

FORM APPROVED COUNTY COUNSEL
 BY: *[Signature]* 9/25/14
 DATE: GREGORY P. PRIAMOS

Departmental Concurrence

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

201 A



FROM: Agricultural Commissioner's Office

SUBMITTAL DATE:
 September 23, 2014

SUBJECT: Standard Agreement No. 14-0370-SA Regarding Egg Quality Control.[50]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve Standard Agreement No. 14-0370-SA in the amount of \$35,343 for FY 14/15; and
2. Authorize the chairman to sign the agreement.

BACKGROUND:

Summary

This agreement is renewed annually and provides funding for the inspection and enforcement of California's Egg Quality Control standards at production, wholesale, and retail locations. Revenue from this source was included in the Agricultural Commissioner's FY 14/15 budget request. This agreement was approved as to form by County Counsel.

[Signature of John Snyder]

John Snyder,
 Agricultural Commissioner/
 Sealer of Weights and Measures

| FINANCIAL DATA | Current Fiscal Year: | Next Fiscal Year: | Total Cost: | Ongoing Cost: | POLICY/CONSENT (per Exec. Office) |
|-----------------|----------------------|-------------------|-------------|---------------|---|
| COST | \$ [35,343] | \$ 0 | \$ [35,343] | \$ 0 | Consent <input type="checkbox"/> Policy <input checked="" type="checkbox"/> |
| NET COUNTY COST | \$ 0 | \$ 0 | \$ 0 | \$ 0 | |

| | |
|---|----------------------------|
| SOURCE OF FUNDS: California Department of Food & Agriculture | Budget Adjustment: |
| | For Fiscal Year: 2014/2015 |

C.E.O. RECOMMENDATION:

APPROVE

BY: *[Signature of Denise C. Harden]*
 Denise C. Harden

County Executive Office Signature

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Benoit, seconded by Supervisor Stone and duly carried, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Jeffries, Stone and Benoit
 Nays: None
 Absent: Tavaglione and Ashley
 Date: October 21, 2014
 xc: Agric. Comm.

Kecia Harper-Ihem
 Clerk of the Board
 BY: *[Signature]*
 Deputy

- Positions Added
- Change Order
- A-30
- 4/5 Vote

Prev. Agn. Ref.: 07/30/13 Item 3.14 | District: ALL | Agenda Number:

3-5

**SUBMITTAL TO THE BOARD OF SUPERVISORS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA
FORM 11: Standard Agreement No. 14-0370-SA Regarding Egg Quality Control.[\\$0]**

DATE: September 23, 2014

PAGE: 2 of 2

BACKGROUND:

Impact on Citizens and Businesses

Citizens / consumers will be positively impacted in that they will be better assured of a consistent supply of fresh, high quality shell eggs. Shell egg producer businesses will be positively impacted in that high quality egg products will help to stimulate and maintain strong consumer demand.

SUPPLEMENTAL:

Contract History and Price Reasonableness

This agreement has been renewed each year since its inception in approximately FY 1976-77, and the dollar amount covers all related costs.

WHEN DOCUMENT IS FULLY EXECUTED, RETURN
CLERK'S COPY
to Riverside County Clerk of the Board, Stop 1010
Post Office Box 1147, Riverside, Ca 92502-1147
Thank you.

**COOPERATIVE AGREEMENT
SIGNATURE PAGE**

| |
|------------------|
| AGREEMENT NUMBER |
| 14-0370-SA |

- This Agreement is entered into between the State Agency and the Recipient named below:
STATE AGENCY'S NAME
DEPARTMENT OF FOOD AND AGRICULTURE (CDFA)
RECIPIENT'S NAME
COUNTY OF RIVERSIDE
- The term of this Agreement is: **July 1, 2014 through June 30, 2016**
- The maximum amount of this Agreement is: **\$35,343.10**
Thirty-five Thousand Three Hundred Forty-three Dollars and Ten Cents
- The parties agree to comply with the terms and conditions of the following exhibits which are by this reference made a part of the Agreement:

- Exhibit A: 6 Page(s)
 - Recipient and Project Information
 - Scope of Work
- Exhibit B: 2 Page(s)
 - Budget & Payment Provisions
 - Budget
- Exhibit C – General Terms and Conditions 2 Page(s)

ATTEST:
KECIA HARPER-IHEM, Clerk
By *[Signature]*
DEPUTY

6 Page(s)
 2 Page(s)
 2 Page(s)
 FORM APPROVED COUNTY COUNSEL
 DATE
 TV NEWS ZONES

Name of Project: **County Egg Inspections**
 IN WITNESS WHEREOF, this Agreement has been executed by the parties hereto.
 RECIPIENT

RECIPIENT'S NAME (County's Name)
COUNTY OF RIVERSIDE

BY (Authorized Signature) *[Signature]* DATE SIGNED (Do not type) **10/21/14**
 PRINTED NAME AND TITLE OF PERSON SIGNING
JEFF STONE CHAIRMAN, BOARD OF SUPERVISORS
 ADDRESS
4080 Lemon Street, Room 19, Riverside, CA 92502-1089
STATE OF CALIFORNIA

AGENCY NAME
DEPARTMENT OF FOOD AND AGRICULTURE (CDFA)
 BY (Authorized Signature) *[Signature]* DATE SIGNED (Do not type) **10/31/14**
 PRINTED NAME AND TITLE OF PERSON SIGNING
CRYSTAL MYERS, MANAGER - FEDERAL FUNDS MANAGEMENT OFFICE
 ADDRESS
1220 N STREET, ROOM 120
SACRAMENTO, CA 95814 MA

OCT 21 2014 3-5

2014-11-12490

EXHIBIT A

RECIPIENT AND PROJECT INFORMATION

1. CDFA hereby awards an Agreement to the Recipient for the project described herein:

The County will perform egg quality control activities per California Food and Agricultural Code (Articles 4 & 5, Sections 27551 through 27556), and the California Code of Regulations (Title 3, Division 3).

2. The Managers for this Agreement are:

| FOR CDFA: | | FOR RECIPIENT: | |
|------------------|---|-----------------------|----------------------------|
| Name: | Penny Short | Name: | John Snyder |
| Section/Unit: | AHFSS / Meat, Poultry & Egg Safety Branch | Section/Unit: | COUNTY OF RIVERSIDE |
| Address: | 1220 N Street | Address: | 4080 Lemon Street, Room 19 |
| City/State/Zip: | Sacramento, CA 95814 | City/State/Zip: | Riverside, CA 92502-1089 |
| Phone: | 916-900-5091 | Phone: | 951-955-3045 |
| Email Address: | penny.short@cdfa.ca.gov | Email Address: | agdept@rivcoag.org |

3. For a detailed description of work to be performed and duties, see Scope of Work.

STATE EGG QUALITY ENFORCEMENT WORKPLAN

July 1, 2014 – June 30, 2015

The County agrees to provide wholesale, production and retail surveillance egg inspection services for the California Department of Food and Agriculture (CDFA), Egg, Safety and Quality Management Program (ESQM). The inspections shall be performed as provided in the Food and Agricultural Code, Division 12, Part 4, Chapter 1 (commencing with Section 27501); the California Code of Regulations, Title 3, Subchapter 3 and any State policies and procedures. Penalties imposed by the County for violations shall remain in the County.

This agreement is effective from July 1, 2014 through June 30, 2015. The County will receive payments upon submission of the following completed forms: quarterly Compliance and Risk Based Inspection (CRBI) reports, ESQM/County Cost Agreement and ESQM/ Agreement Supplemental-A forms, County Report 9 forms, or forms generated by the Eggzactly program (available on cd, upon request), as appropriate for the functions listed below:

- Production and Wholesale Inspections
- Retail Surveillance Inspections

Disbursements will be made for work completed in quarterly payments as follows: July 1 to September 30 (1st quarter), October 1 to December 31 (2nd quarter), January 1 to March 31 (3rd quarter), and April 1 to June 30 (4th quarter). Worksheets and forms are due to ESQM District Supervisor by the 10th working day following the end of each quarter. Late submission of invoices by the County will cause a delay in payments from ESQM.

Compliance and Risk Based Inspection (CRBI) for shell eggs:

The CRBI is based upon annual cases available per facility. The County will inspect 1% of each facility's annual cases available, monthly. Facilities that achieve three (3) consecutive inspections within a quarter, will be inspected at a rate of 0.5% (one half percent of egg cases available) for the following quarter.

Should the compliance rate fall below 90% or the Risk Based violations are beyond the acceptable levels as outlined below, then inspections shall revert to 1% of the egg cases available.

Acceptable Levels:

- Category 1 - Refrigeration issues (cold room and transport vehicles).
 - 2 infractions allowed. (Per three month period)
- Category 2 - Dirts (fecal), leakers, rots.
 - 3 infractions allowed. (Per three month period)
- Category 4 - Checks, dirts (non-fecal), blood spots, meat spots, bloody whites, moldy, frozen or cooked.
 - 4 infractions allowed. (Per three month period)
- Category 5 - Labeling issues, under-weights, undergrads.
 - 5 infractions allowed. (Per three month period)

- No more than seven over all combined risk based violations allowed. (Per three month period)

CRBI Purpose:

- Ensure quality and food safety compliance.
- Focused enforcement on egg handlers and facilities that do not achieve a 90% compliance rate.
- Allows County to focus on production and wholesale facilities requiring closer monitoring.
- Provide time to inspect retail facilities.

Production eligibility:

- Producers and/or producer/packers with a flock size of 3,000 or more layers shall participate in CRBI.

Wholesale/Distribution eligibility:

- The base-line for wholesale and distributors shall be a minimum of 12,000 egg cases available per year.
- Wholesale and Distributors with less than 12,000 egg cases per year, shall be inspected at the retail surveillance level.

Enforcement Response:

Initially, enforcement will be centered upon an educational response to help individuals and industry come into compliance for minor infractions of laws and regulations. Subsequent enforcement shall entail utilization of the existing compliance process.

CRBI for Production and Wholesale Inspections:

- Conduct production and wholesale egg sample inspections monthly, based on CRBI, at the reported annual cases available for the fiscal year.
- An "Initial Visit" includes: temperatures, labeling, internal exam, external exam, weight tolerances. All inspection categories must be met to be considered an Initial Visit.
- Track and report time per inspection.
- If the 90% compliance level is reached over a three-month period, the number of quarterly inspections shall be decreased to a rate of 0.5% (one-half percent) of egg cases available the following quarter.
- CRBI will revert to original levels (1% of the annual cases available), if required compliance of 90% is not maintained.
- Any remaining time allotted for CRBI inspections shall be redirected to Retail Surveillance Inspections.
- All CRBI Production/Wholesale visits must be completed before performing any Retail Surveillance Inspections.

Expected Outcome:

- Provide a concentrated effort to inspect underperforming facilities.
- Allows the County to operate an efficient egg inspection program.

The County shall:

- Assign up to five Inspector/Biologist(s) (Inspector) to perform CRBI Inspections that have the required commodity license to inspect eggs.
- Assign only Inspectors that have been certified by ESQM to conduct shell egg inspections, and have attended the ESQM yearly County training and has passed written exam.
- Provide CRBI Inspections monthly for Production and Wholesale.
- Maintain work records for each Inspector on a daily basis, showing work performed, mileage, dozens, cases and lots under this agreement together with copies of the quarterly CRBI worksheets, ESQM/County Cost Agreement and the ESQM/County Cost Supplemental-A forms, Report 9 for Production/Wholesale and Retail Surveillance or input records daily into the Eggzactly program.
- Provide copies of the CRBI worksheet to the facility management, after each inspection.
- Submit completed ESQM inspection worksheets and County approved Report 9 for Production/Wholesale and Retail Surveillance, by the 10th working day of the following month to the ESQM District Supervisor.
- Submit completed quarterly billing by the 10th working day after the quarter ends. Mail all the completed forms to the State District Supervisor in your area. This should include completed copies of: ESQM/County Cost Agreement, ESQM/County Cost Supplemental-A forms, or forms generated by the Eggzactly program.
- Maintain all records for a period of three years after final payment is received.
- Permit the ESQM to inspect such books, records, accounts, and other materials relevant to this agreement.
- Furnish the necessary inspection equipment, transportation, office space, supplies, and administrative support services for carrying out the inspection work under this agreement.

Failure to meet the above will result in a County Agricultural Commissioner's compliance meeting and a possible revision of the current agreement as provided in the Food and Agriculture Code, Division 12, Part 4, Chapter 1, Article 5, Section 27566.

State Oversight and Expectations:

- ESQM shall provide annual training for County shell egg inspectors.
- ESQM shall hold Certification exams annually, for conducting shell egg inspections, unless requested formally with the ESQM District Supervisor.
- ESQM shall gather the annual cases available worksheet for qualifying CRBI Producer/Wholesale facilities for calculating CRBI worksheets and agreement for the current fiscal year agreements.
- ESQM shall provide, one (1) smock per production facility inspector, annually.
- ESQM shall provide on an ongoing as needed basis: hair nets, shoe covers, training materials, forms, manuals, and any other equipment required for performing inspections.

- ESQM shall conduct quarterly, comparative 100 egg samples within the County to confirm the compliance rates and food safety standards are being recorded correctly.
- ESQM shall review all reports provided by the County and provide feedback as to the efficiency of the County program.

EXHIBIT B

BUDGET AND PAYMENT PROVISIONS

1. Invoicing and Payment

- A. For services satisfactorily rendered, and upon receipt and approval of the invoices, the State agrees to compensate the Recipient for actual allowable expenditures incurred in accordance with this Agreement and stated herein, which is attached hereto and made a part of this Agreement.

Original invoices must include the Agreement Number, dates-of-service, type of work performed, and when applicable, a breakdown of the costs of parts and materials, labor charges, and any other relevant information required to ensure proper invoices are submitted for payment.

- B. Unless stated in Exhibit A, Scope of Work, monthly invoices must be submitted within thirty (30) days after the end of each month in which work under this Agreement was performed to the CDFA Agreement Manager.
- C. A final invoice will be submitted for payment no more than thirty (30) days following the expiration date of this Agreement, unless an alternate deadline is agreed to by the CDFA Agreement Manager. The invoice must be clearly marked "Final Invoice" thus indicating that all payment obligations of the State under this Agreement have ceased and that no further payments are due or outstanding.

2. Budget Contingency Clause

If funding for any fiscal year is reduced or deleted for purposes of this program, the State will have the option to either cancel this Agreement with no liability occurring to the State, or offer to amend the Agreement to reflect the reduced amount.

3. Prompt Payment Clause

Payment will be made in accordance with, and within the time specified in, California Government Code Title 1, Division 3.6, Part 3, Chapter 4.5, commencing with Section 927 – The California Prompt Payment Act.

4. Allowable Line Item Shifts

The Recipient must obtain written approval from the CDFA Agreement Manager for any line-item shifts.

5. Allowable Expenses/Fiscal Documentation

- A. The Recipient will comply with all applicable State regulations.
- B. The Recipient will maintain adequate documentation for expenditures subject to this Agreement to permit the determination of the allowability of expenditures reimbursed by the State under this Agreement. If CDFA cannot determine expenditures are allowable under the terms of this Agreement because records are nonexistent or inadequate according to generally accepted accounting principles, the CDFA may disallow the expenditure.
- C. If domestic travel is a reimbursable expense, receipts must be maintained to support the claimed expenditures. The maximum rates allowable are those established in Title 2, California Code of Regulations, Sections 599.619 and 599.630.
- D. If international travel is a reimbursable expense, receipts must be maintained to support the claimed expenditures. The maximum rates allowable are those established in a per diem supplement to Section 925, Department of State Standardized Regulations. All international travel must comply with the "Fly America Act" U.S.C. Title 49 § 40118, government-financed air transportation.
- E. The Recipient will maintain and have available, upon request by CDFA, all financial records and documentation pertaining to this Agreement. These records and documentation will be kept for three (3) years after completion of the Agreement period or until final resolution of any performance/compliance review concerns or litigation claims.

6. Budget

For a detailed budget for all work to be performed under the Scope of Work, see attached Budget.

County of Riverside
STATE SHELL EGG ENFORCEMENT
FISCAL DISPLAY
 July 1, 2014 through June 30, 2015

July 1, 2014 through June 30, 2015
 Inspections Based on Actual Time Worked ¹

| Biologist/Inspector Classification | Hourly Rate | Benefit Rate ² | Total | | Reimbursement per Quarter | Number of Quarters | Total Reimbursement |
|---|-------------|---------------------------|-------------------|-------------------|---------------------------|--------------------|---------------------|
| | | | Rate per employee | Hours Per Quarter | | | |
| Agricultural & Standards Investigator II | \$ 18.25 | \$ 8.35 | \$ 26.60 | 165 | \$ 4,389.00 | 4 | \$ 17,556.00 |
| Agricultural & Standards Investigator III | \$ 22.03 | \$ 10.09 | \$ 32.12 | 35 | \$ 1,124.20 | 4 | \$ 4,496.80 |
| Agricultural & Standards Investigator IV | \$ 25.16 | \$ 11.52 | \$ 36.68 | 35 | \$ 1,283.80 | 4 | \$ 5,135.20 |
| | | | | 235 | \$ 6,797.00 | | \$ 27,188.00 |

| Supervisory Classification | Hourly Rate | Total # of Hours per | Reimbursement per Quarter | Total Reimbursement |
|--|-------------|----------------------|---------------------------|---------------------|
| Deputy Commissioner | \$ 45.27 | 6 | \$ 271.62 | \$ 1,086.48 |
| Total Reimbursement 07/01/2014 through 06/30/2015 | | 241 | \$ 7,068.62 | \$ 28,274.48 |

| | |
|---|---------------------|
| Personal Services 07/01/2014 - 06/30/2015 | \$ 28,274.48 |
| County Indirect Recovery ³ - 25% | \$ 7,068.62 |
| Contract Total: | \$ 35,343.10 |

¹ Effective July 1, 2013 the methodology of egg inspection changed from an average per 100-egg sample to actual cost recovery.
² Benefit Rate - County's may charge up to CDFA's benefit rate of 49.6%
³ Indirect cost rate is to reimburse costs or activities that are not directly identifiable to the particular contract agreement, but is necessary to perform the requirements of it.

Hours will be applied to Production/Wholesale and Retail Inspections. These inspections will be performed regularly during the quarter to assure consistent compliance. Consideration will be given to compliance history and food safety violations, in determining frequency of inspections at Production/Wholesale and where Retail inspection hours will be applied.

EXHIBIT C

GENERAL TERMS AND CONDITIONS

1. Approval

This Agreement is of no force or effect until signed by both parties. The Recipient may not invoice for work performed prior to the commencement date or completed after the termination date of this Agreement.

2. Assignment

This Agreement is not assignable by the Recipient, either in whole or in part, without the consent of the CDFA, in the form of a form of writing.

3. Indemnification

The Recipient agrees to indemnify, defend and save harmless the State, its officers, agents and employees from any and all claims and losses accruing or resulting to any and all contractors, subcontractors, suppliers, laborers, and any other person, firm or corporation furnishing or supplying work services, materials, or supplies in connection with the performance of this Agreement, and from any and all claims and losses accruing or resulting to any person, firm or corporation who may be injured or damaged by Recipient in the performance of this Agreement.

4. Disputes

The Recipient will continue with the responsibilities under this Agreement during any dispute. In the event of a dispute, the Recipient will file a "Notice of Dispute" with the CDFA within ten (10) days of discovery of the problem. The Notice of Dispute will contain the Agreement number. Within ten (10) days of receipt of the Notice of Dispute, the Agency Secretary, or Designee, will meet with the Recipient, CDFA Program Management, and Federal Funds Management for the purpose of resolving the dispute. The decision of the Agency Secretary or Designee will be final. In the event of a dispute, the language contained within this Agreement will prevail.

5. Potential Contractors

The Recipient must obtain prior approval from the CDFA Agreement Manager before hiring contractors, consultants or both. Recipient must follow their organization's written procurement policy and in the absence of a written policy, the organization must conduct a competitive bid process. All contractors must have the proper licenses/certificates required in their respective disciplines.

If the Recipient contracts for a portion of the work required by this Agreement, nothing contained in this Agreement or otherwise, will create any contractual relation between the State and any contractors, and no contract will relieve the Recipient of their responsibilities and obligations hereunder. The Recipient agrees to be as fully responsible to the State for the acts and omissions of its contractors 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 Recipient. The Recipient's obligation to pay its contractors is an independent obligation from the State's obligation to make payments to the Recipient. As a result, the State will have no obligation to pay or to enforce the payment of any moneys to any contractor.

6. Independent Recipient/Contractor

The Recipient, and the agents and employees of Recipient, in the performance of this Agreement, will act in an independent capacity and not as officers or employees or agents of the State.

7. Non-Discrimination Clause

During the performance of this Agreement, Recipient and its contractors will not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of sex, sexual orientation, race, color, ancestry, religious creed, national origin, physical disability, mental disability, medical condition, age, marital status, and denial of family care leave.

The Recipients and contractors will insure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment. Recipient and contractors will comply with the provisions of the Fair Employment and Housing Act (Gov. Code §12990 (a-f) et seq.) and the applicable regulations promulgated there under (California Code of Regulations, Title 2, Section 7285 et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code Section 12990 (a-f), set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations, are incorporated into this Agreement by reference and made a part hereof as if set forth in full. Recipient and its contractors will give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining unit or other Agreement.

The Recipient will include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under this Agreement.

8. Governing Law

This Agreement is governed by and will be interpreted in accordance with all applicable State laws.

9. Unenforceable Provision

In the event that any provision of this Agreement is unenforceable or held to be unenforceable, then the parties agree that all other provisions of this Agreement have force and effect and will not be affected thereby.

10. Excise Tax

The State of California is exempt from Federal excise taxes and no payment will be made for any taxes levied on employees' wages. The State will pay for any applicable State of California or local sales or use taxes on the services rendered or equipment or parts supplied pursuant to this Agreement. California may pay any applicable sales and use tax imposed by another State.

11. Right to Terminate

CDFA reserves the right to terminate this Agreement subject to thirty (30) days written notice to the Recipient. The Recipient may submit a written request to terminate this Agreement only if CDFA substantially fails to perform its responsibilities as provided herein. However, the Agreement can be immediately terminated for cause.

12. Termination for Cause

The State may terminate this Agreement and be relieved of any payments should the Recipient fail to perform the requirements of this Agreement at the time and in the manner herein provided. In the event of such termination the State may proceed with the work in any manner deemed necessary by the State. All costs to the State will be deducted from any sum due the Recipient under this Agreement and the balance, if any, will be paid to the Recipient upon completion of the work.

13. Reporting Requirements

The Recipient agrees to complete all reporting requirements listed in Exhibit A, Scope of Work.

14. Publicity and Acknowledgement

The Recipient agrees that it will acknowledge CDFA's support whenever projects funded, in whole or in part, by this Agreement are publicized in any news media, brochures, or other type of promotional material.

15. Amendments

Changes to Exhibit A, Scope of Work, Exhibit B, Budget or the Agreement term, must be requested in writing to the CDFA Agreement Manager via letter, fax or email no later than thirty (30) days prior to the requested implementation date. CDFA Agreement Manager will respond in writing via letter, fax or email as to whether the proposed changes are accepted. Any changes to the Scope of Work, Budget, or Agreement term must be approved in writing by CDFA prior to implementation. If approved by CDFA, the agreed upon changes will be made and become part of this Agreement.