

**1. Invoicing and Payment**

- a. For services satisfactorily rendered, and upon receipt and approval of Contractor's invoices, the State agrees to compensate the Contractor for actual expenditures incurred in accordance with Exhibit B-1, Rate Sheet which are attached hereto and made a part of this Agreement.
- b. Invoices shall include the Agreement Number, Purchase Order Number and shall be submitted in triplicate not more frequently than monthly in arrears to:

California Department of Corrections and Rehabilitation (CDCR)  
Headquarters Accounting Services  
Attention: Accounts Payable  
P. O. box 187019  
Sacramento, CA 95818-7019

**2. Budget Contingency Clause**

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

**3. Prompt Payment Clause**

Payment will be made in accordance with, and within the time specified in, Government Code Chapter 4.5, commencing with Section 927. Payment to small/micro businesses shall be made in accordance with and within the time specified in Chapter 4.5, Government Code 927 et seq.

**4. Subcontractors**

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

**5. City/County Rate Increase**

It is understood that the city/county may regulate some or all of the Contractor's rates for services. In the event the city/county increases the rates that directly affect the services provided in this Agreement, the Contractor may, once during the term of the Agreement, request from the State an increase in the rates stated in this Agreement. The Contractor must submit a written request to the State with a copy of the resolution from the city/county listing the prior rates and new rates and effective date of the new rates.

**6. Advance Payment**

**Advance Payment for Public Entities**

~~Pursuant to Government Code Section 6504, the Contractor may request an advance payment for the fiscal year(s) covered by this agreement, which shall not exceed twenty-five percent (25%) of the annual project budget for each fiscal year (FY). In order to receive such payment, the Contractor is required to sign and return the "Acknowledgment of Advance Payment Provisions" before an advance payment warrant is issued.~~

~~The State shall recover one twelfth (1/12) of the advance payment each month by the reduction of monthly invoices submitted for payment by the Contractor in accordance with the project budget amount for each FY. Invoices submitted for payment by the Contractor, in accordance with the budget proposal, will be reduced by the monthly installment amount. In the event that submitted invoices are less than the monthly installment, the remaining balance will be deducted from subsequent invoices.~~

~~In the event the Agreement is canceled by either party, the Contractor agrees to repay the balance of any outstanding payments due the State for advance payments within thirty (30) days after the Agreement is canceled.~~

Signature \_\_\_\_\_ Date \_\_\_\_\_

James Patterson, Chair, Board of Supervisors, County of San Luis Obispo  
Paul Teixeira

**APPROVED AS TO FORM  
AND LEGAL EFFECT  
Rita L. Neal, County Counsel**

By: *[Signature]* 5/8/13  
Deputy County Counsel Date