

**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

gole



FROM: FIRE

SUBMITTAL DATE:

February 11, 2010

SUBJECT: Approval of the Cooperative Agreement to Provide Fire Protection, Fire Prevention, Rescue and Medical Emergency Services For the City of Moreno Valley

RECOMMENDED MOTION: Move that the Board approve and authorize the Chairman to sign the attached Fire Protection Services Cooperative Agreement between the County and the City of Moreno Valley.

BACKGROUND: The City of Moreno Valley desires to continue contracting for Fire Protection Services with the County Fire Department, and as such, the two agencies have reached an agreement as to the level of service to be provided to the City for Fiscal Year 09/10. The term of this agreement is for Fiscal Year beginning July 1, 2009 through Fiscal Year ending on June 30, 2012

[Signature]
John R. Hawkins, County Fire Chief

FINANCIAL DATA	Current F.Y. Total Cost:	\$ 0	In Current Year Budget:	Yes
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	No
	Annual Net County Cost:	\$ 0	For Fiscal Year:	2009/2010

SOURCE OF FUNDS: Contract revenue from the City of Moreno Valley	Positions To Be Deleted Per A-30	<input checked="" type="checkbox"/>
	Requires 4/5 Vote	<input type="checkbox"/>

C.E.O. RECOMMENDATION:

APPROVE
[Signature]
BY: Robert Tremaine
Robert Tremaine

County Executive Office Signature

FORM APPROVED COUNTY COUNSEL
BY: *[Signature]* GUNZEL 2-18-10
DATE: 2-18-10
SYNTHIA M GUNZEL
Departmental Conference

Consent Policy
 Consent Policy

Dept's Recomm.:
Per Exec. Ofc.:

Prev. Agn. Ref.: 10/22/02 Item 3.24 District: 5 Agenda Number:

ATTACHMENTS FILED
WITH THE CLERK OF THE BOARD

3.41

**A COOPERATIVE AGREEMENT
TO PROVIDE FIRE PROTECTION, FIRE PREVENTION, RESCUE
AND MEDICAL EMERGENCY SERVICES FOR THE CITY OF MORENO VALLEY**

THIS AGREEMENT, made and entered into this 23rd day of November, 2009, by and between the County of Riverside, a political subdivision of the State of California, on behalf of the Fire Department, (hereinafter referred to as "COUNTY") and the City of Moreno Valley, a duly created city, (hereinafter referred to as "CITY"), whereby it is agreed as follows:

SECTION I: PURPOSE

The purpose of this Agreement is to arrange for COUNTY, through its Cooperative Fire Programs Fire Protection Reimbursement Agreement ("CAL FIRE Agreement") with the California Department of Forestry and Fire Protection ("CAL FIRE") to provide CITY with fire protection, disaster preparedness and response, fire prevention, rescue, hazardous materials mitigation, technical rescue response, medical emergency services, and public service assists (hereinafter called "Fire Services"). This Agreement is entered into pursuant to the authority granted by Government Code Sections 55603, 55603.5, 55606, 55632 and 55642, and will provide a unified, cooperative, integrated, and effective fire services system. COUNTY's ability to perform under this Agreement is subject to the terms and conditions of the CAL FIRE Agreement.

SECTION II: DESIGNATION OF FIRE CHIEF

A. The County Fire Chief appointed by the Board of Supervisors, or his designee, (hereinafter referred to as "Chief") shall represent COUNTY and CITY during the period of this Agreement and Chief shall, under the supervision and direction of the County Board of Supervisors, have charge of the organization described in Exhibit "A", attached hereto and made a part hereof, for the purpose of providing Fire Services as deemed necessary to satisfy the needs of both the COUNTY and CITY, except upon those lands wherein other agencies of government have responsibility for the same or similar Fire Services.

B. CITY may budget for the position of a Deputy Chief or a Division Fire Chief or COUNTY may assign an existing Chief Officer as the Contract City representative ("City Representative"). The Chief may delegate certain authority to the City Representative, as the Chief's duly authorized designee and the City Representative shall be responsible for directing the Fire Services provided to CITY as set forth in Exhibit "A".

C. COUNTY will be allowed flexibility in the assignment of available personnel and equipment in order to provide the Fire Services as agreed upon herein.

D. CITY provides Fire Protection and Planning Services through the City Fire Marshal. The City Fire Marshal is under the supervision of and reports to the City Fire Chief.

SECTION III: PAYMENT FOR SERVICES

A. CITY shall annually appropriate a fiscal year budget to support the Fire Services designated at a level of service mutually agreed upon by both parties and as set forth in Exhibit "A." This Exhibit may be amended in writing by mutual agreement by both parties in the event of an increase of salary or expenses or when CITY requests an increase in services.

1. Any changes to the salaries or expenses set forth in Exhibit "A" made necessary by action of the Legislature, CAL FIRE, or any other public agency with authority to direct changes in the level of salaries or expenses, shall be paid from the funds represented as set forth in Exhibit "A." There shall be no obligation on the part of CITY to expend or appropriate any sum in excess of Exhibit "A" which exceeds the yearly appropriation of CITY for the purposes of this Agreement. If within thirty (30) days after notice, in writing, from COUNTY to CITY that the actual cost of maintaining the services specified in Exhibit "A" as a result of action by the Legislature, CAL FIRE or other public agency will exceed the total amount specified therein, and CITY after mutual discussions of staffing options, chooses not to appropriate or make available the necessary additional funds, COUNTY shall have the right to unilaterally reduce the services furnished under this Agreement by an appropriate amount and shall promptly notify CITY, in writing, specifying the services to be reduced. Personnel reductions resulting solely due to an increase in employee salaries or expenses occurring after signing this Agreement and set forth in Exhibit "A" to this Agreement shall not be subject to relocation expense reimbursement by CITY. If CITY desires to add funds to the total included herein to cover the cost of increased salaries or services necessitated by actions described herein, such increase shall be accomplished by an amendment to Exhibit "A" and approved by the parties hereto.

2. In the event CITY requests an increase in services and paragraph A.1. of this Section is not applicable, an amendment to Exhibit "A" may be approved by the parties hereto.

B. COUNTY provides fire personnel, equipment and services through its CAL FIRE Agreement. In the event CITY desires a reduction in CAL FIRE or COUNTY civil service employees or services assigned to CITY as provided for in Exhibit "A," when paragraph A.1. of this Section is not applicable, CITY shall provide one hundred twenty (120) days written notice of the requested reduction. Proper notification shall include the following: (1) The total amount of reduction; (2) The effective date of the reduction;

and (3) The number of employees, by classification, affected by the proposed reduction. If such notice is not provided, CITY shall reimburse COUNTY for relocation costs incurred by COUNTY because of the reduction, in addition to any other remedies available resulting from the reduction in services.

C. CITY shall pay COUNTY actual costs for Fire Services pursuant to this Agreement in an amount not to exceed that set forth in Exhibit "A," as amended. COUNTY shall make a claim to CITY for the actual cost of contracted services, pursuant to Exhibit "A," on a quarterly basis. CITY shall pay each claim within thirty (30) days after receipt thereof.

D. Chief may be authorized to negotiate and execute any amendments to Exhibit "A" of this Agreement on behalf of COUNTY as authorized by the Board of Supervisors. CITY shall designate a "Contract Administrator" who shall, under the supervision and direction of CITY, be authorized to execute amendments to Exhibit "A" on behalf of CITY.

E. _____ [] (Check only if applicable, and please initial to acknowledge)
Additional terms as set forth in the attached Exhibit "B" are incorporated herein and shall additionally apply to this agreement regarding payment of services.

F. AS [X] (Check only if applicable, and please initial to acknowledge)
Additional terms as set forth in the attached Exhibit "C" are incorporated herein and shall additionally apply to this agreement regarding payment for the Fire Engine Use Agreement. In the event that a fire engine which was initially purchased by the CITY and then the CITY elects to have the COUNTY take responsibility of said fire engine(s), the following will apply. The COUNTY will be responsible for maintaining and repairing said fire engine(s). The insurance responsibility will be dependant upon the CITY'S option to maintain or transfer title of said fire engine(s).

G. Notwithstanding Paragraph F herein if applicable, additional terms as set forth are incorporated herein and shall additionally apply to this agreement regarding payment of services. In the event that fire engine, owned and maintained by the CITY has a catastrophic failure, the COUNTY Fire Chief may allow use of a COUNTY fire engine, free of charge up to one hundred twenty (120) days. After the initial one hundred twenty (120) days, a rental fee will be applied to the CITY invoice for use of said COUNTY fire engine. The rental fee shall be Nine Hundred Forty Four Dollars (\$944.00) per day, or Six Thousand Six Hundred Eight Dollars (\$6,608.00) per week.

SECTION IV: INITIAL TERM AND RENEWAL

A. The term of this Agreement shall be from July 1, 2009, to June 30, 2012. Either party to this Agreement may terminate this Agreement by providing a written notice of termination to the other party hereto no less than one (1) year prior to the expiration of the term hereof. If such notice is given unilaterally by COUNTY except any

notice issued because of actions of CAL FIRE or CITY, COUNTY agrees to continue to provide Fire Services to CITY until such time as CITY has a reasonable opportunity to implement alternative Fire Services. In no event shall this Agreement be terminated by either party after June 30, 2011.

B. One (1) year prior to the date of expiration of this Agreement, CITY shall give COUNTY written notice of whether CITY intends to enter into a new agreement with COUNTY for Fire Services and, if so, whether CITY intends to change the level of Fire Services from that provided by this Agreement.

C. If CITY fails to provide such notice, as defined in paragraph B above, COUNTY shall have the option to extend this Agreement for a period of up to one (1) year from the original termination date and to continue providing services at the same or reduced level as COUNTY determines would be appropriate during the extended period of this Agreement. Six (6) months prior to the date of expiration of this Agreement, COUNTY shall give written notice to CITY of any extension of this Agreement and any changes in the level of Fire Services COUNTY will provide during the extended period of this Agreement. Services provided and obligations incurred by COUNTY during an extended period shall be accepted by CITY as services and obligations under the terms of this Agreement.

D. The cost of services provided by COUNTY during the extended period shall be based upon the amounts that would have been charged to CITY during the fiscal year in which the extended period falls, had a new agreement been entered into. Payment by CITY for services rendered by COUNTY during the extended period shall be provided as set forth in Exhibit "A," as amended.

SECTION V: TERMINATION

Neither COUNTY nor CITY shall have the power to abrogate or otherwise terminate this Agreement during the term set forth in Section IV. This Agreement may, however, be terminated by the voters of either the COUNTY or the CITY pursuant to Government Code §55603.5.

SECTION VI: COOPERATIVE OPERATIONS

All Fire Services contemplated under this Agreement shall be performed by both parties to this Agreement working as one unit; therefore, personnel and equipment belonging to either CITY or COUNTY may be temporarily dispatched elsewhere from time to time for mutual aid.

SECTION VII: MUTUAL AID

When rendering mutual aid or assistance as authorized in Health and Safety Code Sections 13050 and 13054, COUNTY shall, at the written request of CITY,

demand payment of charges and seek reimbursement of CITY costs for personnel as funded herein, under authority given by Health and Safety Code Sections 13051 and 13054. COUNTY, in seeking said reimbursement, will represent the CITY in following the procedures set forth in Health and Safety Code Section 13052. Any recovery of CITY costs, less extraordinary collection expenses, will be credited to the CITY.

SECTION VIII: SUPPRESSION COST RECOVERY

As provided in Health and Safety Code Section 13009, COUNTY may bring an action for collection of suppression costs of any fire caused by negligence, violation of law, or failure to correct noticed fire safety violations. When using CITY equipment and personnel under the terms of this Agreement, COUNTY may, on request of CITY, bring such an action for collection of costs incurred by CITY. In such a case CITY appoints and designates COUNTY as its agent in said collection proceedings. In the event of recovery, COUNTY shall apportion to CITY its pro-rata proportion of recovery, less the reasonable pro-rata costs including legal fees.

In all such instances, COUNTY shall give timely notice of the possible application of Health and Safety Code Section 13009 to the officer designated by CITY.

SECTION IX: PROPERTY ACCOUNTING

All personal property provided by CITY and by COUNTY for the purpose of providing Fire Services under the terms of this Agreement shall be marked and accounted for in such a manner as to conform to the standard operating procedure established by the County Fire Department for the segregation, care, and use of the respective property of each.

SECTION X: FACILITY

City shall provide Fire Stations, strategically located to provide standard response time within Moreno Valley from which fire operations shall be conducted. City shall maintain the facilities at its cost and expense. In the event City requests County to undertake repairs or maintenance costs or services, the costs and expenses of such repairs or maintenance shall be reimbursed to County either through the Support Services Cost Allocation, or as a direct Invoice to the City.

SECTION XI: INDEMNIFICATION AND HOLD HARMLESS

City shall indemnify and hold County, its officers, agents, employees and independent contractors free and harmless from any claim or liability whatsoever, based or asserted upon any act or omission of City, its officers, agents, employees, volunteers, subcontractors, or independent contractors, for property damage, bodily injury or death, or any other element of damage of any kind or nature arising out of the performance of this Agreement to the extent that such liability is imposed on County by the provisions

of California Government Code Section 895.2 or other applicable law, and City shall defend at its expense, including attorney fees, County, its officers, agents, and employees and independent contractors in any legal action or claim of any kind based upon such alleged acts or omissions.

County shall indemnify and hold City, its officers, agents, employees and independent contractors free and harmless from any claim or liability whatsoever, based or asserted upon any act or omission of County, its officers, agents, employees, volunteers, subcontractors, or independent contractors, for property damage, bodily injury or death, or any other element of damage of any kind or nature arising out of the performance of this Agreement to the extent that such liability is imposed on City by the provisions of California Government Code Section 895.2 or other applicable law, and County shall defend at its expense, including attorney fees, City, its officers, agents, and employees and independent contractors in any legal action or claim of any kind based upon such alleged acts or omissions.

SECTION XII: AUDIT

COUNTY and CITY agree that their designated representative shall have the right to review and to copy any records and supporting documentation pertaining to the performance of this Agreement. COUNTY and CITY agree to maintain such records for possible audit for a minimum of three (3) years after final payment, unless a longer period of records retention is stipulated, and to allow the auditor(s) access to such records during normal business hours and to allow interviews of any employees who might reasonably have information related to such records.

SECTION XIII: DISPUTES

CITY shall select and appoint a "Contract Administrator" who shall, under the supervision and direction of CITY, be available for contract resolution or policy intervention with COUNTY, when, upon determination by the Chief that a situation exists under this Agreement in which a decision to serve the interest of CITY has the potential to conflict with COUNTY interest or policy. Any dispute concerning a question of fact arising under the terms of this Agreement which is not disposed of within a reasonable period of time (ten days), shall be brought to the attention of the Contract Administrator.

Disputes that are unable to be resolved by CITY and COUNTY representatives will attempt to be resolved through arbitration. If arbitration is unsuccessful, venue for litigation will be the County of Riverside.

SECTION XIV: ATTORNEY'S FEES

If CITY fails to remit payments for services rendered pursuant to any provision of this Agreement, COUNTY may seek recovery of fees through arbitration and/or litigation, in addition to all other remedies available.

In the event of arbitration or litigation between COUNTY and CITY to enforce any of the provisions of this Agreement or any right of either party hereto, the unsuccessful party to such litigation agrees to pay the prevailing party's costs and expenses, including reasonable attorneys' fees, all of which shall be included in and as a part of the judgment rendered in such arbitration and litigation.

SECTION XV: DELIVERY OF NOTICES

Any notices to be served pursuant to this Agreement shall be considered delivered when deposited in the United States mail and addressed to:

COUNTY
County Fire Chief
210 W. San Jacinto Ave.
Perris, CA 92570

CITY OF MORENO VALLEY
Mayor
City of Moreno Valley
Post Office Box 88005
Moreno Valley, CA 92552-0805

Provisions of this section do not preclude any notices being delivered in person to the addresses shown above. Delivery in person shall constitute service hereunder, effective when such service is made.

SECTION XVI: ENTIRE CONTRACT

This Agreement contains the whole contract between the parties for the provision of Fire Services. It may be amended or modified upon the mutual written consent of the parties hereto. This Agreement does NOT supplement other specific agreements entered into by both parties for equipment or facilities, and excepting those equipment or facilities agreements, this Agreement cancels and supersedes any previous agreement for the same or similar services.

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[Signature provisions on following page]

IN WITNESS WHEREOF, the duly authorized officials of the parties hereto have, in their respective capacities, set their hands as of the date first hereinabove written.

Dated: _____

CITY OF MORENO VALLEY

By: RICHARD STEWART, Mayor

Richard G. Stewart

ATTEST:

APPROVED AS TO FORM:

By: Jane Hristova
Title: City Clerk

Barbara J. Adams

(SEAL)

Dated: 12/7/09

COUNTY OF RIVERSIDE

By: _____
Chairman, Board of Supervisors

ATTEST:

APPROVED AS TO FORM:

KECIA HARPER-IHEM
Clerk of the Board

PAMELA J. WALLS,
County Counsel

By: Synthia M. Gunzel
SYNTHIA M. GUNZEL
Deputy County Counsel

By: _____
Deputy

(SEAL)

EXHIBIT "A"

TO THE COOPERATIVE AGREEMENT
 TO PROVIDE FIRE PROTECTION, FIRE PREVENTION, RESCUE
 AND MEDICAL EMERGENCY SERVICES FOR THE CITY OF MORENO VALLEY
 DATED September 14, 2009 FOR FY 09/10
 (Per City Ltr Sept.09 Reduce .5 BC Position)

	CAPTAIN'S		CAPTAIN'S MEDICS		ENGINEER'S		ENGINEER MEDICS		FF II'S		FF II MEDICS		TOTALS	
STA. #2	317,512	2			135,909	1	153,348	1			264,497	2	871,266	6
STA. #6	317,512	2			271,818	2					264,497	2	853,827	6
(Truck)	476,268	3			407,727	3			695,884	6			1,579,879	12
STA. #48	317,512	2			271,818	2					264,497	2	853,827	6
STA. #58	317,512	2			271,818	2					264,497	2	853,827	6
(Truck)	317,512	2			135,909	1	153,348	1	231,961	2	264,497	2	1,103,227	8
STA. #65	317,512	2			271,818	2					264,497	2	853,827	6
STA. #91	317,512	2			271,818	2					264,497	2	853,827	6
(Truck)	*0	2			271,818	2			463,923	4			735,741	8
Fixed Relief	317,512	2			271,818	2					264,497	2	853,827	6
Vac. Relief - Engine	158,756	1			135,909	1					132,248	1	426,913	3
Vac. Relief - Truck	*0	1			135,909	1					132,248	1	268,157	3
SUBTOTALS	3,175,121				2,854,087		306,696		1,391,769		2,380,470		10,108,144	
SUBTOTAL STAFF		23				21		2		12		18		76
DIVISION CHIEF							235,810	each					235,810	1.0
BATTALION CHIEF							219,533	each					439,067	2.0
CAPTAIN MEDIC							176,269	each					176,269	1.0
SUBTOTAL													\$851,146	80.0
SUPPORT SERVICES														
Administrative/Operational							16,923	per assigned Staff **					1,303,071	77.0
Volunteer Program							10,250	per Volunteer Co.					10,250	1.0
Medic Program							7,799	per assigned Medics					163,779	21.0
Fleet Support							29,871	per Fire Suppression Equip					298,710	10.0
ECC Support								Calls/Station Basis					378,896	
Comm/IT Support								Calls/Station Basis					531,302	
SUPPORT SERVICES SUBTOTAL													2,686,007	
ESTIMATED DIRECT CHARGES													277,949	
FIRE ENGINE USE AGREEMENT							16,050	each engine					48,150	3
TOTAL STAFF COUNT														80.0
TOTAL ESTIMATED CITY BUDGET													\$13,971,396	

*Three Captains at FS #91 split funded by Riverside County and City of Perris.

SUPPORT SERVICES

Administrative & Operational Services

Finance	Public Affairs
Training	Procurement
Data Processing	Emergency Services
Accounting	Fire Fighting Equip.
Personnel	Office Supplies/Equip.

**	77.0	Assigned Staff
	77.00	Total Assigned Staff
	6	Fire Stations
	12,259	Number of Calls

Volunteer Program - Support staff, Workers Comp, and Personal Liability Insurance

Medic Program - Support staff, Training, Certification, Case Review & Reporting

Fleet Support - Support staff, automotive costs, vehicle/engine maintenance, fuel costs

Emergency Command Center Support - Dispatch services costs

Communications / IT Support - Support staff, communications, radio maintenance, computer support functions

FY 09/10 POSITION SALARIES TOP STEP

239,412	DEPUTY CHIEF		
235,810	DIV CHIEF	16,050	FIRE ENGINE
219,533	BAT CHIEF	16,923	SRVDEL
158,756	CAPT	10,250	VOL DEL
176,269	CAPT MEDIC	7,799	MEDIC DEL
135,909	ENG	53,763	BATT DEL
153,348	ENG/MEDIC	11,498	ECC STATION
115,981	FF II	25.28	ECC CALLS
132,248	FF II/MEDIC	29,871	FLEET SUPPORT
126,058	DEPUTY FIRE MARSHALL SCH C	16,120	COMM/IT STATION
119,206	FIRE SAFETY SUPERVISOR	35.45	COMM/IT CALLS
108,709	FIRE SAFETY SPECIALIST	1,230	FACILITY STATION
86,122	FIRE SYSTEMS INSPECTOR	407.46	FACILITY FTE
51,181	OFFICE ASSISTANT III		

FY 09/10 DIRECT BILL ACCOUNT CODES

520230	Cellular Phone
520300	Pager Service
520320	Telephone Service
520800	Household Expense
520805	Appliances
	Cleaning and
520815	Custodial Supp
520830	Laundry Services
520840	Household Furnishings
520845	Trash
521380	Maint-Copier Machines
521440	Maint-Kitchen Equipment
	Maint-Office
521540	Equipment
521600	Maint-Service Contracts
521660	Maint-Telephone
521680	Maint-Underground Tanks
522310	Maint-Building and Improvement
522360	Maint-Extermination
522860	Medical-Dental Supplies
522870	Other Medical Care Materials
522890	Pharmaceuticals
523220	Licenses And Permits
523680	Office Equip Non Fixed Assets
526700	Rent-Lease Bldgs
526940	Locks/Keys
527280	Awards/Recognition
529500	Electricity
529510	Heating Fuel
529550	Water
537240	Interfnd Exp-Utilities
542060	Improvements-Building

EXHIBIT "C"

**TO THE COOPERATIVE AGREEMENT
TO PROVIDE FIRE PROTECTION, FIRE PREVENTION, RESCUE
AND MEDICAL AID FOR THE CITY OF MORENO VALLEY
DATED November 23, 2009**

**PAYMENT FOR SERVICES
ADDITIONAL SERVICES
FIRE ENGINE USE AGREEMENT**

Station 2

Engine 02, RCO No. 08-868 \$ 16,050.00

Station 58

Engine 58, RCO No. 06-800 \$ 16,050.00

Station 65

Engine 65, RCO No. 94-826 \$ 16,050.00

\$ 64,200.00

The Fire Engine Use Agreement is utilized in the event that a fire engine(s) which was initially purchased by the CITY, and then the CITY elects to have the COUNTY take responsibility of said fire engine(s). The Fire Engine Use Agreement guarantees the CITY the use of this fire engine(s), the COUNTY network of equipment, and resources of the COUNTY.

This fire engine(s) shall be used as an integrated unit for Fire Services as set forth in this Cooperative Agreement between the COUNTY and CITY, and shall be stationed primarily in the CITY. The change in ownership of the fire engine does not waive or supersede any responsibilities of the CITY pursuant to this agreement. This exhibit is strictly to further detail for the CITY, the responsibilities and costs associated within the Cooperative Agreement between the COUNTY and CITY; therefore, the Fire Engine Use Agreement is inseparable.

The CITY will have the option of transferring title of said fire engine(s) to the COUNTY. If the CITY transfers title of said fire engine(s) to the County, the County will take ownership of the said fire engine(s), and the County will maintain insurance on said fire engine(s). If the CITY opts to maintain ownership and title of said fire

engine(s), the CITY will maintain insurance on said fire engine(s). Proof of Insurance is to be provided to the COUNTY.

The COUNTY will ensure a working fire engine(s) is available for the CITY at all times under this agreement. All capital improvements and/or betterments to the fire engine(s) listed above, will be the responsibility and paid for by the COUNTY under this Agreement.

When the Riverside County Fire Department Fleet personnel determine the fire engine(s) listed above is due for replacement, the COUNTY will purchase a new fire engine(s); and, survey the old fire engine(s).

The annual cost for this service is calculated at 1/20 of the replacement cost. The current replacement cost is \$321,000.00. If this Agreement is entered into mid-year, the annual cost will be prorated accordingly.