administrative costs as defined in Section I above which are directly related to the provision of child care and development services. Reimbursement of administrative costs shall not exceed fifteen percent (15%) of net reimbursable program costs or actual administrative costs, whichever is less. The fifteen percent (15%) includes any allowance for indirect costs and audits. Contractors shall maintain written documentation of the rationale used in determining direct and administrative costs.

D. Costs for Travel and Per Diem

Contractors and subcontractors shall be reimbursed for travel and per diem expenses at rates not exceeding those amounts paid to the CDE's non-represented employees computed in accordance with State Department of Personnel Administration regulations, Title 2 California *Code of Regulations*, Subchapter 1. Contractors with collective bargaining agreements allowing higher rates of reimbursement shall not pay the difference out of contract funds. The CDD shall notify the contractor of a change in expense rates within thirty (30) calendar days after the CDD has received notification of a change in rates from the State Department of Personnel Administration.

1. Contractors shall be reimbursed for out-of-state travel expenses only with prior written approval from the CDD. The CDD shall not approve out-of-state travel expenses:
2. For more than one employee per contract per year;
3. For contractors with delinquent accounts payable which are delinquent more than ninety (90) calendar days after the date of the original invoice;
4. For contractors on conditional status;
5. When there is no clear benefit to the State; or
6. When the benefit to the State can be obtained within California.

The CDD shall approve or deny the request for out-of-state travel within thirty (30) calendar days of the receipt of the request. If the request is denied, the contractor may appeal the decision in accordance with instructions specified in Section X below.

E. Specific Items of Reimbursable Costs

Reimbursable costs include, but are not limited to, the following:

1. Administrative costs as specified in Section V.C above.
2. Employee compensation, including fringe benefits, and personal service contracts.
3. Equipment and equipment replacement with prior CDD approval if required in Section III.C above.
4. Taxes, insurance, and maintenance for building and/or equipment.
5. Depreciation based on the useful life of an asset in accordance with Section III.A above.
6. A use allowance for buildings and improvements in accordance with Section III.A above.
7. Travel and per diem expenses, including approved out-of-state travel, in accordance with Section V.D above.
8. An indirect cost rate based on an approved indirect cost plan, in accordance with Section V.B above.

F. Nonreimbursable Costs

The following costs shall not be reimbursable under the child development contract:

1. Bad debts, including losses arising from uncollectible accounts and any related legal costs. Uncollected parent fees are not considered to be bad debts if documentation of collection attempts exists;
2. Contributions;
3. Costs of amusement or entertainment;
4. Costs of fines or penalties;
5. Costs incurred after the contract has been terminated;
6. Fund raising costs;
7. Consumer interest except:

    a. interest on borrowed funds when apportionments are withheld because of a delay or error attributable to the State and the amount of interest claimed is approved by the CDD; or
    b. when interest is part of a lease purchase agreement;

8. Investment management costs;
9. Costs of organization of a nonprofit corporation such as incorporation fees or consultant fees;
10. Public relations consultant fees;
11. Costs of legal, consulting and accounting services incurred in prosecution of claims against the State;
12. State and federal income taxes;
13. Bonuses unless part of a collective bargaining agreement;
14. Compensation to the members of the board of directors except for:

    a. reimbursement for travel and/or per diem, computed in accordance V.D above, incurred while the members are conducting business for the organization; and
    b. as provided in the Corporation Code, Section 5227, et seq.;

15. Costs of subcontracts which increase the contractor's cost or subcontracts which contain a provision for reimbursement for cost-plus-a-percentage-of-costs;
16. Costs incurred in prior or future years.

G. Charging of Expenditures

Net reimbursable program costs must be incurred during the contract period. Contractors shall not use current year contract funds to pay prior or future year obligations. However, the cost of the annual independent audit may be claimed either in the contract period which was the subject of the audit or during the contract period in which the audit is completed.

H. Recoupment of Advanced Contract Funds

The CDE shall recoup any payments made for costs which were not reasonable and necessary. The amount that is recouped shall be the excess payment over the reasonable or fair market value, or one hundred percent (100%) of the cost, if the cost was not necessary. The CDE may elect to recover any costs of recoupment, including collection services or attorney fees.

I. Determination of Reimbursable Amount

Contractors shall be reimbursed for an audited claim that is the least of the following:

1. The maximum reimbursable amount as stated in the annual child development contract
2. The actual and allowable net costs

J. Reduction, Withholding, and Canceling Apportionments to Contractors

The CDE shall reduce, withhold or cancel any scheduled apportionment when one or more of the following conditions exist:

1. The contractor has not submitted an acceptable audit for any prior year of operation on or before the date due.
2. The contractor has not submitted the reports required by Section VI below on or before the date due.
3. The contractor will not earn the full contract amount based on the current year projected net reimbursable program costs as determined by the CDFS.
4. A creditor of the contractor has placed a lien on the contractor's scheduled apportionments.
5. The contractor has accounts payable which are: (a) more than ninety (90) days delinquent to the CDE and (b) not under appeal as specified in either Section VIII.A or Section X below.

If any apportionment is to be reduced, withheld or cancelled, the CDE shall provide the contractor prior written notice of the intended action.

K. Order of Expenditure

Expenditure from the Child Development Fund established pursuant to Section VI.B below shall occur in the following order:

1. Fees collected from parents of certified children shall be first in and first out.
2. State or federal contract funds apportioned by the CDE shall be second in and second out.
3. Interest received on advanced contract funds shall be last in and last out.

## VI. ACCOUNTING AND REPORTING REQUIREMENTS

### A. General Requirements

Contractors shall follow the accounting procedures specified in the most recent edition of the California School Accounting Manual. Contractors shall report expenditures on an accrual basis.

### B. Child Development Fund and Interest Bearing Accounts

All contractors shall establish a fund to be known as the "Child Development Fund" as specified in *Education Code*, Section 8328, except that private contractors shall establish the fund in a federally insured banking institution located in California. Contractors with multiple fund sources shall establish separate program cost accounts for each source of funds.

If the contractor places advanced contract funds in an interest bearing account, the interest bearing account shall be a separate account within the Child Development Fund. Interest earned shall be retained by the contractor if it is expended on reimbursable costs.

### C. General Record Keeping Requirements

All records shall be retained for a minimum period of five (5) years. Claims for reimbursement shall not be paid unless there are documents to support the claims. The contractor has the burden of supporting claims for reimbursement.

If the contractor has more than one CDE program, then the method used to allocate administrative costs must be documented.

If an individual is multi-funded on a time accounting basis, then the individual's time sheet must indicate the actual amount of time spent in each program per day.

State employees or representatives shall be allowed access to all program related or fiscal records during normal work hours.

### D. Other Report Data

Contractors shall submit statistical, cost and program data as requested by the CDE in order for the CDE to prepare various legislatively mandated reports, to meet state and federal reporting requirements and for the effective administration of child care and development programs.

Contractors submitting data to the CDE will include a certification that the data are correct and complete, and the signature of the person authorized by the contractor to certify the data. The signature may be electronic as specified by the CDE.

Contractors shall submit complete, accurate data to the CDE by the data specified, and as specified, in the CDE's request for this information. Incomplete, inaccurate, or incorrectly formatted reports, and reports not received by the required date shall be considered delinquent. Penalties for delinquent reporting are specified in Section V.J. above.

E. Audits and Auditors

Contractors shall submit to the CDE's and Investigations Division (A&I) an acceptable annual financial and compliance audit. All audits shall be performed by:

1. a Certified Public Accountant who possesses a valid license to practice within the State of California;
2. a Public Accountant licensed on or before December 31, 1970 and currently certified and licensed by the State of California; or
3. a member of the CDE's staff of auditors. Public agencies may have their audits prepared by in-house auditors if the public contractor has internal audit staff that performs auditing functions and meets the tests of independence found in the Government Auditing Standards issued by the Comptroller General of the United States.

Non-school district contractors shall submit the audit for the 2006-2007 contract periods by the 15th day of the fifth month following the end of the contractor's fiscal year, or earlier if specified by CDE (audits of community college districts shall be submitted by December 31, 2007). If a contractor receives less than twenty-five thousand dollars ($25,000) per year from any state agency, the audit shall be conducted and submitted biennially, unless there is evidence of fraud or other violation of state law in connection with the contract.

In addition to the audit required by the preceding paragraph, non-school district contractors shall also submit an audit for the current year's contract period by the 15th day of the fifth month following the end of the contractor's fiscal year, or earlier if specified by the CDE, unless the contract is terminated during the contract period, in which case the audit required under this paragraph shall cover the period from the beginning of the contract through the date of termination.

The audits for school districts and county offices of education for FY 2006-2007 shall be submitted to the State Controller and the A&I by December 15, 2007 in accordance with *Education Code* Section 41020 and extensions shall only be granted in accordance with *Education Code* Section 41020.2.

Private agencies (including proprietary entities) that expend $500,000 or more in total federal funds are required to have an Organization Wide Audit (OWA) performed in accordance with OMB Circular A-133 and the "Audit Guide for Audits of Child Development and Nutrition Programs" prepared by CDE's A&I. Governmental and other public agencies (excluding school districts, county offices of education and community college districts) must comply with the requirements of OMB Circular A-128 and the CDE's "Audit Guide." All other agencies (excluding school districts, county offices of education and community colleges) must submit a contractor audit performed in accordance with the CDE's "Audit Guide."

Management subcontracts shall be audited in accordance with the requirements stated in Section IV.F above.

F. Review of Audit by the CDE's Audits and Investigations Division

The CDE's A&I shall conduct a review of the audit to determine whether the audit is acceptable and to determine the contractor's net reimbursable program costs. The A&I's determination of earnings shall be the final accounting of any amount payable to or receivable from the contractor pursuant to the contract.

The contractor may appeal the A&I's findings according to the procedures specified in Section VIII.A below if the amount of the demand for remittance meets or exceeds the threshold specified in *Education Code* Section 8402(c).

G. Delinquent Audits and One-Time-Only Extensions

If an audit is not received on or before the required due date and an extension has not been granted, the audit shall be considered delinquent and all apportionments shall be withheld as specified in Section V.J above.

Except for contractors on conditional status, the A&I may grant a contractor a one-time-only, thirty (30) calendar day extension of the audit due date provided the inability of the contractor to submit the audit by the due date was beyond the fault and control of the contractor.

Contractors shall be liable for all CDE costs incurred in obtaining an independent audit if the contractor fails to produce or submit an acceptable audit.

H. Bureau of State Audits

Contractors shall be subject to the examination and audit of the Bureau of State Audits for a period of three (3) years after final payment under this contract.

## VII. CONTRACT CLASSIFICATIONS

A. Clear Status

Contractors that are in full compliance with applicable laws, regulations and contract provisions are awarded clear contracts.

B. Provisional Status

New contractors and contractors with new contracts shall be on "provisional" status (stamped on the face sheet of the contract) for a period of not less than twelve (12) months. Contractors on provisional status shall submit monthly fiscal reports to the CDFS

C. Conditional Status

Contractors receiving "conditional" contracts (stamped on the face sheet of the contract) shall be on conditional status until the CDE issues a contract rider formally clearing the contract as specified in Section IX.D below. While on conditional status the contractor shall submit monthly fiscal reports to the CDFS. The first monthly report shall include a current inventory of equipment purchased in whole or in part with contract funds.

## VIII. TERMINATION, SUSPENSION AND MAJOR REDUCTIONS IN CONTRACT PAYMENTS

A. Independent Appeal Procedures

Pursuant to the requirements of *Education Code* Sections 8400 through 8409, an independent appeal procedure shall be available to any contractor whose contract is terminated or suspended, or whose total reimbursable contract amount is reduced by four percent (4%) or $25,000, whichever is less. Such appeals shall be heard by

independent hearing officers in accordance with procedures established by the Office of Administrative Hearings (OAH) as specified in California *Code of Regulations*, Title 1 Sections 1121 through 1126, described below in Section VIII.B.

Termination or suspension of a contract during the contract period may occur when:

1. A contractor fails to correct items of fiscal or programmatic noncompliance within six (6) months of receiving a conditional contract which includes an addendum stating the specific items of noncompliance and the corrective actions necessary to come into compliance; or
2. A contractor engages in serious misconduct posing an immediate threat to health and safety or to State funds for any of the reasons listed in *Education Code* Section 8406.7; or
3. A contractor fails or refuses to make available for examination or copying by an authorized employee of the California Department of Education any records or documents that the contractor is required to retain, upon request by that employee to examine or copy such records or documents; or
4. A contractor refuses to permit an authorized employee of the California Department of Education to enter a facility operated by the contractor during the days and/or hours of operation on file with the California Department of Education, for the purpose of reviewing administrative operations of the contractor or for observing child care and development services provided by the contractor.

Any action by the CDD to terminate or suspend a contract or to reduce the total reimbursable contract amount, as stated in *Education Code* Section 8402(a) through (c), shall be preceded by a notice stating the specific reasons for the action and describing the contractor's appeal rights. If the action is appealed, a copy of this information shall also be submitted to the OAH.

Unless the termination or suspension is for reason(s) specified in *Education Code* Section 8406.7 or imminent danger to the health and welfare of children, the contractor may continue to operate during the appeal process.

B. Formal Appeals Procedures

1. Appeal Petition

The contractor may contest the noticed action by filing an appeal petition by registered mail with the CDD requesting a hearing before the OAH, not later than fifteen (15) calendar days from the service of the notice of action. The petition shall include:

a. a clear, concise statement of the action being appealed;
b. the reasons the action is unwarranted; and
c. any written documentation in support of the appeal.

2. Hearing

If the contractor requests a hearing, it will be held within thirty (30) calendar days of receipt of the petition by the CDD, but at least ten (10) calendar days'

written notice will be given of the time and place of the hearing. An OAH hearing officer will hear evidence submitted by the State and the contractor during the hearing. The hearing will be recorded. The hearing officer may continue hearings, if deemed necessary.

3. The Decision

The hearing officer shall issue a final decision, in writing, within thirty (30) calendar days after the submission of the case. The decision shall be sent by registered mail or personally served on the representatives of the parties by OAH. The decision shall be the final administrative action afforded the contractor.

4. Request for Additional Written Materials on File at CDE

Contractors may request, in writing, any public documents on which the CDE intends to rely from the CDE files at a cost of six (6) cents per page, payable in advance. The CDE will mail the material requested not later than ten (10) days from the receipt of the request.

C. Contractor's Responsibility After Notice of Termination

After receiving notice of the CDD's decision to terminate the contract or to make no offer of continued funding, the contractor shall submit copies to or make available for copying by the CDD all of the following:

1. a current inventory of equipment purchased in whole or in part with contract funds; and
2. the names, addresses and telephone numbers of all staff members funded by the contract;

The State shall only be obligated to compensate the contractor for net reimbursable program costs in accordance with this contract through the date of termination. There shall be no other compensation to the contractor. The State shall offset any monies the contractor owes the State against any monies the State owes under this contract.

## IX. CONTRACT STATUS CHANGE PROCEDURES

A. Administrative Review of Changes in Contract Status

Contract performance shall be reviewed at least annually by CDD staff who shall determine by April 1 of each year whether to offer continued funding on a clear contract, continued funding on a conditional basis or to make no offer of continued funding.

If the staff recommends conditional status or no offer of continued funding, the contractor shall be notified in writing of the reasons for the proposed change in contract status by April 7th. The notice of proposed action shall be sufficiently specific to allow the contractor to respond to the factual basis for the proposed action.

If the contractor disagrees with the proposed action, the contractor's response shall be received by the CDD within ten (10) calendar days of receipt of the notice of proposed action. The contractor's response shall include any written materials in support of its position and, if the contractor intends to make an oral presentation, the response shall

so specify.

If the action is being appealed, the staff recommendation and the contractor's response shall be reviewed by an administrative review panel convened by the Director of the CDD within seven (7) calendar days of receipt of the contractor's response. The review panel will consist of representatives of CDD management, the CDFS and CDE's Legal Office, A&I and Contracts Office and a representative of a child care and development service provider familiar with the type(s) of program(s) operated by the contractor.

Upon review of the written submissions, the panel will do one of the following:

1. issue a final decision upholding or modifying the proposed change in status if no oral presentation has been requested;
2. schedule a time and place for an oral presentation by the contractor: or
3. issue a final decision to not change the contract status.

If an oral presentation has been requested, the contractor will be notified by telephone of the time and place of the presentation. The oral presentation will be scheduled no later than fourteen (14) calendar days from receipt of the contractor's response.

At the oral presentation, the contractor or the contractor's representative will have an opportunity to explain any material submitted in its response. While the contractor may present any information or arguments that are relevant to the proposed action, the review panel may set reasonable limits on the scope of the presentation.

Within seven (7) calendar days after the oral presentation, the review panel shall issue and mail to the contractor a decision upholding, reversing or modifying the proposed change in contract status. The decision of the review panel shall be the final action of the CDE with regard to that contract.

B. Conditional Status Imposed During the Contract Period

If the contractor demonstrates fiscal or programmatic noncompliance during the contract period, based on such information as an annual audit report, a contract compliance review, a program quality review, or a change in licensing status, the CDD may place the contract on conditional status for the remainder of the contract period.

The contractor shall receive notice and may request an administrative review of the proposed action as set forth in Section IX.A above, in the event such a change in contract status is recommended by staff of the CDD.

If the contract is placed on conditional status during the last ninety (90) days of the contract period and the contractor is offered continued funding, the contract for the subsequent contract period will also be on conditional status.

C. Conditional Status Addendum

A conditional status contract shall contain a bill of particulars as specified in *Education Code* Section 8406.6 called a Conditional Status Addendum explaining the contract conditions. The Addendum shall include the following:

1. The specific item(s) of noncompliance which the contractor must correct;
2. The specific corrective action(s) which must be taken;
3. The time period within which the contractor must complete the corrections; and
4. Notice that failure to make required corrections will result in termination of the

contract or no offer of continued funding.

If the contractor is placed on conditional status during the contract period a Conditional Status Addendum will be issued by the CDE and the Conditional Status Addendum shall be considered a part of the annual child development contract and binding on the contractor.

D. Duration of Conditional Contract Status

A contractor shall remain on conditional contract status until the contractor has corrected deficiencies and/or has met requirements identified in the Conditional Status Addendum. A contractor with a repayment plan shall remain on conditional contract status and not receive any apportionments until full repayment is made.

A contractor on conditional contract status that is not on a repayment plan shall remain in that status until:

1. The CDE issues written notice to the contractor that the conditional status has been cleared;
2. The contractor is issued a clear contract; or
3. The contract terminates according to its terms

A contractor may request written verification from the CDD that some of the deficiencies have been corrected even if the contractor will not be removed from conditional contract status.

## X. RESOLUTION OF CONTRACT ADMINISTRATION DISPUTES

The procedure specified in this Section shall be used to resolve disputes between contractors and the CDE that may arise regarding the interpretation and application of any term or condition of a contract, including, but not limited to, requests for waivers, approval of subcontracts or expenditures requiring approval, requests for reimbursement rate adjustments, or reductions in the total amount of contract reimbursement that are not appealable under Section VIII.A above.

The contractor shall attempt to resolve contract disputes at the lowest staff level within the CDE. If the dispute is not resolved at the lowest staff level, the contractor may appeal the decision by submitting a written description of the issues and the basis for the dispute to the Regional Administrator of the CDD having jurisdiction over the contractor's service delivery area. The Regional Administrator shall make a determination and shall send a written notification of the decision to the contractor, together with the reasons for the decision, within thirty (30) calendar days of the receipt of the appeal by the Regional Administrator.

The contractor may appeal the decision of the Regional Administrator to the Assistant Director of the CDD by submitting a written description of the issues in dispute, and a copy of the Regional Administrator's decision. The Assistant Director of the CDD shall send notification of the decision to the contractor and shall specify the reason(s) for the decision within thirty (30) calendar days of the receipt of the appeal by the Assistant Director. The decision of the Assistant Director of the CDD shall be the final administrative action afforded the contractor.

## XI. PROGRAM REQUIREMENTS

It is the intent of the Legislature to improve the retention of qualified child care employees who work with children who receive state-subsidized child care services. (Education Code, Section 8279.7). It is further the intent of the Legislature that communities implementing new

programs or initiatives connect with existing program strategies and build upon existing local collaboratives, when possible, to provide a unified integrated system of services for children and families. (*Education Code*, Section 54744)

The following program requirements are provided to assist the designated legal entity in meeting the legislative intent.

A. Guidelines:

The Local Child Care and Development Planning Councils (LPCs) must follow the Guidelines in developing a county plan for the expenditure of funds allocated to this program. These Guidelines are consistent with the department's assessment of current needs of the subsidized child care workforce. Any county plan developed pursuant to these Guidelines shall be approved by the department prior to the allocation of funds to the LPCs. A copy of the Guidelines is attached to this contract.

B. Fiscal Responsibilities:

This funding is to be utilized to support the retention and training of any qualified child development staff that works with birth to five-year-old children in State-subsidized, Title 5 child development programs. This funding should support collaborative efforts that build on existing local professional staff development activities as well as the existing AB 212 (CRET) approved plans. This funding is to supplement, expand and enhance, but not supplant existing efforts and investments to retain qualified child care staff at the local level.

One percent of the total funding allocation may be used for planning purposes. This includes any costs related to developing the plan. Once the plan is developed, submitted to, and approved by the Child Development Division, LPCs will receive a cost reimbursement contract for the amount specified on the cover page of this contract. Contractors may claim no more than 15 percent of the actual costs incurred, including the 1 percent expended on planning, for administration of the program. Contracts will be issued to the legal entity that currently holds the LPC contract with CDE/CDD. Each LPC must be able to demonstrate that it has systems in place for assuring both fiscal and program accountability for these funds. This includes a fiscal system that conforms to accounting standards for state contracts, and a program documentation system that is able to demonstrate impact of these funds and report the measurable outcomes identified in the plan.

Child Development Fiscal Services will process requests for reimbursement on a quarterly basis based on the submission of a CDFS 9529 (Fiscal Reporting Form) that is sent directly to the Fiscal Analyst assigned to each county. A final CDFS 9529 form (on line at www.cde.ca.gov/fg/aa/cd/documents/cdfs952907.doc) will be required at the end of this contract. This final report is due no later than July 20, 2008 and is sent directly to the Fiscal Analyst assigned to each county.

C. Program Activities:

The funding may be used, for stipends for program participants and to hire substitutes in order to encourage staff to participate in various training activities listed below.
Encourage staff to attend regional California Preschool Instructional Network (CPIN) training sessions, or regional Institutes. This includes Environmental Rating Scale training (ECERS-R, ITERS-R, SACERS-R), registration, travel costs and materials cost.

Pay for substitute teacher and teacher assistants so the program directors, site supervisors, teachers, and teacher assistants may attend training sessions, conferences or college unit classes.

Staff participation in the Training of Trainers Institutes for the Program for Infant Toddler Caregivers (PITC) and the roll out of the Infant/Toddler Learning and Development Program Guidelines.

Staff participation in Infant/Toddler and Early Childhood Environmental Rating Scale trainings and Infant/Toddler Foundations training.

Staff participation in the Training of Trainers Institutes related to the release of the English Language Learners Guide and DVD.

Staff participation in on-line college accredited courses related to Desired Results-*r*, Classroom Observations and DRDP-*r* training either on-site in the classroom or off-site.

Staff participation in workshops on Desired Results-Access-for exceptional needs children.

Staff participation in Western Association of Schools and colleges (WASC) accredited, college classes at California community colleges, the California State University and the University of California and Extension classes during the summer months or during the next year.

Staff participation in Leadership training and business/technology education for Program Directors, Site Supervisors, and Master Teachers.

Staff participation in training for all staff that will be working in the new Pre-kindergarten Family Literacy programs.

Staff Participation in training regarding the new Language and Literacy, Mathematics, English Learner and Social-Emotional Development Foundations.

Staff participation in curriculum and integrated lesson plan development workshops.

Staff participation in training on new screening tools and model curriculum related to mental health, language and literacy, child abuse and domestic violence. Some examples are: the Ages and Stages Questionnaire (ASQ); Parental Evaluation of Developmental Status (PEDS); Preventing Child Abuse and Neglect; Parent-Provider Partnerships in Child Care, a curriculum available through Zero to Three; and the English Language and Literacy Classroom Observation Toolkit (ELLCO).

The Child Development Division has recently published a number of new materials that are available through the California Department of Education, CDE Press and the use of these exemplary materials is encouraged in developing training programs for child development staff. Please note the guidance in these documents is not binding on local educational agencies or other entities. Except for the statutes, regulations, and court decisions that are referenced in the documents, compliance with the material is not mandatory as per California *Education Code*, Section 33308.5.

D. Contract Period

The contract period shall be July 1, 2007 through June 30, 2008 (12-month contract).

E. Reporting Requirements and Other Critical Dates

The following is a listing of required activities and due dates that the contractor must

adhere to during the contract period. Failure to comply with these requirements may be considered a noncompliance issue and subject the contractor to possible termination of the contract.

**Activities Timeline**

| Report/Activity | Due Date | Reporting Period |
|---|---|---|
| Submit County Plan to CDD for Approval | August 1, 2008 | |
| Contracts Approved and Sent to LPCs | September 2008 | |
| CDFS-9529 Quarterly Expenditure Reports | **1st Qtr**: October 20, 2007<br>**2nd Qtr**: January 20, 2008<br>**3rd Qtr**: April 21, 2008<br>**4th Qtr**: July 20, 2008 | July 1, 2007 – Sep. 30, 2007<br>July 1, 2007 – Dec. 31, 2007<br>July 1, 2007 – Mar. 31, 2008<br>July 1, 2007 – Jun. 30, 2008 |
| Submit a Summary of Activities Report | July 20, 2008 | July 1, 2007 to June 30, 2008 |
| Submit an audit to the CDE Audits and Investigation Unit staff | November 15, 2008 | July 1, 2007 to June 30, 2008 |
| | | |
| | | |
| | | |

The **Expenditure and Revenue Report Form (CDFS 9529)** shall be submitted directly to your assigned fiscal analyst at:

California Department of Education
Child Development Fiscal Services
1430 N Street, Suite 2213
Sacramento, CA 95814

All other reports shall be submitted to:

California Department of Education
Child Development Division
Attn.: Linda M. Parfitt, Consultant
1430 N Street, Suite 3410
Sacramento, CA 95814

# Staff Retention and Training Plan for FY 2007-2008 State Subsidized, Title 5 Child Development Programs (CDRT-AB 212)

Description:

The staff recruitment, retention, professional development, and training program was developed to assist counties in improving the retention and training of qualified employees who work with birth through five year-old children who receive State-subsidized, Title 5, child development services.

**Return To:** Linda M. Parfitt, Consultant
Child Development Division
California Department of Education
AB 212 Staff Retention and Training Plan
1430 N Street, Suite 3410
Sacramento, CA 95814-5901

RECEIVED
CHILD DEVELOPMENT DIVISION
2007 JUL -9 PM 12:39

## APPLICANT ORGANIZATION INFORMATION

County: **Los Angeles**

Legal Entity for this County's Local Planning Council:
**Los Angeles County Board of Supervisors**

| | | | |
|---|---|---|---|
| Agency Contact: | **Laura Escobedo** | | |
| Title: | **Child Care Planning Coordinator** | | |
| Address: | **222 S. Hill Street** | | |
| City: | **Los Angeles** | Zip | **90012** |
| Phone: | **(213) 974-4102** | | |
| Fax: | **(213) 217-5106** | | |

COPY

## CERTIFICATION

The funding requested herein is to supplement, not supplant, existing efforts and investments to retain and train qualified child care staff at the local level. The funding associated with this request shall be allocated to retain qualified child care employees who are employed in State-subsidized, Title 5, child development programs.

I certify under penalty of perjury that: I am the Local Planning Coordinator or other authorized representative for this County. I have read the full content of the Guidelines for this funding; and to the best of my knowledge and belief, the information in this application and in any attachments hereto are true and correct.

Laura A. Escobedo — July 5, 2007

Signature, LPC Coordinator (or authorized representative) — Date

Laura A. Escobedo , Los Angeles County Child Care Planning Coordinator

Typed Name and Title

| CDD USE ONLY | | |
|---|---|---|
| Application meets AB 212 Guideline Requirements | (YES) | NO |

## Section I – Introduction

The one-time funding for the Child Development Training and Retention (CDTR) for Los Angeles County will be used to promote two primary goals: 1) Improve the quality of care of child care and development centers and family child care homes; and 2) improve the teaching/caregiving skills of individuals working in child development centers and family child care homes. The following are the program components for which funds will be used:

1. **Stipends** will be provided as incentives for early childhood educators at various professional levels, including teaching staff in CDE-funded child development centers, Family Child Care Home Education Network (FCCHEN), providers and teachers working in programs that do not have a direct contract with CDE who are serving a majority of children subsidized through CDE-funded Alternative Payment agencies. In addition, graduation stipends will be given to applicants who have completed coursework for a BA degree within the application cycle. Teaching staff in CDE-funded programs will continue to have first priority for stipends.

2. **Training**
   - For supervisory/management-level staff of CDE-funded programs, FCCHEN, and management staff of programs serving a majority of children subsidized through CDE-funded Alternative Payment programs to enhance the capacity of program managers to plan, implement, and sustain practices related to staff retention and quality improvement.
   - Training on the use of early developmental screening instruments (such as ASQ, ASQ-SE, and PEDS, PEDS-DM) and the promotion of protective factors which strengthen the ability of families to support the healthy development of their children.
   - Training for teaching staff and providers on working effectively with English Language Learners.
   - Training on child abuse prevention.
   - Training for family child care related to high quality infant care.
   - Training related to linking developmentally appropriate practice with the use of Desired Results Developmental Profiles-Revised

   The training will be organized and paid by the CDTR funds so that it is free for participants; or the registration fees will be paid for participating individuals.

3. **Collaboration** with the community colleges in developing curricula for core child development courses that all colleges in the Los Angeles Community College system would adopt and that would meet the requirements of California State Universities for transferable units.

4. **Orientation** on the Steps to Excellence Program (STEP) quality rating scale.

5. **Stipends for programs, family child care and FCCHEN** participating in the STEP pilot and participating in training as described above. These stipends would be issued based on completion of quality improvement plans submitted by participating programs, providers, and networks.

6. **Reimbursements for substitutes** that will allow classroom teachers and family child care providers to participate in various training activities.

7. **Stipends to directors, supervisors, teachers, and providers** for attending non-credit bearing training.

## Section II – Current Needs and Resources

The data from the Investing in Educators Stipend Program (2006) evaluation report, which included persons working in CDE/CDD-funded child development centers, indicated that the stipends had acted as an incentive to continuing or engaging in higher education for most applicants. It also indicated that 93% of all stipend recipients continued to work in the field of child care and development, most with their original employers. Other data from the evaluation report showed that the education levels of stipend applicants are: 21% have some college; 42% hold Associate of Arts (AA) degrees; and 25% hold Bachelor of Arts (BA) degrees. While these numbers suggest real progress in promoting higher educational attainment (fewer participants with "some college" and more participants with BA degrees than in 2001), there remains a significant difference in the number of those with an AA and those with BA degrees.

The results of the California Early Care and Education Workforce Study (2006) indicated that turnover in CDE-funded programs is 9%, per year, compared with 18-22% turnover in non-subsidized programs. The Los Angeles County specific data on compensation revealed that programs that do not have a direct contract with CDE:

- Required lower academic standards of their staff (only 12 units for a teacher in a for-profit program, compared to 24 units in a publicly-funded program);
- Paid lower salaries and offered fewer benefits (average highest wage for a teacher in a for-profit program was $13.70 per hour compared to $17.35 per hour in a publicly-funded program); and
- Had higher teacher turnover rates (21% for for-profit programs, compared to 9% for publicly-funded programs).

Given these factors, there is a need to provide retention support, incentives for higher education, and support for quality improvements to child development staff working in these centers and family child care homes serving children subsidized through a CDE-funded Alternative Payment program.

The California Early Care and Education Workforce Study also indicated that nearly 50% of all children entering kindergarten in Los Angles County are dual language learners. Only 34% of center teachers and 18% of family child care providers had any training in working with dual language learners. This indicates a gap in the qualifications necessary to effectively work with whose first language is not English. Much more, frequent, and in-depth training in working with dual language learners is required.

Retaining qualified staff is also a matter of creating a positive and supportive work environment. This in turn is related to the overall quality of the program or family child care home. The Los Angeles County Policy Roundtable for Child Care has developed a quality rating scale that looks at all aspects of the child care and development environment, including staff qualifications, working environment, learning environment, adult/child interactions, and family and community engagement. STEP is intended to provide parents with objective information on the quality of individual programs. In addition, STEP offers child care providers a clear set of standards that impact child care quality, as well as a road map and the resources to improve the quality of services in centers and family child care homes.

There are many sources of training and support existing in Los Angeles County which will be utilized in piloting STEP and in coordinating an expanded array of training for early childhood teachers and providers. Among the possible partners in providing these training and quality improvement resources are: UCLA Center for Improving Child Care, Los Angeles Community College Consortium, Los Angeles County Office of Education, West Ed, Child Development Institute, and the Child Abuse Prevention Center.

## Section III – Priorities

1. Teaching staff in CDE-funded centers that hold a valid Child Development Permit, or that have applied for a permit; are working at least 15 hours a week directly with children in a CDE-funded child development program; and complete at least 3 units of college coursework will earn stipends.

2. Family child care providers and their assistants participating in FCCHEN CDE-funded, who hold a valid Child Development Permit, or who have applied for a permit; are working at least 15 hours a week directly with children; and complete a minimum of 3 units of college coursework will earn stipends. Applicants in this category will submit their applications through the FCCHEN coordinator in order to have their status as network providers verified.

3. Licensed family child care providers, their assistants, and teaching staff in programs serving a majority of children subsidized through a CDE-funded Alternative Payment agency at the time of application, who are working a minimum of 15 hours per week directly with children, who complete a minimum of 3 units of college course work, and have applied for or hold a Child Development Permit will earn a stipend. To verify that the participating family child care home or center is serving a majority of children subsidized by a CDE-funded Alternative Payment agency, each applicant must attach a copy of the payment invoice or summary, or contracts provided by the Alternative Payment agency that reimburses the home provider/center for the care of subsidized children. These invoices or contracts list the children currently in care and being subsidized through CDE. The director or provider must also provide their current enrollment number so that Los Angeles County AB 212 staff can calculate the percentage of subsidized children served at the time the stipend application is submitted.

We estimate that stipend amounts will range from $1-$3 thousand depending on the number of units completed. Actual stipend awards may be adjusted depending on the availability of funds and the number of applicants. Extra assistance will be provided to teaching staff and family child care providers who have not yet obtained a permit and who may need extra help in connecting with community colleges and selecting appropriate classes.

4. Those graduating with an AA, BA, or MA degree within the stipend cycle will also receive a graduation stipend if the degree is in Child Development or a closely related field. This will provide a further incentive for those considering continuing toward a degree.

5. Programs (centers), family child care homes, and FCCHEN serving the following cities/communities: Inglewood, Long Beach, Pasadena, Palmdale, Pomona, Santa Monica, Florence/Firestone, Pacoima/Arleta, and Wilmington, who will be participating in STEP.

6. Child development staff in-site supervisor, director, or other management positions will be invited to participate in management/leadership related-training events and may receive stipends for their participation

7. Individual teachers and providers who participate in the multi-session training and are not claiming a stipend for completed coursework may receive a stipend for participation in the training described in Section I.

8. Programs and providers sending staff or attending training could access a reimbursement for substitute costs.

9. College instructors from the Los Angeles Community College Consortium as well as from other community colleges who participate in the development of curriculum for core child development coursework.

## Section IV – Measurable Outcomes

1. Approximately 1,000 stipends will be paid to child development staff in CDE-funded programs, in FCCHEN, and to staff and family child care providers in programs and homes serving a majority of children subsidized through a CDE-funded Alternative Payment agency. These child development staff will have earned at least 3 units of college credit to advance their educational goals.

2. Approximately 50 graduation stipends will be given to those earning AA, BA, or MA degrees in Child Development or closely related fields.

3. Approximately 100 child development supervisory or management staff will receive training.

4. Up to 20 stipends will be paid to FCCHEN who assist in coordinating training for their providers.

5. Approximately 100 centers will receive quality improvement stipends based on required quality improvement plans submitted as part of the participation in the STEP pilot, and to further their efforts begun with the training opportunities provided through the CDTR funds.

6. Registration fees will be paid for up to 100 individuals who attend training that has not been directly sponsored by the Child Care Planning Committee through the Office of Child Care.

7. Approximately 100 family child care homes, whose providers are eligible to apply for the education stipend (#1) will receive quality improvement stipends based on required quality improvement plans, submitted as part of the participation in the STEP pilot, and to further their efforts begun with the training opportunities provided through the CDTR funds.

8. Approximately 40 centers eligible for participation in the stipend program will receive quality improvement stipends based on required quality improvement plans, submitted as part of the participation in STEP and to further their efforts begun with the training opportunities provided through the CDTR funds.

9. Up to 300 individuals will receive small stipends for attending training not related to unit credit.

10. Approximately 300 reimbursements will be provided for substitute costs for classroom teachers, or family child care providers attending training not related to unit credit.

## Section V – Fiscal Plan

*Part 1: Agency Information*

*Part 1: Agency Information*

Name of Legal Entity: Board of Supervisors County of Los Angeles

County of Service: Los Angeles

Funding Allocation: $4,250,000.00

*Part 2: Budget Information*

Planned Expenditures:

Cost of Planning: $0.00

Administrative Cost: $637,500.00

Retention Activities: $3,612,500.00

*Instructions for this section*

**Part 1:**

Legal Entity/Agency: Enter the name of the agency that is the legal entity for Local Planning contract.

County of Service: Enter the name of the county in which services are being provided.

Funding Allocation: Enter the amount for county being served as shown on attached funding allocation chart.

**Part 2:**

Cost of Planning: Enter the amount to be used for planning purposes. The amount shall not exceed 1% of total county funding allocation.

Administrative Cost: Enter the amount needed to cover non-retention activities expenses. This amount, together with any amount shown in "Cost of Planning," shall not exceed 15% of total county funding allocation.

Retention Activities: Enter the amount to be expended on retention activities.

**NOTE:** If rounding, please drop at decimal, DO NOT ROUND UP. The Cost of Planning, Administrative Cost and Retention Activity amounts should equal the Funding Allocation amount.

| Section VI | Instructions |
|---|---|

Before completing this application, please review the information provided in the enclosed AB 212 Guidelines. The information provided should describe the County's plan for a comprehensive staff recruitment, retention, professional development, and training program for qualified employees in State-subsidized, Title 5, child development programs.

You may provide responses on these forms or on separate pages, but please submit no more than a total of 4 single sided, 8 ½ by 11" pages. The top, bottom, left, and right margins of the page must be at least one-half inch. Use a 12-point font that does not exceed six lines per inch. Do not use a compressed, narrow, or script font.

If submitting a response on a separate page, please include the following information in the upper right hand corner of each page: County, and page number. In the title of each section of the response, identify the section by number and title, and underline it (e.g., I. Introduction, etc.).

| Section | Information Requested |
|---|---|
| I. Introduction | In this section develop a brief and succinct description of the program you will provide through this contract in accordance with the guidelines included in this package. |
| II. Current Needs and Resources | Describe the current data about training needs and resources obtained relative to this initiative, including but not limited to any data about staff training, education, and retention rates, AND explain how awarded funds will be allocated in accordance with those data. The data provided must support the identified priorities in your plan. |
| III. Priorities | Identify and prioritize the types or categories of child care employees who will qualify for participation in this staff retention and training plan. The identified priorities must be supported by the data provided in Section II. Provide a brief explanation of how the plan addresses the identified staff training needs. |
| IV. Measurable Outcomes | Describe measurable outcomes and how they will be used to assess and document the effectiveness of this funding award in retaining qualified child care employees. |
| V. Fiscal Plan | Complete per instructions provided with this section. |

# ATTACHMENT II

# RESOLUTION

This resolution must be adopted in order to certify the approval of the Governing Board to enter into this transaction with the California Department of Education for the purpose of providing child care and development services **and to authorize the designated personnel to sign contract documents for Fiscal Year 2007/08.**

---

RESOLUTION

BE IT RESOLVED that the Governing Board of County of Los Angeles Board of Supervisors

authorizes entering into local agreement number/s CDRT-7017 and that the person/s who is/are listed below, is/are authorized to sign the transaction for the Governing Board.

| NAME | TITLE | SIGNATURE |
|---|---|---|
| William T Fujioka | Chief Executive Officer | |
| Sharon R. Harper | Chief Deputy | |
| | | |

PASSED AND ADOPTED THIS _____ day of _____ 2007/08, by the Governing Board of County of Los Angeles Board of Supervisors of Los Angeles County, California.

I, _____, Clerk of the Governing Board of Supervisors, of Los Angeles, County, California, certify that the foregoing is a full, true and correct copy of a resolution adopted by the said Board at a _____ meeting thereof held at a regular public place of meeting and the resolution is on file in the office of said Board.

_____ (Clerk's signature)

_____ (Date)

**APPROVED AS TO FORM:**

**RAYMOND G. FORTNER, JR.**
**County Counsel**

**By** Michele Jackson
**Deputy**

# ATTACHMENT III

ATTACHMENT III
SAMPLE AGREEMENT

# AGREEMENT

BY AND BETWEEN

COUNTY OF LOS ANGELES
AND

XXX

FOR

XXX

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# AGREEMENT BY AND BETWEEN COUNTY OF LOS ANGELES AND XXX FOR XXX

This AGREEMENT is entered into this _____ day of _____ 200__, by and between the County of Los Angeles (hereafter "COUNTY") and _____ (hereinafter referred to as "CONTRACTOR"), to provide COUNTY with consulting services.

WHEREAS, CONTRACTOR desires to provide, and COUNTY desires to acquire from CONTRACTOR, services for expediting child development permits and integrating training curriculum; and.

WHEREAS, CONTRACTOR is a firm of recognized professionals with extensive experience and training in their specialized field. In rendering these services CONTRACTOR shall at a minimum, exercise the ordinary care and skill expected from the average practitioner in CONTRACTOR's profession acting under similar circumstances; and

WHEREAS, pursuant to Government Code sections 23005, 26227, and 31000, the County is permitted to contract for such services..

NOW, THEREFORE, COUNTY and CONTRACTOR agree as follows:

## I. APPLICABLE DOCUMENTS

A. Attachments A, B, C D, E, F, and G as set forth below are attached to and form a part of this Agreement.

Attachment A ***Statement of Work and Schedule of Deliverables and Costs***

Attachment B ***Contractor Employee Acknowledgment and Confidentiality Agreement***

Attachment C ***Contractor Grounds for Rejection***

Attachment D ***Safely Surrendered Baby Law Fact Sheet***

Attachment E ***Jury Service Ordinance***

Attachment F ***Charitable Contributions Certification***

Attachment G ***Contractor's EEO Certification***

B. This Agreement and the Attachments attached hereto, constitute the complete and exclusive statement of understanding between the parties which supersedes all previous agreements, written or oral, and all other communications between the parties relating to the subject matter of this Agreement.

## II. TERM OF AGREEMENT

A. The term of this Agreement shall commence one day following approval of this Agreement by COUNTY and shall expire on **XXX**, unless sooner extended or terminated, in whole or in part, as provided in this Agreement..

B. This Agreement may be extended by mutual agreement of COUNTY and CONTRACTOR by amending the Agreement to reflect such extension.

## III. DEFINITIONS

The headings herein contained are for convenience and reference only and are not intended to define the scope of any provision thereof. The following words as used herein shall be construed to have the following meaning, unless otherwise apparent from the context in which they are used:

A. **Board of Supervisors**: The Board of Supervisors of the County of Los Angeles.

B. **Contractor**: The sole proprietor, partnership, or corporation which has entered into a contract with COUNTY to perform or execute the work covered by these specifications.

C. **County Contract Manager**: The COUNTY person who will monitor and evaluate CONTRACTOR's performance in the daily operation of the Agreement and provide direction to CONTRACTOR in the areas relating to policy, procedures and other matters within the purview of this Agreement. The County Contract Manager for this Agreement shall be **Kathy Malaske-Samu**, or her designee. All work performed under this Agreement shall be subject to the approval of the County Contract Manager or designee. All notices and other documentation to County Contract Manager shall be sent to:

**XXX**

D. **Fiscal Year**: COUNTY's Fiscal Year which commences on July 1 and ends the following June 30.

## IV. MAXIMUM AMOUNT AND CONTRACTOR PAYMENT

A. The Maximum Amount of this Agreement shall be **$XXX** for the term of this Agreement as set forth in II.A, above.

B. Payment to CONTRACTOR shall be made in arrears at the rates specified in Agreement Attachment A, ***Statement of Work and Schedule of Deliverables and Costs***, provided that CONTRACTOR is not in default under any provision of this Agreement and has submitted a complete and accurate statement of payment due with documentation and deliverables attached supporting the statement of payment due. CONTRACTOR's fees shall include all applicable taxes, and any additional taxes that are not included remain the responsibility of CONTRACTOR.

C. CONTRACTOR shall submit to the County Contract Manager its invoices, with documentation supporting the invoiced amounts, and the required deliverables (see Part V, below, Statement of Work/Deliverables).

D. Upon approval of the required deliverables, the County Contract Manager shall review the invoice and make adjustments for any liquidated damages or other offset authorized by this Agreement, and authorize payment of an accurate invoice as soon as possible after receipt of CONTRACTOR's billing. COUNTY will make a reasonable effort to effect payment within thirty (30) days following receipt of an invoice which is accurate as to form and content.

E. CONTRACTOR shall maintain a system of record keeping that will allow CONTRACTOR to determine when it has incurred seventy-five percent (75%) of the total contract authorization under this Agreement. Upon occurrence of this event, CONTRACTOR shall send written notification to the County Contract Manager.

## V. STATEMENT OF WORK/DELIVERABLES

Pursuant to the provisions of this Agreement, CONTRACTOR shall fully perform, complete and deliver on time, all tasks, deliverables, services and other work as set forth in herein and in Agreement Attachment A, ***Statement of Work and Schedule of Deliverables and Costs***.

If CONTRACTOR provides any tasks, deliverables, goods, services, or other work, other than as specified in this Agreement, the same shall be deemed to be

a gratuitous effort on the part of CONTRACTOR, and CONTRACTOR shall have no claim whatsoever against COUNTY.

## VI. FURTHER TERMS AND CONDITIONS

### A. AMENDMENTS TO AGREEMENT

1. For any change which materially affects the scope of work, term, contract sum, payments, or any term or condition included under this Contract, an Amendment shall be prepared and executed by CONTRACTOR and by the Board of Supervisors or its designee.

2. For any change which does not materially affect the scope of work or any other term or condition included under this Agreement, a *Change Notice* shall be prepared and signed by the County Contract Manager and CONTRACTOR's designated Contract Manager.

3. For any change affecting CONTRACTOR's project personnel, CONTRACTOR shall submit written notification and request to effect the change to the County Contract Manager; the County Contract Manager or designee, at its discretion, may accept or reject CONTRACTOR's written notification and request.

### B. APPROVAL OF WORK

All tasks, "work products" (deliverables), services or other work performed by CONTRACTOR are subject to the written approval of the County Contract Manager or designee. Approval or rejection of deliverable(s) will not be unreasonably withheld by COUNTY.

### C. ASSIGNMENT BY CONTRACTOR

1. CONTRACTOR shall not assign its rights or delegate its duties under the Agreement, or both, whether in whole or in part, without the prior written consent of County, in its discretion, and any attempted assignment or delegation without such consent shall be null and void. For purposes of this paragraph, County consent shall require a written amendment to the Agreement, which is formally approved and executed by the parties. Any payments by County to any approved delegate or assignee on any claim under the Agreement shall be deductible, at County's sole discretion, against the claims which CONTRACTOR may have against County.

2. Shareholders, partners, members, or other equity holders of CONTRACTOR may transfer, sell, exchange, assign, or divest

themselves of any interest they may have therein. However, in the event any such sale, transfer, exchange, assignment, or divestment is effected in such a way as to give majority control of CONTRACTOR to any person(s), corporation, partnership, or legal entity other than the majority controlling interest therein at the time of execution of the Agreement, such disposition is an assignment requiring the prior written consent of County in accordance with applicable provisions of this Agreement.

3. Any assumption, assignment, delegation, or takeover of any of the duties, CONTRACTOR'S responsibilities, obligations, or performance of same by any entity other than the CONTRACTOR, whether through assignment, subcontract, delegation, merger, buyout, or any other mechanism, with or without consideration for any reason whatsoever without County's express prior written approval, shall be a material breach of the Agreement which may result in the termination of the Agreement. In the event of such termination, County shall be entitled to pursue the same remedies against CONTRACTOR as it could pursue in the event of default by CONTRACTOR".

## D. ASSURANCE OF COMPLIANCE WITH CIVIL RIGHTS LAWS

CONTRACTOR hereby assures that it will comply with Subchapter VI of the Civil Rights Act of 1964, 42 USC Sections 2000e through 2000e (17), to the end that no person shall, on grounds of race, creed, color, sex, national origin, age, condition of mental or physical handicap, marital status, or political affiliation, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under this Agreement or under any project, program, or activity supported by this Agreement.

## E. AUTHORIZATION WARRANTY

CONTRACTOR represents and warrants that the signatory to this Agreement is fully authorized to obligate CONTRACTOR hereunder and that all corporate acts necessary to the execution of this Agreement have been accomplished.

## F. BUDGET REDUCTIONS

In the event that the COUNTY's Board of Supervisors adopts, in any fiscal year, a COUNTY Budget which provides for reductions in the salaries and benefits paid to the majority of COUNTY employees and imposes similar reductions with respect to COUNTY contracts, COUNTY reserves the right to reduce its payment obligation under this Agreement correspondingly for

that fiscal year and any subsequent fiscal year during the term of this Agreement (including any extensions), and the services to be provided by CONTRACTOR under this Agreement shall also be reduced correspondingly. COUNTY's notice to CONTRACTOR regarding said reduction in payment obligation shall be provided within thirty (30) calendar days of the Board's approval of such actions. Except as set forth in the preceding sentence, CONTRACTOR shall continue to provide all of the services set forth in this Agreement.

G. **COMPLIANCE WITH LAWS**

CONTRACTOR agrees to comply with all applicable Federal, State and local laws, rules, regulations and ordinances, and all provisions required thereby to be included herein, are hereby incorporated by this reference.

CONTRACTOR shall indemnify and hold harmless COUNTY from and against any and all liability, damages, costs, and expenses, including, but not limited to, defense costs and attorneys' fees, arising from or related to any violation on the part of CONTRACTOR or its employees, agents, or subcontractors of any such laws, rules, regulations, ordinances, or directives.

H. **CONFIDENTIALITY**

CONTRACTOR shall maintain the confidentiality of all its records, including but not limited to billing, County records, case records and patient records, in accordance with all applicable Federal, State and local laws, regulations, ordinances and directives relating to confidentiality. CONTRACTOR shall inform all of its officers, employees, and agents providing services hereunder of the confidentiality provisions of this Agreement. As a condition of employment, all employees of CONTRACTOR must sign and adhere to the attached Agreement Attachment B, ***Contractor Employee Acknowledgment and Confidentiality Agreement***. The Confidentiality Agreement shall be filed in CONTRACTOR's personnel records for the employee, and CONTRACTOR shall provide a copy to COUNTY upon request.

I. **CONFLICT OF INTEREST**

1. CONTRACTOR represents and warrants that no County employee whose position in COUNTY enables him/her to influence the award of this Agreement, and no spouse or economic dependent of such employee is or shall be employed in any capacity by CONTRACTOR herein or does or shall have any direct or indirect financial interest in this Agreement.

2. CONTRACTOR represents and warrants that it is aware of, and its authorized officers have read, the provisions of *Los Angeles County Code, Section 2.180.010, "Certain Contracts Prohibited,"* and that execution of the Agreement will not violate those provisions. CONTRACTOR must sign and adhere to Agreement Attachment C, ***Contractor Grounds for Rejection***.

J. **CONSIDERATION OF HIRING COUNTY EMPLOYEES TARGETED FOR LAYOFF**

Should CONTRACTOR require additional or replacement personnel after the effective date of this Agreement to perform the services set forth herein, CONTRACTOR shall give first consideration for such employment openings to qualified permanent COUNTY employees who are targeted for layoff or qualified former COUNTY employees who are on a re-employment list during the life of this Agreement.

K. **CONSIDERATION OF GREATER AVENUES FOR INDEPENDENCE (GAIN) OR GENERAL RELIEF OPPORTUNITIES FOR WORK (GROW) PARTICIPANTS FOR EMPLOYMENT**

Should CONTRACTOR require additional or replacement personnel after the effective date of this Agreement, CONTRACTOR shall give consideration for any such employment openings to participants in the COUNTY's Department of Public Social Services' Greater Avenue for Independence (GAIN) Program or General Relief Opportunities for Work (GROW) Program who meet CONTRACTOR's minimum qualifications for the open position. COUNTY will refer GAIN/GROW participants, by job category, to CONTRACTOR.

L. **CONTRACTOR'S ACKNOWLEDGEMENT OF COUNTY'S COMMITMENT TO THE SAFELY SURRENDERED BABY LAW**

CONTRACTOR acknowledges that COUNTY places a high priority on the implementation of the Safely Surrendered Baby Law. CONTRACTOR understands that it is the COUNTY's policy to encourage all COUNTY Contractors to voluntarily post the County's "Safely Surrendered Baby Law" poster in a prominent position at the CONTRACTOR's place of business. CONTRACTOR shall also encourage its Subcontractors, if any, to post this poster in a prominent position in the Subcontractor's place of business. The COUNTY's Department of Children and Family Services will supply CONTRACTOR with the poster to be used.

M. **CONTRACTOR PERSONNEL**

CONTRACTOR shall provide qualified personnel to perform work and provide "work products" (deliverables) as indicated in the Agreement. CONTRACTOR shall ensure that its staff possesses the required professional licenses and certificates, if any, required by the State of California.

N. **CONTRACTOR'S WARRANTY OF ADHERENCE TO COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM**

CONTRACTOR acknowledges that COUNTY has established a goal of ensuring that all individuals who benefit financially from COUNTY through contract are in compliance with their court-ordered child, family and spousal support obligations in order to mitigate the economic burden otherwise imposed upon COUNTY and its taxpayers.

As required by COUNTY'S Child Support Compliance Program (County Code Chapter 2.200) and without limiting CONTRACTOR's duty under this contract to comply with all applicable provisions of law, CONTRACTOR warrants that it is now in compliance and shall during the term of this contract maintain in compliance with employment and wage reporting requirements as required by the Federal Social Security Act (42 USC Section 653a) and California Unemployment Insurance Code Section 1088.5, and shall implement all lawfully served Wage and Earnings Withholdings Orders or CSSD Notices of Wage and Earnings Assignment for Child, Family or Spousal Support, pursuant to Code of Civil Procedure Section 706.031 and Family Code Section 5246(b).

O. **CONTRACTOR RESPONSIBILITY AND DEBARMENT**

1. A responsible Contractor is a Contractor who has demonstrated the attribute of trustworthiness, as well as quality, fitness, capacity and experience to satisfactorily perform the contract. It is the County's policy to conduct business only with responsible contractors.

2. CONTRACTOR is hereby notified that, in accordance with Chapter 2.202 of the County Code, if the COUNTY acquires information concerning the performance of CONTRACTOR on this or other contracts which indicates that the CONTRACTOR is not responsible, COUNTY may, in addition to other remedies provided in the contract, debar CONTRACTOR from bidding or proposing on, or being awarded, and/or performing work on COUNTY contracts for a specified period of time, which generally will not exceed five (5) years but may exceed five (5) years or be permanent if warranted by the circumstances, and terminate any or all existing contracts CONTRACTOR may have with the COUNTY.

3. COUNTY may debar a CONTRACTOR if the Board of Supervisors finds, in its discretion, that CONTRACTOR has done any of the following: (1) violated a term of a contract with the COUNTY or a nonprofit corporation created by the COUNTY; (2) committed an act or omission which negatively reflects on the CONTRACTORr's quality, fitness or capacity to perform a contract with the COUNTY, any other public entity, or a nonprofit corporation created by COUNTY, or engaged in a pattern or practice which negatively reflects on same; (3) committed an act or offense which indicates a lack of business integrity or business honesty, or (4) made or submitted a false claim against the COUNTY or any other public entity.

4. If there is evidence that the CONTRACTOR may be subject to debarment, the Chief Executive Office will notify CONTRACTOR in writing of the evidence which is the basis for the proposed debarment and will advise CONTRACTOR of the scheduled date for a debarment hearing before the Contractor Hearing Board.

5. The Contractor Hearing Board will conduct a hearing where evidence on the proposed debarment is presented. CONTRACTOR and/or the CONTRACTOR's representative shall be given an opportunity to submit evidence at that hearing. After the hearing, the Contractor Hearing Board shall prepare a tentative proposed decision, which shall contain a recommendation regarding whether the contractor should be debarred, and, if so, the appropriate length of time of the debarment. CONTRACTOR and the Chief Executive Office shall be provided an opportunity to object to the tentative proposed decision prior to its presentation to the Board of Supervisors.

6. After consideration of any objections, or if no objections are submitted, a record of the hearing, the proposed decision and any other recommendation of the Contractor Hearing Board shall be presented to the Board of Supervisors. The Board of Supervisors shall have the right to modify, deny or adopt the proposed decision and recommendation of the Hearing Board.

7. If a CONTRACTOR has been debarred for a period longer than five (5) years, that CONTRACOTR may, after the debarment has been in effect for at least five (5) years, submit a written request for review of the debarment determination to reduce the period of debarment or terminate the debarment. COUNTY may, in its discretion, reduce the period of debarment or terminate the debarment if it finds that CONTRACTOR has adequately demonstrated one or more of the following: (1) elimination of the

grounds for which the debarment was imposed; (2) a bona fide change in ownership or management; (3) material evidence discovered after debarment was imposed; or (4) any other reason that is in the best interests of the COUNTY.

8. The Contractor Hearing Board will consider a request for review of a debarment determination only where (1) CONTRACTORhas been debarred for a period longer than five (5) years; (2) the debarment has been in effect for at least five (5) years; and (3) the request is in writing, states one or more of the grounds for reduction of the debarment period or termination of the debarment, and includes supporting documentation. Upon receiving an appropriate request, the Contractor Hearing Board will provide notice of the hearing on the request. At the hearing, the Contractor Hearing Board shall conduct a hearing where evidence on the proposed reduction of debarment period or termination of debarment is presented. This hearing shall be conducted and the request for review decided by the Contractor Hearing Board pursuant to the same procedures as for a debarment hearing.

   The Contractor Hearing Board's proposed decision shall contain a recommendation on the request to reduce the period of debarment or terminate the debarment. The Contractor Hearing Board shall present its proposed decision and recommendation to the Board of Supervisors. The Board of Supervisors shall have the right to modify, deny, or adopt the proposed decision and recommendation of the Contractor Hearing Board.

9. These terms shall also apply to subcontractors of County Contractors.

## P. COUNTY LOBBYISTS

Each County lobbyist as defined in Los Angeles County Code Section 2.160.010, retained by CONTRACTOR, shall fully comply with the County Lobbyist Ordinance, Los Angeles County Code Chapter 2.160. Failure on the part of any County lobbyist retained by CONTRACTOR to fully comply with the County Lobbyist Ordinance shall constitute a material breach of this Agreement upon which COUNTY may immediately terminate or suspend this Agreement. CONTRACTOR shall comply with all conflict of interest laws, ordinances and regulations now in effect or hereafter to be enacted during the term of this Agreement. CONTRACTOR warrants that it is not now aware of any facts which do or could create a conflict of interest. If CONTRACTOR hereafter becomes aware of any facts which might reasonably be expected to create a conflict of interest, it shall immediately make full written disclosure of such facts to COUNTY. Full

written disclosure shall include, but is not limited to, identification of all persons implicated and a complete description of all relevant circumstances.

Q. **COUNTY'S QUALITY ASSURANCE PLAN**

COUNTY or its agent will evaluate CONTRACTOR's performance under this Agreement on not less than an annual basis. Such evaluation will include assessing CONTRACTOR's compliance with all Agreement terms and performance standards. CONTRACTOR deficiencies which COUNTY determines are severe or continuing and that may place performance of the Agreement in jeopardy, if not corrected, will be reported to the Board of Supervisors. The report will include improvements/corrective action measures taken by COUNTY and CONTRACTOR. If improvement does not occur consistent with the corrective action measures, COUNTY may terminate this Agreement or impose other penalties as specified in this Agreement.

R. **COUNTY'S RIGHT TO RENEGOTIATE AGREEMENT**

COUNTY retains the right to renegotiate the terms, conditions and fees during the period of the Agreement if such renegotiation is necessitated by budget shortfalls and reductions.

S. **COVENANT AGAINST FEES**

CONTRACTOR warrants and represents that no person or selling agency has been employed or retained to solicit or secure this Agreement upon an agreement or understanding for a commission, percentage, brokerage or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained or employed by CONTRACTOR for the purpose of securing business. For breach or violation of this warranty, COUNTY shall have the right to terminate this Agreement and recover the full amount of such commission, percentage, brokerage or contingent fee.

T. **DISCLOSURE OF INFORMATION**

CONTRACTOR shall not disclose any details in connection with this Agreement to any party, except as may be otherwise provided herein or required by law. However, in recognizing CONTRACTOR's need to identify its services and related clients to sustain itself, COUNTY shall not inhibit CONTRACTOR from publicizing its role under this Agreement within the following conditions:

1. CONTRACTOR shall develop all publicity material in a professional manner.

2. During the course of performance of this Agreement, CONTRACTOR, its employees, agents, and subcontractors shall not publish or disseminate commercial advertisements, press releases, opinions or feature articles, using the name of COUNTY without COUNTY's prior consent.

3. CONTRACTOR shall not possess any interest, title, or right to any COUNTY case data or records. CONTRACTOR is prohibited from disclosing any identified or unidentified raw COUNTY data to any other party, or from combining any identified or unidentified raw COUNTY data with that of any other CONTRACTOR client or other party into any database or report format for any purpose whatsoever without the expressed, written authorization of COUNTY.

## U. EMPLOYMENT ELIGIBILITY VERIFICATION

1. CONTRACTOR warrants that it fully complies with all statutes and regulations regarding the employment eligibility of aliens and others, and that all persons performing services under this Agreement are eligible for employment in the United States. CONTRACTOR represents that it has secured and retained all required documentation verifying employment eligibility of its personnel. CONTRACTOR shall secure and retain verification of employment eligibility from any new personnel in accordance with the applicable provisions of law.

2. CONTRACTOR shall indemnify, defend and hold COUNTY harmless from any employer sanctions or other liability which may be assessed against COUNTY or CONTRACTOR by reason of Contractor's failure to comply with the foregoing.

## V. GOVERNING LAW, JURISDICTION, AND VENUE

This Agreement shall be governed by, and construed in accordance with, the laws of the State of California. CONTRACTOR agrees and consents to the exclusive jurisdiction of the courts of the State of California for all purposes regarding this Agreement and further agrees and consents that venue of any action brought hereunder shall be exclusively in the County of Los Angeles.

W. **INDEMNIFICATION**

CONTRACTOR shall indemnify, defend and hold harmless COUNTY, and its Special Districts, elected and appointed officers, employees, and agents from and against any and all liability, including but not limited to demands, claims, actions, fees, costs, and expenses (including attorney and expert witness fees), arising from or connected with CONTRACTOR's acts and/or omissions arising from and/or relating to this Agreement.

X. **INDEPENDENT CONTRACTOR STATUS**

1. CONTRACTOR shall perform all services hereunder as an independent contractor and is not and shall not be considered as an employee of COUNTY. The Agreement is by and between CONTRACTOR and COUNTY and is not intended, and shall not be construed, to create the relationship of employee, agent, partnership, joint venture, or association, between COUNTY and CONTRACTOR.

2. CONTRACTOR understands and agrees that all persons furnishing services to CONTRACTOR pursuant to this Agreement are, for purposes of workers' compensation liability, employees solely of CONTRACTOR and not COUNTY. CONTRACTOR shall bear the sole responsibility and liability for furnishing workers' compensation benefits to any person for injuries arising from or connected with services performed by or on behalf of CONTRACTOR pursuant to this Agreement.

3. CONTRACTOR represents and warrants to COUNTY, and COUNTY relies on such representation and warranty, that CONTRACTOR has the necessary skills, competency and expertise to fully and completely perform the specialized services called for under this Agreement. COUNTY and CONTRACTOR understand and agree that CONTRACTOR is responsible for the means and methods of performing these special services and accomplishing the results, deliverables, objectives and/or purposes specified and/or requested by COUNTY pursuant to this Agreement.

Y. **INSURANCE COVERAGE REQUIREMENTS**

1. **General Liability** insurance (written on ISO policy form CG 00 01 or its equivalent) with limits of not less than the following:

| | |
|---|---|
| General Aggregate | $2 million |
| Products/Completed Operations Aggregate | $1 million |

| | |
|---|---|
| Personal and Advertising Injury | $1 million |
| Each Occurrence | $1 million |

2. **Automobile Liability** insurance (written on ISO policy form CA 00 01 or its equivalent) with a limit of liability of not less than $1 million for each accident. Such insurance shall include coverage for all "owned", "hired" and "non-owned" vehicles, or coverage for "any auto".

3. **Workers Compensation and Employers' Liability** insurance providing workers compensation benefits, as required by the Labor Code of the State of California or by any other state, and for which CONTRACTOR is responsible. If CONTRACTOR's employees will be engaged in maritime employment, coverage shall provide workers compensation benefits as required by the U.S. Longshore and Harbor Workers' Compensation Act, Jones Act or any other Federal law for which CONTRACTOR is responsible. In all cases, the above insurance also shall include Employers' Liability coverage with limits of not less than the following:

| | |
|---|---|
| Each Accident | $1 million |
| Disease - policy limit | $1 million |
| Disease - each employee | $1 million |

Z. **INSURANCE - GENERAL REQUIREMENTS**

Without limiting CONTRACTOR's indemnification of COUNTY and during the term of this Agreement, CONTRACTOR shall provide and maintain, and shall require all of its subcontractors to maintain, the following programs of insurance specified in this Agreement. Such insurance shall be primary to and not contributing with any other insurance or self-insurance programs maintained by COUNTY, and such coverage shall be provided and maintained at CONTRACTOR's own expense.

1. **Evidence of Insurance:** Certificate(s) or other evidence of coverage satisfactory to COUNTY shall be delivered to **Lisa Rizzo, County of Los Angeles, Chief Executive Office, Service Integration Branch, 222 S. Hill Street, 5th Floor, Los Angeles, CA 90012** prior to commencing services under this Agreement. Such certificates or other evidence shall:

   a) Specifically identify this Agreement.

   b) Clearly evidence all coverages required in this Agreement.

c) Contain the express condition that COUNTY is to be given written notice by mail at least thirty (30) days in advance of cancellation for all policies evidenced on the certificate of insurance.

d) Include copies of the additional insured endorsement to the commercial general liability policy, adding the County of Los Angeles, its Special Districts, its officials, officers and employees as insureds for all activities arising from this Agreement.

e) Identify any deductibles or self-insured retentions for COUNTY's approval. The COUNTY retains the right to require CONTRACTOR to reduce or eliminate such deductibles or self-insured retentions as they apply to COUNTY, or, require CONTRACTOR to provide a bond guaranteeing payment of all such retained losses and related costs, including, but not limited to, expenses or fees, or both, related to investigations, claims administrations, and legal defense. Such bond shall be executed by a corporate surety licensed to transact business in the State of California.

2. **Insurer Financial Ratings:** Insurance is to be provided by an insurance company acceptable to the COUNTY with an A.M. Best rating of not less than A:VII, unless otherwise approved by COUNTY.

3. **Failure to Maintain Coverage:** Failure by CONTRACTOR to maintain the required insurance, or to provide evidence of insurance coverage acceptable to COUNTY, shall constitute a material breach of the contract upon which COUNTY may immediately terminate or suspend this Agreement. COUNTY, at its sole option, may obtain damages from CONTRACTOR resulting from said breach. Alternatively, COUNTY may purchase such required insurance coverage, and without further notice to CONTRACTOR, COUNTY may deduct from sums due to CONTRACTOR any premium costs advanced by COUNTY for such insurance.

4. **Notification of Incidents, Claims or Suits:** CONTRACTOR shall report to COUNTY:

a) Any accident or incident relating to services performed under this Agreement which involves injury or property damage which may result in the filing of a claim or lawsuit against

CONTRACTOR and/or COUNTY. Such report shall be made in writing within twenty-four (24) hours of occurrence.

b) Any third party claim or lawsuit filed against CONTRACTOR arising from or related to services performed by CONTRACTOR under this Agreement.

c) Any injury to a CONTRACTOR employee which occurs on COUNTY property. This report shall be submitted on a COUNTY "Non-employee Injury Report" to the County Contract Manager.

d) Any loss, disappearance, destruction, misuse, or theft of any kind whatsoever of COUNTY property, monies or securities entrusted to CONTRACTOR under the terms of this Agreement.

5. **Compensation for COUNTY Costs:** In the event that CONTRACTOR fails to comply with any of the indemnification or insurance requirements of this Agreement, and such failure to comply results in any costs to COUNTY, CONTRACTOR shall pay full compensation for all costs incurred by COUNTY.

6. **Insurance Coverage Requirements for Subcontractors:** CONTRACTOR shall ensure any and all subcontractors performing services under this Agreement meet the insurance requirements of this Agreement by either:

a) CONTRACTOR providing evidence of insurance covering the activities of subcontractors, or

b) CONTRACTOR providing evidence submitted by subcontractors evidencing that subcontractors maintain the required insurance coverage. COUNTY retains the right to obtain copies of evidence of subcontractor insurance coverage at any time.

## AA. JURY SERVICE PROGRAM COMPLIANCE

1. This Agreement is subject to the provisions of the COUNTY'S ordinance entitled Contractor Employee Jury Service ("Jury Service Program") as codified in Sections 2.203.010 through 2.203.090 of the Los Angeles County Code.

2. Written Employee Jury Service Policy.

a) Unless CONTRACTOR has demonstrated to the County's satisfaction either that CONTRACTOR is not a "Contractor" as defined under the Jury Service Program (Section 2.203.020 of the County Code) or that CONTRACTOR qualifies for an exception to the Jury Service Program (Section 2.203.070 of the County Code), CONTRACTOR shall have and adhere to a written policy that provides that its Employees shall receive from the CONTRACTOR, on an annual basis, no less than five days of regular pay for actual jury service. The policy may provide that Employees deposit any fees received for such jury service with the CONTRACTOR or that the CONTRACTOR deduct from the Employee's regular pay the fees received for jury service.

b) For purposes of this Section, "Contractor" or CONTRACTOR means a person, partnership, corporation or other entity which has a contract with the COUNTY or a subcontract with a COUNTY contractor and has received or will receive an aggregate sum of $50,000 or more in any 12-month period under one or more COUNTY contracts or subcontracts. "Employee" means any California resident who is a full time employee of CONTRACTOR. "Full-time" means 40 hours or more worked per week, or a lesser number of hours if: 1) the lesser number is a recognized industry standard as determined by the COUNTY, or 2) CONTRACTOR has a long-standing practice that defines the lesser number of hours as full-time. Full-time employees providing short-term, temporary services of 90 days or less within a 12-month period are not considered full-time for purposes of the Jury Service Program. If CONTRACTOR uses any subcontractor to perform services for the COUNTY under the Agreement, the subcontractor shall also be subject to the provisions of this Section. The provisions of this Section shall be inserted into any such subcontract agreement and a copy of the Jury Service Program shall be attached to the Agreement.

c) If CONTRACTOR is not required to comply with the Jury Service Program when the Agreement commences, CONTRACTOR shall have a continuing obligation to review the applicability of its "exception status" from the Jury Service Program, and CONTRACTOR shall immediately notify COUNTY if CONTRACTOR at any time either comes within the Jury Service Program's definition of "Contractor" or if CONTRACTOR no longer qualifies for an exception to the Program. In either event, CONTRACTOR shall immediately implement a written policy consistent with the

Jury Service Program. COUNTY may also require, at any time during the Agreement and at its sole discretion, that CONTRACTOR demonstrate to the COUNTY'S satisfaction that CONTRACTOR either continues to remain outside of the Jury Service Program's definition of "Contractor" and/or that CONTRACTOR continues to qualify for an exception to the Program.

d) CONTRACTOR'S violation of this Section of the Agreement may constitute a material breach of the Agreement. In the event of such material breach, COUNTY may, in its sole discretion, terminate the Agreement and/or bar CONTRACTOR from the award of future COUNTY contracts for a period of time consistent with the seriousness of the breach.

## BB. LICENSES, PERMITS, REGISTRATIONS AND CERTIFICATES

CONTRACTOR shall obtain and maintain in effect during the term of this Agreement, all licenses, permits, registrations and certificates, if any, required by law, which are applicable to the performance of this Agreement, and shall further ensure that all of its officers, employees and agents who perform services hereunder obtain and maintain in effect during the term of this Agreement, all licenses, permits, registrations and certificates required by law which are applicable to their performance of services hereunder.

## CC. LIQUIDATED DAMAGES

1. If, in the judgment of COUNTY, CONTRACTOR is deemed to be non-compliant with the terms and obligations assumed hereby, COUNTY, or his/her designee, at his/her option, in addition to, or in lieu of, other remedies provided herein, may withhold the entire monthly payment or deduct pro rata from CONTRACTOR'S invoice for work not performed. The work not performed and the amount to be withheld or deducted from payments to CONTRACTOR from COUNTY, will be forwarded to CONTRACTOR by COUNTY, or his/her designee, in a written notice describing the reasons for said action.

2. If COUNTY determines that there are deficiencies in the performance of this Agreement that COUNTY deems are correctable by CONTRACTOR over a certain time span, the COUNTY will provide a written notice to CONTRACTOR to correct the deficiency within specified time frames. Should

CONTRACTOR fail to correct deficiencies within said time frame, COUNTY may:

(a) Deduct from CONTRACTOR'S payment, pro rata, those applicable portions of the Monthly Contract Sum; and/or

(b) Deduct liquidated damages. The parties agree that it will be impracticable or extremely difficult to fix the extent of actual damages resulting from the failure of CONTRACTOR to correct a deficiency within the specified time frame. The parties hereby agree that under the current circumstances a reasonable estimate of such damages is One Hundred Dollars ($100) per day per infraction, and that CONTRACTOR shall be liable to the COUNTY for liquidated damages in said amount. Said amount shall be deducted from COUNTY'S payment to CONTRACTOR; and/or

(c) Upon giving five (5) days notice to CONTRACTOR for failure to correct the deficiencies, COUNTY may correct any and all deficiencies and the total costs incurred by COUNTY for completion of the work by an alternate source, whether it be COUNTY forces or separate private contractor, will be deducted and forfeited from the payment to CONTRACTOR from COUNTY, as determined by COUNTY.

3. The action noted in Sub-paragraph 2 shall not be construed as a penalty, but as adjustment of payment to CONTRACTOR to recover COUNTY cost due to the failure of CONTRACTOR to complete or comply with the provisions of this Agreement.

4. This Sub-paragraph shall not, in any manner, restrict or limit COUNTY'S right to damages for any breach of this Agreement provided by law and shall not, in any manner, restrict or limit COUNTY'S right to terminate this Agreement as agreed to herein.

## DD. MEETINGS

All meetings between COUNTY and CONTRACTOR will be held at mutually agreed upon locations in Los Angeles County.

## EE. NON-DISCRIMINATION AND AFFIRMATIVE ACTION

1. CONTRACTOR certifies and agrees that all persons employed by it, its affiliates, subsidiaries, or holding companies are and shall be treated equally without regard to or because of race, color, religion, ancestry, national origin, sex, age, physical or mental disability, marital status, or political affiliation, in compliance with all

applicable Federal and State anti-discrimination laws and regulations.

2. CONTRACTOR shall certify to, and comply with, the provisions of Agreement Attachment G, ***Contractor's EEO Certification.***

3. CONTRACTOR shall take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to race, color, religion, ancestry, national origin, sex, age, physical or mental disability, marital status, or political affiliation, in compliance with all applicable Federal and State anti-discrimination laws and regulations. Such action shall include, but is not limited to: employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship.

4. CONTRACTOR certifies and agrees that it will deal with its subcontractors, bidders, or vendors without regard to or because of race, color, religion, ancestry, national origin, sex, age, physical or mental disability, marital status, or political affiliation.

5. CONTRACTOR certifies and agrees that it, its affiliates, subsidiaries, or holding companies shall comply with all applicable Federal and State laws and regulations to the end that no person shall, on the grounds of race, color, religion, ancestry, national origin, sex, age, physical or mental disability, marital status, or political affiliation, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under this Agreement or under any project, program, or activity supported by this Agreement.

6. CONTRACTOR shall allow COUNTY representatives access to CONTRACTOR's employment records during regular business hours to verify compliance with the provisions of this sub-paragraph when so requested by COUNTY.

7. If COUNTY finds that any provisions of this sub-paragraph have been violated, such violation shall constitute a material breach of this Agreement upon which COUNTY may terminate or suspend this Agreement. While COUNTY reserves the right to determine independently that the anti-discrimination provisions of this Agreement have been violated, in addition, a determination by the California Fair Employment Practices Commission or the Federal Equal Employment Opportunity Commission that CONTRACTOR

has violated Federal or State anti-discrimination laws or regulations shall constitute a finding by COUNTY that COUNTY has violated the anti-discrimination provisions of this Agreement.

8. The parties agree that in the event CONTRACTOR violates any of the anti discrimination provisions of this Agreement, COUNTY shall, at its sole option, be entitled to the sum of Five Hundred Dollars ($500) for each such violation pursuant to California Civil Code Section 1671 as liquidated damages in lieu of terminating or suspending this Agreement.

FF. **NO PAYMENT FOR SERVICES PROVIDED FOLLOWING EXPIRATION/TERMINATION OF AGREEMENT**

CONTRACTOR shall have no claim against COUNTY for payment of any money or reimbursement, of any kind whatsoever, for any service provided by CONTRACTOR after the expiration or other termination of this Agreement. Should CONTRACTOR receive any such payment it shall immediately notify COUNTY and shall immediately repay all such funds to COUNTY. Payment by COUNTY for services rendered after expiration/termination of this Agreement shall not constitute a waiver of COUNTY's right to recover such payment from CONTRACTOR. This provision shall survive the expiration or other termination of this Agreement.

GG. **NOTICE OF DELAYS**

Except as otherwise expressly provided herein, when either party has knowledge that any actual or potential situation is delaying or threatens to delay the timely performance of this Agreement, that party shall, within five (5) working days, give notice thereof, including all relevant information with respect thereto, to the other party.

HH. **NOTICE TO EMPLOYEES REGARDING THE FEDERAL EARNED INCOME CREDIT**

CONTRACTOR shall notify its employees, and shall require each subcontractor to notify its employees, that they may be eligible for the Federal Earned Income Credit under the Federal income tax laws. Such notice shall be provided in accordance with the requirements set forth in Internal Revenue Service Notice 1015.

II. **NOTICE TO EMPLOYEES REGARDING THE SAFELY SURRENDERED BABY LAW**

The Contractor shall notify and provide to its employees, and shall require each subcontractor to notify and provide to its employees, a fact sheet regarding the Safely Surrendered Baby Law, its implementation in Los Angeles County, and where and how to safely surrender a baby. The fact sheet is set forth in Agreement Attachment D, ***Safely Surrendered Baby Law Fact Sheet***, of this Agreement and is also available on the Internet at www.babysafela.org for printing purposes.

JJ. **NOTICES**

1. Notices required or permitted to be given under the terms of this Agreement or by any law now or hereafter in effect may, at the option of the party giving notice, be given by personal delivery or by enclosing the same in a sealed envelope addressed to the party for whom intended and by depositing such envelope with postage prepaid in the United States Post Office or substation thereof, or any public mail box.

   The notices and envelopes containing same to COUNTY shall be addressed to:

   **XXX**

   The notices and envelopes containing same to CONTRACTOR shall be addressed to:

   **XXX**

2. In the event of suspension or termination of this Agreement, notices may also be given upon personal delivery to any person whose actual knowledge of such suspension or termination would be sufficient notice to CONTRACTOR.

KK. **PROHIBITION FROM INVOLVEMENT IN THE BIDDING PROCESS OF FUTURE RFPs**

CONTRACTOR understands and agrees that neither CONTRACTOR nor its subsidiaries shall be involved in any way in the bidding process on any Request for Proposals developed or prepared by or with the assistance of CONTRACTOR's services rendered pursuant to this Agreement, whether as a prime contractor or subcontractor, or as a contractor to any other prime contractor or subcontractor. Any such involvement by

CONTRACTOR shall result in the rejection by COUNTY of the bid or proposal by the prime contractor in question.

LL. **PROPRIETARY RIGHTS**

All materials, data and other information of any kind obtained from COUNTY personnel, and all materials, data, reports and other information of any kind developed by CONTRACTOR under this Agreement are confidential to and are solely the property of COUNTY. CONTRACTOR shall take all necessary measures to protect the security and confidentiality of all such materials, data, reports and information. The provisions of this Paragraph shall survive the expiration or other termination of this Agreement.

MM. **RECORDS RETENTION AND INSPECTION**

1. Upon receipt of a written request, CONTRACTOR shall, at no cost to COUNTY, make available to COUNTY and all authorized representatives for examination, audit, excerpt, copy or transcription any pertinent transaction, activity, time card or other record relating to this Agreement. Failure on the part of CONTRACTOR to comply with the provisions of this Paragraph shall constitute a material breach of this Agreement upon which COUNTY may terminate or suspend this Agreement. Such material, including books, records, documents, case files and all pertinent costs, accounting, financial records, and proprietary data must be kept and maintained for a period of five (5) years after the term of this Agreement, or until such time as all audits are completed, whichever is later. COUNTY may require specific records be retained longer than five (5) years when there is outstanding litigation, unresolved disputes or any audit.

2. Upon expiration or cancellation of this Agreement, all documents, reports, records, case files, correspondence, and work product relating to CONTRACTOR's operations under this Agreement shall be returned to COUNTY or to such other location in COUNTY as the County Contract Manager may direct. It is understood that all of the materials described above are the property of COUNTY and not of CONTRACTOR.

3. In the event that an audit specifically regarding this Agreement is conducted by any Federal or State auditor, or any auditor or accountant employed by CONTRACTOR or otherwise, CONTRACTOR shall file a copy of each such audit report with the County Contract Manager within thirty (30) days after CONTRACTOR's receipt thereof.

## NN. RECYCLED BOND PAPER

Consistent with the Los Angeles County Board of Supervisors' policy to reduce the amount of solid waste deposited at COUNTY landfills, CONTRACTOR agrees to use recycled-content paper to the maximum extent possible on this Agreement.

## OO. TERMINATION FOR BREACH OF WARRANTY TO MAINTAIN COMPLICANCE WITH COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM

Failure of CONTRACTOR to maintain compliance with the requirements set forth in Paragraph N "CONTRACTOR'S WARRANTY OF ADHERENCE TO COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM" shall constitute default under this Agreement. Without limiting the rights and remedies available to COUNTY under any other provision of this Agreement, failure of CONTRACTOR to cure such default within ninety (90) calendar days of written notice shall be grounds upon which COUNTY may terminate this Agreement pursuant to Paragraph QQ "TERMINATION FOR DEFAULT OF CONTRACTOR" and pursue debarment of CONTRACTOR, pursuant to County Code Chapter 2.202.

## PP. TERMINATION FOR CONVENIENCE OF THE COUNTY

1. This Agreement may be terminated by COUNTY in whole or in part when such action is deemed by COUNTY, in its sole discretion, to be in its best interest. Termination of work shall be effected by delivery to CONTRACTOR of a ten (10) calendar day prior written Notice of Termination specifying the extent to which the performance of work is terminated and the date upon which such termination becomes effective.

2. If, during the term of this Agreement, COUNTY funds appropriated for the purpose of this Agreement are reduced or eliminated, COUNTY may immediately terminate this Agreement upon written notice to CONTRACTOR.

3. After receipt of the Notice of Termination and except as otherwise directed by COUNTY, CONTRACTOR shall:

   a) Immediately stop services under this Agreement on the date and to the extent specified in the Notice of Termination.

   b) Complete performance of such part of the work as shall not have been terminated by the Notice of Termination.

4. After receipt of the Notice of Termination, CONTRACTOR shall submit to COUNTY, in the form and with the certifications as may be prescribed by COUNTY, its termination claim and invoice. Such claim and invoice shall be submitted promptly, but not later than three (3) months from the effective date of termination. Upon failure of CONTRACTOR to submit its termination claim and invoice within the time allowed, COUNTY may determine, on the basis of information available to COUNTY, the amount, if any, due to CONTRACTOR in respect to the termination and such determination shall be final. After such determination is made, COUNTY shall pay CONTRACTOR the amount so determined.

5. In the event it is determined by COUNTY that CONTRACTOR has been overcompensated, COUNTY shall notify CONTRACTOR of the overcompensation, and CONTRACTOR must provide a written response within thirty (30) days of the receipt of such notice, including any refund that may be due COUNTY.

6. COUNTY and CONTRACTOR shall negotiate an equitable amount to be paid to CONTRACTOR by reason of the total or partial termination of work pursuant to this Paragraph. Said amount may include a reasonable allowance for profit on work done but shall not include an allowance on work terminated. COUNTY shall pay the agreed amount; subject to other limitations and provided that such amount shall not exceed the total funding obligated under this Agreement as reduced by the amount of payments otherwise made and as further reduced by the contract price of work not terminated.

7. Upon termination of this Agreement, CONTRACTOR shall deliver to COUNTY all work completed or in progress, including all data, reports and deliverables within ten (10) business days after termination of this Agreement.

8. Upon termination of this Agreement, CONTRACTOR shall comply with the provisions of Paragraph MM, RECORDS RETENTION AND INSPECTION, herein above.

## QQ. TERMINATION FOR DEFAULT OF CONTRACTOR

1. COUNTY may, subject to the provisions outlined below, by written notice of default to CONTRACTOR, terminate the whole or any part of this Agreement in any one of the following circumstances:

   a) If CONTRACTOR fails to perform the service within the time specified or, with prior COUNTY approval, any extension thereof;

   b) If CONTRACTOR fails to perform any of the other provisions of this Agreement, or so fails to make progress as to endanger performance of this Agreement in accordance with its terms, and in either of these two circumstances does not remedy such failure within a period of three (3) calendar days (or such longer period as COUNTY may authorize in writing) after receipt of notice from COUNTY specifying such failure.

2. In the event COUNTY terminates this Agreement in whole or in part as provided in this Paragraph QQ, COUNTY may procure, upon such terms and in such manner as COUNTY may deem appropriate, services similar to those terminated. CONTRACTOR shall be liable to COUNTY for any incremental and excess costs for such similar services; or

3. If, after giving Notice of Termination of this Agreement under the provisions of this Paragraph QQ, it is determined for any reason that CONTRACTOR was not in default under the provisions of this Paragraph or that the default was excusable, the rights and obligations of the parties shall be the same as if the notice of termination had been issued pursuant Paragraph PP, TERMINATION FOR CONVENIENCE OF THE COUNTY, herein above.

4. Upon termination of this agreement, CONTRACTOR shall adhere to the termination provisions of Paragraph PP, TERMINATION FOR CONVENIENCE OF THE COUNTY, herein above.

## RR. TERMINATION FOR IMPROPER CONSIDERATION

1. COUNTY may, by written notice to CONTRACTOR, immediately terminate the right of CONTRACTOR to proceed under this Agreement if it is found that consideration, in any form, was offered or given by CONTRACTOR, either directly or through an intermediary, to any COUNTY officer, employee, or agent with the

intent of securing this Agreement or securing favorable treatment with respect to the award, amendment or extension of this Agreement or the making of any determinations with respect to CONTRACTOR's performance pursuant to this Agreement. In the event of such termination, COUNTY shall be entitled to pursue the same remedies against CONTRACTOR as it could pursue in the event of default by CONTRACTOR.

2. CONTRACTOR shall immediately report any attempt by a COUNTY officer or employee to solicit such improper consideration. The report shall be made either to the COUNTY manager charged with the supervision of the employee or to the COUNTY Auditor-Controller's employee Fraud Hotline at (800) 544-6861.

3. Among other items, such improper consideration may take the form of cash, discounts, services, the provision of travel or entertainment, or tangible gifts.

SS. **TERMINATION FOR NON-APPROPRIATION OF FUNDS**

Notwithstanding any other provision of this Agreement, COUNTY shall not be obligated for the CONTRACTOR's performance hereunder or by any provision of this Agreement during any of COUNTY's future fiscal years unless and until the COUNTY's Board of Supervisors appropriates funds for this Agreement in the COUNTY's Budget for each such future fiscal year. In the event that funds are not appropriated for this Agreement, then this Agreement shall terminate as of June 30 of the last fiscal year for which funds were appropriated. COUNTY shall notify CONTRACTOR in writing of any such non-allocation of funds at the earliest possible date.

TT. **VALIDITY**

The invalidity in whole or in part of any provision of this Agreement shall not void or affect the validity of any other provision.

UU. **WAIVER**

No waiver of a breach of any provision of this Agreement by COUNTY shall constitute a waiver of any other breach of said provision or any other provision of this Agreement. Failure of COUNTY to enforce at any time, or from time to time, any provision of this Agreement, shall not be construed as a waiver thereof.

IN WITNESS THEREOF, COUNTY has caused this Agreement to be executed by the Chief Executive Officer. CONTRACTOR has caused this Agreement to be executed by its duly authorized representative.

COUNTY OF LOS ANGELES

By_____
WILLIAM T FUJIOKA
Chief Executive Officer

CONTRACTOR

By_____
XXX

_____
Taxpayer Identification No.

APPROVED AS TO FORM:
By the Office of the County Counsel
RAYMOND G. FORTNER, JR.

By_____
Deputy County Counsel

ATTACHMENT A

## Statement of Work

INTIONALLY LEFT BLANK

# CONTRACTOR EMPLOYEE ACKNOWLEDGMENT AND CONFIDENTIALITY AGREEMENT

## General Information

Your employer, _____, has entered into a contract with the County of Los Angeles to provide various services to the County. Therefore, we need your signature on this Contractor Employee Acknowledgment and Confidentially Agreement.

## Employer Acknowledgment

I understand that _____ is my sole employer for purposes of this Agreement.

I understand and agree that I am not an employee of Los Angeles County for any purpose and that I do not have and will not acquire any rights or benefits of any kind from the County of Los Angeles during the period of this employment.

I understand and agree that I do not have and will not acquire any rights or benefits pursuant to any agreement between my employer, _____, and the County of Los Angeles.

_____ ***(Initial and date)***

## Confidentiality Agreement

As an employee of _____, you may be involved with work pertaining to County services, and, if so, you may have access to confidential data pertaining to persons and/or entities represented by the County of Los Angeles. The County has a legal obligation to protect all confidential data in its possession, especially data concerning health, criminal and welfare recipient as well as that protected by the attorney/client privilege. Consequently, you must sign this Confidentiality Agreement for the County of Los Angeles.

Please read the attached Agreement and take due time to consider it prior to signing.

## CONTRACTOR EMPLOYEE ACKNOWLEDGMENT AND CONFIDENTIALITY AGREEMENT

I hereby agree that I will not divulge to any unauthorized person, data obtained while performing work pursuant to the contract between _____ and the County of Los Angeles.

I agree to forward all requests for the release of information received by me to my immediate supervisor.

I have been informed by my employer of Article 9 of Chapter 4 of Division 3 (Commencing with 6150) of the California Business and Professions Code (i.e. State Bar Act provisions regarding unlawful solicitations as a runner or capper for attorneys) which states:

". . . It is unlawful for any person, in his individual capacity or in his capacity as a public or private employee, or for any firm, corporation or partnership or association to act as a runner or capper for any such attorneys to solicit any business for such attorneys. . ."

I have also been informed by my employer of Labor Code Section 3219 (i.e. provisions stating it is a felony to offer compensation to claims adjusters and/or for adjusters to accept compensation) which states:

". . . any person acting individually or through his or her employee or agents, who offers or delivers any rebate, refund, commission, preference, patronage, dividend, discount, or other consideration to any adjuster of claims for compensation, as defined in Section 3207, as compensation, inducement, or reward for the referral or settlement of any claim, is guilty of a felony. . ."

I agree to report any and all violations of the above by any other person and/or by myself to my immediate supervisor, and I agree to ensure that said supervisor reports such violation to the County of Los Angeles, Department of Human Resources. I agree to return all confidential materials to my immediate supervisor upon termination of my employment with _____ _____ or upon completion of the presently assigned work task, whichever occurs first.

I acknowledge that violation of this Agreement & Acknowledgment may subject me to civil and/or criminal action and that the County of Los Angeles will seek all possible legal redress.

Signature _____ Dated _____

Printed Name _____

Position/Title _____

**ATTACHMENT C**

## CONTRACTOR
## GROUNDS FOR REJECTION

*Los Angeles County Code* Chapter 2.180.010, *Certain Contracts Prohibited*, sets forth, among other things, the following:

Notwithstanding any other section of this *Code*, the County shall not contract with, and shall reject any bid or proposal submitted by the persons or entities specified below, unless the Board of Supervisors finds that special circumstances exist which justify the approval of such contract:

(a) Employees of the County or of public agencies for which the Board of Supervisors is the governing body;

(b) Profit making firms or businesses in which employees described in subsection (a) serve as officers, principals, partners or major shareholders;

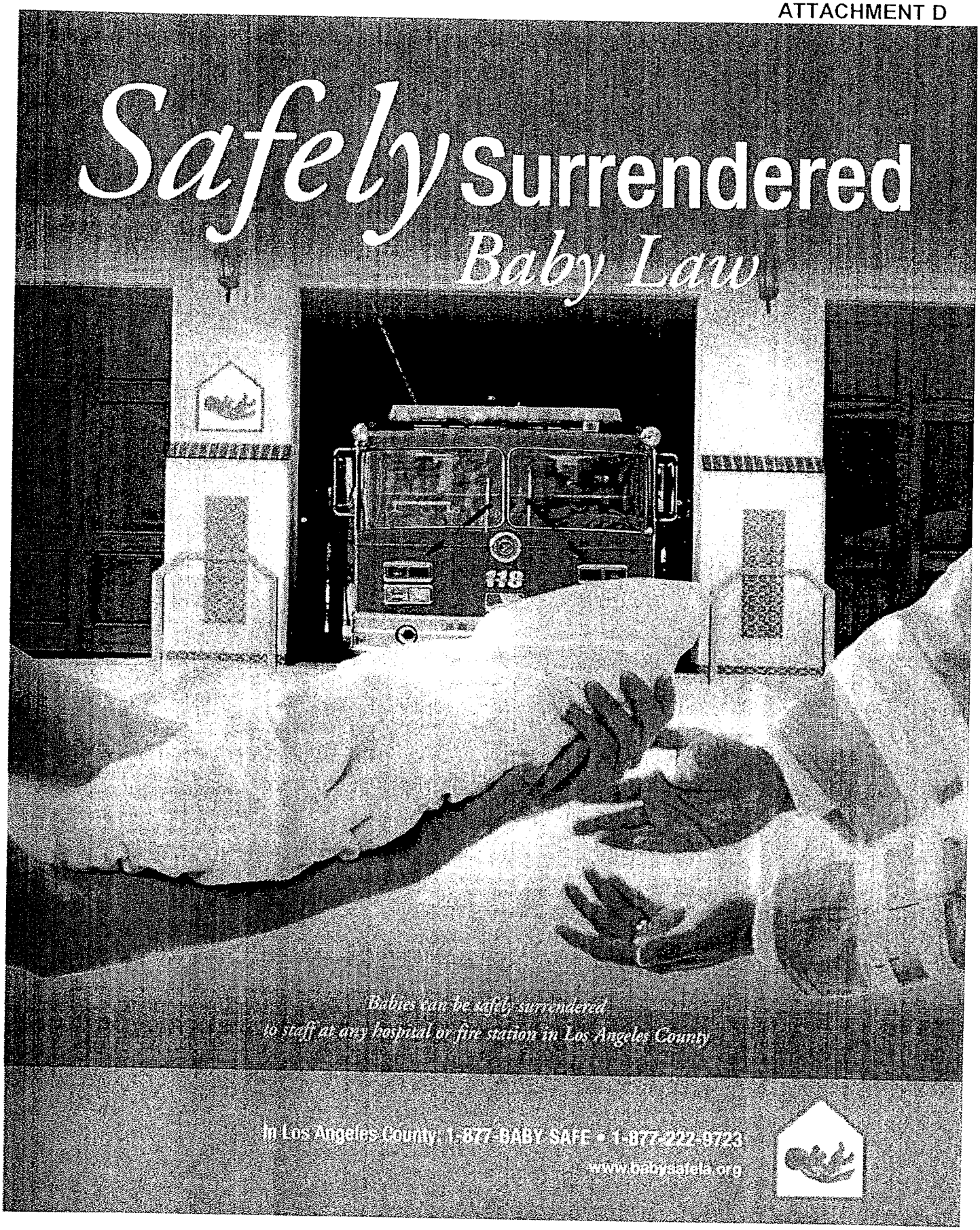
(c) Persons who, within the immediately preceding twelve (12) months, came within the provisions of subsection (a), and who (1) were employed in positions of substantial responsibility in the area of service to be performed by the Contractor, or (2) participated in any way in developing the Contract or its service specifications; and

(d) Profit making firms or businesses in which the former employees described in subsection (c) serve as officers, principals, partners or major shareholders.

Contractor hereby certifies that personnel who developed and/or participated in the preparation of the Agreement do not fall within the scope of *Code Section 2.180.010* as outlined above.

_____
Typed Name and Title of Signer

_____ _____
Signature Date


Safely Surrendered
Baby Law
Babies can be safely surrendered
to staff at any hospital or fire station in Los Angeles County
In Los Angeles County: 1-877-BABY SAFE • 1-877-222-9723
www.babysafela.org

In Los Angeles County: 1-877-BABY SAFE • 1-877-222-9723
www.babysafela.org

# *Safely* Surrendered *Baby Law*

*Babies in Los Angeles County can be safely surrendered to staff at any hospital or fire station in Los Angeles County.*

## What is the Safely Surrendered Baby Law?

California's Safely Surrendered Baby Law allows parents or other persons, with lawful custody, which means anyone to whom the parent has given permission to confidentially surrender a baby. As long as the baby is three days (72 hours) of age or younger and has not been abused or neglected, the baby may be surrendered without fear of arrest or prosecution.

*Every baby deserves a chance for a healthy life. If someone you know is considering abandoning a baby, let her know there are other options. For three days (72 hours) after birth, a baby can be surrendered to staff at any hospital or fire station in Los Angeles County.*

## How does it work?

A distressed parent who is unable or unwilling to care for a baby can legally, confidentially, and safely surrender a baby within three days (72 hours) of birth. The baby must be handed to an employee at a hospital or fire station in Los Angeles County. As long as the baby shows no sign of abuse or neglect, no name or other information is required. In case the parent changes his or her mind at a later date and wants the baby back, staff will use bracelets to help connect them to each other. One bracelet will be placed on the baby, and a matching bracelet will be given to the parent or other surrendering adult.

## What if a parent wants the baby back?

Parents who change their minds can begin the process of reclaiming their baby within 14 days. These parents should call the Los Angeles County Department of Children and Family Services at 1-800-540-4000.

## Can only a parent bring in the baby?

No. While in most cases a parent will bring in the baby, the Law allows other people to bring in the baby if they have lawful custody.

## Does the parent or surrendering adult have to call before bringing in the baby?

No. A parent or surrendering adult can bring in a baby anytime, 24 hours a day, 7 days a week, as long as the parent or surrendering adult surrenders the baby to someone who works at the hospital or fire station.

## Does the parent or surrendering adult have to tell anything to the people taking the baby?

No. However, hospital or fire station personnel will ask the surrendering party to fill out a questionnaire designed to gather important medical history information, which is very useful in caring for the baby. The questionnaire includes a business reply envelope and can be sent in at a later time.

## What happens to the baby?

The baby will be examined and given medical treatment. Upon release from the hospital, social workers immediately place the baby in a safe and loving home and begin the adoption process.

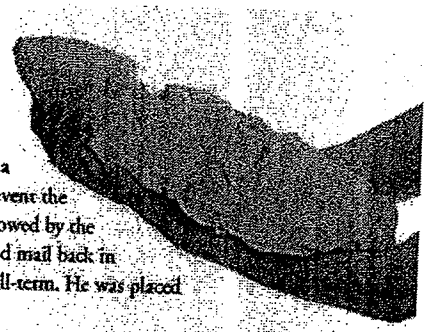
## What happens to the parent or surrendering adult?

Once the parent or surrendering adult surrenders the baby to hospital or fire station personnel, they may leave at any time.

## Why is California doing this?

The purpose of the Safely Surrendered Baby Law is to protect babies from being abandoned, hurt or killed by their parents. You may have heard tragic stories of babies left in dumpsters or public bathrooms. Their parents may have been under severe emotional distress. The mothers may have hidden their pregnancies, fearful of what would happen if their families found out. Because they were afraid and had no one or nowhere to turn for help, they abandoned their babies. Abandoning a baby is illegal and places the baby in extreme danger. Too often, it results in the baby's death. The Safely Surrendered Baby Law prevents this tragedy from ever happening again in California.

## *A baby's story*



Early in the morning on April 9, 2005, a healthy baby boy was safely surrendered to nurses at Harbor-UCLA Medical Center The woman who brought the baby to the hospital identified herself as the baby's aunt and stated the baby's mother had asked her to bring the baby to the hospital on her behalf. The aunt was given a bracelet with a number matching the anklet placed on the baby; this would provide some identification in the event the mother changed her mind about surrendering the baby and wished to reclaim the baby in the 14-day period allowed by the Law. The aunt was also provided with a medical questionnaire and said she would have the mother complete and mail back in the stamped return envelope provided. The baby was examined by medical staff and pronounced healthy and full-term. He was placed with a loving family that had been approved to adopt him by the Department of Children and Family Services.

Title 2 ADMINISTRATION
Chapter 2.203.010 through 2.203.090
# CONTRACTOR EMPLOYEE JURY SERVICE

## 2.203.010 Findings.

The board of supervisors makes the following findings. The county of Los Angeles allows its permanent, full-time employees unlimited jury service at their regular pay. Unfortunately, many businesses do not offer or are reducing or even eliminating compensation to employees who serve on juries. This creates a potential financial hardship for employees who do not receive their pay when called to jury service, and those employees often seek to be excused from having to serve. Although changes in the court rules make it more difficult to excuse a potential juror on grounds of financial hardship, potential jurors continue to be excused on this basis, especially from longer trials. This reduces the number of potential jurors and increases the burden on those employers, such as the county of Los Angeles, who pay their permanent, full-time employees while on juror duty. For these reasons, the county of Los Angeles has determined that it is appropriate to require that the businesses with which the county contracts possess reasonable jury service policies. (Ord. 2002-0015 § 1 (part), 2002)

## 2.203.020 Definitions.

The following definitions shall be applicable to this chapter:

A. "Contractor" means a person, partnership, corporation or other entity which has a contract with the county or a subcontract with a county contractor and has received or will receive an aggregate sum of $50,000 or more in any 12-month period under one or more such contracts or subcontracts.

B. "Employee" means any California resident who is a full-time employee of a contractor under the laws of California.

C. "Contract" means any agreement to provide goods to, or perform services for or on behalf of, the county but does not include:

1. A contract where the board finds that special circumstances exist that justify a waiver of the requirements of this chapter; or

2. A contract where federal or state law or a condition of a federal or state program mandates the use of a particular contractor; or

3. A purchase made through a state or federal contract; or

4. A monopoly purchase that is exclusive and proprietary to a specific manufacturer, distributor, or reseller, and must match and inter-member with existing supplies, equipment or systems maintained by the county pursuant to the Los Angeles County Purchasing Policy and Procedures Manual, Section P-3700 or a successor provision; or

5. A revolving fund (petty cash) purchase pursuant to the Los Angeles County Fiscal Manual, Section 4.4.0 or a successor provision; or

6. A purchase card purchase pursuant to the Los Angeles County Purchasing Policy and Procedures Manual, Section P-2810 or a successor provision; or

7. A non-agreement purchase with a value of less than $5,000 pursuant to the Los Angeles County Purchasing Policy and Procedures Manual, Section A-0300 or a successor provision; or

8. A bona fide emergency purchase pursuant to the Los Angeles County Purchasing Policy and Procedures Manual, Section PP-1100 or a successor provision.

D. "Full time" means 40 hours or more worked per week, or a lesser number of hours if:

1. The lesser number is a recognized industry standard as determined by the chief administrative officer, or

2. The contractor has a long-standing practice that defines the lesser number of hours as full time.

E. "County" means the county of Los Angeles or any public entities for which the board of supervisors is the governing body. (Ord. 2002-0040 § 1, 2002: Ord. 2002-0015 § 1 (part), 2002)

## 2.203.030 Applicability.

This chapter shall apply to contractors who enter into contracts that commence after July 11, 2002. This chapter shall also apply to contractors with existing contracts which are extended into option years that commence after July 11, 2002. Contracts that commence after May 28, 2002, but before July 11, 2002, shall be subject to the provisions of this chapter only if the solicitations for such contracts stated that the chapter would be applicable. (Ord. 2002-0040 § 2, 2002: Ord. 2002-0015 § 1 (part), 2002)

## 2.203.040 Contractor Jury Service Policy.

A contractor shall have and adhere to a written policy that provides that its employees shall receive from the contractor, on an annual basis, no less than five days of regular pay for actual jury service. The policy may provide that employees deposit any fees received for such jury service with the contractor or that the contractor deduct from the employees' regular pay the fees received for jury service. (Ord. 2002-0015 § 1 (part), 2002)

## 2.203.050 Other Provisions.

A. Administration. The chief administrative officer shall be responsible for the administration of this chapter. The chief administrative officer may, with the advice of county counsel, issue interpretations of the provisions of this chapter and shall issue written instructions on the implementation and ongoing administration of this chapter. Such instructions may provide for the delegation of functions to other county departments.

B. Compliance Certification. At the time of seeking a contract, a contractor shall certify to the county that it has and adheres to a policy consistent with this chapter or will have and adhere to such a policy prior to award of the contract. (Ord. 2002-0015 § 1 (part), 2002)

## 2.203.060 Enforcement and Remedies.

For a contractor's violation of any provision of this chapter, the county department head responsible for administering the contract may do one or more of the following:

1. Recommend to the board of supervisors the termination of the contract; and/or,

2. Pursuant to chapter 2.202, seek the debarment of the contractor. (Ord. 2002-0015 § 1 (part), 2002)

## 2.203.070. Exceptions.

A. Other Laws. This chapter shall not be interpreted or applied to any contractor or to any employee in a manner inconsistent with the laws of the United States or California.

B. Collective Bargaining Agreements. This chapter shall be superseded by a collective bargaining agreement that expressly so provides.

C. Small Business. This chapter shall not be applied to any contractor that meets all of the following:

1. Has ten or fewer employees during the contract period; and,

2. Has annual gross revenues in the preceding twelve months which, if added to the annual amount of the contract awarded, are less than $500,000; and,

3. Is not an affiliate or subsidiary of a business dominant in its field of operation.

"Dominant in its field of operation" means having more than ten employees and annual gross revenues in the preceding twelve months which, if added to the annual amount of the contract awarded, exceed $500,000.

"Affiliate or subsidiary of a business dominant in its field of operation" means a business which is at least 20 percent owned by a business dominant in its field of operation, or by partners, officers, directors, majority stockholders, or their equivalent, of a business dominant in that field of operation. (Ord. 2002-0015 § 1 (part), 2002)

## 2.203.090. Severability.

If any provision of this chapter is found invalid by a court of competent jurisdiction, the remaining provisions shall remain in full force and effect. (Ord. 2002-0015 § 1 (part), 2002)

# CHARITABLE CONTRIBUTIONS CERTIFICATION

_____
Company Name

_____
Address

_____
Internal Revenue Service Employer Identification Number

_____
California Registry of Charitable Trusts "CT" number (if applicable)

The Nonprofit Integrity Act (SB 1262, Chapter 919) added requirements to California's Supervision of Trustees and Fundraisers for Charitable Purposes Act which regulates those receiving and raising charitable contributions.

**Check the Certification below that is applicable to your company.**

☐ Proposer or Contractor has examined its activities and determined that it does not now receive or raise charitable contributions regulated under California's Supervision of Trustees and Fundraisers for Charitable Purposes Act. If Proposer engages in activities subjecting it to those laws during the term of a County contract, it will timely comply with them and provide County a copy of its initial registration with the California State Attorney General's Registry of Charitable Trusts when filed.

**OR**

☐ Proposer or Contractor is registered with the California Registry of Charitable Trusts under the CT number listed above and is in compliance with its registration and reporting requirements under California law. Attached is a copy of its most recent filing with the Registry of Charitable Trusts as required by Title 11 California Code of Regulations, sections 300-301 and Government Code sections 12585-12586.

_____ _____
Signature Date

_____
Name and Title of Signer (please print)

# CONTRACTOR'S EEO CERTIFICATION

_____
Contractor Name

_____
Address

_____
Internal Revenue Service Employer Identification Number

## GENERAL CERTIFICATION

In accordance with Section 4.32.010 of the Code of the County of Los Angeles, the contractor, supplier, or vendor certifies and agrees that all persons employed by such firm, its affiliates, subsidiaries, or holding companies are and will be treated equally by the firm without regard to or because of race, religion, ancestry, national origin, or sex and in compliance with all anti-discrimination laws of the United States of America and the State of California.

## CONTRACTOR'S SPECIFIC CERTIFICATIONS

| | | | |
|---|---|---|---|
| 1. | The Contractor has a written policy statement prohibiting discrimination in all phases of employment. | Yes ☐ | No ☐ |
| 2. | The Contractor periodically conducts a self analysis or utilization analysis of its work force. | Yes ☐ | No ☐ |
| 3. | The Contractor has a system for determining if its employment practices are discriminatory against protected groups. | Yes ☐ | No ☐ |
| 4. | Where problem areas are identified in employment practices, the Contractor has a system for taking reasonable corrective action, to include establishment of goals or timetables. | Yes ☐ | No ☐ |

_____
Authorized Official's Printed Name and Title

_____ _____
Authorized Official's Signature Date

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