

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



**ITEM: 3.19
(ID # 19011)**

MEETING DATE:

Tuesday, June 21, 2022

FROM : OFFICE OF ECONOMIC DEVELOPMENT:

SUBJECT: OFFICE OF ECONOMIC DEVELOPMENT: Approve and Execute the Second Amendment to the Professional Services Agreement with Library Systems and Services, LLC for Provision of County Library Services. All Districts. [\$21,329,827 Total Cost - County Library Fund 88%, County Library Book Fund DIF 2%, City DIF 1%, and City Contract Funds 9%]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve the attached Second Amendment to Professional Services Agreement (Amendment) with Library Systems and Services, LLC, a Maryland Limited Liability Company (LS&S), for the Provision of County Library Services, and Authorize the Chair of the Board of Supervisors to Execute the Amendment on Behalf of the County; and

Continued on page 2

ACTION:Policy

Suzanne Holland
Suzanne Holland, Director of Office of Economic Development

5/25/2022

Aaron Gettis
Aaron Gettis, Deputy County Counsel

5/25/2022

Rania Odenbaugh
Rania Odenbaugh, Director of Constituent Services

6/16/2022

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Perez, seconded by Supervisor Washington and duly carried by unanimous vote, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Jeffries, Spiegel, Washington, Perez and Hewitt
Nays: None
Absent: None
Date: June 21, 2022
xc: O.E.D., E.O.

Kecia R. Harper
Clerk of the Board

By: *[Signature]*
Deputy

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

RECOMMENDED MOTION: That the Board of Supervisors:

2. Authorize the Director of Office of Economic Development and/or Designee, based on the availability of fiscal funding and as approved as to form by County Counsel, to sign amendments that exercise the options of the Amendment including modifications of the scope of services that stay within the intent of the Amendment; and sign amendments to the compensation provisions that do not exceed the sum total of ten percent (10%) of the total annual cost of the Amendment; and

3. Direct the Executive Office to Transfer Funds from Development Impact Fee (Fund 30542 & Fund 30543), as Needed for Library Books and Collection, Pursuant to Exhibit B of this Amendment.

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	\$ 67,218	\$ 21,262,609	\$ 21,329,827	\$ 0
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0
SOURCE OF FUNDS: County Library Fund 88%; County Library Book Fund DIF 2%; City DIF 1%, City Contract Funds 9%			Budget Adjustment: N/A	
			For Fiscal Year: 21/22 – 22/23	

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

The Riverside County Library System (RCLS) has been under an agreement with Library Systems and Services, LLC, a Maryland limited liability company (LS&S) since July 1, 1997. On June 19, 2018 (Agenda Item 3.10), the Board of Supervisors approved the Professional Services Agreement with LS&S for the provision of County library services to all 36 branches in the Riverside County Library System (RCLS) through June 30, 2023.

On April 27, 2021 (Agenda Item 3.8), the First Amendment was approved to extend the library services throughout three (3) new branches, located in Desert Hot Springs, French Valley, and Menifee to the residents of Riverside County, thereby providing additional compensation to LS&S for startup and library operations to employ, service, programs, special event planning, operate, and add IT equipment, books and materials to the three new libraries. These new libraries were completed in the summer of 2021.

On June 31, 2020, the current term of the Automated Service Agreement between College of the Desert and the County expired and was mutually terminated. The funds allocated by College of the Desert for fiscal year 2020/2021 through the remainder of this Agreement are no longer available and service has been eliminated.

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

In March 2022, the Riverside County Board of Supervisors approved the Calimesa Library Facility Project and preliminary budget to begin the design and construction of a new 5,500 square foot Calimesa Library located at 974 Calimesa Blvd., Calimesa, CA. Also in March 2022, the Riverside County Board of Supervisors approved the Lakeland Village Library Facility Project and preliminary budget to begin the design and construction of a new 5,500 square foot Lakeland Village Library located at 16275 Grand Ave., Lake Elsinore, CA. RCLS has allocated additional funding to procure new books and materials and funds to cover service fees at both facilities.

RCLS was recently awarded a State of California Library grant, "Stronger Together: Improving Library Access", to purchase and retrofit two (2) additional mobile library vehicles, Library Connect, to expand mobile library and literacy programs and services too hard to reach, remote, and rural communities of Riverside County. RCLS has allocated additional funding for staffing, start-up supplies, new books and materials, as well as funds to cover service fees.

The County contracts and partners with several cities for requested additional library operations and services as reflected in each Board approved city contract.

- The City of La Quinta has contracted with the County to manage the La Quinta Library and Makerspace and the La Quinta Museum. The City of La Quinta has extended the current MOU for an additional two (2) years. The City of La Quinta has allotted additional funding to expand the cultural programs/events/exhibits, operating supplies, and equipment maintenance for the Makerspace.
- The City of Temecula has contracted with the County to operate the Temecula Public Library. The City of Temecula has amended the current agreement and has decreased the operating budget.
- The City of Murrieta contracts with the County to utilize the automation service to operate the City of Murrieta Library. The increase of automation services has been reflected in the current amended Automated Service Agreement.

This Second Amendment to the Professional Services Agreement recognizes the above mentioned programmatic adjustments, and updates services and compensations to reflect recent contract changes with city partners. The Second Amendment has been approved as to form by County Counsel.

Impact to Residents and Business

Increased programming and staffing allows RCLS to continue to operate in a more effective manner and meet the increased service needs of patrons and partner cities. Providing excellent library services to the residents of Riverside County is part of the RCLS mission.

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

ATTACHMENTS:

- Second Amendment to LS&S Professional Services Agreement (2021-2023)


Scott Bruckner 6/15/2022

**SECOND AMENDMENT TO
PROFESSIONAL SERVICES AGREEMENT
BY AND BETWEEN COUNTY OF RIVERSIDE AND
LIBRARY SYSTEMS AND SERVICES, LLC FOR LIBRARY SERVICES**

This Second Amendment, made and entered into this 21 day of June, 2022 ("effective date"), by and between LIBRARY SYSTEMS AND SERVICES, LLC ("CONTRACTOR"), a Maryland limited liability company, and the COUNTY OF RIVERSIDE ("COUNTY"), a political subdivision of the State of California, sometimes collectively referred to herein as the "Parties."

RECITALS

CONTRACTOR and COUNTY entered into that certain Professional Services Contract Agreement dated June 19, 2018, pursuant to which CONTRACTOR has agreed to provide library services to COUNTY ("Original Agreement").

The Original Agreement has been amended by that certain First Amendment to Professional Services Contract Agreement dated April 27, 2021, by and between CONTRACTOR and COUNTY (the "First Amendment"), whereby the Parties amended the Original Agreement to extend library services to the three newly built branches and account for other related changes.

The Original Agreement together with the First Amendment are collectively referred to herein as the "Agreement."

The Parties now desire to amend the Agreement with this Second Amendment to extend library programming and services in Lakeland Village and the City of Calimesa, provide resources for two additional mobile libraries, and update the services and compensations to reflect recent contract changes with city partners.

NOW THEREFORE, for good and valuable consideration and receipt of adequacy of which is hereby acknowledged, the Parties now agree as follows:

1. Section 3.1.1 of the Agreement is hereby amended to add the following provision:

COUNTY will provide additional compensation to CONTRACTOR for startup, collection, and staffing of two (2) additional Library Connect Vehicles that have been awarded to the COUNTY by the California State Library - Stronger Together: Increase Library Access grant, as

JUN 21 2022 3:19

1 well as startup collection of books and materials for two (2) new libraries with planned locations
2 in Lakeland Village and the City of Calimesa.

3 **2.** Exhibits A, B and C attached to this Second Amendment replace the existing Exhibits
4 contained in the Agreement and are incorporated therein.

5 **3.** This Second Amendment may be executed in any number of counterparts, each of which
6 will be an original, but all of which together will constitute one instrument. Each party of this
7 Second Amendment agrees to the use of electronic signatures, such as digital signatures that
8 meet the requirements of the California Uniform Electronic Transactions Act (“CUETA”) Cal. Civ.
9 Code §§ 1633.1 to 1633.17), for executing this Second Amendment. The Parties further agree
10 that the electronic signatures of the Parties included in this ROE are intended to authenticate this
11 writing and to have the same force and effect as manual signatures. Electronic signature means
12 an electronic sound, symbol, or process attached to or logically associated with an electronic
13 record and executed or adopted by a person with the intent to sign the electronic record pursuant
14 to the CUETA as amended from time to time. The CUETA authorizes use of an electronic
15 signature for transactions and contracts among parties in California, including a government
16 agency. Digital signature means an electronic identifier, created by computer, intended by the
17 party using it to have the same force and effect as the use of a manual signature, and shall be
18 reasonably relied upon by the Parties. For purposes of this section, a digital signature is a type of
19 "electronic signature" as defined in subdivision (i) of Section 1633.2 of the Civil Code.

20 **4.** Unless defined herein or the context requires otherwise, all capitalized terms herein shall
21 have the meaning defined in the Agreement, as heretofore amended. The provisions of this
22 Second Amendment shall prevail over any inconsistency or conflicting provisions of the
23 Agreement, as heretofore amended, and shall supplement the remaining provisions thereof.

24 **5.** Except as amended or modified herein, all terms of the Agreement shall remain in full
25 force and effect and shall apply with the same force and effect. Time is of the essence in the
26 Second Amendment and the Agreement and each and all of their respective provisions. Subject
27 to the provisions of the Agreement as to assignment, the agreements, conditions, and provisions
28 herein contained shall apply to and bind the heirs, executors, administrators, successors and

1 assigns of the Parties hereto. If any provision of this Second Amendment or the Agreement shall
2 be determined to be illegal or unenforceable, such as determination shall not affect any other
3 provision of the Agreement and all such other provisions shall remain in full force and effect. The
4 language in all parts of the Agreement shall be construed according to its normal and usual
5 meaning and not strictly for or against either CONTRACTOR or COUNTY.

6 **6.** This Second Amendment shall not be binding or consummated until its approval by the
7 Riverside County Board of Supervisors and full execution by the Parties.

8 (SIGNATURES ON THE FOLLOWING PAGE)
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

1 **IN WITNESS WHEREOF, COUNTY and CONTRACTOR** have executed this Second

2 Amendment as of the date first written above.

3
4 COUNTY:
5 COUNTY OF RIVERSIDE,
6 A political subdivision of the State of California

CONTRACTOR:
LIBRARY SYSTEMS AND SERVICES LLC,
A Maryland limited liability company

7 By: 
8 Jeff Hewitt, Chair
Board of Supervisors

By: Todd Frager
Todd Frager
Chief Executive Officer

9 ATTEST:
10 KECIA HARPER
11 Clerk of the Board

12 By: 
13 Deputy

14 APPROVED AS TO FORM:
15 County Counsel

16 By: 
17 Ryan Yabko
18 Deputy County Counsel

19
20
21
22
23
24
25
26 G:\Library\CONTRACTS\LS&S - Professional Services Agreement\2018-2023\03_2nd Amendment_2022-2023_Library Connect
27 and Budget Changes\02_Second Amendment_LSS Professional Services Agreement_2022-2023_Library Connect and Budget
28 Changes (RY 5.5.22).docx

JUN 21 2022 3:19

EXHIBIT A
OWNERSHIP, REPORTING, POLICIES, ASSET MANAGEMENT

- 1. LIBRARY SYSTEM OWNERSHIP:** The Riverside County Library System ("RCLS") is at all times the property of the County of Riverside, California ("COUNTY") and operates under the authority of Riverside County Office of Economic Development ("RIVCOED"). Pursuant to this Agreement, Library Systems and Services, LLC ("CONTRACTOR") is a COUNTY Contractor hired to operate the RCLS, as governed by the ordinances, regulations and policies of the COUNTY and its Board of Supervisors.

 - A) The RIVCOED Director or designee will administer the provisions of the contract and direct the activities contained in the Agreement. At all times, a RIVCOED staff member shall be responsible for overseeing the contract, CONTRACTOR, and RCLS to ensure timely delivery of services to the COUNTY.
 - B) COUNTY owns the name "Riverside County Library System" and the RCLS logo. Except where specifically stated otherwise in this Agreement, COUNTY owns all assets including furniture, technology and electronics, software licenses, intellectual property, programs and special services related to performance of this agreement.
- 2. CORPORATE STATUS:** CONTRACTOR shall promptly report to the RIVCOED Director or designee, any material changes in its ownership.

 - A) CONTRACTOR conflicts of interest, potential conflicts of interest, or the appearance of conflicts of interest shall be reported immediately to the RIVCOED Director or designee.
 - B) CONTRACTOR shall mark all documents or program marketing materials as "LS&S, and Provider of Library Services for Riverside County."
- 3. ANNUAL REPORTING:** By August 15 of each year, at the request of the COUNTY, CONTRACTOR shall provide a cumulative annual audited financial statement for the previous fiscal year that includes but is not limited to the following:

 - A) Audited financial statements that evidence CONTRACTOR's overall corporate health, and RCLS's specific financial condition, including but not limited to the operating costs for each individual library in the system. CONTRACTOR will utilize a mutually agreeable format developed by the RIVCOED Finance Division and CONTRACTOR to record allocation of operating costs of the RCLS.
- 4. INTEGRATED LIBRARY SYSTEM ACCESS:** CONTRACTOR shall enable the Integrated Library System ("ILS") to provide reports directly to RIVCOED Finance Division for purposes of audits by COUNTY at any time.

- 5. COUNTY RULES AND REGULATIONS:** CONTRACTOR acknowledges that it is subject to the authority of the Riverside County Board of Supervisors and will follow and fully comply with all applicable ordinances, regulations, and policies of the COUNTY in all of CONTRACTOR's operations.
- 6. ASSET MANAGEMENT:** CONTRACTOR shall be responsible for protection from loss, damage, misappropriation and negligent misuse by its staff of all COUNTY owned assets which are under CONTRACTOR's control or possession (except normal wear and use). Such assets include but are not limited to books, media, cash and checks, financial records, computers, copiers, projectors and other electronic equipment, shelving, book carts, furniture and accessories (such as lamps and other lighting fixtures), floor coverings, artwork, buildings and grounds.
- A) CONTRACTOR shall develop in collaboration with COUNTY written security policies and procedures for its staff for daily securing of all assets in each library. Policies and procedures shall require CONTRACTOR's staff to report immediately to CONTRACTOR any known damage to or loss of COUNTY owned assets.
 - B) CONTRACTOR shall report in writing (including email) to RIVCOED any known damage or loss of COUNTY owned assets within 24 hours of discovery. Excluding damaged or lost books and other circulation materials.
 - C) CONTRACTOR shall not relocate to another location or refer any COUNTY owned assets to "surplus" status without prior consultation and approval by COUNTY.
 - D) CONTRACTOR shall cooperate with RIVCOED staff in the inventorying, photographing and tagging of all COUNTY assets in its control and possession as may be required to secure COUNTY owned assets or by COUNTY procedures.
 - E) CONTRACTOR shall provide asset invoices to RIVCOED staff within ten business days of receipt to ensure assets are recorded by RIVCOED within thirty days per County of Riverside Standard Practice Manual Section 5 PM#505.
- 7. BRAND MANAGEMENT, MARKETING AND PUBLICITY:** COUNTY and CONTRACTOR shall be responsible for marketing and managing the RCLS brand:
- A) CONTRACTOR shall ensure that the COUNTY logo will appear on all communications, publications, websites, documents, applications, or other printed materials for internal or external audiences that may refer directly or indirectly to the RCLS.
 - B) All forms used by RCLS in the ordinary course of business, including but not limited to forms used for library card applications, and community room reservations shall be reviewed and approved by COUNTY prior to dissemination to or use by the public.

- C) All media contacts or requests for interviews regarding the RCLS shall be through the RIVCOED's designated staff only. All requests for information or interviews by third parties shall be reviewed in advance by RIVCOED staff with the exception of branch specific programs and similar events offered to the public.
- D) RIVCOED staff will regularly meet and confer with CONTRACTOR to review new system-wide initiatives and will mutually plan and execute marketing strategies for those programs.
- E) Marketing of library events and programs and the maintenance of the RCLS website shall be executed by CONTRACTOR with approval by RIVCOED staff. CONTRACTOR shall have primary responsibility for managing the RCLS Website.

EXHIBIT B SERVICES AND COMPENSATION

- 1. LIBRARY CORE SERVICES:** Services which organize and conduct the daily routine and expected business of the RCLS, are the full responsibility of CONTRACTOR. These include but are not necessarily limited to, the following:

 - A) Provide professional and highly skilled staff and the appropriate level of staffing to operate each library building during public hours, or during hours as agreed upon, between RIVCOED and CONTRACTOR.
 - B) Perform general operations including, but not limited to, enhancing library patronage, furthering library collection and materials, seeking grant opportunities, and conducting library business in the local and broader COUNTY communities.
 - C) Provide information, reference and programming services appropriate for the local community including, but not limited to, community outreach and engagement programs, adult, family and emergent literacy programs, creative children's programs, creative teen programs, family and adult programs, summer reading programs, healthy resources programs, and ESL programs.
 - D) Selection of materials appropriate for the local community, in accordance with the Collection Selection Policy approved by the COUNTY, acquisition and processing of collection content in physical and electronic forms.
 - E) Provide courier service within the Riverside County Library System.
 - F) Provide automation services and technology including, but not limited to, media improvements, computer and equipment maintenance, Comprise/RFID maintenance, TechEd and CENIC for e-rate telecommunication program, databases and software enhancement provision and operation of the Polaris ILS System and maintenance of copies and printer equipment.
- 2. LIBRARY CONNECT VEHICLES:** This Agreement provides for full operations of the Library Connect vehicles, including after hours and weekend special events. CONTRACTOR will own the vehicles and is responsible for registration, insurance, fuel, and all maintenance repairs.
- 3. ADDITIONAL LIBRARY SERVICES:** CONTRACTOR will provide additional services per Board of Supervisor approved contracts with the City of La Quinta, City of Temecula, City of Palm Desert and the City of Murrieta. As well as the catalog management and literacy programming for the Edward-Dean Museum Reference Library.

- 4. CUSTODIAL SERVICES:** CONTRACTOR will be responsible to coordinate the work of custodial services for all COUNTY owned and library locations contracted for custodial services. CONTRACTOR will make sure that they are in good, clean working order.
- 5. ADMINISTRATIVE MEETINGS:** CONTRACTOR's authorized administrative / management staff and the RIVCOED staff will meet to review operations, decide strategic planning, and resolve any questions or concerns.
- 6. CUSTOMER GRIEVANCE AND COMPLAINT RESOLUTION:** CONTRACTOR will notify RIVCOED staff immediately, of any high priority customer grievances or complaints. CONTRACTOR and RIVCOED will promptly meet and confer to develop appropriate responses to such customer grievances or complaints. CONTRACTOR will supply pertinent procedures for RIVCOED approval, which will not unreasonably be withheld.
- 7. CONTRACT EXPENSE SUMMARY:** Continued on page 3

**EXHIBIT B
SERVICES AND COMPENSATION**

	CONTRACT TERM					EXTENSION
	FY2018/19	FY2019/20	FY2020/21	FY2021/22	FY2022/23	FY2023/24 - 2028/29
Library Operations						
Operations/Staffing/Automation/Courier	\$ 11,833,506	\$ 12,227,116	\$ 13,012,429	\$ 14,096,132	\$ 14,973,172	
CA Min Wage	\$ 272,549	\$ 406,472	\$ 451,605	\$ 488,197	\$ 250,963	
Subtotal - Library Operations	\$ 12,106,055	\$ 12,633,588	\$ 13,464,034	\$ 14,584,329	\$ 15,224,135	\$ -
Programming and Maintenance						
Literacy/Summer Reading/Special Events/Programming	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 345,000	
Library Connect Start Up Costs - Van Wrap & Supplies					\$ 25,000	
Custodial Services	\$ 630,360	\$ 642,967	\$ 655,827	\$ 668,943	\$ 682,322	
Copiers/IT Service & Maintenance/Software	\$ 1,230,000	\$ 1,180,000	\$ 1,180,000	\$ 885,000	\$ 885,000	
P3 Start Up Costs - IT Services			\$ 244,133			
Edward-Dean Museum Reference Library	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ -	
Subtotal - Programming and Maintenance	\$ 2,210,360	\$ 2,172,967	\$ 2,429,960	\$ 1,903,943	\$ 1,937,322	\$ -
Library Collection and Equipment						
Library Supplies & Equipment (not to exceed)*	\$ 350,000	\$ 350,000	\$ 350,000	\$ 350,000	\$ 350,000	
Library Collection & Materials	\$ 600,000	\$ 600,000	\$ 600,000	\$ 65,500	\$ 875,500	
Library Collection & Materials Service Fee (not to exceed)*				\$ 57,775	\$ 78,250	
P3 Start Up Costs - Materials & Set-Up Fees			\$ 3,000,000			
Lakeland Village Library Start Up Costs - Collection					\$ 200,000	
Calimesa Library Start Up Costs - Collection					\$ 200,000	
Library Connect Start Up Costs - Collection					\$ 9,500	
Subtotal - Library Collection and Equipment	\$ 950,000	\$ 950,000	\$ 3,950,000	\$ 473,275	\$ 1,713,250	\$ -
RCLS OPERATIONS TOTAL	\$ 15,266,415	\$ 15,756,555	\$ 19,843,994	\$ 16,961,547	\$ 18,874,707	
Developer Impact Fees (DIF) Fund						
County of Riverside DIF	\$ 300,000	\$ 300,000	\$ 300,000	\$ 900,000	\$ 90,000	
City of Wildomar DIF (WIL)	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	
City of Lake Elsinore DIF (LAK & LKE)	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	
City of Menifee DIF (SCY, PLV & ROM)	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	
City of Jurupa Valley DIF (GAV & ROB)	\$ 80,000	\$ 80,000	\$ 80,000	\$ 80,000	\$ 80,000	
Subtotal - DIF	\$ 490,000	\$ 490,000	\$ 490,000	\$ 1,090,000	\$ 280,000	\$ -
Reimbursable Library Services						
City of La Quinta Library Operations (Exp. 7/24)				\$ 700,000	\$ 700,000	
City of La Quinta Library Collection/Programming (Exp. 7/24)				\$ 50,000	\$ 120,000	
City of La Quinta Museum Operations (Exp. 7/24)	\$ 195,000	\$ 195,000	\$ 195,000	\$ 203,333	\$ 215,000	
City of La Quinta Makerspace Operations/Programming (Exp. 7/24)	\$ 165,190	\$ 173,450	\$ 182,122	\$ 171,440	\$ 180,190	
City of Temecula Library Operations (Exp. 7/26)				\$ 168,300	\$ 168,300	
City of Palm Desert Library Operations	\$ 358,000	\$ 358,000	\$ 358,000	\$ 358,000	\$ 358,000	
College of the Desert (COD) Automation Services	\$ 89,366	\$ 91,600				
City of Murrieta Automation Services (Exp. 7/23)	\$ 132,112	\$ 135,415	\$ 138,800	\$ 156,606	\$ 164,436	
State Grant Funds - Stronger Together: Improving Library Access					\$ 201,976	
Subtotal - Additional Library Services	\$ 939,668	\$ 953,465	\$ 873,922	\$ 1,807,679	\$ 2,107,902	\$ -
TOTAL	\$ 16,696,083	\$ 17,200,020	\$ 21,207,916	\$ 19,859,226	\$ 21,262,609	\$ -

*Prior County authorization is required

EXHIBIT C FINANCIAL OPERATIONS

1. REVENUE:

- A) CONTRACTOR will ensure that all library branches are managed with consistent financial procedures and will verify continued consistency on an annual minimum basis. RIVCOED Finance will provide necessary financial procedures, forms, and samples.
- B) CONTRACTOR will cover in full all monthly net cash shortages or theft of cash and deposits for RCLS' daily bank deposits.
- C) RIVCOED Finance will review cash handling procedural compliance and deposit accuracy via site visits at least on an annual basis.
- D) CONTRACTOR will work with RIVCOED to report all revenues received by a branch which are recorded in the Polaris database and are reconcilable to daily deposits.

2. REPORTS:

- A) Gifts & Donations – CONTRACTOR will provide a worksheet monthly detailing the current donation receipts and approved expenditures which is reconcilable to CONTRACTOR reimbursement invoices.
- B) CONTRACTOR will provide detailed RCLS annual revenue and expense financial reports by library branch to RIVCOED Finance within 45 days of the close of County's fiscal year to include each contracted line item.

3. INVOICES:

- A) For reimbursement invoices, CONTRACTOR will provide RIVCOED Finance a summary page which lists all expenses itemized with a total that matches the invoice. Back up documentation for each charge must include proof of payment and a copy of the invoice being reimbursed.
- B) CONTRACTOR will use due diligence to submit all reimbursement claims to Riverside County RIVCOED Finance in a timely manner. Reimbursement invoices shall not be submitted more than sixty days after the original expense.
- C) Contractor shall provide separate invoices for each contract line item clearly listing each contract authority, including Branch Operations - operations/labor, automation, courier, Programming and Maintenance- literacy, custodial, IT, copiers, database/software, Library Collection and Equipment – supplies, equipment, books/materials.

D) CONTRACTOR will submit all invoices pertaining to RIVCOED's fiscal year end of June 30th prior to August 1st of the following fiscal year to ensure expenses are accrued to the appropriate contract year to avoid denial of reimbursements.

4. GRANT MANAGEMENT: Per Board Order 3-13 dated January 29, 2013, RIVCOED has contracted authority to submit for grant opportunities less than \$25,000. All grant applications exceeding \$25,000 must be submitted to the Board of Supervisors for authorization prior to acceptance per Board Policy A-30, Board of Supervisor's authorization will be sought on all "Pre-application, grant letter of intent, grant renewal, or grant amendment to any federal, state, or other grantor agency that obligates county funds for the grant, which is NOT already specifically budgeted in the current fiscal year." CONTRACTOR must obtain approval from RIVCOED prior to applying for grants over \$25,000. CONTRACTOR must obtain approval from RIVCOED if there is a financial match obligation, not matter the grant amount. RIVCOED shall be responsible for obtaining authorization from the Board of Supervisors. CONTRACTOR shall provide copies of all grant applications exceeding \$25,000 to RIVCOED.

A) A copy of all grant applications, budgets, awards, extensions, regulations, and reports will be provided to RIVCOED Finance by uploading said items to a shared dropbox within 10 business days.

B) All grant invoices will be submitted to RIVCOED Finance with a copy of the grant summary sheet which lists all expenses itemized with a total that matches the invoice within 30 days.

5. IT SOFTWARE: CONTRACTOR shall provide an annual detail listing of projected vendors, product, purpose, and costs.

A) Invoices submitted by CONTRACTOR, must be itemized and auditable back to the annual approved list.

6. MATERIAL PURCHASES: Effective immediately upon execution of this Agreement, the County will collaborate with CONTRACTOR to order all books, media and other materials.

A) RIVCOED may notify CONTRACTOR of its intention to participate in the review and selection of materials.

B) CONTRACTOR will provide high quality materials on a wide variety of subjects in varied formats for all age groups with a focus on demand driven collection, and according to the established Collection Development Policy. The responsibility for the Library Collection Development Policy will remain with RIVCOED, and all Library Materials selection and management will be the responsibility of CONTRACTOR.

CONTRACTOR will negotiate favorable discounts and prices for the purchase of library materials in all formats. CONTRACTOR uses a centralized Collection Management Team (CMT) comprised of experts with decades of collection management experience and

specialty knowledge combined with insights the CONTRACTOR proprietary comprehensive collection analytics platform (LibraryIQ). The CMT ensures significant efficiencies, cost savings, expedited materials and enhanced performance through strong back-office processes and vendor relationship management.

CONTRACTOR's Collection Management services (collectively, "Library Materials") include:

- Acquisition, Cataloging and Processing
- Selection
- Inventory and Weeding
- LibraryIQ Platform

CONTRACTOR will place orders with the suppliers and perform the accounting functions related to those orders. CONTRACTOR's Collection Management fee is variable and based on a percentage of the RIVCOED' total allocated Library Collection & Materials budget. RIVCOED shall include 5% of the Library Collection & Materials budget to cover the service fees of the Library Materials ordered ("Library Collection & Materials Service Fee") as depicted on Exhibit B. This service fee is charged on all Library Collection & Materials, regardless of the format of content.

COUNTY provides a limited supply of Developer Impact Fees (DIF) for books and materials. These funds are only available until the funds are depleted. The funds will be adjusted accordingly based on actual fees collected by the Riverside County Executive Office and availability.

- C) Invoices for books and materials will be billed separately from other type of items being reimbursed.