



# RESOLUTION No. 19-209

## OF THE BOARD OF SUPERVISORS OF THE COUNTY OF NEVADA

### RESOLUTION APPROVING AGREEMENT NO. 18-0369 WITH THE CALIFORNIA DEPARTMENT OF FOOD AND AGRICULTURE (CDFA) IN AN AMOUNT NOT TO EXCEED \$20,000 FOR CANNABIS CULTIVATION COMPLIANCE INSPECTIONS PILOT PROGRAM AND AUTHORIZING THE CHAIR OF THE BOARD OF SUPERVISORS TO EXECUTE THE AGREEMENT

WHEREAS, on May 14, 2019, the County of Nevada adopted an ordinance to allow commercial medical cannabis cultivation in certain areas of Nevada County; and

WHEREAS, the Agricultural Commissioner is required to conduct inspections at cannabis cultivation sites related to Weights and Measures and Pesticide Regulation; and

WHEREAS, the CDFA and the Agricultural Commissioner have a long working history together on inspection programs; and

WHEREAS, the County of Nevada desires to participate in a pilot program with CDFA's CalCannabis Licensing Division regarding cannabis cultivation compliance inspections and educational outreach activities through June 30, 2020; and

WHEREAS, CDFA's CalCannabis Licensing Division has agreed to reimburse the County for said inspections in an amount up to \$20,000; and

WHEREAS, funds when received will be deposited into the Agricultural Commissioners budget code 0101-20601-301-1000/441530.

NOW, THEREFORE, BE IT HEREBY RESOLVED by the Board of Supervisors of the County of Nevada that Agreement No. 18-0369, by and between the County of Nevada and the California Department of Food and Agriculture in an amount not to exceed \$20,000 for cannabis cultivation compliance, for the period of May 1, 2019 through June 30, 2020, be and hereby is approved, and that the Chair of the Board of Supervisors be and is hereby authorized to execute the Agreement on behalf of the County.

PASSED AND ADOPTED by the Board of Supervisors of the County of Nevada at a regular meeting of said Board, held on the 28th day of May, 2019, by the following vote of said Board:

Ayes: Supervisors Heidi Hall, Edward Scofield, Dan Miller, Susan K. Hoek and Richard Anderson.

Noes: None.

Absent: None.

Abstain: None.

ATTEST:

JULIE PATTERSON HUNTER  
Clerk of the Board of Supervisors

By: 



Richard Anderson, Chair

5/28/2019 cc: Ag Comm (2)  
AC\* (Hold)

7/15/2019 cc: Ag Comm\*  
AC\* (Release)

41866 / 6820

STATE OF CALIFORNIA - DEPARTMENT OF GENERAL SERVICES

**STANDARD AGREEMENT**

STD 213 (Rev. 10/2018)

AGREEMENT NUMBER 18-0369	PURCHASING AUTHORITY NUMBER (if applicable)
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1. This Agreement is entered into between the Contracting Agency and the Contractor named below:

CONTRACTING AGENCY NAME

CALIFORNIA DEPARTMENT OF FOOD AND AGRICULTURE

CONTRACTOR NAME

COUNTY OF NEVADA

2. The term of this Agreement is:

START DATE

MAY 1, 2019

THROUGH END DATE

JUNE 30, 2020

3. The maximum amount of this Agreement is:

\$20,000.00 - TWENTY THOUSAND DOLLARS AND NO CENTS

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

EXHIBITS	TITLE	PAGES
Exhibit A	Scope of Work	4
Exhibit B	Budget Detail and Payment Provisions	2
Exhibit C *	General Terms and Conditions - GTC 4/2017	
Exhibit D	Special Terms and Conditions	1
Exhibit E	Additional Provisions	5

Items shown with an asterisk (\*), are hereby incorporated by reference and made part of this agreement as if attached hereto.


These documents can be viewed at [www.dgs.ca.gov/ols/resources/standardcontractlanguage.aspx](http://www.dgs.ca.gov/ols/resources/standardcontractlanguage.aspx)

IN WITNESS WHEREOF, THIS AGREEMENT HAS BEEN EXECUTED BY THE PARTIES HERETO.

**CONTRACTOR**

CONTRACTOR NAME (if other than an individual, state whether a corporation, partnership, etc.)


COUNTY OF NEVADA

CONTRACTOR BUSINESS ADDRESS 950 MAIDU AVENUE	CITY NEVADA CITY	STATE CA	ZIP 95959
PRINTED NAME OF PERSON SIGNING Richard Anderson	TITLE Chair		
CONTRACTOR AUTHORIZED SIGNATURE 	DATE SIGNED 5/28/2019		

**STATE OF CALIFORNIA**

CONTRACTING AGENCY NAME

CALIFORNIA DEPARTMENT OF FOOD AND AGRICULTURE

CONTRACTING AGENCY ADDRESS 1220 N STREET, ROOM 115	CITY SACRAMENTO	STATE CA	ZIP 95814
PRINTED NAME OF PERSON SIGNING JENNIFER CROW	TITLE ACQUISITIONS MANAGER		
CONTRACTING AGENCY AUTHORIZED SIGNATURE 	DATE SIGNED 7/9/2019		

**STANDARD AGREEMENT**

STD 213 (Rev. 10/2018)

AGREEMENT NUMBER

18-0369

PURCHASING AUTHORITY NUMBER (if applicable)

CALIFORNIA DEPARTMENT OF GENERAL SERVICES APPROVAL

EXEMPTION, IF APPLICABLE

DGS LTR 28.8

**EXHIBIT A**  
**(Standard Agreement)**

**SCOPE OF WORK**

1. Contractor agrees to provide to the California Department of Food and Agriculture (CDFA), CalCannabis Division, commercial cannabis cultivation inspection services at licensed cultivation sites in support of the Medicinal and Adult-Use Cannabis Regulation and Safety Act. as described herein:
2. The services shall be performed at Nevada County.
3. The services shall be provided between the hours of 8:00 a.m. - 5:00 p.m., Monday through Friday, excluding State holidays.
4. The project representatives during the term of this agreement will be:

<b>State Agency:</b>	<b>Contractor:</b>
Name: Margaret Cornell	Name: Chris de Nijs
Section/Unit: Compliance and Enforcement	Section/Unit: Agricultural Commissioner's Office
Address: 1220 N Street Sacramento, CA 95814	Address: 950 Maidu Avenue Nevada City, CA 95959
Phone: 916.576.6406	Phone: 530.470.2690
Email: <a href="mailto:margaret.cornell@cdfa.ca.gov">margaret.cornell@cdfa.ca.gov</a>	Email: <a href="mailto:agdept@co.nevada.ca.us">agdept@co.nevada.ca.us</a>
Fax:	Fax:

5. Detailed description of work to be performed and the duties of all parties:

**County Cannabis Inspection Program**

The County Agricultural Commissioner's Office (CAC) shall perform defined cannabis cultivation licensing compliance inspections for the California Department of Food and Agriculture (CDFA), CalCannabis Licensing Division (Division). Inspections shall be in accordance with the Medicinal and Adult Use of Cannabis Regulation and Safety Act (Act), Section 26069.1, Division 10 of the Business and Professions Code; and the Agreement for Attaining Mutual Objections between CDFA and the California Agricultural Commissioners and Sealers Association (dated July 31, 2012).

Inspections shall include the following commercial cultivation license types:

Specialty Cottage Outdoor	Small Outdoor
Specialty Cottage Indoor	Small Indoor
Specialty Cottage Mixed-Light Tier 1	Small Mixed-Light Tier 1
Specialty Cottage Mixed-Light Tier 2	Small Mixed-Light Tier 2
Specialty Indoor	Medium Indoor
Specialty Outdoor	Medium Outdoor
Specialty Mixed-Light Tier 1	Medium Mixed-Light Tier 1
Specialty Mixed-Light Tier 2	Medium Mixed-Light Tier 2
Processor	Nursery

**County Responsibilities**

- A. The CAC shall perform compliance inspections of state-licensed commercial cannabis cultivators, nurseries, and processors in compliance with the Act and CDFA regulations as outlined in this agreement using the protocols and forms provided by the Division.

- B. The CAC is responsible for scheduling inspections, ensuring that all contracted inspections are completed, and all required documentation is submitted, either in hard copy and/or electronically, to the Division.
- C. The CAC agrees to accept an inspection assignment from the Division which may, at times, be with short notice.
- D. The CAC inspector classification must be at a level with ability to provide testimony in an administrative, criminal, civil, or other proceeding, as needed.
- E. The CAC shall provide a list of cultivation license holder addresses by the 15th of the month for the following month's inspections.

### **License Inspection Requirements**

Inspections are site-based and not based on the number of licenses associated with any specific premises. Activities for a property and/or premises may include more than one license but are considered one (1) inspection and require only one set of documents to be submitted. An inspection shall include all of the following:

- A. Appropriately completed, state-provided CalCannabis Cultivator Inspection Form(s).
- B. If applicable (first time site inspection) provide the CalCannabis Document Packet to the cultivator electronically and obtain the cultivator's signature on Declaration Form.
- C. Issue a Notice of Non-Compliance form, when appropriate.
- D. Submit the CalCannabis Inspection Form, and if applicable the Declaration Form, and the Notice of Non-Compliance Form, to the Division within five (5) business days of completing the inspection.

### **CDFA Responsibilities**

- A. The Division shall provide to the CAC designated staff, field inspection training, required inspection forms and documentation, and equipment, as determined by the Division.
- B. The Division shall assign a Special Investigator as a point of contact and resource to the CAC for program support and to provide a local presence when requested for meetings or relevant enforcement events.
- C. The Division-assigned Special Investigator will provide a list of active license holders to the CAC by the 5<sup>th</sup> of the month.
- D. The Division shall reimburse the CAC not more often than monthly, and in arrears.

### **Additional Terms and Conditions**

- A. CAC shall meet with the Division to discuss areas of mutual concern including, but not limited to training, joint inspections, and lessons learned.
- B. CAC shall immediately notify the Division if they are denied access to a state-licensed cultivation site, encounter recalcitrant licensees, and/or have non-compliance or criminal concerns.
- C. CAC shall provide and maintain CAC inspection vehicles.
- D. CAC shall ensure that designated supervisors and inspections personnel attend training provided by Division Special Investigators.
- E. CAC shall attend required Division trainings on the California CalCannabis Track-and-Trace system.
- F. CAC shall allow Division Special Investigators to accompany designated CAC inspectors and/or supervisors in the field upon request.
- G. CAC shall report all serious Violations as defined in Section 8601(e) Table A of the CalCannabis Regulations, to CalCannabis within 24-hours of detection.
- H. CAC shall provide the Division with applicable information regarding violations, if any, issued to state licensed cultivation licensee associated with pesticide use/application, or weighing and measuring device non-compliance, if any.

- I. Forms may be changed or modified based upon prior mutual agreement from both parties or as required by law.
- J. Nothing in this agreement prevents or precludes the Division's Compliance and Enforcement staff from performing regulatory inspections or investigations of state licensed cannabis cultivators within the County.

**Invoicing**

The CAC shall submit itemized invoices on county letterhead using the template provided. Invoices shall be submitted monthly, no later than thirty (30) calendar days after the end of the reporting period covered by the invoice.

All invoiced expenses must fall within the parameters of the Scope of Work and Budget Worksheet and must be directly related to administering and conducting Division program-related activities.

Invoices shall be sent via email to [margaret.cornell@cdfa.ca.gov](mailto:margaret.cornell@cdfa.ca.gov). Questions about invoicing/reimbursement shall be directed to Margaret Cornell via email or by calling (916) 263-0801. The Division shall reimburse the CAC a flat fee for inspections as follows:

AMOUNT PER INSPECTION Licenses on a Premises AND Belonging to the Same Business	
1-10	\$400.00
11-30	\$500.00
30-60	\$600.00
61+	\$700.00

**SAMPLE INVOICE**

(County Letterhead)

Date:

California Department of Food and Agriculture  
CalCannabis Cultivation licensing Program  
Attn: Margaret Cornell  
1220 N Street  
Sacramento, CA 95814

County Cannabis Pilot Inspection Program

Agreement #:

FY:

Invoice  
-Invoice period dates here-

Total Number of Inspections	
Number of Inspections x \$200	
Total due	

Contract Amount	0.00
Billed to Date	0.00
Balance	0.00

\_\_\_\_\_  
County Approver (print name)

\_\_\_\_\_  
County Approver (signature)

\_\_\_\_\_  
Date

Submit invoices with the Cultivator Inspection Forms by email to:

Margaret Cornell  
CDFA - CalCannabis Division  
[margaret.cornell@cdfa.ca.gov](mailto:margaret.cornell@cdfa.ca.gov)

1. The invoice must be signed and dated by the County Approver, or the invoice cannot be processed.
2. Only authorized charges reconciling to the Scope of Work and Commitment Form will be reimbursed, i.e. number of inspections completed.
3. Payment of the invoice is contingent on submission of completed and accurate CalCannabis Temporary Licensee inspection document packet.
4. All invoices, including amendments, must be received within 30 days of the expiration of the contract.



**EXHIBIT B  
(County Agreement)**

**BUDGET DETAIL AND PAYMENT PROVISIONS**

**1. Invoicing and Payment**

- A. For services satisfactorily rendered, and upon receipt and approval of the invoices, the State agrees to compensate the Contractor, Grant, Sub-Grant or Agreement recipient for actual expenditures incurred in accordance with this Agreement and stated herein, which is attached hereto and made a part of this Agreement or Grant.

Original invoices shall include the agreement/contract number, dates of service, type of work performed, and when applicable, a breakdown of the costs of parts and materials, labor charges, and any other relevant information required to ensure proper invoices are submitted for payment. Invoices shall be itemized to follow the allowed expenses outlined in the agreement/contract budget and Scope of Work documents.

- B. Unless mutually agreed, monthly invoices must be submitted within 30 days from the end of each month in which services were rendered. Invoices must include the Agreement number and submitted in triplicate to the Program Contract Manager listed in this contract.
- C. Any travel and subsistence payments authorized under this agreement shall be paid as needed to execute the work. The maximum travel rates allowable are those established by the California Department of Human Resources. <http://www.calhr.ca.gov/employees/pages/travel-meals.aspx>.

**2. Budget Contingency Clause**

- A. It is mutually agreed that if the Budget Act of the current year and/or any subsequent years covered under this Agreement does not appropriate sufficient funds for the program, this Agreement shall be of no further force and effect. In this event, the State shall have no liability to pay any funds whatsoever to Contractor or to furnish any other considerations under this Agreement and Contractor shall not be obligated to perform any provisions of this Agreement.
- B. If funding for any fiscal year is reduced or deleted by the Budget Act for purposes of this program, the State shall have the option to either cancel this Agreement with no liability occurring to the State, or offer an agreement amendment to Contractor to reflect the reduced amount.

**3. Funding Sources for County Contracts (If no Federal Funds, this Section is not applicable)**

An annual report of expenditures, where county payments are supported by Federal funds, will be issued by CDFA Administrative Services, Financial Services Branch. This report will be issued by September 30<sup>th</sup> for invoices submitted prior to July 31<sup>st</sup> for services rendered in the prior State Fiscal Year.

Federal and State Regulations - The County will comply with all Federal and State regulations and requirements. The County must ensure they have an adequate accounting system in place and appropriate internal controls to ensure expenditures are tracked and maintained.

All sub-recipients of Federal awards shall comply with the Code of Federal Regulations (CFR) Title 2, Part 225 - Cost Principles for State and Local Governments and Title 7, Part 3016 - Uniform Administrative Requirements for Grants and Cooperative Agreements to state and local governments.

Federal 2 CFR 225 (OMB Circular A-87) can be found at the following website:

<http://training.fws.gov/fedaid/toolkit/2cfr225.pdf>

Federal 7 CFR 3016 can be found at the following website:

[http://www.access.gpo.gov/nara/cfr/waisidx\\_01/7cfr3016\\_01.html](http://www.access.gpo.gov/nara/cfr/waisidx_01/7cfr3016_01.html)

The State's accounting standards and procedures for counties provided by the State Controller's Office are located at the following website: <http://www.sco.ca.gov/ard/manual/cntyman.pdf>

**EXHIBIT B**  
**(County Agreement)**

**Budget Worksheet – Nevada County**

County: Nevada  
Contract Manager: Chris de Nijs

<b>AMOUNT PER INSPECTION Licenses on a Premises AND Belonging to the Same Business</b>	
1-10	\$400.00
11-30	\$500.00
30-60	\$600.00
61+	\$700.00

<b>Total Contract Amount</b>
\$20,000

jc

**EXHIBIT D  
(County Agreement)**

**SPECIAL TERMS AND CONDITIONS**

1. **Excise Tax**

The State of California is exempt from federal excise taxes and no payment will be made for any taxes levied on employees' wages. The State will pay for any applicable State of California or local sales or use taxes on the services rendered or equipment or parts supplied pursuant to this Agreement. California may pay any applicable sales and use tax imposed by another state.

2. **Settlement of Disputes**

In the event of a dispute, Contractor shall file a "Notice of Dispute" with the CDFA within ten (10) days of discovery of the problem. Such Notice of Dispute shall contain the Agreement number. Within ten (10) days of receipt of such Notice of Dispute, the Agency Secretary, or Designee, shall meet with the Contractor and the CDFA project manager for the purpose of resolving the dispute. The decision of the Agency Secretary or Designee shall be final. In the event of a dispute, the language contained within this Agreement shall prevail over any other language including that of the bid proposal.

3. **Evaluation of Contractor- Consultant Contracts Only**

Per the Department of General Services (DGS), all contracts for consultant services of \$5,000 or more must be evaluated. The Contract/Contraction Evaluation, Form Std. 4, must be prepared by the program within 60 days of the completion of the contract. These evaluations shall remain on file by the Department (in a separate location from the contract file) for a period of 36 months.

4. **Agency Liability**

The Contractor warrants by execution of this Agreement, that no person or selling agency has been employed or retained to solicit or secure this Agreement upon agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by the Contractor for the purpose of securing business. For breach or violation of this warranty, the State shall, in addition to other remedies provided by law, have the right to annul this Agreement without liability, paying only for the value of the work actually performed, or otherwise recover the full amount of such commission, percentage, brokerage, or contingent fee.

5. **Potential Subcontractors**

If Contractor subcontracts out a portion of the work required by this Agreement, nothing contained in this Agreement or otherwise, shall create any contractual relation between the State and any subcontractors, and no subcontract shall relieve the Contractor of his responsibilities and obligations hereunder. The Contractor agrees to be as fully responsible to the State for the acts and omissions of its subcontractors and of persons either directly or indirectly employed by any of them as it is for the acts and omissions of persons directly employed by the Contractor. The Contractor's obligation to pay its subcontractors is an independent obligation from the State's obligation to make payments to the Contractor. As a result, the State shall have no obligation to pay or to enforce the payment of any moneys to any subcontractor.

6. **Right to Terminate**

The State reserves the right to terminate this agreement subject to 30 days written notice to the Contractor. Contractor may submit a written request to terminate this agreement only if the State should substantially fail to perform its responsibilities as provided herein. However, the agreement can be immediately terminated for cause.

**EXHIBIT E  
(County Agreement)**

**ADDITIONAL PROVISIONS**

**CONTRACT AND SUBCONTRACT COMPLIANCE REQUIREMENTS**

The Contractor shall ensure its officers, agents and employees will fully cooperate with any/all investigations conducted by the Department of Food and Agriculture's Equal Employment Opportunity and Human Resources Offices and will require the same of any subcontractors or consultants used pursuant to this agreement.

**UNFAIR PRACTICES ACT**

Contractor hereby certifies that he/she will comply with the requirements of Section 17200 of the Business and Professions Code.

**CONFLICT OF INTEREST**

Contractor certifies that its employees and the officers of its governing body shall avoid any actual or potential conflicts of interest, and that no officer or employee who exercises any functions or responsibilities in connection with this Agreement shall have any personal financial interest or benefit which either directly or indirectly arises from this Agreement.

Contractor shall establish safeguards to prohibit its employees or its officers from using their positions for a purpose which could result in private gain or which gives the appearance of being motivated for private gain for themselves or others, particularly those with whom they have family, business or other ties.

**LICENSE AND PERMIT REQUIREMENTS**

The Contractor shall be an individual or firm properly licensed to do business in California in accordance with the laws of the State of California and shall obtain at his/her expense all license(s) and permit(s) required by law for accomplishing any work required in connection with this agreement.

If you are a Contractor located within the State of California, a business license from the city/county in which you are headquartered is necessary; however, if you are a corporation, a copy of your incorporation documents/letter from the Secretary of State's Office can be submitted. If you are a Contractor outside the State of California, you will need to submit to the CDFA a copy of your business license or incorporation papers for your respective state showing that your company is in good standing in that state.

In the event any license(s) and/or permit(s) expire at any time during the term of this contract, Contractor agrees to provide agency a copy of the renewed license(s) and/or permit(s) within 30 days following the expiration date. In the event the Contractor fails to keep in effect at all times all required license(s) and permit(s), the State may, in addition to any other remedies it may have, terminate this agreement upon occurrence of such event.

Licensed contractors must observe professional standards for quality work or the California Contractors State License Board will invoke disciplinary action.

Should the State of California determine that the work or materials provided vary materially from the specifications, or that defective work when completed was not performed in a workmanlike manner, then the Contractor warrants that he/she shall perform all necessary repairs, replacement and corrections needed to restore the property according to the agreement plans and specifications, all at no further or additional cost to the State of California.

**INSURANCE REQUIREMENTS**

Contractor shall comply with all requirements outlined in the (1) General Provisions section and (2) Contract Insurance Requirements outlined in this section. No payments will be made under this contract until contractor fully complies with all requirements.

**EXHIBIT E**  
**(County Agreement)**

**1. General Provisions Applying to All Policies**

- a. Coverage Term – Coverage needs to be in force for the complete term of the contract. If insurance expires during the term of the contract, a new certificate must be received by the State at least ten (10) days prior to the expiration of this insurance. Any new insurance must comply with the original contract terms.
- b. Policy Cancellation or Termination & Notice of Non-Renewal – Insurance policies shall contain a provision stating coverage will not be cancelled without 30 days prior written notice to the State. New Certificates of insurance are subject to the approval of the Department of General Services and the Contractor agrees no work or services will be performed prior to obtaining such approval. In the event Contractor fails to keep in effect at all times the specified insurance coverage, the State may, in addition to any other remedies it may have, terminate this contract upon the occurrence of such event, subject to the provisions of this contract.
- c. Premiums, Assessments and Deductibles – Contractor is responsible for any premiums, policy assessments, deductibles or self-insured retentions contained within their insurance program.
- d. Primary clause – Any required insurance contained in this contract shall be primary and not excess or contributory to any other insurance carried by the State.
- e. Insurance Carrier Required Rating – All insurance carriers must carry an AM Best rating of at least an “A-” with a financial category rating of no lower than VI. If the contractor is self-insured for a portion or all of its insurance, documentation of self-insurance must be submitted and approved by the Department of General Services, Office of Risk and Insurance Management.
- f. Endorsements – Any required endorsements requested by the State must be physically attached to all requested certificates of insurance and not substituted by referring to such coverage on the certificate of insurance.
- g. Inadequate Insurance – Inadequate or lack of insurance does not negate the contractor’s obligation under the contract.
- h. Use of Subcontractors – In the case of Contractor’s utilization of subcontractors to complete the contracted scope of work, the contractor shall include all subcontractors as insured’s under Contractor’s insurance or supply evidence of subcontractor’s insurance to the State equal to policies, coverages and limits required of the Contractor.

**2. Contract Insurance Requirements**

**Prime Contractor Insurance Requirements**

Contractor shall display on an Acord certificate of insurance evidence of the following coverages:

**Commercial General Liability Insurance**

Contractor shall maintain general liability on an occurrence form with limits not less than \$1,000,000 per occurrence for bodily injury and property damage liability combined with a \$2,000,000 annual policy aggregate. The policy shall include coverage for liabilities arising out of premises, operations, independent contractors, products, completed operations, personal and advertising injury, and liability assumed under an insured contract. This insurance shall apply separately to each insured against whom claim is made or suit is brought subject to the Contractor’s liability.

**EXHIBIT E  
(County Agreement)**

The policy must be endorsed to name **The State of California, its officers, agents, employees and servants as additional insureds, but only with respect to work performed under this contract.**

Environmental/Pollution Liability Insurance

If hazardous materials is required work is required, then the contractor shall maintain Environmental/Pollution Liability coverage for limits not less than \$1,000,000 per claim covering the contractor's liability for bodily injury, property damage and environmental damage resulting from pollution and related cleanup costs incurred arising out of work or services to be performed under this contract.

The policy must be endorsed to name **The State of California, its officers, agents, employees and servants as additional insureds, but only with respect to work performed under this contract.**

Coverage shall be provided for both work performed on site and during transportation of as well as proper disposal of hazardous materials. Proof of pollution during transportation shall be provided on an MCS-90 or equivalent.

Automobile Liability Insurance

Contractor shall maintain automobile liability insurance for limits not less than \$1,000,000 combined single limit. Such insurance shall cover liability arising out of a motor vehicle including owned, hired, and non-owned motor vehicles

Workers Compensation Insurance

The Contractor shall have and maintain, for the term of this agreement, workers' compensation insurance and shall furnish to the State a certificate of insurance evidencing workers' compensation insurance and employer's liability presently in effect with limits not less than \$1,000,000 by an insurance carrier licensed to underwrite workers' compensation insurance in California. Such certificate shall include the name of the carrier, policy inception and expiration dates. If the Contractor is self-insured for workers' compensation, a certificate must be presented evidencing Contractor is a qualified self-insurer in the State of California. By signing this agreement, the Contractor hereby warrants that it carries workers' compensation insurance on all of its employees who will be engaged in the performance of this agreement. If staff provided by the Contractor is defined as independent contractors, this clause does not apply.

**The insurer waives any right of recovery the insurer may have against the State because of payments the insurer makes for injury or damage arising out of the work done under contract with the State. The waiver of Subrogation or Right to Recover endorsement in favor of the State of California must be attached to certificate.**

Sub-Contractor Insurance Requirements

Contractor shall display on an Acord certificate of insurance evidence of the following coverages:

Commercial General Liability Insurance

Contractor shall maintain general liability on an occurrence form with limits not less than \$1,000,000 per occurrence for bodily injury and property damage liability combined with a \$2,000,000 annual policy aggregate. The policy shall include coverage for liabilities arising out of premises, operations, independent contractors, products, completed operations, personal and advertising injury, and liability assumed under an insured contract. This insurance shall apply separately to each insured against whom claim is made or suit is brought subject to the Contractor's liability.

**EXHIBIT E  
(County Agreement)**

The policy must be endorsed to name **The State of California, its officers, agents, employees and servants as additional insureds, but only with respect to work performed under this contract**

**Environmental/Pollution Liability Insurance**

If hazardous materials is required work is required, then the contractor shall maintain Environmental/Pollution Liability coverage for limits not less than \$1,000,000 per claim covering the contractor's liability for bodily injury, property damage and environmental damage resulting from pollution and related cleanup costs incurred arising out of work or services to be performed under this contract.

The policy must be endorsed to name **The State of California, its officers, agents, employees and servants as additional insureds, but only with respect to work performed under this contract.**

Coverage shall be provided for both work performed on site and during transportation of as well as proper disposal of hazardous materials. Proof of pollution during transportation shall be provided on an MCS-90 or equivalent.

**Automobile Liability Insurance**

Contractor shall maintain automobile liability insurance for limits not less than \$1,000,000 combined single limit. Such insurance shall cover liability arising out of a motor vehicle including owned, hired, and non-owned motor vehicles.

**Workers Compensation Insurance**

The Contractor shall have and maintain, for the term of this agreement, workers' compensation insurance and shall furnish to the State a certificate of insurance evidencing workers' compensation insurance and employer's liability presently in effect with limits not less than \$1,000,000 by an insurance carrier licensed to underwrite workers' compensation insurance in California. Such certificate shall include the name of the carrier, policy inception and expiration dates. If the Contractor is self-insured for workers' compensation, a certificate must be presented evidencing Contractor is a qualified self-insurer in the State of California. By signing this agreement, the Contractor hereby warrants that it carries workers' compensation insurance on all of its employees who will be engaged in the performance of this agreement. If staff provided by the Contractor is defined as independent contractors, this clause does not apply.

**The insurer waives any right of recovery the insurer may have against the State because of payments the insurer makes for injury or damage arising out of the work done under contract with the State. The waiver of Subrogation or Right to Recover endorsement in favor of the State of California must be attached to certificate.**

**SUBCONTRACTORS**

Contractor shall obtain prior approval from CDFA before hiring subcontractors, consultants or both. The total amount of all subcontracts shall not exceed \$50,000 or 25% of the total amount of the contract, whichever is less, unless the Contractor can provide certified documents that award was made through a competitive bidding process requiring at least three bids from responsible bidders.

All subcontractors identified shall be experts in their respective disciplines and capable of performing the tasks for which they were hired. Subcontractors shall have extensive experience in their area of expertise, with particular emphasis on prior experience on similar programs or projects that clearly illustrate their expertise in areas essential to the CDFA.

The Contractor must use the Small business and/or Disabled Veterans Business Enterprise (DVBE) subcontractor(s) identified in the Small Business/DVBE Participation Summary submitted with the bid

**EXHIBIT E  
(County Agreement)**

unless the Contractor requests substitution in writing to the CDFA prior to the subcontractor performing any work and the CDFA approves such substitution.

**POTENTIAL SUBCONTRACTORS**

Nothing contained in this agreement or otherwise, shall create any contractual relation between the State and any subcontractors, and no subcontract shall relieve the Contractor of his responsibilities and obligations hereunder. The Contractor agrees to be as fully responsible to the State for the acts and omissions of its subcontractors and of persons either directly or indirectly employed by any of them as it is for the acts and omissions of persons directly employed by the Contractor. The Contractor's obligation to pay its subcontractors is an independent obligation from the State's obligation to make payments to the Contractor. As a result, the State shall have no obligation to pay or to enforce the payment of any moneys to the subcontractor.

**FORCED, CONVICT, AND INDENTURED LABOR**

No foreign-made equipment, materials, or supplies furnished to the State pursuant to this contract may be produced in whole or in part by forced labor, convict labor, or indentured labor.

**FORCE MAJEURE**

Except for defaults of any subcontractors, neither party shall be responsible for any delay in or failure of performance from acts beyond the control of the offending party. Such acts shall include, but shall not be limited to, acts of God, fire, flood, earthquake, other natural disaster, nuclear accident, strike, lockout, riot, freight embargo, public regulated utility, or governmental statutes or regulations superimposed after the fact. If a delay or failure in performance by the Contractor arises out of a default of its subcontractor, and if such default of its subcontractor, causes beyond the control of both the Contractor and subcontractor, and without the fault or negligence of either of them, the Contractor shall not be liable for damages of such delay or failure, unless the supplies or services to be furnished by the subcontractor were obtainable from other sources in sufficient time to permit the Contractor to meet the required performance schedule.



CCC 04/2017

**CERTIFICATION**

I, the official named below, CERTIFY UNDER PENALTY OF PERJURY that I am duly authorized to legally bind the prospective Contractor to the clause(s) listed below. This certification is made under the laws of the State of California.

<i>Contractor/Bidder Firm Name (Printed)</i> County of Nevada		<i>Federal ID Number</i>
<i>By (Authorized Signature)</i> [Signature]		
<i>Printed Name and Title of Person Signing</i> Richard Anderson, Chair of the Board		
<i>Date Executed</i> 7/2/2015	<i>Executed in the County of</i>	

**CONTRACTOR CERTIFICATION CLAUSES**

1. **STATEMENT OF COMPLIANCE:** Contractor has, unless exempted, complied with the nondiscrimination program requirements. (Gov. Code §12990 (a-f) and CCR, Title 2, Section 11102) (Not applicable to public entities.)

2. **DRUG-FREE WORKPLACE REQUIREMENTS:** 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 Agreement 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 Agreement.

Failure to comply with these requirements may result in suspension of payments under the Agreement or termination of the 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: the Contractor has made false certification, or violated the

certification by failing to carry out the requirements as noted above. (Gov. 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. (Pub. Contract Code §10296) (Not applicable to public entities.)

4. CONTRACTS FOR LEGAL SERVICES \$50,000 OR MORE- PRO BONO REQUIREMENT: Contractor hereby certifies that Contractor will comply with the requirements of Section 6072 of the Business and Professions Code, effective January 1, 2003.

Contractor agrees to make a good faith effort to provide a minimum number of hours of pro bono legal services during each year of the contract equal to the lesser of 30 multiplied by the number of full time attorneys in the firm's offices in the State, with the number of hours prorated on an actual day basis for any contract period of less than a full year or 10% of its contract with the State.

Failure to make a good faith effort may be cause for non-renewal of a state contract for legal services, and may be taken into account when determining the award of future contracts with the State for legal services.

5. 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.

6. 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](http://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).

7. DOMESTIC PARTNERS: For contracts of \$100,000 or more, Contractor certifies that Contractor is in compliance with Public Contract Code section 10295.3.

8. GENDER IDENTITY: For contracts of \$100,000 or more, Contractor certifies that Contractor is in compliance with Public Contract Code section 10295.35.

### **DOING BUSINESS WITH THE STATE OF CALIFORNIA**

The following laws apply to persons or entities doing business with the State of California.

1. CONFLICT OF INTEREST: Contractor needs to be aware of the following provisions regarding current or former state employees. If Contractor has any questions on the status of any person rendering services or involved with the Agreement, the awarding agency must be contacted immediately for clarification.

Current State Employees (Pub. Contract Code §10410):

1). No officer or employee shall engage in any employment, activity or enterprise from which the officer or employee receives compensation or has a financial interest and which is sponsored or funded by any state agency, unless the employment, activity or enterprise is required as a condition of regular state employment.

2). No officer or employee shall contract on his or her own behalf as an independent contractor with any state agency to provide goods or services.

Former State Employees (Pub. Contract Code §10411):

1). For the two-year period from the date he or she left state employment, no former state officer or employee may enter into a contract in which he or she engaged in any of the negotiations, transactions, planning, arrangements or any part of the decision-making process relevant to the contract while employed in any capacity by any state agency.

2). For the twelve-month period from the date he or she left state employment, no former state officer or employee may enter into a contract with any state agency if he or she was employed by that state agency in a policy-making position in the same general subject area as the proposed contract within the 12-month period prior to his or her leaving state service.

If Contractor violates any provisions of above paragraphs, such action by Contractor shall render this Agreement void. (Pub. Contract Code §10420)

Members of boards and commissions are exempt from this section if they do not receive payment other than payment of each meeting of the board or commission, payment for preparatory time and payment for per diem. (Pub. Contract Code §10430 (e))

2. 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)

3. AMERICANS WITH DISABILITIES ACT: Contractor assures the State that it complies with the Americans with Disabilities Act (ADA) of 1990, which prohibits discrimination on the basis of disability, as well as all applicable regulations and guidelines issued pursuant to the ADA. (42 U.S.C. 12101 et seq.)

4. CONTRACTOR NAME CHANGE: An amendment is required to change the Contractor's name as listed on this Agreement. Upon receipt of legal documentation of the name change the State will process the amendment. Payment of invoices presented with a new name cannot be paid prior to approval of said amendment.

5. CORPORATE QUALIFICATIONS TO DO BUSINESS IN CALIFORNIA:

a. 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.

b. "Doing business" is defined in 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.

c. 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.

6. RESOLUTION: A county, city, district, or other local public body must provide the State with a copy of a resolution, order, motion, or ordinance of the local governing body which by law has authority to enter into an agreement, authorizing execution of the agreement.

7. AIR OR WATER POLLUTION VIOLATION: Under the State laws, the Contractor shall not be: (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 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.

8. PAYEE DATA RECORD FORM STD. 204: This form must be completed by all contractors that are not another state agency or other governmental entity.