

MARIPOSA COUNTY RESOLUTION NO. 86-81

REGARDING THE STATE OF CALIFORNIA
DEPARTMENT OF HEALTH SERVICES GRANT CONTRACT
FOR PURCHASE AND RENOVATION OF HEALTH FACILITIES
FOR THE MARIPOSA COUNTY HEALTH DEPARTMENT

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WHEREAS, the County of Mariposa has made application for State Grant Funds pursuant to AB3245 (under Chapter 1351 of Statutes of 1980), for the purposes of purchase and renovation of land and building for housing of the Mariposa County Health Department, and

WHEREAS, County has received a Grant from State in the amount of FIFTY THOUSAND DOLLARS (\$50,000), and

WHEREAS, County needs to expend the sum of SEVENTY-ONE THOUSAND FIVE HUNDRED DOLLARS (\$71,500) as and for a Match to State Funds;

NOW THEREFORE, the Board of Supervisors of the County of Mariposa, a political subdivision of the State of California hereby resolves as follows:

1. That the County of Mariposa is authorized to enter into the Health Services Contract mentioned above, a copy of which is attached hereto as "Exhibit A" and by this reference incorporated herein.

2. The Chairman of the Board of Supervisors is authorized to sign said contract, trustee agreement, any amendments, or extensions between the County of Mariposa and the Department of Health Services for the expenditure of FIFTY THOUSAND DOLLARS (\$50,000) State and SEVENTY-ONE THOUSAND FIVE HUNDRED DOLLARS (\$71,500) County funds for the purchase and renovation of land and building for housing of Mariposa County Health Department.

GRANT AWARD

The Department of Health Services hereinafter called the State, hereby makes a grant award under Chapter 1351, Statutes of 1980 to:

EXHIBIT A

County of Mariposa

hereinafter called the Grantee, in the amount and for the purposes and duration set forth in this Grant Award.

Project Title AB 3245 (Chapter 1351, Statutes of 1980) Project Number #1 :	Grant Number 85-00098 I.D. 83586
Project Officer (Name, Address, Phone) Barry Bell, R.S. (209) 966-3689 Mariposa County Health Department 11th and Bullion P. O. Box 5 Mariposa, California 95338	Grant Period: From: July 1, 1985 Through: June 30, 1986
Financial Officer (Name, address, phone) Warrant made payable to the: for direct deposit to the Capital Project Fund/Trust Account for Project Number:	State Amount \$ 50,000 Local Amount \$ 71,500 Other Amount Total Project Cost \$121,500

This Grant Award consists of this title page and the provisions on the reverse side hereof which constitute a part of this grant and, when indicated by an X, the following exhibits attached hereto which are made a part hereof by this reference-;

- X Exhibit "A", Scope of Work
- X Exhibit "B", Project Budget
- X Exhibit "C", Project Schedule
- X Exhibit "D", Project Objectives
- X Exhibit "E", Additional Provisions
- X Exhibit "F", Equipment Purchased with State Funds
- X Exhibit "G", Standard Provisions
- X Exhibit "H", Nondiscrimination Clause

The Grantee hereby signifies its acceptance of this grant award and agrees to administer the grant project in accordance with the terms and conditions set forth in or incorporated by reference in this grant award and any applicable statutes or regulations of the State.

STATE OF CALIFORNIA	GRANTEE
DEPARTMENT OF HEALTH SERVICES	County of Mariposa
By (Authorized Signature) Everett Udall, Chief, Contract Management Section, Vari Chief, Program Support Branch	By (Authorized Signature) <i>Beverly Barrick</i> Chairperson, Board of Supervisors
Address 744 P St., RM. 750, Sacramento, CA 95814	Address 5101 Jones St., P.O. Box 2039, Mariposa, CA

FOR STATE USE ONLY 95338

Amount Encumbered \$ 50,000	Appropriation Reappropriation	Func CHSF, Local Health Capital Expenditure Acct.
Unencumbered Balance \$ -0-	Item 4260-491	Chapter 258
Adj. Increasing Encumbrance \$ -0-	Function Local Assistance Contract	Statutes 1984
Adj. Decreasing Encumbrance \$ -0-	Line Item Allotment 7029-7014-AE3015 (44-F900-655)	Fiscal Year 1984/85
I hereby certify upon my own personal knowledge that suggested funds are available for the period and purpose of the expenditure stated above.		T.E.A. No. : S.R. No.
Signature of Accounting Officer		Date

SCOPE OF WORK

A. Project Activities

The principal activity of the project is to acquire an already constructed building which is presently being used for a Health Department Office. The actual project implementation will involve the following steps:

1. Upon notification of the grant award, the county will attempt to negotiate the purchase of the property. If the present owner is willing to sell, a check will be issued and a transfer of title effected.
2. If the seller is unwilling to sell, condemnation proceedings will be initiated. The County will declare that it is in the public interest to acquire the building and take possession. Funds will be deposited, under the jurisdiction of the courts, equal to the estimated value of the property.
3. The County, in either alternative, will take possession of the building within 90 days of the receipt of grant funds. If the courts determine that actual project costs exceed the estimated costs, the additional costs will be absorbed by the County.

B. Method

This remodeling/construction contract, as mentioned above, is to be done through a bid process.

PROJECT BUDGET

A. Land Acquisition & Site Development	\$ 100,000
B. Site Survey & Soil Investigation	
C. Construction	\$ 12,000
D. Architectural, Engineering, & Consultant Fees	
E. Fixed Equipment	
F. Movable Equipment	
G. Supervision & Inspection At Site	\$ 1,500
H. Material Testing	
I. Legal Fees	\$ 3,000
J. Finance Charges	
K. Other (Specify) (Admin/Mgmt.)	\$ 5,000
L. Other (Specify)	
M. TOTAL	\$121,500

<u>Total Funds</u>	<u>Amount</u>	<u>Percent of Total Project Budget</u>
State Funds:	\$ 50,000	41%
Grantee Funds:	\$ 71,500	
TOTAL:	\$121,500	

PROJECT SCHEDULE

Contract Award --- July 1985

Building Purchase --- Oct. 1985

PROJECT OBJECTIVES

The Grantee agrees to meet the following time-limited and measurable project objectives. The Grantee agrees to include, as part of the final project report, an evaluation of the extent to which these objectives have been met. The Grantee also agrees to submit a report to the State, one year after project completion, on the extent to which these objectives have been met.

The actual project, acquiring a Health Department Building, is not easily reduced to a measurable objective in itself. The project will facilitate making improvements to the building (waiting room occupancy) which would be measurable. At this point, the only measurable (direct-time limited) objective would be to rebudget \$8,028 of future budget appropriations to physical plant improvement or direct services.

ADDITIONAL PROVISIONS

A. Definitions

H&MSP/State Project Officer - The Hospital and Medical Standards (H&MSP) Program is in the State Department of Health Services. This Office is the granting and contracting agency and develops policy and guidelines for the implementation of AB 3245. The Office of Statewide Health Planning and Development (OSHPD) has the responsibility to conduct the preconstruction conference, when deemed necessary, monitor construction project progress, review and approve, where applicable, all blueprints, material specifications and change orders, and provide technical assistance related to remodeling/construction activities as requested.

Grantee Project Officer - The individual from the county or city who has the responsibility to oversee and authorize the contractor(s) to perform project activities, authorize project payments, act as liaison with the State Project Officer, and arrange any meetings requested either by the State Project Officer or the H&MSP staff.

Capital Project Fund/Trust Account - The fund which is established with State and Grantee funds to pay for the approved AB 3245 project activities specified in the AB 3245 contract between the State and the Grantee. This fund shall be managed by a trustee who has been appointed by the Grantee and approved by the State and who shall release funds for the payment of completed project activities upon receipt of the written authorization by the State Project Officer and Grantee Project Officer.

- B. The Grantee shall appoint a project officer. The Grantee Project Officer shall be approved by the State in consultation with the Grantee.

C. Financial Provisions

1. For each AB 3245 project, the Grantee agrees to establish a separate capital project fund into which Grantee and State matching funds will be deposited. This fund may be established within the county/city budget with the county/city Auditor-Controller as trustee and shall be referred to as a "capital project fund"; or this fund may be established with an independent fiduciary agent, such as a savings and loan or commercial bank and shall be referred to as a "trust account". The trustee of this fund shall be appointed by the Grantee and shall manage the fund according to the terms and provisions specified by the State in the agreement with the trustee.

- a. The amount of Grantee funds to be deposited in the capital project fund/trust account shall be the amount committed in the project proposal and appropriated by the Board of Supervisors or City Council for the project. The Grantee's funds shall be deposited into the capital project fund/trust account on or before the date the State funds are deposited.
- b. The amount of State funds to be deposited in the capital project fund/trust account shall be the amount awarded to the Grantee in the July 30, 1985 award letter. The State funds shall be deposited into the capital project fund/trust account on or after the date the Grantee's funds are deposited. The State funds shall not be released from the capital project fund/trust account prior to this contract being fully executed.
- c. For multi-year projects where only the first year project costs have been appropriated by the Grantee, the Grantee agrees to make deposits to the capital project fund/trust account for project costs for subsequent years according to the following schedule:

The deposit to the capital project fund/trust account for the Grantee's portion of each fiscal year's project costs shall be made within ten (10) days after the county/city budget has been approved by the Board of Supervisors/City Council which appropriates funds for the project costs.

For multi-year projects, each year's project activities will be considered a separately identifiable phase of the total project.

- d. Release of funds from the capital project fund/trust account to the Grantee for payment of their contractor(s) shall be made only by written authorization of both the H&MSP/State Project Officer and Grantee Project Officer. In order to release the funds, the Grantee Project Officer shall prepare an itemized statement of completed project activities and associated costs, on forms provided by the State, which shall be approved by the Grantee Project Officer prior to the release of funds. Authorization for release of funds shall be made after the H&MSP/State Project Officer's review and signing of this itemized statement. The amount of funds released shall not exceed the amount which is itemized and approved, and shall be released in the same ratio as the amounts deposited or scheduled to be deposited.

- e. If the H&MSP/State Project Officer's review of the itemized statement, referenced in 1.d. above, and/or inspection of completed project activities results in the determination that costs are being charged to the capital project fund/trust account that are not part of the project activities and budget as specified in Exhibit "A" and "B" of this contract, the H&MSP/State Project Officer will not authorize the release of payments from the capital project fund/trust account for the disallowed costs.
 - f. Payments from the capital project fund/trust account shall normally be authorized no more than once per month.
 - g. Five percent of the amount budgeted for construction costs, as detailed in Exhibit "B", will be held in the capital project fund/trust account until after a final project review and audit is performed by the H&MSP/State Project Officer upon project completion. Upon approval by the State Project Officer after this final project review, the final project payment will be authorized for release from the capital project fund/trust account. This provision does not apply to projects for equipment purchase only.
2. The Grantee agrees to insure that interest is earned on the Grantee and State funds deposited in the capital project fund/trust account and that the percent of interest earned is maximized. The percent of interest earned on State funds shall be the same as the percent of interest earned on Grantee funds. All interest earned shall be credited to the capital project fund/trust account pursuant to Government Code Section 53647(b) and the provisions of this contract.
- a. The interest earned by the Grantee's funds may be withdrawn at any time. The interest earned by the State funds may be withdrawn at any time.
 - b. Interest shall be credited to the State and to the Grantee in the same ratio as the amounts deposited in the capital project fund/trust account.
 - c. Quarterly statements of the remaining State and Grantee funds and interest earned on the State and Grantee funds in the capital project fund/trust account shall be sent to Chief of the Hospital and Medical Standards Program, by the Trustee until the capital project fund/trust account is closed.
3. The Grantee agrees to provide all funds necessary for project costs overruns.
4. The project budget specified in Exhibit "B" may be revised without prior approval of H&MSP staff only if the line item change is within 10% of the approved line item budgeted amount. The Grantee should promptly inform the State Officer when such a change is made. Any change over 10% will require an amendment to this contract.

D. Performance Requirements

1. Prior to the commencement of project construction activities, the Grantee agrees to contact the H&MSP/State Project Officer to arrange a pre-construction conference. The Grantee agrees to complete the standard required forms and reports and to abide by the conditions specified by the H&MSP/State Project Officer at the pre-construction conference. This provision is not applicable for projects which are for equipment purchase only.
2. The Grantee agrees to follow the project schedule specified in Exhibit "C" and to notify the State Project Officer immediately of any major problems in the project's progress which may delay completion of the project.
3. The Grantee agrees to maintain the records specified by the State to document project activities and costs. These records shall become a permanent record of the facility and shall be accessible to the State for a minimum of four years from the expiration of this agreement. In the event of a State audit, records shall be maintained and accessible to the State until the audit has been resolved.
4. Adequate documentation of each transaction shall be maintained to permit the determination of allowable expenditures reimbursed by the State under this agreement. If allowable expenditures cannot be determined because records or documentation of the Grantee are inadequate, the questionable cost may be disallowed by the State.
5. The Grantee agrees to prepare and submit quarterly project progress reports to the H&MSP on forms and according to procedures provided by the State.
6. Upon project completion, the Grantee agrees to prepare and submit a final report in the format specified by the State.
7. Upon project completion, the Grantee agrees to submit to a final project review by the State.
8. The Grantee agrees to provide access during normal working hours to authorized representatives of the Department of Health Services and of other State agencies to the project site and to all records, files, and documentation related to this agreement.
9. The Grantee agrees that the facility to be constructed or remodeled with project funds will be used by the Grantee for the delivery of health services for the useful life of the project, as determined by the 1978 useful life schedule published by the American Hospital Association, unless otherwise requested by the Grantee in writing and approved by the State. Facilities constructed pursuant to this agreement shall be the property of the Grantee.

10. The Grantee agrees that all fixed and movable equipment purchased with project funds will be used by the Grantee for the delivery of health services for the useful life of the equipment unless otherwise requested by the Grantee in writing and approved by the State. The Grantee agrees that any equipment purchased will be stored on the project site and will be used for the purpose specified in Exhibit "A". Equipment purchased pursuant to this agreement shall be the property of the Grantee.
11. Should the Grantee fail to meet either condition #9 or #10 outlined above, the State may demand that the Grantee reimburse the State the amount of State funds expended plus interest that would have been earned on those funds from the date of project completion to the date that the Grantee reimburses the State. Interest to be paid shall be computed annually and shall be the same as the average rate returned by the State Pooled Money Investment Board for the past five fiscal years immediately preceding the year in which the payment is made to the State.
12. It is further mutually understood between the parties that the approval of this contract by the parties hereto in no way implies a waiver of any requirements of the Office of Statewide Health Planning (OSHPD) and Development in obtaining a Certificate of Need by the Grantee. All applications and requirements for a Certificate of Need by OSHPD shall be followed by the Grantee.
13. Public reports or publications of any work performed with funds provided under this agreement shall include a statement giving credit for such support such as: "This project was supported in part by a grant from the State of California, George Deukmejian, Governor".
14. Default
 - a. The occurrence of any of the following events shall constitute a default:
 - 1) A finding by the State that the Grantee:
 - a) has failed to observe or comply with any of the terms and conditions specified in this contract; or
 - b) has so failed to make progress or is in such unsatisfactory financial condition as to endanger performance of this contract.
 - b. Upon the occurrence of a default:
 - 1) Without limiting any rights which it may otherwise have, the State may, at its discretion and upon written notice to the Grantee, withhold further payments on this contract; and/or

- 2) Upon the continuance of any such events of default for a period of 30 days after such written notice to the Grantee, the State may, at its discretion and without limiting any other rights which the State may have, take the following additional actions as it may deem appropriate in these circumstances:
 - a) upon written notification to the Grantee, immediately terminate the contract; and/or
 - b) demand immediate repayment of the State funds not expended in accordance with the terms and conditions of this contract.
15. The Grantee shall have sufficient insurance in effect from the first day to project activity provided under this contract. Such insurance shall include, as appropriate, fire, extended coverage, public liability, vandalism, malicious mischief, and theft coverage for the facility and for all equipment acquired by the Grantee with project funds. A self-insurance plan that meets these requirements is acceptable. The State shall incur no liability for any losses related to the facility and/or equipment under this contract.
16. Any issue which concerns the interpretation or implementation of this contract may be resolved by the Chief of the Rural and Community Health Division (R&CHD). Prior to referring any issue to the Chief of the R&CHD, the Grantee shall make a good faith attempt to resolve the issue first with the H&MSP/State Project Officer and the Chief of the Primary Health Care Systems Branch.
17. Should this contract be terminated by either party, the terminating party shall give thirty (30) days written notice to the other party. Notification shall state the effective date of the termination.
 - a. Should the contract be cancelled by the State, the remaining unexpended State and Grantee funds in the capital project fund/trust account shall be authorized by the State for return to the respective parties in the same ratio that funds were deposited into the capital project fund/trust account.
 - b. Should the contract be cancelled by the Grantee, the State may demand that the Grantee reimburse the State the amount of State funds expended prior to the effective date of the cancellation. The remaining State funds in the capital project fund/trust account will be authorized by the State for return to the State.
18. This contract may be amended in writing, duly approved by the parties hereto, in the same manner that the original contract was approved.

STATE OF CALIFORNIA
DEPARTMENT OF HEALTH SERVICES

ADDITIONAL PROVISIONS
(FOR STATE FUNDED SUBVENTION AID/LOCAL ASSISTANCE
COST REIMBURSEMENT CONTRACTS/GRANTS)

- (1) There is no Paragraph (1) in this Exhibit A (S)
- (2) Travel and Per Diem

Any reimbursement for necessary traveling and per diem shall be at rates not to exceed those amounts paid to the State's represented employees under collective bargaining agreements currently in effect. No travel outside the State of California shall be reimbursed unless prior written authorization is obtained from the State.

- (3) Prior Authorization Requirement

- A. Prior authorization in writing by the State will be required before the Contractor will be reimbursed for any purchase order or subcontract exceeding \$1,000 for any articles, supplies, equipment, or services or for any fee, or other payment, for consultation of two hundred fifty dollars (\$250) or more per day. The Contractor must provide in its request for authorization all particulars necessary for evaluation of the necessity or desirability of incurring such cost, and as to the reasonableness of the price or cost. For purchases of any said articles, supplies, equipment, services, or for consultant fees exceeding such minimum amount, three competitive quotations must be submitted with the request, or the absence of bidding must be adequately justified.
- B. The terms "purchase order" and "subcontract" as used in the above paragraph (3) A only, excludes: (a) purchase orders not exceeding \$1,000; and (b) subcontracts or purchase orders for public utility services at rates established for uniform applicability to the general public.

- (4) Standards of Work

The Contractor agrees that the performance of work and services pursuant to the requirements of this contract shall conform to high professional standards.

- (5) Furnishing of Property by the State or Purchase of Property with State or Federal Funds

- A. 1. All equipment, material, supplies, or property of any kind purchased from funds advanced or reimbursed or furnished by the State under the terms of this contract and not fully consumed in the performance of the contract shall be the property of the State and shall be subject to the provisions of this paragraph A, as well as paragraphs B, C, and D below.
2. Inventory and Disposition
- a. Contractor shall, at the request of the State, submit an inventory of equipment furnished or purchased under the terms of this contract. Such inventory will be required not more frequently than annually.

- B. If the State and at the State's sole option, through its Office of Procurement, purchases any equipment listed in the budget approved for this contract, the cost of said equipment will be deducted from said contract amount. Contractor shall submit to State a separate list of the equipment specifications. State will pay vendor directly for equipment, and title to said equipment will remain with the State. Said equipment will be delivered to the Contractor's address as stated in said contract unless notified by Contractor in writing.
- C. 1. Title to state property shall not be affected by the incorporation or attachment thereof to any property not owned by the State, nor shall such state property, or any part thereof, be or become a fixture or lose its identity as personality by reason of affixation to any realty.
2. State property shall be used only for the performance of this contract.
3. Unless otherwise provided herein, the State shall not be under any duty or obligation to restore or rehabilitate, or to pay the cost of the restoration or rehabilitation of the Contractor's facility or any portion thereof which is affected by removal of any state property.
4. The Contractor shall maintain and administer, in accordance with sound business practice, a program for the utilization, maintenance, repair, protection, and preservation of state property so to assure its full availability and usefulness for the performance of this contract. The Contractor shall take all reasonable steps to comply with all appropriate directions and instructions which the State may prescribe as reasonably necessary for the protection of state property.
- D. *For nonexpendable equipment only.* Before equipment purchases made by the Contractor are reimbursed by the State, the Contractor must submit paid vendor receipts identifying the purchase price, description of the item, serial number, model number, and location where equipment will be used during the term of this agreement. Said paid receipts will be attached to Contractor's invoices submitted to the State.

(6) Income Restrictions

The Contractor agrees that any refunds, rebates, credits, or other amounts (including any interest thereon) accruing to or received by the Contractor under this contract shall be paid by the Contractor to the State, to the extent that they are properly allocable to costs for which the Contractor has been reimbursed by the State under this contract.

(7) Examination of Accounts, Audit, Records, and Subcontract Language

- A. The Contractor shall maintain books, records, documents, and other evidence, accounting procedures, and practices, sufficient to reflect properly all direct and indirect costs of whatever nature claimed to have been incurred in the performance of this contract, including any matching costs and expenses. The foregoing constitutes "records" for the purposes of this clause.
- B. The Contractor's facility or office or such part thereof as may be engaged in the performance of this contract and his records shall be subject at all reasonable times to inspection, audit, and reproduction by the State or any of its duly authorized representatives.
- C. The Contractor shall preserve and make available his records (i) for a period of three years from the date of final payment under this contract, and (ii) for such longer period, if any, as is required by applicable statute, by any other clause of this contract, or by subparagraphs 1 or 2 below.
1. If this contract is completely or partially terminated, the records relating to the work terminated shall be preserved and made available for a period of three years from the date of any resulting final settlement.

- D. The Contractor agrees that complaints alleging discrimination in the delivery of services by the Contractor or his or her subcontractor because of race, color, national origin, creed, sex, age, or physical or mental handicap will be resolved by the State through the Department of Health Services' Affirmative Action/Discrimination Complaint Process.
- E. The Contractor shall, subject to the approval of the Department of Health Services, establish procedures under which participants of service are informed of their rights to file a complaint alleging discrimination or a violation of their civil rights with the Department of Health Services.

(11) Final Invoice—Final Report—Retention of Funds

If a final report is required by this contract, 10 percent of the face amount of the contract or 50 percent of the final invoice, whichever is the larger amount, but not to exceed \$3,000, shall be withheld until after receipt by the State of a report satisfactory to the State.

(12) Officials Not to Benefit

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

(13) Rights in Data

- A. *Subject Data.* As used in this clause, the term "Subject Data" means writings, sound recordings, pictorial reproductions, drawings, designs or graphic representations, procedural manuals, forms, diagrams, workflow charts, equipment descriptions, data files and data processing or computer programs, and works of any similar nature (whether or not copyrighted or copyrightable) which are first produced or developed under this contract. The term does not include financial reports, cost analyses, and similar information incidental to contract administration.
- B. *Federal Government and State Rights.* Subject only to the provisions of (C) below, the Federal Government and State may use, duplicate, or disclose in any manner and for any purpose whatsoever, and have or permit others to do so, all Subject Data delivered under this contract.
- C. *License to Copyrighted Data.* In addition to the Federal Government and State rights as provided in (B) above, with respect to any subject data which may be copyrighted, the Contractor agrees to and does hereby grant to the Federal Government and State a royalty-free, nonexclusive and irrevocable license throughout the world to use, duplicate, or dispose of such data in any manner for State or Federal Government purposes and to have or permit others to do so. *Provided, however,* that such license shall be only to the extent that the Contractor now has, or prior to completion or final settlement of this contract may acquire, the right to grant such license without becoming liable to pay compensation to others solely because of such grant.

(14) There is no provision 14 in this Exhibit A (S)

(15) Clean Air and Water (Applicable only if the contract is not with a sole source vendor of products or services, and if it is not less than \$5,000, or the federal Contracting Officer or State has determined that orders under an indefinite quantity contract in any one year will exceed \$5,000.)

- A. The Contractor agrees under penalty of perjury (it, he, she) is not in violation of any order or resolution which is not subject to review promulgated by the State Air Resources Board or an air pollution control district.

- D. The contractor shall not disclose, except as otherwise specifically permitted by this contract or authorized by the client, any such identifying information to anyone other than the State without prior written authorization from the State.
- E. For purposes of this paragraph, identity shall include, but not be limited to, name, identifying number, symbol, or other identifying particular assigned to the individual, such as finger or voice print or a photograph.

(20) National Labor Relations Board Certification

(Not applicable if Contractor is a public entity)

Contractor, by signing this agreement, does swear under penalty of perjury that no more than one 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 the Contractor's failure to comply with an order of a Federal court which orders the Contractor to comply with an order of the National Labor Relations Board.

(21) Documents and Written Reports

Any document or written report prepared as a requirement of this agreement shall contain, in a separate section preceding the main body of the document, the number and dollar amounts of all contracts and subcontracts relating to the preparation of such document or report, if the total cost for work by nonemployees of the State exceeds \$5,000.

(22) Resolution of Contract Disputes

- A. If Contractor believes there is a dispute or grievance between Contractor and the State, the following two-step procedure shall be followed by both parties:
 - 1. The Contractor should first discuss the problem informally with the program contract administrator within the Department. If the problem cannot be resolved at this stage, the Contractor must direct the grievance together with any evidence, in writing, to the program section chief. The grievance must state the issues in the dispute, the legal authority or other basis for the Contractor's position, and the remedy sought. The section chief must make a determination on the problem within ten (10) working days after receipt of the written communication from the Contractor. The section chief shall respond in writing to the Contractor indicating the decision and reasons therefor. Should the Contractor disagree with the section chief's decision, he/she/it may appeal to the second level.
 - 2. The Contractor must prepare a letter indicating why the section chief's decision is unacceptable, attaching to it the Contractor's original statement of the dispute with supporting documents along with a copy of the section chief's response. This letter shall be sent to the division chief of the division in which the section is organized within ten (10) working days from receipt of the section chief's decision. The division chief or designee shall meet with the Contractor to review the issues raised. A written decision signed by the division chief or designee shall be returned to the Contractor within twenty (20) working days of receipt of the Contractor's letter.
- B. In the event of an impasse in A. above, a private, nonprofit human service organization may pursue a formal appeal procedure as set forth in Health and Safety Code, Section 38053, et seq.

(23) Contract Audit Requirements Under Direct Service Contract

(Applicable only if Contractor is a private nonprofit entity)

- A. Contractor shall be responsible for having financial and compliance audits of the contractor and, if under subcontract to Contractor, of any subcontractors conducted annually by independent auditors.

NONDISCRIMINATION CLAUSE

(OCP - 1)

1. During the performance of this contract, contractor and its subcontractors shall not unlawfully discriminate against any employee or applicant for employment because of race, religion, color, national origin, ancestry, physical handicap, medical condition, marital status, age (over 40) or sex. Contractors and subcontractors shall insure that the evaluation and treatment of their employees and applicants for employment are free of such discrimination. Contractors and subcontractors shall comply with the provisions of the Fair Employment and Housing Act (Government Code, Section 12900 et seq.) and the applicable regulations promulgated thereunder (California Administrative Code, Title 2, Section 7285.0 et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code, Section 12990, set forth in Chapter 5 of Division 4 of Title 2 of the California Administrative Code are incorporated into this contract 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.
2. This contractor shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under the contract.