

**CONTRACT TO CONDUCT SPECIAL SERVICES FOR THE SACRAMENTO METROPOLITAN  
AIR QUALITY MANAGEMENT DISTRICT**

This Contract is entered into between the Sacramento Metropolitan Air Quality Management District (SMAQMD), a public agency of the State of California, and the Sacramento County Agricultural Commissioner/Director of Weights and Measures (County).

**1.0 Recitals**

- 1.1 SMAQMD and County desire to extend certain special services to the residents of SMAQMD by contracting with each other.
- 1.2 SMAQMD and County desire to work cooperatively to maintain and monitor the existing agricultural burn program within the SMAQMD as codified in SMAQMD Rule 501, Agricultural Burning.
- 1.3 SMAQMD and County also desire to work cooperatively to maintain and monitor the existing Phase I and Phase II Vapor Recovery Inspection Program at commercial gasoline dispensing facilities.
- 1.4 Resolution AQM-2001-021, dated April 26, 2001 authorized the SMAQMD to enter into Agreement No. E2000191 with the County of Sacramento for continued special services.
- 1.5 Agreement No. E2000191 terminates June 30, 2006 and the SMAQMD and County wish to enter into a new five year contract for the same services.

**2.0 Terms and Conditions**

The parties agree to the terms and conditions listed below:

- 2.1 **Scope of Services:** County shall perform the services described in Exhibit A.
- 2.2 **Payments.** The payments outlined in Exhibit B shall be made to the County by SMAQMD so long as the County is providing the services set forth in Exhibit A.
  - A. **Invoices:** Payment shall be on a reimbursement basis. By the 10<sup>th</sup> of each month, the County will submit one original and one duplicate invoice to the SMAQMD in a SMAQMD-approved format.
    1. Pertaining to the Agricultural Burn Program: Each invoice shall contain an itemization of staff costs including name, position, hours worked, work tasks, period of time worked, rate per hour and total costs. In addition, each invoice shall be consistent with reporting requirements as detailed in Exhibit A of this Contract, Scope of Services.
    2. Pertaining to the Vapor Recovery Program: Each invoice shall be consistent with reporting requirements as detailed in Exhibit A of this Contract, Scope of Services.

3. Invoices that do not contain the information required under this section are incomplete and will not be paid until complete information is submitted.
4. The SMAQMD shall authorize payment to County no later than 30 calendar days after receipt of an invoice.
5. County must submit the final invoice within 30 days of the Contract termination date.

**B. Invoicing Limitations:** The following restrictions limit the SMAQMD's obligation to pay invoices:

1. SMAQMD shall reimburse County only for County's approved costs. The County must document these costs through invoices, receipts and other appropriate records. SMAQMD shall not, under any circumstances, reimburse County for any commitments made by County for services not yet performed.
2. Due to restrictions placed on the expenditure of public funds, County shall not retain commissions on media placements purchased for the benefit of SMAQMD. At the discretion of the SMAQMD, the value of such commissions shall be applied toward the purchase of additional SMAQMD media placement or discounted from the total bill. County will be paid an hourly rate for media placement services as provided for in this Contract.
3. County is solely responsible for payment to all vendors, subcontractors and consultants used in the performance of this Contract. It is not the intent of SMAQMD and County to create third party beneficiary rights in these entities.
4. In the event County fails to comply with any provision of this Contract, SMAQMD shall withhold payment until County has corrected the noncompliance.

2.3 **Contract Term:** The term of this Contract shall be five years, commencing July 1, 2006 and terminating June 30, 2011.

2.4 **Applicable Laws/Choice of Law/Venue:** County must observe and comply with all applicable laws and regulations. This Contract is executed in Sacramento County, California and shall be governed by the laws of the State of California. Any action arising out of this Contract must be filed in a state court or federal court located in Sacramento, California.

2.5 **Status of County:** County is an independent contractor, and no relationship of employer-employee exists between the SMAQMD and County, or County's employees, subcontractors, or consultants. Accordingly, County, its employees, subcontractors and consultants do not have any entitlement as a SMAQMD employee.

A. **Direction and Control:** County is subject to the control and direction of the APCO regarding the designation of tasks to be performed and the results to be accomplished under this Contract, and not the means, methods, or sequence used by County for accomplishing the tasks and results.

- B. **Direction of Third Parties:** If the County employs any third persons, these persons shall be under the exclusive control of County. All terms of employment, including but not limited to hours, wages, working conditions, discipline, hiring, and discharging shall be determined by County.
  - C. **Right to Bind:** Neither the County nor its employees, subcontractors or consultants have the right to act on behalf of SMAQMD in any capacity, or to bind SMAQMD to any obligation.
  - D. **Taxes:** SMAQMD shall not make any deductions or withholdings from the compensation paid to County. County must issue all forms required by federal and state laws for income and employment tax purposes, including W-2 and 941 forms, for all of County's assigned personnel.
- 2.6 **Conflict of Interest:** No officer or employee of SMAQMD has any pecuniary interest, direct or indirect, in this Contract or the proceeds of the Contract. No officer or employee of County shall serve on the SMAQMD's governing body or hold any SMAQMD position which nominates, recommends, supervises, or authorizes payment to County.
- 2.7 **Nondiscrimination:**
- A. **Requirements:** County shall not discriminate based on:
    - 1. Color, race, creed, national origin, religion, sex, age, or physical or mental handicap in violation of Title VI of the Civil Rights Act of 1964 (42 U.S.C. Section 2000d) and its implementing regulations, or in violation of any other state or federal law;
    - 2. Sexual orientation as determined by federal, state, or local laws and regulations, except as may be required by federal, state, or local law or regulation.
  - B. **Prohibited Discrimination:** Prohibited discrimination under this Contract means disparate treatment on the basis of race, color, creed, national origin or sexual orientation. Discrimination includes, but is not limited to:
    - 1. Denying persons any service or benefit which is different, or is provided in a different manner or at a different time from that provided to other participants under this Contract;
    - 2. Subjecting persons to segregation or separate treatment in any matter related to the receipt of services;
    - 3. Restricting persons in any way from the enjoyment of any advantage or privilege enjoyed by others under this Contract;
    - 4. Treating persons differently from others in determining whether they satisfy any admission, enrollment quota, eligibility, membership, or other requirement that individuals must meet in order to be provided any service or benefit under this Contract;

5. Assigning times or places for the provision of services on the basis of race, color, creed, national origin or sexual orientation of the persons to be served.

2.8 **Indemnification:**

- A. **Scope:** County shall indemnify and defend the SMAQMD, its officers, agents, employees or volunteers from any and all costs or liabilities of any kind regarding any act or omission of County's under this Contract.
- B. **Counsel:** County shall also use counsel reasonably acceptable to SMAQMD in carrying out its obligations under this section. The provisions of this section shall survive the expiration or early termination of this Contract.

2.9 **Waiver of Claims:** County waives any claims against SMAQMD, its officers, agents, employees or volunteers from damage or loss caused by:

- A. Any suit or proceeding directly or indirectly attacking the validity of this Contract, or any part of this Contract.
- B. Any judgement or award: (i) declaring this Contract, or any part of this Contract, either void or voidable, or (ii) delaying the performance of any part of this Contract.

2.10 **Insurance:**

- A. **Insurance Requirement:** Without limiting County's indemnification obligation in Section 2.8, County shall maintain insurance to cover its operations throughout this Contract and any Contract extensions.
  1. The insurance shall meet the requirements in Exhibit C.
  2. Any insurance or self-insurance maintained by the SMAQMD shall apply in excess of, and not contribute to, insurance maintained by County.
  3. County shall give the SMAQMD 30 days written notice prior to modifying the insurance obtained under this section. SMAQMD may object to the modification within 15 days of receiving the notice. If SMAQMD objects, it may demand the relief specified in paragraph 2.9 (B).
  4. Since County is a governmental entity and self-insured, the SMAMQD agrees to accept the County's self-insurance program to comply with the requirements of this section.
- B. **Involuntary Policy Modifications:** If County's insurer modifies its insurance in any manner that effects the specifications in Exhibit C, County must notify the SMAQMD within 48 hours of the modification. The SMAQMD may demand that County obtain additional coverage sufficient to comply with the specifications in Exhibit C, or may terminate this Contract as provided in section 2.15.

- 2.11 **Assignments and Subcontracts:** No performance required or payment due under this Contract may be subcontracted, delegated or assigned without the express written consent of the APCO. The sole exception to this restriction is this: if the County submitted the name of a subcontractor in the proposal or application for this Contract, the SMAQMD's approval of the Contract is also an approval of the use of the named subcontractor.
- 2.12 **Successors:** This Contract shall bind the successors of SMAQMD and County in the same manner as if they were expressly named.
- 2.13 **Alteration:** No alteration or variation of the terms of this Contract is valid unless made in writing and signed by both parties.
- 2.14 **Recordkeeping:**
- A. **Records:** County shall maintain all necessary records, books and accounts to verify that the Contract funds are used only for the purposes stated in this Contract.
  - B. **Audits:** The SMAQMD may audit all expenditures made by the County under this Contract. County must ensure that SMAQMD staff have access, at all reasonable times, to the documents kept by County in connection with all funds expended under this Contract.
  - C. **Duration:** County must maintain these documents for 5 years after the termination of this Contract or any Contract extensions. At the end of the 5 year period, County must either continue to maintain the documents or surrender the documents to the SMAQMD – unless the APCO states, in writing, that County may destroy documents.
- 2.15 **Termination:**
- A. **30 day Notice Termination:** Either SMAQMD or County may terminate this contract, or may terminate any portion of the scope of services in this contract thereby making that portion invalid, for any reason by giving the other party 30 day written notice.
  - B. **5-day Notice Termination:** The SMAQMD, through its APCO, may terminate this Contract with 5 days written notice if County fails to perform any of the terms and conditions of this Contract in the time and manner specified. If the Contract is terminated under this paragraph, SMAQMD may proceed with the work in any manner deemed proper by SMAQMD without recourse by County, its officers, agents, employees or volunteers.
  - B. **Immediate Termination:** SMAQMD, through its APCO, may terminate or amend this Contract without prior notice if advised that funds are not available for this Contract or any portion of this Contract, or if funds are not specifically appropriated for this Contract in the SMAQMD's final budget for the term of this Contract and any extensions to the Contract. If SMAQMD terminates or amends this Contract under this paragraph, the SMAQMD must serve notice of the action on the County within 2 working days.
- 2.16 **Disputes:**
- A. **APCO Decision:** Any dispute under this Contract will be settled in a written decision by the APCO. The APCO must mail a copy of the decision to County. County is not excused from performance of this Contract while the APCO's decision is pending.

- B. **Finality of the Decision and Exceptions:** The APCO's decision is final unless County files a written appeal with the SMAQMD Board of Directors within 30 from the date of the APCO's decision. Any appeal must detail the basis of the appeal and contain copies of all documentation supporting County's position.
  - C. **Appeals:** The SMAQMD Board will hear the appeal at a public Board meeting. The County may present testimony and evidence supporting its position at the meeting. County and SMAQMD shall perform all duties and obligations in accordance with the APCO's decision pending final Board action. The decision of the Board is a final agency action and may be judicially appealed.
- 2.17 **Waiver of Contract Provisions:** Waiver by either party of any default, breach or condition precedent shall not be construed as waiver of any other default, breach or condition precedent or right under this Contract.
- 2.18 **Time:** Time is of the essence in the performance of each of the provisions of this Contract.
- 2.19 **Severability:** If any provision of this Contract is held invalid or unenforceable, its invalidity or unenforceability shall not affect any other provisions of this Contract, and this Contract shall be construed and enforced as if such provision had not been included.
- 2.20 **Payments that contravene the law:** SMAQMD has no liability for payments that are found to contravene the law. County shall reimburse SMAQMD for any payments made by SMAQMD to County and later determined to contravene federal, state or local laws and regulations.
- 2.23 **Special Provisions – Congestion Management and Air Quality (CMAQ) Funds:**
- A. **Applicability:** \_\_\_\_\_ (SMAQMD staff to initial if CMAQ funds will be used.) This section applies only if the County will receive CMAQ funds. Inclusion of this section is a requirement of the SMAQMD Disadvantaged Business Enterprise (DBE) Program for CMAQ-funded projects.
  - B. **Provisions:** If all or some of the funds paid to County are CMQA funds, the following additional contract terms apply:
    - (i) **Subcontractor Payments:** The County shall pay each subcontractor for satisfactory performance no later than 10 days from the receipt of each payment the County receives from the SMAQMD. Any delay or postponement of payment from this time frame may occur only for good cause following written approval of the SMAQMD. This paragraph applies to both Disadvantaged Business Enterprises (DBE) and nonDBE subcontractors.
    - (ii) **Retainage Releases:** The County shall release retainage payments to each subcontractor within 30 days after the subcontractor's work is satisfactorily completed. Any delay or postponement of payment from this time frame may occur only for good cause following written approval of the SMAQMD. This paragraph applies to both Disadvantaged Business Enterprises (DBE) and nonDBE subcontractors.

- (iii) **Nondiscrimination:** The County or subcontractor shall not discriminate on the basis of race, color, national origin, or sex in the performance of this contract. The County shall carry out applicable requirements of 49 CFR part 26 in the award and administration of Department of Transportation assisted contracts. Failure by the County to carry out these requirements is a material breach of this contract, which may result in the termination of this contract or such other remedy as the SMAQMD deems appropriate. If there is a conflict between the provisions of this paragraph and section 2.4, this paragraph shall control.

2.22 **Entire Contract:** This Contract constitutes the entire agreement between SMAQMD and County. Both parties revoke all prior or contemporaneous oral or written agreements between them that are inconsistent with this Contract. In the event of a dispute between the parties regarding the Contract, this Contract shall be deemed to have been drafted by the parties in equal parts so that no presumptions or inferences concerning its terms or interpretation may be construed against any party to this Contract. This Contract consists of:

- A. Exhibit A – Scope of Services
- B. Exhibit B – Payment Schedule and Terms
- C. Exhibit C – Insurance Requirements

2.23 **Communications:** Any communication between the parties that is required under the provisions of this Contract shall be in writing, and shall be either: (i) personally delivered, (ii) sent by prepaid, certified first class mail, return receipt requested, or (iii) sent by facsimile (provided confirmation of delivery is obtained at the time of transmission). Communications must be addressed to the parties as follows:

<b>To County</b>	<b>To SMAQMD</b>
Frank Carl Agricultural Commissioner Director of Weights and Measures 4137 Branch Center Road Sacramento, CA 95827 Fax: (916) 875-6150	Larry Greene Air Pollution Control Officer Sacramento Metropolitan AQMD 777 12 <sup>th</sup> Street, Third Floor Sacramento, CA 95814-1908 Fax: (916) 874-4805

- A. **Change of Address:** Either party may change the address for service by giving 15 days advance written notice to the other party.
  - C. **Effective Date:** All notices shall be effective upon receipt and shall be deemed received: (i) upon delivery, if personally delivered, (ii) on the 5th day following deposit in the mail, if sent by certified mail, or (iii) upon the date stated in the facsimile delivery conformation.
- 2.24 **Authority to Bind:** The persons signing on behalf of the parties to this Contract warrant that they have the legal authority to execute the Contract.

**Executed by:**

Date: \_\_\_\_\_

Sacramento Metropolitan Air  
Quality Management District

\_\_\_\_\_  
Chairperson , Board of Directors

(SEAL)

Reviewed by:

ATTEST. \_\_\_\_\_  
Clerk, Board of Directors

\_\_\_\_\_  
Kathrine Pittard  
District Counsel

Date \_\_\_\_\_

County of Sacramento

\_\_\_\_\_  
Chairperson, Board of Supervisors

(SEAL)

Approved as to form:

ATTEST. \_\_\_\_\_  
Clerk, Board of Supervisors

\_\_\_\_\_  
Deputy County Counsel

Exhibit A  
Description of Services  
AGRICULTURAL BURNING PROGRAM

The County will provide the following services pertaining to agricultural burning:

1. Program Implementation. The County shall implement provisions of SMAQMD Rule 501, “Agricultural Burning”, SMAQMD Rule 303, “Agricultural Burn Permit Fees”, the Sacramento Valley Smoke Management Program, the California Health and Safety Code (CH&SC) and the California Code of Regulations (CCR) pertaining to agricultural burning. These duties include but are not limited to:
  - A. Issuing agricultural burn permits and collection of appropriate fees, including special permits or conditional permits, to qualified applicants.
    1. This work shall include the inspection of the burn site and review of the applicants’ qualifications pursuant to Rule 501.
    2. This work does not include any activities associated with making the Agricultural Commissioner’s findings and determinations under the Rice Straw Burning Reduction Act of 1991 and/or its supporting regulations.
    3. This work includes the issuance of the Conditional Rice Straw Burning Permit.
    4. This work does not include the issuance of permits to burn on a no-burn day.
  - B. Facilitating the communication of all authorized burns to appropriate fire protection officials.
  - C. Prohibiting burning on no-burn days declared by the California Air Resources Board, the SMAQMD or the Sacramento Valley Burn Coordinator (also known as the Central Computer Operator (CCO)), hired by the Sacramento Valley Basinwide Air Pollution Control Council (BCC).
  - D. Implementing Interagency communication procedures.
  - E. Limiting daily burning to the acreage distributed by the CCO or the ARB.
  - F. Insuring temporal and spatial management of burns to minimize smoke impacts.
  - G. Limiting each permittee’s burns to amounts and types that have been properly recorded on a valid agricultural burn permit.
2. Enforcement and compliance activities. The County shall:
  - A. Log, investigate and document all agricultural burning complaints and/or violations.
    1. Minimum documentation shall consist of a signed investigative report and copies of all supporting and explanatory forms and reports.
    2. Additional documentation shall consist of photographs when possible.
  - B. Document all violations immediately and forward the documents and evidence to SMAQMD for enforcement by the SMAQMD.
  - C. Conduct periodic surveillance during both week days and weekends as needed and as mutually agreed with the SMAQMD.
3. Hardcopy record retention. The County shall:

- A. Retain all program documents, including but not limited to, records of complaints, violations, burn logs, and investigations for three years.
  - B. Return the records to the SMAQMD for disposition after three years.
4. Database maintenance. The County shall:
- A. Continue maintenance of a database of permits issued, as well as field records, burn records and inspection and compliance data. The data shall be maintained in a format mutually agreed upon by the SMAQMD and the County to facilitate the reporting requirements of this Contract
  - B. Work with the SMAQMD to explore the feasibility of electronic data transfer between the two agencies.
5. Reports. The County shall submit quarterly Agricultural Burn reports to the SMAQMD. The reports must show:
- A. Number of field inspections conducted, complaints investigated, and the violations documented and referred to the SMAQMD for each month of the quarter.
  - B. For each burn: the date, the permit number, site ID, the burn management zone, the acreage and the waste type. Acreage should be totaled by waste type for each month of the quarter.
  - C. An accounting of all monies collected as fees for agricultural burning including but not limited to the number of permits issued and the waste types, acreage and fee schedule involved.
  - D. An electronic copy of the tables associated with the database described above.
6. Meetings. The County shall attend and participate, as needed, in SVBAPCC and Technical Advisory Committee meetings pertaining to agricultural burning and shall also meet regularly with the SMAQMD to review program status.
7. Training. The County shall send burn duty staff to the annual fall training meeting pursuant to the Smoke Management Program and other relevant meetings as scheduled.
8. Forms and Printing. The SMAQMD will provide all forms required for this program. The County shall not modify the forms without the express consent of the SMAQMD. In particular the County may not modify the form of the agricultural burn permit or its attachments or conditional supplements.
9. Remittance of Fees. Collected fees shall be remitted quarterly to the SMAQMD.

## Exhibit A (continued)

## COMMERCIAL RETAIL GASOLINE DISPENSING FACILITY (GDF) PROGRAM

The County will provide the following services pertaining to commercial and retail gasoline dispensing facilities (GDF):

1. Program Implementation The County shall implement provisions of SMAQMD Rule 448, "Gasoline Transfer Into Stationary Storage Containers" and SMAQMD Rule 449, "Gasoline Transfer Into Vehicle Fuel Tanks", and the CH&SC and the CCR pertaining to commercial retail GDF vapor recovery, including but not limited to provisions requiring:
  - A. Performance of annual inspections of vapor recovery equipment at all commercial, retail GDFs operating within the SMAQMD each fiscal year. Inspections shall include, but not necessarily be limited to, a determination of equipment function, state of repair and certification.
  - B. Performance of or assistance with special test procedures pursuant to approved ARB test methods. An example is the test procedure to quantify the air to liquid volume ratio (A/L) of a vapor recovery system for bootless nozzles using a positive displacement air volume meter (e.g. Roots® meter) or other approved device. Periodically the SMAQMD and the County shall determine by mutual agreement, the number of any such special tests needed. The dates and locations of the tests may be determined by the County or may be requested on an ad hoc basis by the SMAQMD. The SMAQMD shall provide the equipment and training needed for these special tests.
  - C. Documentation of all inspections on forms provided by the SMAQMD or other forms, approved by the SMAQMD, which combine the inspection data needed by both the SMAQMD and the County.
  - D. Notification to the SMAQMD of any alterations in equipment, of any change in station ownership, and of any business closures. Such notification shall be on the completed inspection forms returned to the SMAQMD.
  - E. Distribution of the inspection forms immediately as follows:
    1. White copy returned to the SMAQMD.
    2. Yellow copy filed at the County's office.
    3. The last copy issued to the person in charge of the GDF at time of inspection.
2. Enforcement and Compliance Activities. The County shall:
  - A. Issue notices of violation.
    1. Provide documentation consisting, at a minimum, of a completed, signed inspection form as described above and any supplementary investigative report or other supporting and explanatory forms and reports.
    2. Provide additional documentation, as appropriate, consisting of labeled photographs of the defective equipment.
    3. Refer the violation immediately to the SMAQMD for enforcement and follow-up.

- B. Issue 7-day notices to repair and conduct follow-up inspections.
  - 1. Minimum documentation shall consist of a completed, signed inspection form.
  - 2. Refer all notices to the DISTRICT immediately.
- C. Issue out-of-order tags
  - 1. Provide documentation consisting of, at a minimum, a completed, signed inspection form as described above and a completed out-of-order tag.
  - 2. Staple the white copies (originals) of the tag to corresponding inspection forms and submit them to the SMAQMD immediately.
- D. Handle all complaints.
  - 1. Log, investigate, and document all complaints within (3) business days of the receipt of the complaint.
  - 2. Return all three (3) copies of the completed complaint forms to the SMAQMD within five days of completion of investigation.
  - 3.
- 3. Hardcopy Record Retention The County shall:
  - A. Maintain records of all inspections, violations and complaint investigations for a period of three years.
  - B. Return the records to the SMAQMD for disposition after three years.
- 4. Database Maintenance. The County shall:
  - A. Continue maintenance of a database of inspection and compliance data. The data shall be maintained in a format mutually agreed upon by the SMAQMD and the County to facilitate the reporting requirements of this Contract.
  - B. Work with the SMAQMD to explore the feasibility of electronic data transfer between the two agencies.
- 5. Reports. The County shall submit quarterly inspection and compliance reports to the SMAQMD consisting of:
  - A. Number and location of facilities inspected during each quarter.
  - B. Number of nozzles inspected.
  - C. Number of facilities inspected for Phase I vapor recovery.
  - D. Number of Notices of Violation, 7-day notices, and Out-of-Order tags issued.
  - E. Number of complaint inspections.
  - F. Number of follow-up inspections.
  - G. Total number of hours dedicated to SMAQMD's Phase I and II inspection program.
- 6. Meetings. The County shall:
  - A. Attend and participate, as needed, in SMAQMD and CAPCOA meetings pertaining to GDF vapor recovery.
  - B. Meet regularly with the DISTRICT to review program status.
- 7. Training. The County shall send GDF inspection staff to ARB's compliance training classes and other relevant meetings as scheduled.
- 8. Inspection Materials. The County shall obtain regular updates of Executive Orders and Approval Letters pertaining to commercial GDF certification and decertification directly from the ARB's website. The County shall report any inability to obtain this information to the SMAQMD immediately.

9. Forms and Printing. The SMAQMD will provide all forms required for this program, except the combined inspection form. County and SMAQMD shall alternately pay for the combined inspection form. It shall be the responsibility of SMAQMD Program Administrator to track this payment. The County shall not modify any program form without the express consent of the SMAQMD.
10. Educational Materials. The County shall distribute the ARB self-inspection pamphlets to each GDF having equipment tagged out of order.

This Exhibit shall be mutually revised by the SMAQMD and the County in order to ensure compliance with Rules 501 and 303, Rules 448 and 449, the SVBAPCC Smoke Management Program and any law, regulation, or Executive Order pertaining to agricultural burning or retail GDF vapor recovery in the SMAQMD. The APCO and Agricultural Commissioner/Sealer of Weights and Measures may sign revisions to this Exhibit if such revisions do not depart from the terms of the Agreement and if such revisions do not change terms of the Fiscal Display. Otherwise the parties shall sign revisions to this Exhibit. All revisions to this Exhibit shall be attached hereto and become a part hereof.

Exhibit B  
Schedule and Terms of Payment

The amounts for labor, benefits and overhead costs associated with delivery of services to be provided by the County as stipulated in Exhibit "A" will be paid by the SMAQMD as follows:

County shall be paid \$ 6.53 per nozzle inspected, per visit, under the Vapor Recover Inspection Program and \$75.50 per hour for other specific services as described below. The County shall be paid \$ 75.50 per hour for the Agricultural Burn Program services.

- 1. The following approximates the cost of both the Agricultural Burn Program and the Vapor Recovery Inspection Program. See Attachment 1 for further cost detail.

Approved hourly rate	\$	75.50
Average cost per fiscal year	\$	120,682.00

- 2. The hourly of \$ 75.50 is set by the Sacramento County Board of Supervisors for the Agricultural Commissioner and Sealer of Weights and Measures. It is determined by salaries and benefits, services and supplies, and overhead.
- 3. The Cost Recovery Formula for Phase I and II Vapor Recovery Inspections is based upon the approximate number of hours anticipated to inspect, and reinspect as needed, the approximately **360** retail GDFs and the associated (but variable) **4350** fuel nozzles in Sacramento County; plus administration, supervision, meetings, training hours and time anticipated for required record keeping and reporting. Additional costs are based upon the time needed to reinspect Phase I (fill point) defects, specific defective nozzles, and to conduct at least 25 special performance tests associated with vacuum assist (bootless) GDFs. See Attachment 1 for further detail.
- 4. Estimated hours needed for the Agricultural Burn Program to satisfy the Description of Services, Exhibit A are approximately **1100**. See Exhibit A for further detail.
- 5. The total maximum amount to be paid by SMAQMD to County under this Contract shall be based upon the total number of nozzle inspections and the hours for defect reinspections and for special test procedures provided under the Vapor Recovery Inspection Program and the total number of hours for services provided under the Agricultural Burn Program.
- 6. The District may increase payments to the County under this Contract by up to ten percent per year for either the Vapor Recovery Inspection Program or the Agricultural Burn Program provided that the additional funds are available from the other program.
- 7. The APCO may provide a cost of living adjustment to either program of no more than three per cent per year, provided that sufficient funds are available in the SMAQMD's budget for that year.

2006-2007 ESTIMATED RANGE OF WORK HOURS - ATTACHMENT 1 TO EXHIBIT "B" FISCAL DISPLAY

Program		Number	Hours each	Hours	Hourly Rate \$ 75.50	Cost Per Fiscal Year
<b>Gas Dispensing Facility</b>	<b>A. Nozzle-based Cost Recovery</b>					
		Annual Inspection Nozzles	4350	0.06	261.00	\$ 19,705.50
		Total Nozzles	4350		261.00	
		Records inspections at GDFs	360	0.32	115.47	\$ 8,717.99
		Cost/nozzle	\$ 6.53			subtotal -> \$ 28,423.49
	<b>B. Hourly Rate Cost Recovery</b>					
		10 % Phase I Reinspections	36	0.50	18.00	\$ 1,359.00
		10 % Nozzle/Other Reinspections	36	1.00	36.00	\$ 2,718.00
		5 % Complaint Nozzle/Other Reinspections	18	1.00	18.00	\$ 1,359.00
		Special Performance Testing	25	2.00	50.00	\$ 3,775.00
					subtotal -> \$ 9,211.00	
<b>Total Gas Dispensing Facility</b>				759.47		<b>\$ 37,634.49</b>
<b>Agricultural Burning *</b>						
		All program elements - regular work week program			825.00	\$ 62,287.50
		Weekend Staff-Days - Fall			75.00	\$ 5,662.50
		Weekend Staff-Days - Other			200.00	\$ 15,100.00
<b>Total Agricultural Burning</b>				1100.00		<b>\$ 83,050.00</b>
<b>Total</b>				1859.47		<b>\$ 120,684.49</b>

Provisions and assumptions:

All report-writing time is included in program element hours or inspection time.

Costs Include coverage for 100 annual hours staff training and meeting time for each program.

Estimated agricultural burn hours are based upon historical averages.

Some weekends will be known no-burn in advance and require no staff time.

Projected number of gas station locations calculated are based on District permits and permits in progress on April 12, 2006

Projected 4300 nozzles are based District permits and permits in progress on April 12, 2006

**Exhibit C**  
**Insurance Requirements**

Without limiting County’s indemnification, County shall procure and maintain for the duration of the contract, insurance against claims for injuries or persons or damages to property which may arise from or in connection with the performance of the work hereunder by the County, his agents, representatives or employees. SMAQMD shall retain the right at any time to review the coverage, form, and amount of the insurance required hereby. If, in the opinion of the SMAQMD’s Liability & Property Insurance Office, the insurance provisions in these requirements do not provide adequate protection for SMAQMD and for members of the public, SMAQMD may require County to obtain insurance sufficient in coverage, form and amount to provide adequate protection. SMAQMD’s requirement shall be reasonable but shall be imposed to assure protection from and against the kind and extent of risks that exist at the time a change in insurance is required.

Verification of Coverage

County shall furnish the SMAQMD with certificates evidencing coverage required above. Certified copies of required endorsements must be attached to provided certificates. All certificates are to be received and approved by the SMAQMD before work commences. The SMAQMD reserves the right to require that County provide complete, certified copies of any policy of insurance offered in compliance with these specifications. As an alternative to insurance certificates, the County's insurer may voluntarily provide complete, certified copies of all required insurance policies, including endorsements, affecting the coverage required by these specifications.

Minimum Scope of Insurance

Coverage shall be at least as broad as:

1. Insurance Services Office Commercial General Liability coverage (occurrence form CG 0001).
2. Insurance Services Office form number CA 0001 (Ed. 1/87) covering Automobile Liability, code 1 (any auto).
3. Worker's Compensation insurance as required by the State of California.
4. Employer's Liability Insurance.

Minimum Limits of Insurance

County shall maintain limits no less than:

1. General Liability: \$1,000,000 per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.
2. Automobile Liability: \$1,000,000 per accident for bodily injury and property damage.
3. Workers' Compensation: Statutory
4. Employer's Liability: \$1,000,000 per accident for bodily injury or disease.

Deductible and Self-Insured Retention

Any deductibles or self-insured retention must be declared to and approved by the SMAQMD. At the option of

the SMAQMD, either: the insurer shall reduce or eliminate such deductibles or self-insured retention as respects the SMAQMD, its officers, officials, employees and volunteers; or the County shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses.

Other Insurance Provisions

The general liability and automobile liability policies are to contain, or be endorsed to contain, the following provisions:

1. The SMAQMD, its officers, officials, employees, agents and volunteers are to be covered as additional insureds as respects: liability arising out of activities performed by or on behalf of the County; products and completed operations of the County; or premises owned, occupied, or used by the County; or automobiles owned, leased, hired or borrowed by the County. The coverage shall contain no special limitations on the scope of protection afforded to the SMAQMD, its officers, officials, employees, agents or volunteers.
2. For any claims related to this project, the County's insurance coverage shall be primary insurance as respects the SMAQMD, its officers, officials, employees, agents and volunteers. Any insurance or self-insurance maintained by the SMAQMD, its officers, officials, employees, agents or volunteers shall be excess of the County's insurance and shall not contribute to it.
3. Any failure to comply with reporting or other provisions of the policies including breaches of warranties shall not affect coverage provided to the SMAQMD, its officers, official, employees, agents or volunteers.
4. The County's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

Acceptability of Insurers

Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A:VII. The SMAQMD Liability and Property Insurance Manager may waive or alter this requirement, or accept self-insurance in lieu of any required policy of insurance if, in the opinion of the Risk Manager, the interests of the SMAQMD and the general public are adequately protected.