

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



**ITEM: 3.23  
(ID # 26417)**

**MEETING DATE:**  
Tuesday, December 10, 2024

**FROM :** OFFICE OF ECONOMIC DEVELOPMENT

**SUBJECT:** RIVERSIDE COUNTY OFFICE OF ECONOMIC DEVELOPMENT: Accept the Letter of Intent from the Orange County Inland Empire SBDC Network Lead Center and Approve the Office of Economic Development to Enter into Subcontract Agreements with CSU Fullerton Auxiliary Services Corporation (ASC) to host the Coachella Valley Small Business Development Center (CVSBDC) for one year. Districts 4 and 5. [\$530,000; 33% Federal, 34% State, and 33% County of Riverside Office of Economic Development Funds] (CEQA Exempt)

**RECOMMENDED MOTION:** That the Board of Supervisors:

1. Accept the Letter of Intent from the Orange County Inland Empire SBDC Network Lead Center to the Office of Economic Development to enter into a subcontract for the U.S. Small Business Administration 2025 Grant Funds (SBA Grant) to continue to host the Coachella Valley Small Business Development Center (CVSBDC) for calendar year 2025 and provide Additional Funding from State of California's Governor's Office of Business and Economic Development (GO-Biz);
2. Authorize and Approve the Director of the Office of Economic Development, or Designee, to Draft, Negotiate and Execute the SBA Grant Subcontract (CVSBDC Agreement) in the Amount of \$175,000, with a Match Requirement from the County in the Amount of \$175,000; for the term of January 1, 2025, through December 31, 2025;

Continued on page 2

**ACTION:Policy**

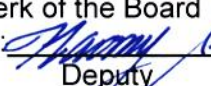
  
Suzanne Holland, Director of Office of Economic Development 11/25/2024

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**MINUTES OF THE BOARD OF SUPERVISORS**

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

Ayes: Jeffries, Spiegel, Washington, Perez and Gutierrez  
Nays: None  
Absent: None  
Date: December 10, 2024  
xc: OED

Kimberly A. Rector  
Clerk of the Board  
By:   
Deputy

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

**RECOMMENDED MOTION:** That the Board of Supervisors:

3. Authorize and Approve the Director of the Office of Economic Development, or designee, to Draft, Negotiate and Execute the Subcontract for Funding Provided through GO-Biz Capital Infusion Program Subcontract (CIP Agreement) in the Amount of \$50,000, with a \$50,000 Match Requirement that will be Addresses with the CVSBDC Agreement Funding derived from 2025 SBA Grant Funds; for a term that Commenced on October 1, 2024, through September 30, 2025;
4. Authorize and approve the Director of the Office of Economic Development, or designee, to draft, negotiate and execute the GO-Biz Technical Assistance Program Subcontract (TAP Agreement) in the amount of \$130,000, with no match requirement; for a term that commenced on October 1, 2024, through September 30, 2025;
5. Approve the allocation of Office of Economic Development funds in the amount of \$175,000 to be used as a non-federal match for eligible expenses incurred in connection with the operation of the CVSBDC as required by the proposed CVSBDC Agreement; this match requirement shall be satisfied in kind, through existing employee salaries and benefits already included in Office of Economic Development's fiscal years 24/25 and 25/26 Budget without need for additional funding or a budget adjustment; and
6. Authorize the Director of the Office of Economic Development, or designee, to take Necessary steps to implement the CVSBDC Agreement, CIP Agreement and the TAP Agreement including, but not limited to, signing subsequent, necessary and relevant documents, and approve any non-substantive amendments to the CVSBDC Agreement, CIP Agreement and the TAP agreement, provided a County match requirement is not required, subject to approval by County Counsel.

<b>FINANCIAL DATA</b>	<b>Current Fiscal Year:</b>	<b>Next Fiscal Year:</b>	<b>Total Cost:</b>	<b>Ongoing Cost</b>
<b>COST</b>	\$ 265,000	\$ 265,000	\$ 530,000	\$ 0
<b>NET COUNTY COST</b>	\$ 265,000	\$ 265,000	\$ 530,000	\$ 0
<b>SOURCE OF FUNDS:</b> 33% Federal, 34% State, and 33% County of Riverside Office of Economic Development Funds			<b>Budget Adjustment:</b>	N/A
			<b>For Fiscal Year:</b> 24/25 - 25/26	

**C.E.O. RECOMMENDATION:** Approve

**BACKGROUND:**

**Summary**

The Coachella Valley Small Business Development Center (CVSBDC) is located in the Office of Economic Development's Coachella Valley Business Center at Monroe Park, and its service territory covers the area from the community of Cabazon to the City of Blythe in eastern Riverside County. The CVSBDC's core service is small business consulting; services are designed to assist

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small businesses in solving problems and fostering small business growth, expansion, innovation, productivity, and management improvement. Since the Board of Supervisor's original approval for the Office of Economic Development to host and operate the CVSBDC in 2017, succeeding annual operational contracts have been for the same terms and conditions. Most recently, on April 9, 2024 (Agenda Item 3.21), the Board of Supervisors approved Subcontracts S-7983-CROED, S-8213-CROED, and S-8214-CROED between the County of Riverside and CSU Fullerton ASC, for the Office of Economic Development to continue to host and operate the CVSBDC. The purpose of the present item is to request that the Board of Supervisors accept the letter of intent from the Orange County Inland Empire SBDC Network, and authorize and approve the Director of the Office of Economic Development to draft, negotiate and execute the CVSBDC Agreement in the amount of \$175,000, GO-Biz Capital Infusion Program (CIP) Agreement in the amount of \$50,000, and GO-Biz Technical Assistance Program (TAP) Agreement in the amount of \$130,000.

**CVSBDC Agreement**

The most recently approved agreement between the Office of Economic Development and ASC to operate the CVSBDC was set forth in the attached two-year Subcontract No. S-7983-CROED. The proposed 2025 CVSBDC Agreement will substantially conform in form and substance to this agreement and will be for a one-year term commencing on January 1, 2025, through December 31, 2025. The proposed CVSBDC Agreement will be for a total contract amount of \$175,000, with an in-kind match requirement from the County in the amount of \$175,000. This match requirement will not require an allocation of additional Office of Economic Development funds, but rather use existing staff salaries and benefits approved in the Office of Economic Development fiscal year budget to satisfy the requirement. ASC will provide the required contract amount derived from federal SBA grant funds which will be used to reimburse Office of Economic Development for staff costs and pay for overhead costs and consultant services.

**CIP Agreement**

The proposed CIP Agreement has a term that commenced on October 1, 2024, and extends through September 30, 2025, with a contract amount of \$50,000. ASC will reimburse the Office of Economic Development for capital infusion consulting services costs that will be set forth in the proposed CIP Agreement. There will be a one-to-one matching requirement that will need to be met through the CVSBDC Agreement. Therefore, matching funds shall be paid using funds derived from the Office of Economic Development's CVSBDC grant from SBA for FY 24-25 and 25-26 funding.

**TAP Agreement**

The proposed TAP Agreement also has a term that commenced on October 1, 2024, and goes through September 30, 2025, with a total contract amount of \$130,000. ASC will reimburse the Office of Economic Development for the expansion of existing technical assistance consulting services, marketing, program development and training costs that will be set forth in the proposed TAP Agreement. There is no match requirement from ASC for the TAP Agreement.

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Office of Economic Development staff recommends the Board accept the letter of intent from Orange County Inland Empire SBDC Network and approve and authorize and the Director of the Office of Economic Development, or designee, to draft, negotiate and execute subcontracts between the County and CSU Fullerton for fiscal years 24/25 and 25/26 for the continued operation of the CVSBDC in the Indio Workforce Development Center, provided each Subcontract substantially conforms in form and substance to the attached form of Subcontract, has a term of no more than 1 year each, and no more than \$175,000 is required as the County's non-federal matching requirement under the Subcontract, subject to County Counsel approval to CVSBDC Agreement, CIP Agreement, and the TAP Agreement.

**Impact on Residents and Businesses**

By operating the CVSBDC and providing capital infusion consulting and expanding technical assistance services, the County is encouraging private sector job growth for citizens, promoting public-private partnerships, and providing assistance to encourage new business starts and help existing businesses expand and succeed.

**Additional Fiscal Information**

The CVSBDC will be funded by SBA grant funds, GO-Biz grant funds, and budgeted Office of Economic Development in-kind match funds. The Office of Economic Development match comes from Economic Development Program funds in the form of salary and overhead that has been allocated in Office of Economic Development's existing budget. Financial reporting of revenue and expenditures for the CVSBDC Subcontract Agreement, CIP Agreement, and TAP Agreement will be prepared and submitted as required by the SBA and GO-Biz Subcontracts.

**ATTACHMENTS:**

- Letter of Intent from CSU Auxiliary Services Corporation ("ASC")
- Previously Approved Subcontract No. S-7983-County of Riverside Office of Economic Development (CROED)

  
Scott Bruckner 12/3/2024

  
Aaron Gettis, Chief of Deputy County Counsel 11/27/2024



Cal State Fullerton



CARAVANSERAI  
PROJECT



Where do we  
grow from here?

October 30, 2024

Rob Moran  
County of Riverside Economic Development Agency  
44199 Monroe Street  
Indio, CA 92201

Subject: Letter of Intent – SBDC Calendar Year 2025 Continued  
Funding

Dear Mr. Moran:

Please accept this letter of intent from the Orange County Inland Empire SBDC Network Lead Center to enter into a subcontract agreement with County of Riverside Economic Development Agency, host administrative agent for Coachella Valley SBDC.

This letter of intent is contingent upon approval of the new budget for calendar year 2025 by the prime sponsor, U.S. Small Business Administration (“SBA”) and subject to the availability of funds. In the event that SBA is operating under a Continuing Resolution (“CR”) at the time of this award, funding will only be available to the extent that is provided to ASC for this purpose by SBA. Any expenses incurred against these funds prior to receipt of the official funding from the SBA and a fully executed agreement with the ASC is at the risk of the host.

The expected total SBA budget for the project period **January 1, 2025 through December 31, 2025** is **\$175,000**. The CV SBDC will also be awarded \$180,000 from the State of California Governor’s Office of Business & Economic Development (GO-Biz) between the Capital Infusion Program (CIP) & the Small Business Technical Assistance Program (SB TAP) programs; \$50,000 of CIP and \$130,000 of TAP.

Upon approval of the budget by the SBA and GO-Biz, subcontracts will be generated. The fully executed agreement will include the final approved amounts and billing instructions.

If you have any questions, please feel free to contact me at 714.681.0389 or [midaniel@fullerton.edu](mailto:midaniel@fullerton.edu)

Sincerely,

Michael Daniel (Nov 4, 2024 13:17 PST)

Mike Daniel  
Regional Director










# cv sbdc loi 2025 (1)

Final Audit Report

2024-11-04

Created:	2024-10-30
By:	Jess Juarez (jessjuarez@fullerton.edu)
Status:	Signed
Transaction ID:	CBJCHBCAABAAAdZguUZGb51mAJnRMsK2E_haesmsfxG6l

## "cv sbdc loi 2025 (1)" History

-  Document created by Jess Juarez (jessjuarez@fullerton.edu)  
2024-10-30 - 10:36:29 PM GMT- IP address: 75.23.191.136
-  Document emailed to Michael Daniel (midaniel@fullerton.edu) for signature  
2024-10-30 - 10:37:33 PM GMT
-  Email viewed by Michael Daniel (midaniel@fullerton.edu)  
2024-10-31 - 7:08:10 PM GMT- IP address: 104.28.85.163
-  Email viewed by Michael Daniel (midaniel@fullerton.edu)  
2024-11-03 - 6:31:53 PM GMT- IP address: 172.226.7.31
-  Michael Daniel (midaniel@fullerton.edu) has agreed to the terms of use and to do business electronically with CSU - California State University Fullerton  
2024-11-04 - 9:17:48 PM GMT- IP address: 137.151.75.82
-  Document e-signed by Michael Daniel (midaniel@fullerton.edu)  
Signature Date: 2024-11-04 - 9:17:48 PM GMT - Time Source: server- IP address: 137.151.75.82
-  Agreement completed.  
2024-11-04 - 9:17:48 PM GMT

**SUBCONTRACT NO. S-7983-CROED CLERK'S COPY**

to Riverside County Clerk of the Board, Stop 1010  
Post Office Box 1147, Riverside, Ca 92502-1147  
Thank you.

THIS SUBCONTRACT NO. S-7983-CROED (hereinafter, "Subcontract") is entered into by and between the **COUNTY OF RIVERSIDE**, a political subdivision of the State of California, by and through its Office of Economic Development (hereinafter, "Subcontractor"), host administrative agent for the Coachella Valley Small Business Development Center (hereinafter, "Service Center"), located in Indio, California and **CSU FULLERTON AUXILIARY SERVICES CORPORATION** (hereinafter, "ASC"), a California non-profit corporation which is a recognized auxiliary and fiscal agent of California State University, Fullerton, operating pursuant to California Education Code Section 89900, et seq. and California code of Regulations Title 5, Section 42400, et seq. (hereinafter, "CSUF"), and host administrative agent for the Lead Center SBDC (hereinafter, "Lead Center") located in Fullerton, California to provide funding for the project, Orange County/Inland Empire Regional SBDC Network ("Network"). Subcontractor and ASC are individually referred to herein as a "Party" and collectively as the "Parties." The term "SBDC" used herein shall mean Small Business Development Center.

**RECITALS**

- A. **WHEREAS**, ASC is the prime awardee of an award issued by the U.S. Small Business Administration (hereinafter "SBA" or "Prime Sponsor") under Cooperative Agreement Number SBAHQ22B0082 (hereinafter referred to as the "Cooperative Agreement" or "Prime Award"), incorporated herein with this reference and attached hereto as **Exhibit C** (Notice of Award);
- B. **WHEREAS**, ASC desires to retain Subcontractor to perform services as specified in the Program Renewal document attached hereto and incorporated herein as **Exhibit A** (Scope of Work), and intends to compensate Subcontractor for such services, as described in **Exhibit B** (Budget) attached hereto and incorporated herein by this reference;
- C. **WHEREAS**, in undertaking the performance of this Subcontract, Subcontractor represents that it is knowledgeable in its field and that any services performed by Subcontractor will be performed in compliance with this Subcontract, the Exhibits and the Cooperative Agreement; and,
- D. **WHEREAS**, Subcontractor and any additional subcontractors retained by Subcontractors agree to abide by all of the terms and conditions of this Subcontract and the terms and conditions of the Prime Award, as set forth therein.

**NOW, THEREFORE**, in consideration of the mutual and representative promises and subject to the terms and conditions hereinafter set forth, the parties agree as follows:

1. **Principal Contacts.**

**For ASC:**

**Technical/Programmatic**

Mike Daniel, Lead Center Director  
Small Business Development Center  
California State University Fullerton  
800 N. State College Blvd., SGMH-4157  
Fullerton, CA 92831  
Telephone: (657) 278-5168  
Email: [midaniel@fullerton.edu](mailto:midaniel@fullerton.edu)

**Administrative**

Letrice Satterwhite  
Sponsored Programs Administrator  
CSU Fullerton Auxiliary Services Corporation  
1121 State College Blvd.  
Fullerton, CA 92831  
Telephone: (657) 278-2935  
Email: [lsatterwhite@fullerton.edu](mailto:lsatterwhite@fullerton.edu)

**For SUBCONTRACTOR:**

APR 09 2024 3.21

RECEIVED RIVERSIDE COUNTY  
CLERK OF THE BOARD  
2024 JUN 10 AM 11:06



**Technical/Programmatic**

Robert Moran

Deputy Director

County of Riverside Office of Economic Development

3403 10<sup>th</sup> Street, 4<sup>th</sup> Floor

Riverside, CA 92501

Telephone: (951) 955-6673

Email: [rmoran@rivco.org](mailto:rmoran@rivco.org)

Changes in Principal Contacts must be approved in writing by **Charles D. Kissel**, Executive Director of the CSU Fullerton Auxiliary Services Corporation and by **Suzanne Holland**, Director, County of Riverside Office of Economic Development, or their respective designees, for the respective Party.

2. **Scope of Work.** Subcontractor shall be responsible for the specific tasks described in the Scope of Work which is attached and incorporated as **Exhibit A**.
3. **Term of Contract.** The period of performance of this Subcontract shall be from January 1, 2023 through December 31, 2024, subject to extension by the Prime Sponsor and mutual agreement of both parties.
4. **Compensation.** The total funds payable to Subcontractor under this Subcontract is **Three Hundred Twenty-Five Thousand Dollars (\$325,000.00)**, as shown in **Exhibit B**. This amount shall be compensation for all of the Service Center's reimbursable expenses pursuant to this Subcontract, including, but not limited to labor, employee fringe benefits, operating expenses, equipment, overhead, employer taxes and insurance, subcontracting services, out-of-pocket expenses for travel and subsistence, and taxes due on equipment.
5. **Matching Funds Requirement.** Subcontractor shall provide total Matching Funds of **Three Hundred Twenty-Five Thousand Dollars (\$325,000.00)**, as shown in **Exhibit B**. SUBCONTRACTOR agrees to spend the full match amount against their subcontract dollar amount regardless of the total dollars spent of SBA funding.
  - 5.1 The minimum Cash Match required from SUBCONTRACTOR pursuant to this Subcontract is **Three Hundred Twenty-Five Thousand Dollars (\$325,000.00)**.
6. **New Personnel.** Hiring new personnel to be charged to SBA or to meet cash match sources (new positions or filling vacant positions):
  - 6.1 Service Center Director shall request approval from Lead Center Director prior to posting any positions for new hires that are not related to consulting. Jobs considered non-consulting positions include, but are not limited to, Associate Director, Business Development, Business Services Coordinator, Training Coordinator, Marketing Specialist, Administrative Assistant, etc.

The request from Service Center shall be in writing and shall include the job description for the new hire, a justification of the need for the position, % effort on SBDC or number of hours per week, and salary rate. If the hire is for a new position, Service Center shall provide a justification on how duties were previously met (as applicable). A written approval from Lead Center is required prior to job posting.

- 6.2 Cost sharing positions that are either partially or fully charged to SBA or applied as Cash match: Service Center Director shall provide to Lead Center the documentation described in the paragraph below for any non-consulting personnel expenses prior to charging or claiming such expenses on this Subcontract or applying such expenses to cash match accounts through funds from a non-federal grant or contract awarded to Subcontractor. Service Center Director shall notify ASC's Technical/Programmatic Contact prior to charging or claiming such expenses on any invoices.

Documentation includes: Grant or contract document, funding agency information, approved budget and justification, project timeline, cash match agreement, description of the positions that are applicable to the SBDC program, percentage and amount to be charged, and how such positions directly relate to and benefit the SBDC program. Lead Center approval is required before any expenses are claimed as match to the SBDC Program Delivery. All materials and services called for under this Subcontract shall be completed and delivered to ASC on or before December 31, 2024.

7. **Allowable Costs and Fees.** Allowable costs and fees eligible for reimbursement to the Subcontractor for performance of this Subcontract must be in accordance with the terms of this Subcontract, including the attached Exhibits and the requirements of the Prime Sponsor.
8. **Termination of Subcontract.** Either Party may terminate this Subcontract upon thirty (30) days advance written notice to the other Party. If termination is due to either Party's failure to comply with the provisions of this Subcontract or the terms and conditions of the Prime Award, then the applicable SBA provisions will apply. Upon termination of this Subcontract, ASC agrees to compensate Subcontractor for all allowable, unavoidable, expenses reasonably incurred by Subcontractor in the performance of its work under this Subcontract through the date of termination. Subcontractor agrees to complete services and/or provide required deliverables through the date of termination.
9. **Modification or Waiver.** No part of this Subcontract shall be modified without the express written consent of both Parties. The waiver by one Party of any breach of any term or condition of this Subcontract shall not be construed as a waiver of any similar or other breach of any term or condition of this Subcontract. Nor shall said waiver be construed as a continuing waiver of the original breach.
10. **Independent Contractor.** Subcontractor shall, during the entire term of this Subcontract, be construed to be an independent contractor and not an employee of ASC. This Subcontract is not intended nor shall it be construed to create an employer-employee relationship, a joint venture relationship, or to allow ASC to exercise discretion or control over the professional manner in which Subcontractor performs the services that are the subject of this Subcontract. The services to be provided by Subcontractor, however, shall be provided in a manner consistent with all applicable laws, standards and regulations governing such services. Subcontractor shall pay all salaries and wages, employees' social security taxes, unemployment insurance, and similar taxes relating to its employees and shall be responsible for all applicable withholding taxes.
11. **Assignment.** No part of this Subcontract may be assigned by either Party without the prior written consent of both Parties.
12. **Indemnification.** All Parties to this Subcontract agree to defend, indemnify, and hold harmless the other Party, its officers, agents, employees, and volunteers, from and against all loss, cost, and expense arising out of any liability or claim of liability, sustained or claimed to have been sustained, arising out of the activities,

or the performance or nonperformance of obligations under this Subcontract, of the indemnifying Party, or those of any of its officers, agents, employees, or volunteers. The provisions of this Article do not apply to any damage or losses caused solely by the negligence or intentional acts of the non-indemnifying Party or any of its agents or employees. The indemnity set forth in this Paragraph 12 shall survive for a period of one (1) year after the expiration or earlier termination of this Subcontract.

13. **Insurance.** Subcontractor warrants it will maintain the following coverage:

- 13.1. Commercial General Liability: minimum limits coverage in the amount of \$1,000,000 per occurrence and \$2,000,000 aggregate combined single limit written on occurrence form for personal injury and bodily injury liability, and property damage, including premises/operations, broad form property damage, products/completed operations, contractual liability and independent contractors. Errors and Omission insurance is required for professional services and consultants.
- 13.2. Business Automobile Liability: coverage is required in the minimum amount of \$1,000,000 combined single limit bodily injury and property damage, including owned, non-owned and hired automobiles; should also include Uninsured/Underinsured Motorists coverage in the minimum amount of \$1,000,000.
- 13.3. Workers Compensation as required by the State of California, including Employer Liability coverage of not less than \$1,000,000.
- 13.4. Any self-insured deductible greater than \$25,000 must be approved by ASC.
- 13.5. The Subcontractors insurance carrier must be rated A-VII at minimum, according to A.M. Best & Company.
- 13.6. Subcontractor and Subcontractor's insurance carrier waive their rights of subrogation.
- 13.7. Additional Insured Endorsement (except for Workers Compensation): The State of California, Trustees of the California State University, California State University Fullerton, CSU Fullerton Auxiliary Services Corporation, and all of its other departments, boards, volunteers, commissions, and its officers, employees and agents are hereby declared to be additional insureds as respects to the activities of named insured.
- 13.8. Upon execution of this Subcontract, Subcontractor shall submit to ASC current certificate of insurance and additional insured endorsement as evidence that the above insurance requirements are met.
- 13.9. The insurance requirements contained in this Subcontract may be met with a program(s) of self-insurance.

14. **Force Majeure.** If by reason of force majeure the Subcontractor's performance hereunder is delayed, hampered or prevented, then the performance by the Subcontractor may be extended for the amount of time of such delay or prevention. The term "Force Majeure" shall mean any fire, flood, earthquake, or public disaster, strike, labor dispute or unrest; embargo, riot, war, insurrection or civil unrest; any act of God; any act of legally constituted authority; or any other cause beyond Subcontractor's control which would excuse the Subcontractor's performance as a matter of law.

15. **Notice of Force Majeure.** Subcontractor agrees to give ASC written notice to of an event of force majeure under this Paragraph within ten (10) days of the commencement of such event and within ten (10) days after the termination of such event, unless the Force Majeure prohibits Subcontractor from reasonably giving notice within this period. Subcontractor will give such notice at the earliest possible time following the Force Majeure.

16. **Equipment.** All equipment purchased over \$5,000 must be logged and inventoried in the provided Equipment Inventory Log and submitted with the Annual Report at the close of the year. Equipment should be budgeted for in the Renewal Proposal.
17. **Privacy Requirements for Client Information.** Unless otherwise specified, all financial, statistical, personnel and/or technical and data furnished, produced, or otherwise made available to the SBDC by its small business customers during the performance of this Subcontract shall not be used for purposes other than performance of work under this Subcontract. The above information received by the SBDC may be privileged and must not be released or disclosed by the SBDC without the prior written consent of the client unless otherwise required by law. If such information is requested in a legal proceeding, the SBDC must take the necessary precautions and legal recourse to protect privileged information. Except where a client consents in writing or as directed by SBA, SBDCs are not permitted to disclose any information to a third part (or share such information with other unites of your organization not directly in the conduct of this project). Only such SBDC Directors, staff, and Consultants who sign the Annual Confidentiality and Conflict of Interest Agreement will have access to such Client Information.
18. **Nondiscrimination.** Subcontractor shall comply with all applicable federal and state laws and statutes related to nondiscrimination, including those Acts and amendments prohibiting discrimination on the basis of race, color, natural origin, gender, handicap or disability, sexual preference, drug addiction and alcoholism.
19. **Certifications and Assurances**
  - 19.1 **Certificate Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion** - Subcontractor certifies by signature to this Subcontract it is not suspended, debarred, or otherwise ineligible from entering into funding agreements with any department or other agency of the Federal Government, or in receipt of a notice of proposed debarment or suspension. In the event of being suspended, debarred or otherwise declared ineligible by any other department of agency of the Federal Government, or upon notice of a proposed debarment of suspension, the Subcontractor shall provide immediate written notice to ASC. If, during the performance period of this Subcontract, the status of the Subcontractor changes relative to any of these certifications, it shall immediately notify ASC in writing and include an explanation of the changes.
  - 19.2 **Certification Regarding Lobbying** - In the event funds allotted under this Subcontract are expected to exceed \$100,000, by signature to this Subcontract, Subcontractor certifies that it is in compliance with the requirements of Section 1352, Title 31, U.S. Code which limits the use of appropriated funds to influence certain federal contracting and financial transactions.
  - 19.3 **Drug Free Workplace** - By signature to this Subcontract, Subcontractor certifies that it will comply with the Drug Free Workplace Act of 1988 and it's implementing regulations as amended.
  - 19.4 **Misconduct in Science Assurance** - The Subcontractor hereby gives assurance that an administrative review process has been established regarding procedures for dealing with and reporting possible misconduct in science and reporting requirements of the published scientific misconduct regulations will be followed.
  - 19.5 **Americans With Disabilities Act** - By signature of this Subcontract, Subcontractor certifies that it complies with the Americans with Disabilities Act of 1990 (42 USC 12101, et. seq.) and all

implementing regulations. Subcontractor agrees to insert the provision of this Article in all subcontracts and purchase orders hereunder.

19.6 Davis-Bacon and Related Act – If applicable, by signing this Subcontract, Subcontractor certifies that it complies with the Davis-Bacon act and warrants proper wages are applied to federally-funded or assisted construction projects.

20. Retention of Records. Subcontractor agrees to maintain and preserve all records relative to this Subcontract for three (3) years after the date on which ASC makes the final report to the SBA under this Subcontract. ASC shall provide said date to Subcontractor. If any dispute or audit is ongoing, ASC shall provide notice to the Subcontractor who shall continue to retain those records until the dispute is resolved or the audit is completed. Subcontractor agrees to permit ASC's duly authorized representatives to have access to and to examine and audit any non-privileged pertinent books, documents, papers, and records related to this Subcontract. Furthermore, all records related to this Subcontract shall be reasonably available for inspection by the State of California pursuant to Government Code § 8546.7 which states in pertinent part: "...every contract involving the expenditure of public funds in excess of ten thousand dollars (\$10,000) entered into by any state agency, ... or by any other public entity, including a city, county..., shall be subject to the examination and audit of the State Auditor, at the request of the public entity or as part of any audit of the public entity, for a period of three years after final payment under the contract."

21. Audit. The non-privileged books and accounts, files, and other records of the Subcontractor which are applicable to this Subcontract shall be available for inspection, review, and audit during normal business hours by the ASC and the U.S. Government and its representatives to determine the proper application and use of all funds paid to or for the account or benefit of the Subcontractor.

The Subcontractor assumes responsibility for reimbursement to Prime Sponsor a sum of money equivalent to the amount of any expenditures disallowed should the ASC, Prime Sponsor or an authorized agency rule through audit exception or some other appropriate means that expenditures from funds allocated to the Subcontractor for direct and/or indirect costs were not made in compliance with the applicable cost principles, regulations of the Prime Sponsor, or the provisions of this Subcontract. ASC agrees to provide Subcontractor with the applicable citations to said cost principles, regulations, and/or provisions of the Subcontract that are the basis and support of said ruling of reimbursement to Prime Sponsor.

Subcontractor agrees to comply with the requirements of OMB Uniform Guidance 2 CFR Part 200. Subcontractor further agrees to provide ASC with a copy of the independent auditors' report within thirty (30) days of its issuance. If the report contains instances of non-compliance with federal laws and regulations which bear directly on the performance or administration of this Subcontract, the Subcontractor shall provide ASC copies of responses to auditors' reports, a plan for corrective action, and auditors' response that the noncompliance has been resolved. All reports prepared in accord with the requirements of OMB Uniform Guidance 2 CFR Part 200 shall be available for inspection by representatives of ASC or the government during normal business hours.

22. Severability. Should any part, term, or provision of this Subcontract be declared or determined by any court or other tribunal or appropriate jurisdiction to be invalid or unenforceable, any such invalid or unenforceable part, term, or provision shall be deemed stricken and severed from this Subcontract. Any and all of the other terms of this Subcontract shall remain in full force and effect.

23. **Applicable Law.** This Subcontract and any disputes concerning it shall be interpreted under the laws of the State of California. Any legal action related to the performance or interpretation of this Subcontract shall be filed only in the Superior Court of the State of California located in Riverside, California, and the Parties waive any provision of law providing for a change of venue to another location.
24. **No Third Party Beneficiaries.** Nothing in this Subcontract is intended to benefit any person or entity other than the Parties, and this Subcontract shall not be construed to provide any other persons or entities with any rights or remedies against the Parties.
25. **Non-liability of Parties' Officials and Employees.** No member, official, employee or consultant of either Party shall be personally liable to the other Party or to its successors, in the event of any default or breach by either Party or for any amount which may become due to the other Party or to its successors, or on any obligations under the terms of this Subcontract.
26. **Interpretation.** For purposes of construction and interpretation, this Subcontract shall be deemed to have been mutually drafted by the parties hereto. Thus, the parties to this Subcontract shall determine and resolve any issues of ambiguity related to the interpretation of the provisions herewith.
27. **Federal Identification Number.** Subcontractor's Federal Taxpayer Identification Number is 95-6000930.
28. **Renewal Proposal.** The Subcontractor shall submit to the Lead Center a renewal proposal no later than June 30, 2024 if it intends to renew the Subcontract for the next project period as outlined in Exhibit E (Orange County / Inland Empire Renewal Proposal Template and Reporting Templates) attached hereto and incorporated herein by this reference. Alternate formats of the Orange County / Inland Empire Renewal Proposal Template are available upon request.
29. **Deliverables/Reporting Requirements.** Subcontractor shall submit the following reports:
- 29.1 **Quarterly Deliverables** – Metrics as described in **Exhibit A**, will be evaluated by the Lead Center and discussed with Subcontractor to ensure adherence to major goals for the 2023-2024 program years. The Lead Center reserves the right to adjust and or reduce budgets if it is determined by the Lead Center that Subcontractor is not meeting the metrics as described in **Exhibit A**.
- 29.2 **Semi-Annual and Annual Performance Reports** – A semi-annual report shall be submitted within thirty (30) days after the end of the second quarter (no later than July 31, 2024). Subcontractor shall also submit an annual performance report within thirty (30) days of completion of the project period (no later than January 31, 2025). A template of this report is provided in **Exhibit A**. Failure to submit required reports in a timely manner may result in delay of invoice payments for the period unless prior approval to submit late reports has been granted by the Lead Center Director, or designee. Additionally, failure to submit reports as indicated above, may result in termination of this Subcontract. Failure to submit reports and invoices for all SBDC related subcontracts may result in budget reductions, review findings and/or a re-bid of the Subcontract.
30. **Time and Effort Reporting.** Subcontractor will maintain time and effort reports for full-time and part-time employees to support labor charged to this agreement, as specified in 2 CFR Part 200, as applicable.

31. **Principal Place of Business.** The Service Center, with a principal office located at 44-199 Monroe Street, Suite B, Indio, CA 92201-3094, shall provide services to existing and potential small business owners in the following service territory: from community of Cabazon east to City of Blythe, within Riverside County, California. The Service Center may also provide services consisting of scheduled business consulting and training at outreach centers. As used in this document, "outreach center" means a location where SBDC consulting and training services may be provided on an "as needed basis," outside of the normal Service Center setting. The Service Center and its satellite office(s) shall be open a minimum of eight (8) hours each business day and may provide services on evening and/or weekends based on policies and procedures of Subcontractor. The Service Center and its satellite office(s) shall have prominent display of the SBA/SBDC co-branding at the front of the office at each satellite office and shall have separate and clearly identifiable operations, programs and phones from the Subcontractor. The Subcontractor shall obtain prior written approval from the Lead Center to relocate or change the address of the Service Center and satellite office(s). The facilities and staff of the Service Center and its satellite office(s) shall be located in such places as to provide maximum accessibility and benefits to the existing and potential small businesses for which the Service Center is intended to serve.
32. **Service Delivery Mechanisms.** The Service Center shall increase the contribution of the small business sector to the economic development of its service territory, as specified in Paragraph 29. The Service Center shall accomplish this by using a variety of service delivery mechanisms, including satellite, outreach locations, traveling consultants or electronic capabilities, when appropriate and by providing in-depth, high quality, one-on-one business consulting, training services, information and referral services, outreach and marketing services, and specialized services to existing and prospective small business owners. These services must result in business growth, expansion, job creation/retention, innovation, increased productivity; improved management of small businesses; lead to positive economic impact; and meet the milestones of this Subcontract for calendar years 2023-2024 as outlined in **Exhibit A**.
33. **Policies and Procedures Manual.** This Subcontract is subject to the terms and conditions of the Orange County/Inland Empire Regional SBDC Network Policies and Procedures Manual, as amended. In the event of conflicting or otherwise inconsistent policies, this Subcontract shall prevail.
34. **Cooperative Agreements.** The Service Center is encouraged to establish and maintain active cooperative agreements with other service providers (e.g., colleges, universities, economic development corporations, local government agencies) to further the objectives detailed in the Cooperative Agreement issued by SBA, to be provided to the Subcontractor by the Lead Center upon request.
35. **Participation Agreements.** The Service Center is encouraged to establish and maintain annual participation agreements with private-sector persons or firms to provide professional consulting services when and if it is of mutual benefit to the private sector persons and/or firms and is clearly conducive to reaching the goals of the Subcontract (e.g., accounting, engineering, and law) at an agreed-upon rate (e.g., pro bono, market or below market rate). The objective of a participation agreement is to provide services not available from the Service Center's staff. Participation agreements shall be reviewed annually by the Lead Center.
36. **Special Emphasis Groups.** The Service Center shall identify and foster relationships with entities representing Special Emphasis Groups in order to increase the number of clients served in those populations when and if it is clearly conducive to reaching the goals of the Subcontract. Additionally, the Service Center shall endeavor to raise the level of awareness of its audiences at small business seminars, conferences and

outreach program announcements about the needs of veterans and service-connected disabled veterans when and if it is clearly conducive to reaching the goals of the Subcontract.

37. **Service Center Director.** The Subcontractor shall notify the Lead Center immediately upon Service Center Director resignation/termination.

The Subcontractor shall appoint a new Service Center Director within sixty (60) days of a Service Center Director vacancy. An Acting Director may be appointed by the Subcontractor for no more than one hundred eighty (180) days, until a permanent Service Center Director is selected. The Subcontractor shall conduct its search for a new Service Center Director to obtain the most qualified candidate. Additionally, the Lead Center must be involved in the hiring process and must concur with the Subcontractor's decision on the permanent director.

Attendance at Network meetings and participation in Network events by the Service Center Director is required. The Lead Center will publish a list of Network meeting dates and events on an annual basis, which require participation by the Service Center Director. The SBDC Director shall notify the Lead Center immediately upon any change in SBDC staff. SBDC Staff includes part or full-time subcontractors retained as client consultants.

The Service Center Director shall be a full-time (100%), senior manager who shall direct and monitor Program activities and financial affairs of the Service Center to deliver effective services to the small business community, ensure Service Center compliance with applicable laws, regulations, OMB Uniform Guidance 2 CFR Part 200 and Executive Orders, as well as implement this Subcontract. The Service Center Director has authority to control expenditures under the Service Centers budget. The Service Center Director shall serve as the principal contact point for all matters involving the SBDC Network.

38. **Advertisement of Services Available from Subcontractor's Service Center.** Subcontractor shall participate in community outreach, marketing and advertising efforts and projects at the Network level conducted by the Lead Center, and use reasonable community outreach, marketing and advertising efforts to inform current and prospective Clients of the services available from Subcontractor through its Service Center when and if it is clearly conducive to reaching the goals of the Subcontract.

39. **Budget Contingency Clause.** It is mutually agreed that if the Budget Act of the current year and/or any subsequent years covered under this Subcontract does not appropriate sufficient funds for this Subcontract, ASC shall provide Subcontractor with written notice thirty (30) days prior to the stoppage of funding under this Subcontract. After this thirty-day term this Subcontract shall be of no further force and effect. After said term, the ASC shall have no liability to pay any funds to the Subcontractor or to furnish any other considerations under this Subcontract for work performed after Subcontractor received said written notice of the insufficiency of funds. Subcontractor shall not be obligated to perform any provisions of this Subcontract after receiving said written notice from ASC.

If funding for any fiscal year is reduced by the Budget Act for purposes of this Subcontract, ASC shall offer an amendment to this Subcontract to the Subcontractor to reflect the reduced amount.

40. **Agreements Funded in Whole or in Part by the Federal Government.** The Subcontractor shall comply with applicable federal government provisions. This Subcontract is valid and enforceable only if sufficient funds are made available to ASC by the United States Government for the current federal fiscal year and/or



any subsequent years covered for the purposes of this Subcontract. In addition, this Subcontract is subject to any additional restrictions, limitations, or conditions enacted by the Congress or any statute enacted by the Congress which may affect the provisions, terms or funding of this Subcontract in any manner.

The Subcontractor shall provide Cash Match and/or In-Kind Match as identified in **Exhibit B**. The Subcontractor certifies that Cash Match and In-Kind Match as identified in **Exhibit B**, shall only be used for the purpose of this Subcontract and shall be expended proportionately with Lead Center and SBA funds. The Subcontractor further certifies Program Income shall be spent solely to accomplish Lead Center and SBA Program objectives. The Service Center director shall monitor and be responsible for Cash Match, In-Kind Match, and Program Income contributions and expenditures. Neither Program Income nor other federal funds (except Community Development Block Grant (CDBG) funds) shall be used to meet the Cash Match requirement.

Program Income, including any interest earned, must be used to expand the quantity or quality of services, resources or outreach provided by the Service Center. Any unused Program Income shall be carried over to a subsequent budget period.

The Subcontractor shall maintain complete and accurate records and supporting documentation to facilitate financial and/or program audits by ASC and/or the SBA. The Subcontractor shall furnish at its own expense (to the location specified by ASC) such records, including current financial statements, indirect cost rate agreements and documentation for matching funds, for examinations and review by ASC upon request. The Subcontractor shall provide ASC with the latest copy of Subcontractor's Uniform Guidance 2 CFR Part 200 Single Audit report. Without limiting the generality of this paragraph, the Subcontractor shall maintain time and effort records of part-time and salaried employees for determination of time charged to this Subcontract, as specified in and to the extent required by the U.S. Office of Management and Budget ("OMB") Uniform Guidance 2 CFR Part 200, as applicable. The Subcontractor may transfer records to computer storage in accordance with the Cooperative Agreement. The Subcontractor shall otherwise comply with the Cooperative Agreement and with the regulations, Program Announcement **Exhibit D, (Program Announcement)** attached hereto and incorporated herein by this reference, and OMB Uniform Guidance 2 CFR Part 200 identified therein, to the extent applicable to the Subcontractor's record retention. The Subcontractor shall maintain an updated list of funding sources and amounts for each source of funds it receives, including without limitation grants, contracts and other contributions. Additionally, for each source of funds, the Subcontractor shall keep a record of the name and phone number of the person or entity from whom the funds were received, the amount of funding, the intended purpose, and any requirements, stipulations or limitations on the use of the funds imposed by the person or entity as a condition of that funding. All financial records and reports shall be certified and signed by the Service Center Director, and an authorized representative or designee of the Host Institution. In order to facilitate any audit conducted pursuant to Government Code § 8546.7, the Subcontractor shall retain all records pertaining to this Subcontract for not less than three (3) years after the date on which ASC makes the final report to the SBA under this Subcontract. If any dispute or audit is ongoing, the Subcontractor shall continue to retain those records until the dispute is resolved or the audit is completed. Notwithstanding the foregoing, Financial Records and Reporting requirements may be modified per annual Office of Small Business Development Centers (OSBDC) program announcement.

The Service Center shall maintain a separate budget distinguishable from that of Subcontractor. The Service Center budget must be under the direct control of the Service Center Director employed by and designated by the Host Institution to manage and operate the Service Center. Budget allocation should be focused on direct client services in order to meet performance milestones. The Subcontractor shall demonstrate to ASC's

satisfaction, upon ASC's request, that the Service Center can and does oversee and manage its budget and maintain separate accounts and tracking as appropriate for reporting purposes and auditing requirements, and that the Service Center has systems in place to ensure sound fiscal and contractual management of the programs and activities conducted by the Service Center hereunder. The Service Center may report all match from all non-SBA funded programs that are under the direct management/oversight of the Service Center Director. The Service Center shall immediately notify ASC, and provide ASC with copies of any internal audits, reports or other documents prepared by the Subcontractor which may affect the Service Center's budget, change in use of funds, or which conflict with budgetary information previously given by the Subcontractor to ASC.

Overmatch (expended within one budget period) may be used: 1) as match against additional federal funding within the same budget period, 2) to offset confirmed audit disallowances applicable to the budget period in which the overmatch was expended; and/or 3) to match federal funds approved for carryover from the same budget period into the next budget period.

The consideration to be paid to the Subcontractor, as specified in **Exhibit B**, shall be compensation for all of the Service Center's reimbursable expenses pursuant to this Subcontract, including, but not limited to labor, employee fringe benefits, operating expenses, equipment, overhead, employer taxes and insurance, subcontracting services, out-of-pocket expenses for travel and subsistence, and taxes due on equipment.

The Subcontractor is hereby notified and Subcontractor agrees that payment of invoices, partial or in full, by ASC does not imply eligibility or allowability of expenditures included in the invoices. Final eligibility and allowability of expenditures per SBA and SBDC program requirements is determined via an official review of Network financial documentation by the designated SBA Examiner for the applicable program year. The Subcontractor shall be financially responsible for any and all expenses deemed unallowable by the SBA Examiner for the Service Center as long as Subcontractor is allowed to provide information in connection with said expenses directly to the SBA Examiner.

The Subcontractor hereby agrees to expend all allocated funds in the performance of its obligations under this Subcontract by December 31, 2024. The Service Center shall notify the Lead Center no later than October 15, 2024 of any projected or estimated funds not expected to be expended by the performance period.

Without limiting the generality of the foregoing, the Subcontractor is hereby notified that budget allocation is at the sole discretion of the Lead Center, based on evaluation factors contained within the Subcontract, including Service Center performance, operations efficiency and effectiveness, and allocated funds expended in the previous year. Notwithstanding said discretion, ASC agrees to notify Subcontractor with written communication of the applicable citations, regulations, and/or evaluation factors in connection with the specific issues related to Subcontractor's performance, operational inefficiencies, ineffectiveness, allocation of funds, and/or other factors that are the basis for said budget allocation and/or change. ASC agrees to provide Subcontractor with forty-five (45) days to correct (the "Cure Period") the issues related to Subcontractor's performance, operational inefficiencies, ineffectiveness, allocation of funds, and/or other factors that are the basis for said budget allocation and/or change. If after the Cure Period, Subcontractor is unable to cure said issues, ASC shall move forward with its budget allocation and/or change and Subcontractor shall revise its Matching Funds accordingly.

The Subcontractor shall not receive additional compensation for reimbursement of costs not identified in **Exhibit B**, and shall not decrease the work to compensate therefore. Variations to **Exhibit B** are allowable as per the terms of the Orange County/Inland Empire Regional SBDC Network Policies and Procedures Manual.

No requests for variations shall be submitted to the Lead Center after October 1, 2024. Requests for variations submitted after this date will be disapproved.

41. **Invoicing and Payment.** Subcontractor shall invoice ASC for actual expenses incurred during the term of the Subcontract and in accordance with the attached Budget, provided as **Exhibit B**. Invoices shall be mailed to the address listed below and emailed to both [kmpayne@fullerton.edu](mailto:kmpayne@fullerton.edu) and [jessjuarez@fullerton.edu](mailto:jessjuarez@fullerton.edu) and copy [lsatterwhite@fullerton.edu](mailto:lsatterwhite@fullerton.edu):

OCIE SBDC  
Ms. Katrina Smith, Associate Regional Director  
800 N. State College Blvd.  
SGMH-4157  
Fullerton, CA 92831

Subcontractor will submit itemized invoices to ASC quarterly within 45 days upon close of each quarter. Invoices must include the certification statement as required in 2 CFR 200.415 (a). Each invoice shall include an itemized expenditure report, in a format to be provided by the Lead Center, for federal, cash match, in-kind, and program income funds with an original signature of an authorized agent of Subcontractor and Center Director, accompanied by general ledger detailed transaction report for federal, cash and program income funds, and supporting documentation and any necessary chart of accounts. ASC may return invoices to Subcontractor for correction and resubmission prior to payment. ASC agrees to pay approved invoices within thirty (30) days upon receipt. In no event shall the Subcontractor request reimbursement from the ASC for obligations entered into or for costs incurred prior to the commencement date or after the Expiration of this Agreement. Failure to submit invoices on time may result in termination of this Subcontract.

The invoice containing the final costs to be paid by the ASC shall be identified as the "FINAL INVOICE". Final invoice expenditures shall reflect costs incurred but not previously submitted for the period ending December 31, 2024. The final invoice must be received by the Lead Center by February 28, 2025, and shall not include expenditures stated in previous invoices.

The final invoice shall be paid upon satisfactory completion of Subcontract work and submittal of the following:

- 1) All reports required in this Subcontract to the Lead Center Director as described in the Subcontract and the Exhibits, and in the current Orange County/Inland Empire District SBDC Network Policies and Procedures Manual;
- 2) A complete and accurate final invoice with required documentation to the Lead Center Director;
- 3) SBA Form 2113: Program Income;
- 4) A current equipment inventory list, as applicable

"Satisfactory completion" as used in this Subcontract means that the Subcontractor has complied with all terms, conditions, and performance requirements of this Subcontract.

ASC agrees to make payment as promptly as fiscal procedures permit, however, such payment to Subcontractor shall not exceed thirty (30) days upon receipt of the invoice, subject to approval of the Lead Center Director, or his or her designee, and contingent upon satisfactory documentation of costs and satisfactory completion of the terms of this Subcontract.

All Funds shall be used solely for the purpose of performing the work as set forth in this Subcontract and **Exhibit A**. Equipment, furniture, and supplies purchased with funds are for the use of the Service Center staff in furtherance of the SBDC Program. The Lead Center shall have final determination of allowable and reimbursable costs under this Subcontract.

42. **Miscellaneous Payment Provisions.** Funds allocated under this Subcontract for travel, subsistence and per diem rates shall not exceed those amounts specified in **Exhibit B**. No reimbursement for travel outside the Orange County/Inland Empire Region (Orange, Riverside and San Bernardino Counties) shall be allowed without prior written approval of the Lead Center Director or designee.

The Subcontractor shall not use funds allocated under this Subcontract for any of the following purposes:

- 1) Entertainment expenses;
- 2) Professional dues and/or subscriptions for use by any person other than those identified as Service Center professional staff in **Exhibit B**;
- 3) Purchase, construction, renovation, alteration, improvement, or repair of capital assets, such as real estate and vehicles;
- 4) Influencing or attempting to influence public officials;
- 5) Partisan or nonpartisan political activity;
- 6) To further the election or defeat of any candidate for public office; or,
- 7) To provide voters or prospective voters with transportation to the polls or similar assistance in connection with any election or in any voter registration activity.

The Subcontractor is the fiduciary under this Subcontract and therefore is responsible for the administration and oversight of the Service Center.

43. **Contents and Order of Precedence.** Included in this Subcontract are the following exhibits:

- Exhibit A Scope of Work and Performance Contract
- Exhibit B Budget
- Exhibit C Prime Award
- Exhibit D Program Announcement
- Exhibit E Orange County/Inland Empire Renewal Proposal Template
- Exhibit F Orange County/Inland Empire Regional SBDC Network's Policies and Procedures Manual

The contents of each instrument below are incorporated within this Subcontract as fully as though set forth herein in their entirety. In the event of a conflict between the provisions of each instrument, the following order of precedence shall govern the rights and obligations of the parties:

1. Subcontract
2. Prime Award

44. **Mediation and Arbitration.** In the event that a question or dispute arises between ASC and Subcontractor in connection with the Subcontract, the following procedures shall be followed:

44.1 **Good Faith Negotiation.** ASC and Subcontractor shall attempt in good faith to resolve any dispute arising out of or relating to this Subcontract promptly by negotiation between ASC and Subcontractor representatives who have authority to settle the controversy and who are at a higher level of management than the persons with direct responsibility for performance of this Subcontract. Either ASC or Subcontractor may give the other written notice of any dispute not resolved in the normal course of business. Within fifteen (15) days after delivery of the notice, the receiving Party shall submit to the other a written response. The notice and response shall include with reasonable particularity (a) a statement of each Party's position and a summary of arguments supporting that position, and (b) the name and title of the representative who will represent ASC or Subcontractor and of any other person who will accompany the representative. Within thirty (30) days after delivery of the notice, ASC and Subcontractor representatives shall meet at a mutually acceptable time and place. Unless otherwise agreed in writing by ASC and Subcontractor, the above-described negotiation shall end at the close of the first meeting of ASC and Subcontractor representatives ("First Meeting"). Such closure shall not preclude continuing or later negotiations, if mutually desired.

If the matter is not resolved by good faith negotiation pursuant to the paragraph above, then the matter will proceed to mediation as follows:

44.2 **Mediation.** If the matter is not resolved by good faith negotiation pursuant to the paragraph above, then ASC and Subcontractor agree that any and all disputes, claims or controversies arising out of or relating to this Subcontract shall be submitted to a mutually agreed upon mediator for mediation session in Riverside County before a neutral third party mediator. A second mediation session shall be required if the first session is not successful. The Parties shall equally share the cost of the mediations. If the matter is not resolved through mediation the matter will proceed to arbitration as follows:

44.3 **Arbitration.** If the matter is not resolved by mediation pursuant to the paragraph above, then ASC and Subcontractor agree that any and all disputes, claims or controversies arising out of or relating to this Subcontract shall be submitted to a mutually agreed upon arbitrator for arbitration. The arbitration may be binding or non-binding, as mutually agreed upon by ASC and Subcontractor. The matter will be submitted to a mutually-agreed-upon arbitrator, or to a panel of arbitrators, as the Parties may agree, for a determination. If binding arbitration is selected, the decision of the arbitrator or panel of arbitrators will be final and conclusive and ASC and Subcontractor agree to abide by the decision of the arbitrator. The cost of arbitration will be shared equally by ASC and Subcontractor.

44.4 **Litigation.** If, after following the dispute resolution procedure set forth in Paragraphs 44.1 through 44.3, above, ASC or Subcontractor are not satisfied with the outcome of the non-binding arbitration process, either Party may consider litigation as a possible remedy to the dispute.

45. **Performance Based Contract.** Subcontractor agrees to fulfill the following as shown in **Exhibit A**:

a. Leading Indicators:

- i. 827 Clients assisted by Service Center
- ii. 4,136 Consulting Hours provided to Clients by Service Center
- b. Assisting Network with achieving Lagging Indicator Network Goals
- c. Service Center Director will conduct at minimum 10% of their time in one-on-one consulting with clients documented in Neoserra
- d. Service Center must increase their dollars spent on direct consulting and training hours documented in Neoserra by an additional \$0.05 on the dollar each year until it reaches at minimum \$0.50 on the dollar.

Service Centers that achieve all three metric categories, will be eligible to receive their fully negotiated core budget for 2025. Service Centers that do not achieve one or more metric categories will be reduced in their negotiated core budget for 2025 by 7.5% of SBA funding. For Service Centers' who fail to meet all of their goals two years in a row, their budget will be reduced by 10% the second year. If a Service Center fails to meet their goals three years in a row, that Service Center will be put out for a rebid.


Letters of intent for 2025 will include both amounts (full funding amount and the reduced amount); however, at the time of subcontract is when either full funding will be awarded or a reduced funding will be subcontracted.

46. **Entire Agreement.** This Subcontract, including any referenced attachments, appendices and references, constitutes the entire Subcontract and supersedes any other written or oral representations, statements negotiations, or agreements.

**END OF AGREEMENT  
SIGNATURES ON FOLLOWING PAGE**


IN WITNESS THEREOF, the Parties have executed this subcontract on the date noted below.

**For:**  
**COUNTY OF RIVERSIDE**, a  
political subdivision of the State of  
California, by and through its  
Office of Economic Development

  
\_\_\_\_\_  
**Chuck Washington**, Chair  
Board of Supervisors

Dated: 4/09/2024

**For:**  
**CSU Fullerton Auxiliary Services Corporation**

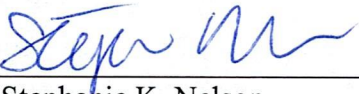
  
\_\_\_\_\_  
**Charles D. Kissel**  
Executive Director

Dated: 22 APR 24

ATTEST:  
Kimberly A. Rector  
Clerk of the Board

By:   
\_\_\_\_\_  
Deputy

APPROVED AS TO FORM:  
Minh Tran  
County Counsel

By:   
\_\_\_\_\_  
Stephanie K. Nelson,  
Deputy County Counsel