

1                                   **AGREEMENT**  
2                                   **BETWEEN THE**  
3                                   **CITY OF GARDEN GROVE**  
4                                   **AND THE**  
5                                   **COUNTY OF ORANGE**  
6

7                   **THIS AGREEMENT** is entered into this First day of April 2021, which  
8 date is enumerated for purposes of reference only, by and between the CITY OF  
9 GARDEN GROVE, hereinafter referred to as "CITY", and the COUNTY OF ORANGE,  
10 a political subdivision of the State of California, hereinafter referred to as "COUNTY".

11                                   **WITNESSETH:**

12                   **WHEREAS**, CITY wishes to contract with COUNTY for enhanced major  
13 crime scene investigation and related services; and

14                   **WHEREAS**, COUNTY is agreeable to the rendering of such services, as  
15 authorized in Government Code Sections 51301 and 55632, on the terms and  
16 conditions hereinafter set forth,

17                   **NOW, THEREFORE, IT IS MUTUALLY AGREED AS FOLLOWS:**

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1 **A. TERM:**

2 The term of this Agreement shall be for five (5) years, commencing  
3 July 1, 2021 and terminating June 30, 2026 unless earlier terminated by either  
4 party in the manner set forth herein.

5 **B. OPTIONAL TERMINATION:**

6 COUNTY or CITY may terminate this Agreement, without cause, upon ninety  
7 (90) days written notice to the other party.

8 **C. REGULAR SERVICES BY COUNTY:**

- 9 1. COUNTY, through its Sheriff-Coroner Department, hereinafter referred to  
10 as "SHERIFF", shall render to CITY enhanced major crime scene  
11 investigation services as provided in Subsections C-2 and C-3 below. Major  
12 crimes generally include, but may not be limited to, homicide, aggravated  
13 assault, and rape, and the services provided by COUNTY pursuant to this  
14 Agreement shall be limited to the investigation of said crimes committed  
15 within the city limits of CITY. COUNTY shall provide the services described  
16 herein for such crimes when requested by CITY's designated police staff, to  
17 the extent that requested services reasonably can be provided by the  
18 SHERIFF personnel assigned to provide services hereunder within the  
19 working hours specified herein.
- 20 2. SHERIFF shall provide all staffing, supervision, management, training,  
21 services, supplies and equipment necessary to deliver services as provided  
22 in this Agreement. Services will include court testimony by assigned  
23 SHERIFF staff pertaining to the investigation services provided pursuant to  
24 this Agreement.
- 25 3. SHERIFF shall provide CITY with services as follows:
- 26 a. One (1) Lead Forensic Specialist - This Lead Forensic Specialist will be  
27 a dedicated position, assigned to CITY's Police Department casework on  
28 a full-time basis to conduct fingerprint examinations, automated

1 **C. REGULAR SERVICES BY COUNTY: (Continued)**

2 Fingerprint, Identification System latent fingerprint entry, provide training  
3 for new officers, biannual training to Patrol personnel and Community  
4 Services Officers, liaison between the SHERIFF and CITY, maintain the  
5 DNA and CSI supplies for staff, and any other tasks and projects that  
6 support the operation of CITY. Verification of casework will be  
7 completed by a Latent Comparison Section Lead Forensic Specialist or  
8 higher at the SHERIFF's OC Crime Lab. Office hours will be eight hours  
9 per day Monday through Friday, with 4 days per week served at CITY's  
10 Police Department facility and 1 day per week served at the SHERIFF's  
11 OC Crime Lab, unless a different work schedule is requested by CITY  
12 and approved by SHERIFF. "Assignment on a full time basis" means  
13 that the assigned COUNTY employee will devote 80 hours per two-week  
14 pay period, less paid holidays, vacation, sick leave and other types of  
15 short-time paid leave available to said employee pursuant to applicable  
16 COUNTY personnel policy, providing services pursuant to this  
17 Agreement. If the assigned COUNTY employee takes vacation or other  
18 leave for a period in excess of 10 successive working days, SHERIFF  
19 shall assign another employee of similar rank and skill level to perform  
20 services hereunder for the remainder of the assigned employee's  
21 extended leave.

- 22 b. One (1) Forensic Scientist III - The Forensic Scientist III position will be  
23 assigned to CITY's casework but will work at the SHERIFF's OC Crime  
24 Lab. This aggregate position will be filled by more than one COUNTY  
25 employee and will provide coverage during normal business hours from  
26 approximately 8:00 a.m. to 5 p.m. for CITY DNA casework analysis. This  
27 aggregate position will provide services for an average of 80 hours per  
28 two week pay period less County holidays.

1 **C. REGULAR SERVICES BY COUNTY: (Continued)**

2 c. One (1) Lead Forensic Specialist – This Lead Forensic Specialist  
3 position will be assigned to CITY's casework but will work at the  
4 SHERIFF's OC Crime Lab. This aggregate position will be filled by more  
5 than one COUNTY employee and will provide coverage from 6:00 a.m.  
6 to 1:30 a.m., seven days a week, for crime scene investigation and  
7 evidence gathering services provided by the Identification Bureau on  
8 major crimes. This aggregate position will also provide sequential  
9 chemical processing of evidence items for latent fingerprints, provide  
10 supplemental latent fingerprint processing services, provide assistance  
11 to the other Lead Forensic Specialist(s) in processing major crime  
12 scenes, print proof sheets, print enlargements and create CD's of  
13 photographs upon request.

14 d. SHERIFF will provide on-call services for crime scene investigations of  
15 major crimes from 1:30 a.m. to 6:00 a.m. These services may be  
16 performed by the Lead Forensic Specialist position or any of the position  
17 classifications authorized by this agreement, as assigned by the  
18 SHERIFF.

19 e. SHERIFF provided services may include overtime, projected at 140  
20 hours per year, with a projected maximum obligation of \$12,791. CITY  
21 will be charged at actual rates based upon position classification working  
22 overtime.

23 **4. Supplies and Digital Imaging**

24 a. COUNTY will provide supplies needed for crime scene investigations  
25 conducted by SHERIFF.

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1 **C. REGULAR SERVICES BY COUNTY: (Continued)**

2 Included in the supplies to be provided by COUNTY will be digital media  
3 submitted by SHERIFF to the SHERIFF's photo lab, in conformance with  
4 existing SHERIFF's policies.

5 b. Digital media supplies for cases investigated by CITY personnel is not  
6 included in the services and supplies to be provided by COUNTY  
7 pursuant to this Agreement, but may be provided, at the option of the  
8 SHERIFF, upon payment by CITY of the full additional costs thereof.

9 **D. DUTIES OF CITY:**

- 10 1. CITY shall provide (a) a safe, clean, adequate work space at its Police  
11 facility for COUNTY's Lead Forensic Specialist assigned pursuant to this  
12 Agreement, and (b) any equipment and supplies not specified herein that  
13 said Lead Forensic Specialist needs to provide services hereunder.
- 14 2. CITY and its police personnel shall cooperate with and appropriately assist  
15 SHERIFF personnel providing services pursuant to this Agreement, so as to  
16 further the Parties' shared goal of ensuring that investigations of major  
17 crimes committed in CITY are conducted accurately, efficiently and in a  
18 timely fashion, in accordance with the highest professional standards.

19 **E. PAYMENT:**

- 20 1. Pursuant to Government Code Section 51350, CITY agrees to pay to  
21 COUNTY the costs of the services, equipment and supplies provided by  
22 COUNTY pursuant to this Agreement. Said costs include salaries, wages,  
23 benefits, mileage, services, supplies, equipment, and divisional, department  
24 and COUNTY Overhead.
- 25 2. The cost of regular services, equipment and supplies provided by COUNTY  
26 for the period from July 1, 2021 through June 30, 2022 shall be as follows:

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1 **E. PAYMENT: (Continued)**

2 **SERVICE**

**COST OF SERVICE**

3 **Personnel Costs:**

- |   |                                     |            |
|---|-------------------------------------|------------|
| 4 | • Two (2) Lead Forensic Specialists | \$ 371,208 |
| 5 | • One (1) Forensic Scientist III    | \$ 249,971 |
| 6 | • Aggregate Overtime                | \$ 12,791  |

7 **TOTAL COST**

**\$ 633,970**

8 3. COUNTY shall invoice CITY monthly. During the period July 1, 2021  
9 through June 30, 2022, said invoices will require payment by City of  
10 one-twelfth (1/12) of the cost for services referenced in paragraph E-2 of  
11 this Agreement.

12 The overtime hours included in the Agreement are only an estimate.  
13 SHERIFF shall notify CITY of actual overtime worked during each fiscal  
14 year. If actual overtime worked is less than the budgeted amount,  
15 SHERIFF shall provide a credit to the CITY. Prior to working overtime  
16 which will exceed the annual budget, SHERIFF shall advise CITY of  
17 anticipated hours over budget and receive CITY's concurrence to pay  
18 additional cost. CHIEF OF POLICE for CITY is authorized to provide  
19 concurrence to pay for the increased amount for overtime at the same  
20 overtime billing rate in effect at the time the hours were worked.

21 4a. Each fiscal year, SHERIFF shall submit to CITY, in writing, a  
22 recommended level of service and an estimate of the costs to COUNTY of  
23 providing said services to CITY in the following fiscal year. Said estimate  
24 shall reflect the full anticipated costs to COUNTY of providing said  
25 services, equipment and supplies and shall be computed by SHERIFF in  
26 accordance with current COUNTY cost data. Within thirty days after  
27 receipt of said cost estimate, CITY shall transmit to SHERIFF its written  
28 acceptance or rejection of said estimates. CITY's Chief of Police is

1 **E. PAYMENT: (Continued)**

2 hereby authorized to determine whether to accept or reject said cost  
3 estimates.

4 b. If CITY accepts said cost estimate, then SHERIFF or designee, on behalf  
5 of COUNTY, and CITY's Chief of Police, on behalf of CITY, are  
6 authorized to execute a written amendment to this Agreement reflecting  
7 the service level and CITY's obligation to pay said cost for the ensuing  
8 fiscal year. Said amendment shall not change other terms and conditions  
9 of this Agreement, except the service level and cost, unless first approved  
10 by COUNTY's Board of Supervisors and CITY's Council. SHERIFF and  
11 CITY's Chief of Police shall cause originals of any amendments to this  
12 Agreement that are executed to be filed with COUNTY's Clerk of the  
13 Board of Supervisors and CITY's Clerk immediately upon execution.

14 c. If the Parties are unable to agree by June 30 of any fiscal year on the  
15 level of service to be provided by COUNTY to CITY or on the amount to  
16 be paid by CITY for services to be provided by COUNTY for the following  
17 fiscal year, this Agreement will terminate as of September 30 of the  
18 following fiscal year. The period of July 1 through September 30, if  
19 applicable, provides the Parties up to the date of termination on  
20 September 30 to continue contract negotiations. During said period of  
21 continuing negotiations July 1 through September 30, COUNTY will  
22 provide the level of service provided in the preceding fiscal year, and CITY  
23 shall be obligated to pay the cost of such services provided in the prior  
24 fiscal year. The full cost of such services may exceed the cost of similar  
25 services provided in the prior fiscal year.

26 5. CITY shall pay COUNTY in accordance with COUNTY Board of  
27 Supervisors' approved County Billing Policy, which is attached hereto as  
28 Attachment A, and incorporated herein by this reference.



1 **E. PAYMENT: (Continued)**

2 6. COUNTY shall charge CITY late payment penalties in accordance with  
3 COUNTY Board of Supervisors' approved County Billing Policy.

4 7. At the time this is executed, there may be unresolved issues pertaining to  
5 potential increases or decreases in salaries and benefits for COUNTY  
6 employees. The cost of such potential increases or decreases are not  
7 included in the Fiscal Year 2021-22 costs set forth in Subsection E-2 of this  
8 Agreement. If COUNTY incurs or becomes obligated to pay for any such  
9 increases for or on account of personnel whose costs are included in the  
10 calculations of costs charged to CITY hereunder, CITY shall pay COUNTY,  
11 in addition to the cost of service set forth in Subsection E-2 of this  
12 Agreement, the full costs of said increases to the extent such increases are  
13 attributable to work performed by such personnel after July 1, 2021, and  
14 CITY's cost of service hereunder shall be deemed to have increased  
15 accordingly. CITY shall pay COUNTY in full for such increases on a pro-  
16 rata basis over the portion of the period between July 1, 2021 and June 30,  
17 2022 remaining after COUNTY notifies CITY that increases are payable.

18 In the event that salaries and benefits costs for COUNTY employees  
19 decrease for or on account of personnel whose costs are included in the  
20 calculations of costs charged to CITY hereunder, COUNTY shall notify  
21 CITY of decreased cost and bill accordingly.

22 **F. NOTICES:**

23 1. Except for the notices provided for in subparagraph 2 of this paragraph, all  
24 notices authorized or required by this Agreement shall be effective when  
25 written and deposited in the United States mail, first class postage prepaid  
26 and addressed as follows:

27 **CITY:** INVESTIGATIONS COMMANDER  
28 GARDEN GROVE POLICE DEPARTMENT  
11301 ACACIA PARKWAY  
GARDEN GROVE, CA 92840-5310

1 **F. NOTICES: (Continued)**

2 **COUNTY:**

DIRECTOR  
ORANGE COUNTY CRIME LABORATORY  
SHERIFF-CORONER DEPARTMENT  
320 NORTH FLOWER STREET  
SANTA ANA, CA 92703

5 LAW ENFORCEMENT CONTRACT MANAGER  
6 SHERIFF-CORONER DEPARTMENT  
7 FINANCIAL/ADMINISTRATIVE SERVICES DIVISION  
8 320 NORTH FLOWER STREET  
9 SANTA ANA, CA 92703

- 10 2. Termination notices shall be effective when written and deposited in the  
11 United States mail, certified, return receipt requested and addressed as  
12 above.

13 **G. STATUS OF COUNTY:**

14 COUNTY is, and shall at all times be deemed to be, an independent contractor  
15 and shall be wholly responsible for the manner in which it performs the services  
16 required of it by the terms of this Agreement. Nothing herein contained shall  
17 be construed as creating the relationship of employer and employee, or  
18 principal and agent, between CITY and COUNTY or any of COUNTY's agents  
19 or employees. Nothing herein contained shall be construed as creating the  
20 relationship of employer, or principal and agent, between COUNTY and any of  
21 CITY's agents or employees. COUNTY and its SHERIFF shall retain all  
22 authority for rendition of services, standards of performance, control of  
23 personnel, and other matters incident to the performance of services by  
24 COUNTY pursuant to this Agreement. COUNTY, its agents and employees,  
25 shall not be entitled to any rights or privileges of CITY employees and shall not  
26 be considered in any manner to be CITY employees. CITY, its agents and  
27 employees shall not be entitled to any rights or privileges of COUNTY  
28 employees and shall not be considered in any manner to be COUNTY employ  
employees.

1 **H. STATE AUDIT:**

2 Pursuant to Government Code Section 8546.7, CITY and COUNTY shall be  
3 subject to examination and audit by the State Auditor for a period of three (3)  
4 years after final payment by CITY to COUNTY under this Agreement. CITY  
5 and COUNTY shall retain all records relating to the performance of this  
6 Agreement for said three-year period, except that records pertaining to any  
7 audit then in progress, or any claim or litigation shall be retained beyond said  
8 three-year period until final resolution of said audit, claim or litigation.

9 **I. ALTERATION OF TERMS:**

10 This Agreement fully expresses all understanding of CITY and COUNTY with  
11 respect to this subject matter of this Agreement, and shall constitute the total  
12 Agreement between the parties for these purposes. No addition to, or  
13 alteration of, the terms of this Agreement shall be valid unless made in writing,  
14 formally approved and executed by duly authorized agents of both parties.

15 **J. INDEMNIFICATION:**

16 1. COUNTY, its elected and appointed officials, officers, employees, agents,  
17 subcontractors, independent contractors and those special districts and  
18 agencies for which COUNTY's Board of Supervisors acts as the governing  
19 Board ("COUNTY INDEMNITEES") shall not be deemed to have assumed  
20 any liability for the negligence or any other act or omission of CITY or any of  
21 its officers, agents, employees, subcontractors or independent contractors,  
22 or for any dangerous or defective condition of any public street or work or  
23 property of CITY, or for any illegality or unconstitutionality of state statutes or  
24 CITY's municipal ordinances. CITY agrees to indemnify, defend with  
25 counsel approved in writing by COUNTY, and hold all COUNTY  
26 INDEMNITEES harmless from any claims, demands or liability of any kind or  
27 nature, including but not limited to personal injury or property damage,  
28 arising from or related to the services, products or other performance

1 **J. INDEMNIFICATION: (Continued)**

2 provided by City and including those based or asserted upon the condition  
3 of any public street or work or property of CITY, or upon the illegality or  
4 unconstitutionality of any state statute or municipal ordinance of CITY of  
5 which SHERIFF has investigated an alleged or actual violation, or upon any  
6 act or omission of CITY, its officers, agents, employees, subcontractors and  
7 independent contractors related to this Agreement. If judgment is entered  
8 against CITY and COUNTY by a court of competent jurisdiction because of  
9 the concurrent active negligence of COUNTY or COUNTY INDEMNITEES,  
10 CITY and COUNTY agree that liability will be apportioned as determined by  
11 the court. Neither party shall request a jury apportionment.

- 12 2. COUNTY agrees to defend, indemnify, and hold CITY, and its elected and  
13 appointed officials, officers, employees, agents, subcontractors and  
14 independent contractors harmless from any claims, demands or liability of  
15 any kind or nature, including but not limited to personal injury or property  
16 damage, arising from or related to the services, products or other  
17 performance provided by COUNTY pursuant to this agreement. If judgment  
18 is entered against COUNTY and CITY by a court of competent jurisdiction  
19 because of the concurrent active negligence of CITY, COUNTY and CITY  
20 agree that liability will be apportioned as determined by the court. Neither  
21 party shall request a jury apportionment.

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1                   **IN WITNESS WHEREOF**, the parties have executed the AGREEMENT  
2 in the County of Orange, State of California.

3  
4   DATED: \_\_\_\_\_  
  CITY OF GARDEN GROVE

5           ATTEST: \_\_\_\_\_  
6   City Clerk

7   BY: \_\_\_\_\_  
8   Mayor

9           APPROVED AS TO FORM:

10          BY: \_\_\_\_\_  
11   City Attorney

12  
13          DATED: \_\_\_\_\_

14  
15          BY: \_\_\_\_\_  
16   Chairman of the Board of Supervisors  
  County of Orange, California

17  
18          Signed and certified that a copy of this  
19          Agreement has been delivered to the Chair  
20          of the Board per G.C. Sec. 25103, Reso 79-1535  
21          Attest:

22          \_\_\_\_\_  
23          Robin Stieler  
24          Clerk of the Board  
25          County of Orange, California

26   APPROVED AS TO FORM:  
27   Office of the County Counsel  
28   County of Orange, California

29   BY:   
  Deputy

  DATED: 4/1/21

**COUNTY BILLING POLICY**  
**APPROVED BY BOARD MINUTE ORDER DATED OCTOBER 27, 1992**

I. POLICY

All County agencies/departments/districts (County) governed by the Board of Supervisors shall bill contracting entities for materials and/or services provided under contract in accordance with the following standardized billing and collection policy. Billing frequency is dependent on whether the contract is a fixed price or actual cost contract. Payment due date is designed to be both responsive to the County's cash flow needs and reasonable enough as to not require special processing by the contracting entity. If payments are not received by the required due dates, a late payment fee shall be computed and billed to the contracting entity in accordance with the requirements of this procedure.

Nothing herein shall affect the liability, including pre-judgment interest, of the contracting party for services or materials in as much as this is a policy to enact standard billing practices.

II. DEFINITIONS

- A. Contract for the purposes of this policy - A contract is a formal written agreement, a purchase order from the contracting entity, or any other acceptable mutual understanding between the contracting parties.
- B. Received by the County - The phrase "received by the County", as used in Section VI of this policy, refers to the date a payment is received by the County. It is defined as the date the payment is in the County's possession. It is not the date the payment is posted or deposited by the County.

III. FIXED PRICE CONTRACTS

- A. Fixed Price (One-Time/Non-Recurring Contracts) - Invoices that represent a billing for a one-time, non-recurring provision of materials and/or services shall be issued no later than five (5) working days after delivery by the County of the materials and/or services. Examples of such one-time, non-recurring provision of materials and/or services might be a city contracting with the Sheriff for security service at a parade or sporting event; or, a city purchasing a computer listing containing certain city-requested data. Payment due date shall be invoice date plus 30 days.
- B. Fixed Price (Ongoing/Recurring Contracts) - Invoices that represent a billing for an ongoing, recurring provision of materials and/or services shall be issued according to the following frequency:
  - 1. Annual Billings that total \$10,000 or less per 12-month period shall be billed via one (1) annual invoice. Annual invoices will be issued for each 12-month period of the contract, or portions thereof. Invoices shall be issued no later than five working days after the beginning of each 12-month period. Payment due date shall be invoice date plus 30 days.

2. Quarterly Billings that are greater than \$10,000 but not more than \$200,000 per 12-month period, shall be billed in quarterly installments. Quarterly invoices will be issued representing the contract amount for each 12-month period of the contract, or portions thereof, prorated into four (4) installments. Invoices shall be issued no later than 30 days after the beginning of each quarter. Payment due date shall be 60 days after the beginning of each calendar quarter.
3. Monthly Billings that are greater than \$200,000 per 12-month period shall be billed in monthly installments. Monthly invoices will be issued representing the contract amount for each 12-month period of the contract, or portions thereof, prorated into 12 installments. Invoices shall be issued on or before the first day of each service month. Payment due date shall be 30 days after the beginning of each service month.

An example of a fixed price contract for ongoing, recurring provision of materials and/or services might be a city contracting with the Sheriff for law enforcement services.

#### IV. ACTUAL COST CONTRACTS

- A. Actual Cost (One-Time/Non-Recurring Contracts) - Invoices that represent a billing for a one-time, non-recurring provision of materials and/or services shall be issued after delivery by the County of the materials and/or services and no later than 15 days after actual cost data is available. Payment due date shall be invoice date plus 30 days.
- B. Actual Cost (Ongoing/Recurring Contracts) - Invoices that represent a billing for an ongoing, recurring provision of materials and/or services shall be issued on a monthly basis and shall represent the cost of materials and/or services provided to the contracting entity during the previous calendar month. Such invoices shall be issued no later than 15 days after the close of the monthly billing period. If the County agency/department/district does not utilize a monthly billing cycle, the invoice shall be issued no later than 15 days after actual cost data is available. Payment due date shall be invoice date plus 30 days.

Examples of actual cost contracts for the ongoing, recurring provision of materials and/or services might be a city contracting with the County for communications equipment repair or waste disposal at a County landfill.

#### V. PAYMENT DUE DATES

Notwithstanding the provisions of Sections II and III above, payment due date shall be at least invoice date plus 30 days. If the County is late in issuing an invoice, the contracting entity would always have at least invoice date plus 30 days to pay. If the County is early in issuing an invoice, the contracting entity would still have a payment due date of either 60 days after the beginning of the quarter (quarterly invoices) or 30 days after the beginning of the service month (monthly invoices).

(EXAMPLES: An invoice for October service, dated and issued October 8 (late) would have a payment due date of November 7. An invoice for August service, dated and issued July 20 (early) would have a payment due date of August 30.)

## VI. LATE CHARGES

The late payment of any invoiced amount by a contracting entity will cause the County to incur costs not contemplated by the County/contracting entity agreement, the exact amount of such cost will be extremely difficult to ascertain. Such costs include, but are not limited to, costs such as administrative follow-up and processing of delinquent notices, increased accounting costs, etc.

Late charges will be assessed in the following situations:

- Over-the-counter payments will be assessed a late charge if any payment is not received by the County by the payment due date.
- Payments transmitted to the County via the U.S. Mail that have the payer's postage meter mark will be assessed a late charge if any payment is not received by the County by the payment due date plus one day.
- Payments transmitted to the County via the U.S. Mail that have a U.S. Post Office postmark dated after the payment due date will be assessed a late charge.

The late charge assessed in each of these situations shall be three-quarters of one percent (0.75%) of the payment due and unpaid plus \$100.00 for late payments made within 30 days of the payment due date. An additional charge of three-quarters of one percent (0.75%) of said payment shall be added for each additional 30-day period that the payment remains unpaid. Late charges shall be added to the payment and invoiced to the contracting entity in accordance with this policy.

## VII. COLLECTIONS

Any invoice remaining unpaid 90 days after the invoice date shall be referred to the Auditor-Controller for subsequent collection action, such as deduction from contracting entity moneys on deposit with the County Treasurer in accordance with Government Code Section 907 and any other applicable provision of law. Non-payment of invoices and applicable late charges will constitute a breach of contract for which the County retains all legal remedies including termination of the contract.

## VIII. DISCOUNT FOR EARLY PAYMENT

Any payment received by the County from a contracting entity 20 days or more before the payment due date shall be entitled to a discount of one-quarter of one percent (0.25%). If the contracting entity takes a discount, and the payment is received by the County less than 20 days before the payment due date, County staff shall immediately notify the contracting entity by telephone that the discount should not have been taken and that the balance is due by the original payment due date.

If the balance is not received by the County in accordance with the dates as specified in Section VII, applicable late charges shall be calculated on the balance due.



## IX. DEFERRED REVENUE

At fiscal year end, any portion of revenue invoiced (not necessarily received) during the fiscal year being closed out that represents charges or prepayment for materials and/or services for the upcoming fiscal year shall be reclassified from a revenue account to a deferred revenue account (liability). In the new fiscal year the deferred revenue shall be reclassified to a revenue account. (EXAMPLE: On June 1, 19X1, a city is invoiced \$48,000 which represents charges for the 12-month period June 1, 19X1 to May 31, 19X2. The amount to be reclassified to deferred revenue would be \$44,000, representing 11/12ths of the total amount. In July 19X1, the \$44,000 would be reclassified to revenue.) Reclassification entries shall be made by Auditor-Controller Agency Accounting units, or for those agencies/departments/districts without such a unit, the agency/department/district shall notify the Auditor-Controller of the amounts to be reclassified.

## X. COST RECOVERY

All County agencies/department/districts shall include all costs of providing contracted services in contract rates. Including all direct costs, allocated indirect costs such as departmental and County (CWCAP) overhead, and cost of capital financing.

## XI. EXISTING CONTRACTS

Billing terms and provisions contained in existing contracting entity agreements (existing as of the date this policy is approved by the Board of Supervisors) shall remain in effect for the life of the contract. However, when these existing contracts are renegotiated, they shall contain the billing provisions as set forth in this policy.

## XII. DEVIATIONS FROM POLICY

Deviations from this policy shall be approved by the Board of Supervisors. Proposed deviations by agencies/departments/districts shall be submitted to the CEO for concurrence in advance of filing an Agenda Item Transmittal (AIT) with the Clerk of the Board. The CEO, or his/her designee, shall advise the agency/department/district of approval or disapproval of the proposed deviations. If a County agency/department/district submits a contract to the Board of Supervisors for approval, and the billing provisions in the contract deviate from this policy, the agency/department/district shall specifically advise the Board of Supervisors in the AIT of the deviation, the reason for the deviation, and of the CEO's recommendation relative thereto.